



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/PI/59586 11/2022

28 NOV 2022

To,

Noticee No.	Name of the Noticee(s)	Address
1.	Shri Chandrapratap Singh Naruka, (Proprietor of M/s. W Gain Research & Development. Com) PAN: AWVPN0180D	Ward no. 7, P.O.- Dewas, Tehsil- Dewas, Near- Bright Star College, Pushpkunj Colony Ujjain Road Itawa, Dewas, Madhya Pradesh- 455001 M/s. W Gain Research and Development Makan N 18, Ward N 22, Moti Bangla Dewas, Gagrani Hospital ke Pass, Dewas, Madhya Pradesh – 455001 M/s. Wealth Gain Research 10/6 Zone-1, Maharana Pratap Nagar, Bhopal, Madhya Pradesh – 462023
✓ 2.	Shri Amarjeet Singh Trehan, ✓ PAN: AVTPT6188Q	S/o Indrajeet Singh Trehan, Makan No.197, Ward No.7, Molana Ajad Collage Get Ke Pass, 197 Pushp Kunj Colony, Itawa, Ujjain road, Dewas, Madhya Pradesh - 455001 601/602, Shagun Arcade, Vijay Nagar, A.B. Road, Indore, Madhya Pradesh - 452010

Sub: Show Cause Notice under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 11D of the SEBI Act, 1992 read with Rule 4(1) of SEBI (Procedure for Holding Inquiry)



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and Imposing Penalties) Rules, 1995 - In the matter of M/s. W Gain Research & Development.Com (Proprietor: Shri Chandrapratap Singh Naruka) and Shri Amarjeet Singh Trehan.

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had received a complaint from one Mr. Arvind Joshi (hereinafter referred to as "Complainant") on Jan 4, 2021, *inter alia* alleging that Shri Amarjeet Singh Trehan from wealthgainresearch.com promised him to provide shares in the IPO of Antony Waste Handling Cell Limited on December 26, 2020 and asked the Complainant to pay Rs. 44,415 for 3 lots. As per the Complainant, he had made the payment with Transaction ID 036115243055. However, on listing date, the Complainant did not get shares in his account and when he asked for refund, Amarjeet Singh Trehan refused to refund the amount. Copy of the complaint of Shri Arvind Joshi is placed at **Annexure-A**.
2. Thereafter, vide email dated March 22, 2021 (**Annexure-B**), the Complainant provided the details of payment made (payment made to UPI account linked to mobile no. 8871574711 of Amarjeet Singh Trehan), invoice, name of the website (www.wealthgainresearch.com), email conversations and Whatsapp chats. In the said email, the Complainant *inter alia* alleged that he had transferred Rs. 90,000/- as a fees to the company but he incurred loss of Rs. 4,00,000/-. To recover the incurred loss, the Complainant paid around Rs. 45,000/- to the company to buy shares in IPO but he did not receive any shares in IPO against the said payment.
3. Upon examination by SEBI, it was observed that the website www.wealthgainresearch.com contained details regarding different services, which are in the nature of investment advisory services, being offered upon payment of fees. Screenshots of the webpages from the said website are enclosed at **Annexure-H**. Following details were *inter-alia* disclosed on the website:
 - i. *Wealth Gain Research is India's leading financial advisory firm fully committed to make fair, holistic and top quality financial recommendations and tips accessible to all traders and investors in India. The financial advice we offer connects all factors of financial planning and assists traders in taking holistic and merit based financial decisions to acquire their financial objectives. Wealth Gain Research have fully committed team of business analysts that take full care of customers individually online and through telephonic support round the clock. We have comprehensive assortment of services so that traders can employ our services according to their trading style.*



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Wealth Gain Research is a leading financial services provider with presence in Indian and other global capital markets. With its full-fledged research operations Wealth Gain Research Investment Adviser has proven itself as company that produces and delivers high accuracy tips and recommendations for:

- *Equities For stocks listed on BSE and NSE*
- *Derivatives NSE and Nifty Futures and Options*
- *Commodity MCX and NCDEX*
- *Forex Domestic and International Currencies*
- *Crypto Currencies*

ii. The website highlights about the various categories of services which are given below:

- *Stock Cash Premium*
- *Stock Future Regular*
- *Stock Future Special*
- *Option Regular*
- *Option Special*
- *Nifty & Bank Nifty Regular*
- *Nifty & Bank Nifty Special*
- *BTST Cash Regular*
- *BTST/STBT Future Regular*
- *Bullions Holding*
- *Bullions*
- *Base Metal Regular*
- *Energy Regular*
- *Mex Cumbo Special*
- *Knowledge Plus Cash*
- *Knowledge Plus Future*
- *Knowledge Plus Option*
- *Knowledge Plus MCX*

iii. Pricing details are mentioned for these packages on the website. For instance, the pricing for services ranges from Rs. 5,000/- per month for Nifty and Bank Nifty Regular and Energy Regular to Rs. 3,25,000/- per year for Stock Future Special.

