



भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

SPEED POST WITH ACK DUE

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE

SEBI/NRO/NRO/NRO/OW/P/2023/34791/1

August 28, 2023

Mr. Indrajeet Dey
PAN- BATPD5150Q
Proprietor- Tradex Incorporation
67, Vasant Vihar, New Delhi-110057

Sub: Show Cause Notice under Sections 11 (1), 11(4), 11(4)(A) 11B, 11B(1), 11B (2) read with Section 12(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") and Regulation 3 (1) of the SEBI (Investment Advisors) Regulations, 2013 (hereinafter referred as "IA Regulations") read with Section 15EB of the SEBI Act, 1992

1. Securities and Exchange Board of India (hereinafter, referred to as 'SEBI') received a complaint vide an email dated May 22, 2021, (enclosed as **Flag-A**) from one Shri Raghuvendra (hereinafter referred to as 'the complainant') *inter alia* alleging that :
 - (i) The Mr. Indrajeet Dey (hereinafter referred to as 'Noticee') through it proprietary firm Tradex Incorporation (hereinafter referred to as 'Tradex') had forced him to join a group by paying Rs 18,000/- as an advance and also provided investment advice due to which he suffered a loss of Rs 15,000.
 - (ii) The complainant also stated that when he tried to contact the Noticee in order to get refund of the amount invested as advance, the Noticee did not respond to his calls. Further, the complainant also stated that the website www.tradexincorporation.in (hereinafter referred to as "website") was being operated for the same.
2. In order to examine the complaint, SEBI, vide email dated June 03, 2021, sought additional information from the complainant in the matter. However, since no response was received, a reminder email dated August 23, 2021 was sent to the complainant once again seeking his response. However, no response was received. (Copy of email placed at **Flag-B**)

SCN in the matter of unregistered Investment advisor-Mr Inderjeet Dey

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“हम हिन्दी पत्राचार का स्वागत करते हैं।”

उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवाई नगर, नई दिल्ली

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्ता कर्मा कॉम्प्लेक्स बान्ता (पूर्व) मंडई - 400051 दूरभाष (Phone) : 022 - 26449000





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3. SEBI vide e-mail dated June 03, 2021 (**Flag C**) sought for information regarding the general nature of the Noticee's business from it, however no response was received in the matter. Subsequently, vide letters dated August 26, 2021 and September 09, 2021 (**Flag-D and Flag E**), (information regarding the details of the Noticee's clients who had availed investment advisory and/or portfolio management services sought from the Noticee and amounts collected from them in its bank accounts, were also sought from the Noticee, but the Noticee had not replied to the said letters. The letter dated September 09, 2021 has been delivered to the Noticee. As per India Post website, the letter was delivered on September 14, 2021. (Copy of acknowledgement from India post placed at **Flag-F**)
4. Upon perusal of the weblink <http://www.tradexincorporation.in/> provided by the complainant, it was noted that, the website was operational and *inter-alia* contained the following information: (Screenshots of website are placed at **Flag-G**)

"Tradex Incorporation provides you trading tip calls about the Indian stock Markets with intense analysis done by our Team of Analysts. We have been providing valuable tips to our clients through various methods.

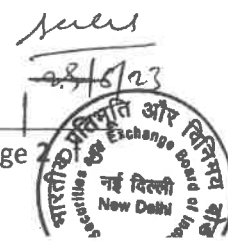
Tradex Incorporation always aim at providing services in accordance with the comfort levels of all traders and investors in stock market. '

Email: tradexincorporationdehli@gmail.com

Address: 67, Vasant Vihar, New Delhi-110057

Pricing Table:

Basic Stock Cash		Nifty Pack	
Intro Pack Weekly	5000/-	Intro Pack Weekly	4000/-
Monthly	20000/-	Monthly	15000/-
Quarterly	45000/-	Quarterly	35000/-
Half yearly	80000/-		
Basic Stock Future		Premium Stock Cash	
Intro Pack Weekly	5000/-	Intro Pack Weekly	5000/-
Monthly	20000/-	Monthly	30000/-
Quarterly	45000/-	Quarterly	50000/-
Half yearly	80000/-	Half yearly	80000/-
Basic Stock Option		Premium Stock Option	
Intro Pack Weekly	5000/-	Intro Pack Weekly	5000/-





