भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
INDORE LOCAL OFFICE

SEBI/WRO/ILO/NM/OW/P/62 554/1/2022

January 20, 2022

To

श्री पंकज खानचंदानी एफ-23, सेक्टर एफ, चौथी मंजिल लवकुश आवास विहार, शिव मंदिर के पास, सुखलिया, इंदौर- 452010	SHRI. PANKAJ KHANCHANDANI F-23, SECTOR F, 4TH FLOOR LUVKUSH AWASH VIHAR, NEAR SHIV MANDIR, SHUKHLIYA, INDORE- 452010
श्री धीरज कपूर 588/9, बड़ी भमोरी का रामनगर, इंदौर-452011	SHRI. DHEERAJ KAPOOR 588/9, BADI BHAMORI KA RAMNAGAR, INDORE-452011

Subject: Show Cause Notice under sections 11(1), 11(4) and 11B(1) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") in the matter of Wishworth Financial Services

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had received a complaint dated October 24, 2017 from Shri Naresh Maini (hereinafter referred to as "complainant"), against Wishworth Financial Services (hereinafter referred to as "WFS") which is the proprietorship concern of proprietors Shri. Pankaj Khanchandani (PAN: AXTPK1590M) and Shri. Dheeraj Kapoor (PAN: BLZPK3322E) (WFS, Shri. Pankaj Khanchandani and Shri. Dheeraj Kapoor collectively referred to as the 'Noticee'). In the complaint it was, inter alia, alleged that the complainant received calls from the Noticee with respect to financial investment plans and the Noticee promised to provide very good appreciation in short period. Subsequently, the Complainant deposited Rs. 41,499 in the bank accounts of the Noticee. But the Noticee stopped receiving calls. A copy of the complaint is placed at **Annexure-A.**

2. It has been observed that the website of WFS i.e. www.wishworth.in is not active now. The archive pages of the website was downloaded from web.archive.org, the copy of which is placed at **Annexure B.** It was observed that WFS had, *inter alia*, disclosed the following in the website:

> *"Wishworth financial services is a team of expert market analyst with huge experience in capital market research. We provide recommendations for stocks in cash, future and option, traded in NSE & BSE commodities including bullions, metals, and energy traded in MCX.*
> *We provide live recommendations through SMS and chat room services. Our sms facility is a very effective system which ensures the instant message delivery without any loss of time, so the clients get sufficient time to execute their trades in order to fetch maximum profits"*

3. Further, subscription plans mentioned on WFS website were Equity cash, Equity future, positional cash, positional future, equity option, positional option, base metals, energy, all MCX, premium cash, premium future, premium option, premium MCX, HNI Cash, HNI option HNI MCX etc.

4. WFS had also disclosed the following bank accounts in its website:

Name: Pankaj Khanchandani	Name: Dheeraj Kapoor
ICICI BANK ACCOUNT NUMBER: 144101506596 IFSC: ICIC0006570, INDORE BRANCH HDFC BANK ACCOUNT NUMBER: 50100086438834 IFSC: HDFC0001240, INDORE BRANCH AXIS BANK ACCOUNT NUMBER: 914010023271064 IFSC: UTIB0000568, INDORE BRANCH SBI BANK ACCOUNT NUMBER: 63020204729 IFSC: SBIN0030450, INDORE BRANCH	INDIAN BANK ACCOUNT NUMBER: 6383893221 IFSC: IDIB000V094, INDORE BRANCH SBI BANK ACCOUNT NUMBER: 20379228584 IFSC: SBIN0018524, INDORE BRANCH ICICI BANK ACCOUNT NUMBER: 004101560063 IFSC: ICIC0000041, INDORE BRANCH HDFC BANK ACCOUNT NUMBER: 50100086438808 IFSC: HDFC0001240, INDORE BRANCH

5. The examination of the aforesaid bank accounts of WFS revealed the following:

   a. Total credit of Rs. 9,03,01,619 has been received in various bank accounts of Shri Pankaj Khanchandani and total credit of Rs. 97,52,332 has been received in various bank accounts of Shri Dheeraj Kapoor. The details in this regard are shown in the following table:

Name of the Bank	Pankaj Khanchandani	Dheeraj Kapoor
ICICI	8,31,76,145	81,99,925
HDFC	38,33,716	12,23,686
AXIS	27,88,989	NA
SBI	5,02,769	2,55,041
INDIAN BANK	NA	3,28,721
Total	**9,03,01,619**	**97,52,332**

Copies of the Bank accounts are placed at **Annexure C.**

b. The transactions of amount transferred by the Complainant could be traced in account of Mr. Pankaj Khanchandani (SBI Bank Ac no: 63020204729) transactions dated 15-07-2017 of an amount of Rs. 19,999 and 19-07-2017 of an amount of Rs. 15,000.

6. It is prima-facie observed that the amount paid by complainant and reflected in the bank account, stated on website, is consideration paid for availing investment advisory products and services as depicted by you in the website of the Noticee viz. www.wishworth.in. Further, based on examination of bank account statement of the Noticee, *prima facie*, it is observed that there are large number of credits from several other individual investors which are also paid towards availing various investment advisory products and services as depicted in the aforementioned website.

7. From the above, it is observed that the Noticee is observed to have 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"), 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".

8. It is further observed that the Noticee was indulged in providing unregistered investment advisory services without obtaining registration from SEBI as required under section 12(1) of SEBI Act 1992 (hereinafter referred to as ***SEBI Act***), read with regulation 3(1) of IA Regulations, 2013.

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

"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"

10. Regulation 3(1) of the IA Regulations, 2013 states, "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".

11. As per regulation 3(1) of IA Regulations, 2013 read with section 12(1) of SEBI Act, registration is mandatory for a person carrying out the activities of an investment adviser. From the above, it is, prima facie, observed that Noticee has carried out investment advisory activities without obtaining registration of SEBI.

12. The aforesaid examination reveals that the Noticee appears to have engaged in the activities of investment adviser without seeking any registration from SEBI, as required in terms of Section 12 (1) of SEBI Act read with regulation 3(1) of IA Regulations, 2013.

13. The above acts of the Noticee of holding themselves out as an investment adviser, without having any certificate of registration are alleged to be in violation of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA Regulations, 2013.

14. The Noticee is hereby called upon to show cause as to why suitable directions under sections 11(1), 11(4), and 11B (1) of the SEBI Act should not be issued against them for alleged violations.

15. 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

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

Yours faithfully,

Nirmal Mehrotra

Enclosures: As above