4. SEBI enquired with Axis Bank about the details of bank account numbers linked with the Phone No. 8871574711 which was provided by the Complainant. In response to the same, Axis Bank informed that there are two bank accounts (account nos. 920020059669309 and 917010040990460) linked with the Phone No. 8871574711. Thereafter, vide email dated April 5, 2021, SEBI requested Axis Bank to provide the Account Opening Forms



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(AOFs), KYC Details and Bank Account Statements for the account nos. 920020059669309 and 917010040990460. In response to SEBI email, Axis Bank vide email dated April 5, 2021 provided the KYC, AOFs and Bank Account Statements of the said bank accounts, which are placed at **Annexure-C**. The details of the said accounts are summarized below.

i. A/c no. - 920020059669309

- a. Account Holder's Name: Mr. Amarjeet Singh Trehan
- b. A/c open date: Mar 16, 2021
- c. Branch: Dewas
- d. Address: S/O. Indrajeet Singh Trehan, Makan No. 197, Ward No. 7, Molana Azad College Gate Ke Pass, 197 Pushp Kunj Colony, Itawa, Ujjain Road, Dewas, Madhya Pradesh – 455001

ii. A/c no. - 917010040990460

- a. Account Holder's Name: Mr. Amarjeet Singh Trehan
- b. A/c open date: Oct 30, 2017
- c. Branch: Anand Bazar
- d. Address: S/O. Indrajeet Singh Trehan, Makan No. 197, Ward No. 7, Molana Azad College Gate Ke Pass, 197 Pushp Kunj Colony, Itawa, Ujjain Road, Dewas, Madhya Pradesh – 455001

5. SEBI vide email dated July 16, 2021 sought latest account statements of the above-mentioned bank accounts from Axis Bank. The same were provided by Axis Bank on July 16, 2021. As per the said statements, total amount credited in a/c no. 920020059669309 from date of opening of account (i.e. March 16, 2021) till July 16, 2021 was Rs. 8,23,000/- and the closing balance as on July 16, 2021 was 25,563.00/-. Further, the total amount credited in a/c no. 917010040990460 from Sept 28, 2020 till July 16, 2021 was Rs. 28,09,898.34/- and the closing balance as on July 16, 2021 was 3,73,007.20/-. (For relevance of the date Sept 28, 2020, paras 11 & 18 below may be referred to)
6. On scrutiny of Statement of Account of Axis Bank a/c no. 917010040990460, some transactions were noted wherein 'SalaryWG/incentive' was mentioned in the transaction details. Further, a large number of transactions were noted where name of Federal Bank was mentioned. SEBI vide email dated June 15, 2021 requested Axis Bank to provide the counterparty information (viz. account name, bank account no. and bank name) for transactions where 'SalaryWG/incentive' was mentioned. In response, Axis Bank vide email dated June 25, 2021 (**Annexure-D**) has furnished below mentioned information:



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- a. Counter Party Account no. - 6930962864
- b. Counter Party Name - Mr. Chandrapratap Singh
- c. Counter Party Bank - Indian Bank

7. Further, vide email dated June 16, 2021, information was sought from Federal Bank for PAN-AVTPT6188Q pertaining to Mr. Amarjeet Singh Trehan. In response, vide email dated June 21, 2021 Federal Bank has provided the details of two accounts i.e. A/c no. 21407600000030 (loan account) & A/c no. 21400100010666 (**Annexure-E**). Details pertaining to account no. 21400100010666 are summarized below:

- a. Account Holder's Name: Mr. Amarjeet Singh Trehan
- b. Account no. - 21400100010666
- c. A/c open date: Feb 26, 2016
- d. Branch: Indore Vijaynagar
- e. Address: 601 602, Shagun Arcade Vijay, Indore- 452010

8. SEBI sought the bank account statements of the aforesaid bank account number 21400100010666 from Federal Bank, which were furnished by Federal Bank vide email dated July 29, 2021 (**Annexure-F**). The said bank account statements indicate that total amount credited in the said account from Sept 28, 2020 till July 28, 2021 was Rs.21,72,127.20 (excluding an amount of Rs. 93,315/- refunded to the Complainant, as mentioned in para 13 below) and the closing balance as on July 28, 2021 was Rs.29,360.06. (For relevance of the date Sept 28, 2020, paras 11 & 18 below may be referred to)

9. Further, SEBI requested Indian Bank information pertaining to A/c no. 6930962864, as referred to in para 6 above. Indian Bank vide its emails dated July 6, 2021 (**Annexure-G**) has provided the details of the said bank account, a summary of which is mentioned below.

