



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DY.GENERAL MANAGER
WESTERN REGIONAL OFFICE

SEBI/WRO/DLO/NM/OW/P/23036/1/2022

SEBI/WRO/
May 30, 2022

INSIGHT RESEARCH

C/o. Mr. Anil Gurjar (proprietor)
17 Shree Ram Nagar
Bangli Square
Nr. Kali Mata Mandir
INDORE 452016

Sub: Show Cause Notice under sections 11(1), 11(4), 11B(1) and 11 B(2) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") read with Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, in the matter of Insight Research and its proprietor Mr. Anil Gurjar.

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received a complaint against Insight Research, which is a sole proprietorship concern of Mr. Anil Gurjar (hereinafter referred to as "Insight/Noticee"). It was alleged in the complaint that the Noticee was operating a website by the name www.insightresearch.in and the complainant had invested Rs.1,49,700 and Rs.50,000 with the Noticee for share trading. The copy of the complaint is placed as **Annexure-A**.
2. An examination was carried out by SEBI based on the complaint and it was noticed that the website www.insightresearch.in was not operational. Therefore, the archival record of the webpage was accessed by SEBI and it was observed that the following claims were made on website:

"Here we are stand on only for providing accurate equity and commodity market tips to the clients with high accuracy. We believe on client satisfaction because we value your money. We offer customised intraday/positional tips based on research of the market to help our clients take advantage of the share market.

Insight research financial services provide technical and fundamental research assistance for traders and investors. Our goal is to achieve higher returns on our customers' investments. Our expert advise on equity or commodity market will help you earn more profits with a proper trading while you are new in the market."



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3. It is noticed that details of the various services offered by the Noticee and pricing for the same was also advertised on the said website, the details of which is given below,-

Pricing Table:

Stock tips/ Nifty future tips/ Stock future tips/Index option tips/stock option tips	
Evaluation pack	2999/-
Monthly	9999/-
Quarterly	26999/-
Half yearly	50999/-
Option combo	
Monthly	17999/-
Quarterly	48499/-
Half yearly	97199/-
Prime cash/ Prime future/ Prime option	
Evaluation pack	10499/-
Monthly	34999/-
Quarterly	94999/-
Half yearly	178499/-
Cash/future/option	
Monthly	17999/-
Quarterly	48499/-
Half yearly	97199/-
BTST/STBT	
Monthly	14000/-
Quarterly	35700/-
Half yearly	63000/-
Yearly	126000/-
Positional cash	
Monthly	12000/-
Quarterly	30600/-
Half yearly	54000/-
Yearly	108000/-
Base metals/ energy/bullion	
Evaluation pack	4999/-
Monthly	14999/-
Quarterly	40499/-
Half yearly	80999/-
Bullion/ base metal/energy	
Monthly	9999/-
Quarterly	26999/-
Half yearly	50999/-

nil/



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ABR Smash equity	
Monthly	105000/-
Quarterly	283500/-
Half yearly	535500/-
Yearly	1008000/-

"Our main services:

Stock cash tips
Commodity tips
Option tips
Nifty future tips
Stock future tips
Base metals & energies
Prime equity
Smash equity"

Printouts of website pages in this regard are enclosed as **Annexure B**

4. It is noticed that the complainant had mentioned in the complaint that the funds were transferred to the following bank account :

Name of bank	Account number	Name of account holder
Bandhan Bank	50200017168710	Mr. Anil Gurjar

5. The account statements, KYC details and Account Opening Form (AOF) of the said account was examined by SEBI and it was noted that the account was opened in the name of Mr. Anil Gurjar. It was also noticed that the account was opened on September 13, 2020, and the from the date of opening till July 16, 2021, INR 6,77,830 was credited in the said account.
6. Further, it is noticed that the account statement reflected receipt of funds from the complainant, the details of which are given below,
"Transaction dated October 07, 2020 of Rs.10000/- (NEFTIN, NEFT /SBIN 120 281247529 /Mr MANJITSINGH GURMITSINGH MINHAS/ SBIN0010430 /00000033369850193//ATTN//Demat Account)".
7. It is also noticed that even though during the examination, the Noticee was advised to provide details regarding the transactions reflected in the above mentioned bank account and also the amounts collected from the entities for rendering investment advice, no response was received.

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8. From the information available on records, especially the packages advertised on the website of the entity which detailed herein above, it, *prima facie*, appears that the Noticee was providing Investment Advisory services without obtaining a certification of registration from SEBI. Further, as no reply was received from the entity in response to the SEBI letter seeking clarification on the nature of the transactions reflected in its bank accounts, it is being alleged the entity was engaged in act of providing investment advisory services and the entire amount reflected in the above mentioned bank account of the Noticee relates to payments received for the advisory services rendered by the Noticee.
9. In view of the foregoing, it is alleged that the Noticees were engaged in the activities of an 'investment adviser' as defined under regulation 2 (m) of SEBI (Investment Adviser) Regulations, 2013 (hereinafter referred to as "**IA Regulations, 2013**"), in violation of Regulation 3(1) of the IA Regulations and section 12(1) of SEBI Act.
10. Further, it is also alleged that the Noticees were involved in providing unregistered investment advisory services, without obtaining registration from SEBI as required under section 12(1) of SEBI act of 1992 read with regulation 3 (1) of SEBI (IA) Regulations, 2013.

Relevant portion of the said provisions are reproduced herein below:-

a. Regulation 2 (m) of SEBI (IA) Regulations 2013

"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".

b. Regulation 3(1) of SEBI (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".

c. Section 12(1) of SEBI Act,:

"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"

Signature



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11. It is evident from the above that per regulation 3(1) of IA Regulations, 2013 read with section 12(1) of SEBI Act, registration with SEBI is mandatory for a person carrying out the activities of an investment adviser.
12. From the above, it is alleged that the Noticees have engaged in the activities of investment adviser without having certificate of registration from SEBI. Therefore, it is alleged that Noticees by holding themselves as an investment advisor, without having any certificate of registration are alleged to have violated Section 12 (1) of SEBI Act read with regulation 3(1) of IA Regulations, 2013
13. Noticees are hereby called upon to show cause as to why suitable directions, under Section 11(1), 11(4), and 11B (1) and 11 B(2) of the SEBI Act, including imposing monetary penalty and direction to refund advisory fees collected from investors, should not be issued against them for alleged violations.
14. 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
Western Regional Office
Panchvati 1st Lane,
Gilbai Tekra Road,
Ahmedabad- 380006, Gujarat**

15. If personal hearing before the Whole Time Member, SEBI is desired, it shall be indicated in the reply accordingly.
16. The Noticees are advised to keep SEBI informed about the change in its/his correspondence address, if any, till the proceedings in the extant matter are complete.


Nirmal Mehrotra

Enclosures: As above