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Monthly	20000/-	Monthly	30000/-
Quarterly	45000/-	Quarterly	50000/-
Half yearly	80000/-	Half yearly	80000/-
Basic Metal and Energy		Commodity Premium	
Intro Pack Weekly	5000/-	Intro Pack Weekly	5000/-
Monthly	20000/-	Monthly	30000/-
Quarterly	45000/-	Quarterly	50000/-
Half yearly	80000/-	Half yearly	80000/-
Bullion			
Intro Pack Weekly	5000/-		
Monthly	20000/-		
Quarterly	45000/-		
Half yearly	80000/-		

5. Thereafter, SEBI vide e-mail dated August 26, 2021, enquired from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), whether the Noticee is registered with them in the capacity of an Authorized Person. In response, the Exchanges informed that the Noticee was not registered with them in the capacity of an Authorized Person. (Copy of email placed at **Flag-H**).

Further, Vide e-mail dated December 31, 2021, the trade details of the Noticee and Tradex Incorporation were sought from the Exchanges. In response, BSE informed that there were no trade details available on the PAN of the Noticee, while NSE vide email dated January 13, 2022 shared the trade details of the Noticee. (Trade details are placed at **Flag-I**).

6. KYC and A/c statements associated with accounts mentioned on the website and provided by the complainant are obtained. Details of the same are as follows-
7. From Axis Bank's Account Opening Form (AoF) Following details were noted- (Copy of AoF placed at **Flag- J**)

Trade Name: Tradex Incorporation

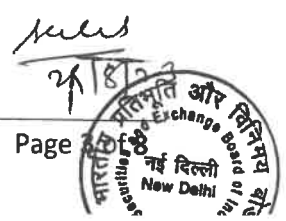
A/c no.- 921020011530857

Legal Name: Mr. Indrajeet Dey

Constitution of Business: Proprietorship

Details of Activity: Investments and Trading

Date of Account Opening: 25.03.2021





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Statement period: April 02, 2021 to January 12, 2022.

Amount of credit received in the Axis Bank Account during the statement period is Rs. 2,48,77,740/-

Status of account: The account had a closing balance of Rs 75,524.08/- as on January 09, 2022.

From the bank statements, KYC and AOF were received from Kotak Mahindra Bank. Following details were noted. (Copy of AOF placed at **Flag-K**)

Name: Tradex Incorporation/Indrajeet Dey

A/c no.- 3145697715

Constitution of Business: Proprietorship

Date of Account Opening: 27.09.2021

Statement period: April 02, 2021 to January 12, 2022

Amount of credit received in the Kotak Bank Account during the statement period is Rs. 45,35,638/-

Status of account: The account had a closing balance of Rs 17,564.58/-.

Transaction tracing: In this case the complainant paid in 02 instalments i.e. Rs 3000 on April 26, 2021 and Rs 15,000 on May 05, 2021.

Withdrawal: Further it was also observed that, multiple withdrawal entries with the narration of "Indrajeet Dey" and "1 ONN Enterprises" was observed.

8. Since the Noticee has also shared the UPI Id on its website, vide email dated January 10, 2022, information about the UPI id was sought from the National Payments Corporation of India (NPCI). In this regard, the NPCI replied stating that the said UPI Id is linked to Kotak Bank. (Copy of email placed at **Flag-L**)

9. **Analysis of Bank Statements**

Upon perusal of the Bank Statements, the following was observed:

- a) Both the bank accounts (i.e. the one mentioned on the website of the Noticee (Axis Bank A/c No.921020011530857) and the second account linked to UPI id (Kotak Bank A/c No. 3145697715) also mentioned on the Noticee's website) belongs to Tradex Incorporation whose proprietor was Noticee.
- b) Both the above mentioned bank accounts of the Noticee reveal that several credits to the tune of Rs 5000, Rs 10000, Rs 15000 and Rs 20000 found to be matching with the





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package pricing tables as observed on the website (www.tradexincorporation.in), some of which have been highlighted and are placed at **Flag-M**)

- c) Further, it was observed that there have been multiple cross-transfers between the above mentioned 2 accounts from the period of October 2021 till January 12, 2022 and to the personal bank account of Noticee.
- d) As per the bank statements of the Axis Bank, it was observed that there were multiple transfers made to M/s '1 ONN Enterprises'. Accordingly, the details of the counter-party was sought from Axis Bank and upon perusal it can be inferred that it is another proprietorship concern of Noticee which was based in Ujjain. (placed at **Flag-N**)
- e) As per the bank statements of Axis Bank, no single transfer of Rs 18,000/- was observed, however, it was observed that the complainant had made 2 transfers of Rs 3,000/- and Rs. 15,000/- on April 26, 2021 and May 05, 2021 respectively to the Noticee.