- a. Account Holder's Name: W Gain Research and Development.Com
- b. Date of incorporation of Entity: Sept 28, 2020
- c. Proprietor: Mr. Chandrapratap Singh Naruka
- d. A/c open date: Sept 29, 2020
- e. Branch: Dewas
- f. Address: Makan N 18, Ward N 22, Moti Bangla, Gagrani Hospital Ke Pass, Dewas



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10. SEBI also sought the bank account statement of the aforesaid bank account number 6930962864 from Indian Bank, which was provided by Indian Bank vide email dated July 16, 2021. The bank account statement of the said account indicates that total amount credited in said account from date of account opening (i.e. Sept 29, 2020) till July 06, 2021 was Rs.25,40,910.00 and the closing balance as on July 06, 2021 was Rs.91,669.50.
11. A search made on the website www.whois.com reveals that the website www.wealthgainresearch.com was registered on Sept 07, 2020. As per the documents attached along with the AoF of Indian Bank account number 6930962864 (**Annexure-G**), W. Gain Research & Development.Com was incorporated on Sept 28, 2020 and the said bank account with Indian Bank was opened on Sept 29, 2020.
12. SEBI vide letters dated Aug 03, 2021 and August 16, 2021 addressed to W Gain Research and Development, M/s. Wealth Gain Research and Shri Amarjeet Singh Trehan had *inter alia* asked them to provide all the information in respect to all the investors who have availed investment advisory services and have paid the fees. In response to the same, Shri Amarjeet Singh Trehan and Shri Chandra Pratap Singh Naruka vide letters dated Aug 18, 2021 and Oct 01, 2021 respectively have *inter-alia* denied the allegations of offering unregistered investment advisory services.
13. Subsequently, the Complainant vide email dated November 26, 2021 has forwarded an affidavit wherein complainant he has *inter-alia* informed that he has resolved all the matters mutually with Shri Amarjeet Trehan and that he had made an agreement to withdraw and cancel all charges against Shri Amarjeet Trehan. The Complainant also submitted a copy of an affidavit dated November 20, 2021, wherein he *inter alia* stated that authorized person of Wealth Gain Research had told the Complainant that the company was an investment company wherein people invested their fund for better returns. The Complainant further stated that he paid a total amount of Rs. 93,315/- on various dates between Oct 26, 2020 and Dec 26, 2020 via Google Pay, which was later found to have been mistakenly credited in the account of Amarjeet Singh Trehan. Upon enquiry with Mr. Amarjeet Trehan, the Complainant was given assurance that Mr. Trehan would return the money. Subsequently, on various dates between Nov 07, 2021 to Nov 20, 2021, the money was returned to the Complainant. The Complainant further stated in the affidavit that due to misunderstanding, he had made a complaint to SEBI and Police. However, since he has received his money back, he was withdrawing his complaint made to SEBI.



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14. Notwithstanding the abovementioned affidavit submitted by the Complainant, various transactions reflected in the bank account statements of the Indian Bank account no. 6930962864 and Federal Bank account no. 21400100010666 appear to be in the nature of fees collected for investment advisory activities. An extract of such transactions in the said two accounts is provided below.

i. Indian Bank (6930962864)-

Date	Particulars	Amount Credited (Rs.)
14-10-20	BY VOUCHER TFR UPI TRANSFER/028819055172/Share market fees FRM 97216015173	5000
30-11-20	BY VOUCHER TFR /IMPS/P2A/033515188130/FirstInstallmentFee FRM 97157015178	5500
01-12-20	BY VOUCHER TFR /IMPS/P2A/033617125471/Fee1stInstallment FRM 97157015178	21000
01-12-20	BY VOUCHER TFR /IMPS/P2A/033617164655/1stinstallmentfees FRM 97157015178	7000
02-12-20	BY VOUCHER TFR /IMPS/P2A/033717287664/MB: STOCK ADVISING	5000
Total		43,500/-

ii. Federal bank (21400100010666)-

Date	Particulars	Amount Credited (Rs.)
17-06-20	MB IMPS/IFO/016920187428/HDFC0000404/Himi ki fee	27000
11-11-20	UPI IN/031618721438/arvindsjoshi-1@okhdfcbank/Fee	22500
28-10-20	UPI IN/030218418366/nayanp1998@okicici/Share mark	8500
05-11-20	UPI IN/031010477311/nayanp1998@okicici/Share mark	2000
10-11-20	UPI IN/031519186179/nayanp1998@okicici/Share mark	8000
10-11-20	UPI IN/031519436835/nayanp1998@okicici/Share mark	4360
10-12-20	UPI IN/034517139802/nayanp1998@okicici/Share marke	2100
Total		74,460/-



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15. As the abovementioned bank accounts with Indian Bank and Federal Bank belong to Mr. Mr. Chandrapratap Singh Naruka (proprietor of W Gain Research and Development.Com) and Amarjeet Singh Trehan respectively (hereinafter together referred to as "**the Noticees**"), it is *prima-facie* observed that the Noticees have engaged in the activities of an 'investment adviser' as defined under Regulation 2 (m) of the SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**"), which reads as under:

"investment adviser means any person who for consideration, is engaged in the business of providing advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called".

16. Section 12(1) of SEBI Act, 1992 and Regulation 3(1) of the IA Regulations, 2013 provide as under:

Section 12(1) of SEBI Act, 1992

"12. (1) No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:

... .."

Regulation 3(1) of IA Regulations, 2013

"On and from the commencement of these regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations."

17. It is noted that as per SEBI's database, the Noticees do not have a certificate of registration from SEBI as an Investment Adviser.
18. In view of the above, it is alleged that the Noticees by holding themselves out as investment advisers, without having any certificate of registration from SEBI, have violated the provisions of Section 12(1) of the SEBI Act, 1992 read with Regulation 3(1) of the IA Regulations, 2013. Further, since the Noticees have failed to provide the details of fees collected from clients for investment advisory services, the amounts credited in the



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aforesaid bank accounts is alleged to have been received as fee towards the services rendered as investment advisor. In this regard, Sept 28, 2020 is being considered as the start of the investment advisory services, since the AoF for the Indian Bank A/c No: 6930962864 mentions the date of incorporation of W. Gain Research & Development.Com as Sept 28, 2020. Since the Noticees have failed to provide the details of fees collected through unregistered investment advisory activities, it is alleged that all the credits reflected in the bank account statements of the Noticees pertain to investment advisory fees. Bank Account-wise summary of the amounts alleged to have been collected as investment advisory fees by the Noticees is provided below.

Bank Name	Amounts (Rs.)
Axis Bank - 920020059669309	8,23,000.00
Axis Bank - 917010040990460	28,09,898.34
Federal Bank - 21400100010666	20,78,812.20
Indian Bank - 6930962864	25,40,910.00
Total	82,52,620.54

19. In view of the allegations as stated above, the Noticees are hereby called upon to show cause as to why suitable directions under Sections 11(1), 11(4), 11B(1) and 11D of the SEBI Act, 1992, including directions for refund of fees/monies collected from the clients / investors should not be issued against them for the violations as alleged herein above. The Noticees are also called upon to show cause as to why inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed upon them under Sections 11(4A) and 11B(2) read with Sections 15EB and 15HB of the SEBI Act, 1992 for the violations alleged herein above.
20. Your reply, if any, along with relevant documents, should reach us within 21 days of the date of receipt of this notice at the following address:

Securities and Exchange Board of India
Indore Local Office
104 -105, 1st Floor, Satguru Parinay,
Opp. C-21 Mall, A.B. Road,
Indore - 452010, Madhya Pradesh

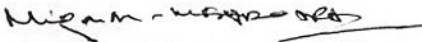


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21. The Noticees may also indicate whether they desire to be personally heard in this case. In case no reply is received within the above specified period, it shall be presumed that you have no further explanations/ submissions to offer in this regard and the matter would be decided based on the material available on record.
22. The Noticees are also advised to keep SEBI informed about the change in the correspondence address, if any, and provide updated email-id and phone numbers, till the proceedings are complete. Noticees are also advised to submit a photocopy of Income Tax Permanent Account Number Card (PAN card), bank account details, demat account details, mutual fund investment details, etc. along with details of other movable and immovable assets for our record.
23. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticees wish to opt for the settlement process, they may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, the Noticees may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

Yours faithfully,


Nirmal Mehrotra

Enclosures: As above