10. Examination of available Phone Number (9643301880)

The phone number given by the Noticee in its account opening form was the same as the number with which its UPI Id is linked. During the examination, the said phone number was searched on findandtrace.com. And its status was shown to be active, however as on July 04, 2023, the number got deactivated.

From the examination and analysis of Bank statements carried out, it is observed that the Noticee has been regularly receiving fund transfers as offered in its website for various packages. Hence, it is alleged that the Noticee has been receiving money against the unregistered investment advisory business being conducted by it.

11. Further, the website of the Noticee <http://www.tradexincorporation.in/> was active during the course of examination and there were active credits in the bank account which are similar to the package details provided by the Noticee on the website. However as on July 04, 2023, the website of the Noticee was not active while opening the above URL following error appeared- (screenshot attached as **Flag O**).

"Description: Unable to locate the server named "www.tradexincorporation.in" --- the server does not have a DNS entry. Perhaps there is a misspelling in the server name, or the server no longer exists. Double-check the name and try again."





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12. It is noted that neither Tradex Incorporation nor the Noticee is registered with SEBI in any capacity.

As per Regulation 2 (m) of the SEBI (Investment Advisors) Regulations, 2013

"investment adviser" means any person, who for consideration, is engaged in the business of providing investment 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;

As alleged, the Noticee in the name of his proprietary firm Tradex was providing investment advised for which he was charging fees from his clients and acted as unregistered Investment Advisor. Further, the services offered by the Noticee to the complainant are in nature of Investment Advise since fees was charged from the complainant and other clients.

13. Section 12 (1) of the SEBI Act, 1992 provides any person carrying out investment advisory activities has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of the SEBI IA Regulations, 2013. Section 12 (1) of SEBI Act is reproduced as under for reference:

12 Registration of stock brokers, sub-brokers, share transfer agents, etc

- (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."

Further, the **Regulation 3 (1) of the IA Regulations 2013** is reproduced below:

3 Application for grant of certificate

- (1) 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:





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14. In view of the above, it is alleged that the Noticee had carried out the activity of Investment Advisor without obtaining registration from SEBI, thereby, the Noticee had allegedly violated Section 12 (1) of the SEBI Act read with Regulation 3 (1) of the IA Regulations, 2013.

Therefore, for the above violations the Noticee is also liable for monetary penalty under Section 15EB of the SEBI Act which reads as under;

Penalty for default in case of investment adviser and research analyst

15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to maximum of rupees one crore.

15. In view of the above, it is alleged that the Noticee have carried out business as an unregistered Investment Advisor and have allegedly violated Section 12(1) of SEBI Act, 1992 read with Regulation 3 (1) of IA Regulations, 2013.
16. The Noticee is called upon to show cause as to why suitable directions under Sections 11(1), 11(4), 11(4A), 11B (1) & (2) of SEBI Act including directions for debarment, refund of fees/monies collected from the investors be issued against the Noticee and penalty under Section 15EB of SEBI Act not be imposed for the alleged violations referred to hereinabove.
17. The reply of the Noticee, if any, should reach the undersigned, at the address given below, as well as through email at virsaahabs@sebi.gov.in and deepshikhaL@sebi.gov.in (in MS-Word format), within 21 days from the date of receipt of this notice, failing which it shall be construed that the Noticee has no reply to submit and the matter shall be proceeded on the basis of the material available on record.

Securities and Exchange Board of India

Northern Regional Office

8th floor, Plate B, Tower 1,

NBCC Complex,

East Kidwai Nagar, New Delhi - 110023

Handwritten signature
28/8/23





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18. If you are desirous of a personal hearing the same may be intimated accordingly.
19. You are advised to keep SEBI informed about the change in your correspondence address, if any, and provide updated email-id and phone numbers, till the proceedings are complete. You are also advised to submit a photocopy of your Income Tax Permanent Account Number card (PAN Card) for our records. Documents relied upon in the notice have been annexed as per the list of enclosures.
20. You may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If you wish to opt for the settlement process, you may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned.


Vir Sahab Singh



Encl.-Annexure A to Annexure O (in CD)