

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

INTERIM EX PARTE ORDER

Under Sections 11(1), 11(4), 11B (1) and 11D of the Securities and Exchange Board of India Act, 1992.

In Re: Securities and Exchange Board of India and SEBI (Portfolio Managers) Regulations, 1993

In respect of:

S. No.	Name of the Entities	PAN
1	Minance Technologies Private Limited	AAKCM6309D
2	Anurag Bhatia	AVEPB6967G
3	Adhiraj Singh	EFDPS1272E
4	Soham Soumya Sarkar	CKNPS9233A

1. Minance Technologies Private Limited ("MTPL") was incorporated on September 28, 2016. MTPL was registered as Authorised Person of Angel Broking Private Limited having registration Number AP0397141543 (NSE) and AP0106120161034 (BSE). Its registered address is at No.35/37 (old no.598), 2nd floor, 11th Main Road, Jayanagar, 5th Block, Bangalore, Karnataka, India, 560041.
2. Securities and Exchange Board of India ('SEBI') received complaints against MTPL *inter alia* alleging that it indulged in unregistered Portfolio Manager activities. Pursuant to the Complaints, SEBI carried out an examination to ascertain whether unregistered portfolio management activities are being carried out by MTPL. The preliminary

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examination entailed *inter alia* an analysis of investor complaints, reply of the Company, information available on the website of the entities and their bank statements etc.

3. SEBI's preliminary examination brought out the following:

3.1 As per the information available on MCA portal, Anurag Bhatia, Soham Soumya Sarkar and Adhiraj singh are/were directors of MTPL.

3.2 Mr. Anurag Bhatia vide his email dated December 12, 2019 stated that MTPL was providing Portfolio Management Services since February 2017.

3.3 The present website of the Minance group is *minance.com*. The content of the said website did not indicate any portfolio management activity.

3.4 The entity had another website *minancecapital.com*. The said website is not active and the same was accessed from archive.org and the printouts of the webpages are placed on record. As per the said website, the entity provides managed account service (MAS).

3.5 The entity is not registered with SEBI in any capacity

4. I have perused the materials available on record such as investor complaints, information obtained from various Banks and information gathered from website, etc. An examination of the material available on record was made in order to verify whether MTPL offered Portfolio Management Services and collected money from various investors without registration from SEBI. In this context, the following *prima facie* issues arise for determination in the instant matter:

- i** *Whether the activities of MTPL are in the nature of Portfolio Management Services?*
- ii** *If answer to issue No. (i) is in affirmative, whether, prima facie, MTPL violated the provisions of section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations?*
- iii** *If answer to issue No. (ii) is in affirmative, who are all responsible for the violations?*
- iv** *If answer to issue No. (ii) is in affirmative, whether urgent directions, if any should be issued against them?*

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Issue no.1: Whether the activities of MTPL are in the nature of Portfolio Management Services?

5. As regards the first issue, I note the following from the material available on record such as website, reply of the entity and investor complaints and the documents furnished by the investors:

5.1 From the website *minancecapital.com* it is noted that the entity provides managed account service (MAS). Following are the features of the said service:

- i. Managed Accounts: Accounts are held in investors name and managed by its team of traders and researchers. Investor will have full access to their account every time of that day.
- ii. They are partners with Angel Broking, India's largest broking house. Investor's demat and trading account are with Angel Broking.
- iii. They design and develop quantitative strategies and use them to invest clients' money. Quant strategies are math based and take human inefficiencies out of investing.
- iv. Once account is opened with Angel Broking and Initial Investment is transferred their traders and researchers take it over from there. They will invest while clients relax.

5.2 From the reply dated December 13, 2019 filed by Anurag Bhatia, Director of MTPL the following are noted:

- (i) MTPL has AMFI registration for mutual fund distribution and was an authorised person from 2016 to 2019. MTPL also has the licence to do Tax filing.
- (ii) The business of MTPL are as follows:
 - a) Dealing in unlisted stocks
 - b) Tax filing
 - c) Proprietary trading
 - d) Sub broking (no longer existent)



- e) Wealth management and PMS for clients
- (iii) Since 2017 Portfolio Management services are provided
- (iv) All solicited money is via bank transfers into the allocated bank accounts
- (v) Mobilised funds were invested in unlisted equity, equities, Mutual Funds and Derivative strategies.

5.3 From the Investment Partnership Agreement entered between MTPL and the complainant/investor the following are noted:

- i. The purpose of the agreement is to invest the investment capital of Minance Partner (i.e. investor/the complainant) in Indian equity, equity derivatives and commodity markets.
- ii. MTPL will invest the investment capital of Minance Partner to the best of its abilities in line with each and every security, financial, investment and taxation related regulations. The Minance partner shall not purchase, sell or deal in any securities on his or her own discretion.
- iii. Profits generated on the portfolio will be shared in 80:20 ratio between Minance partner and MTPL respectively.
- iv. All losses are capped at 5% of the Minance partner's Investment Capital and any losses more than 5% will be borne by MTPL.
- v. The Minance partner shall inform MTPL five business days prior to the day of redemption in writing and Minance will deduct its 20% performance fee at the time of redemption.

Thus, from the above terms of the agreement, it is prima facie observed that clients have entered into discretionary portfolio services at a profit sharing of 80:20 ratio.

5.4 Further, I note the following information gathered from the Bank Account details, transaction documents and KYC documents collected from the Kotak Bank, ICICI Bank and HDFC Bank :



- 5.4.1 MTPL is having accounts in Kotak Bank (Account number: 9912354553), ICICI Bank (Account Number: 5305500490) and HDFC Bank (Account Number: 50200026823764)
- 5.4.2 From the analysis of Bank statements of Kotak Bank account for the period 19/10/2016 to 28/01/2020, it is noted that a total of 1,825 credit transactions were made from different sources into the said account since October 19, 2016 and the total credit received in the aforesaid account is Rs. 56,40,59,782/-.
- 5.4.3 From the analysis of Bank statements of ICICI Bank account for the period 26/04/2019 to 31/10/2020, it is noted that a total of 226 credit transactions were made from different sources into the said account since April 26, 2019, and the total credit received in the aforesaid account is Rs.4,99,43,498/-. The credits were observed in the ICICI Bank account as recent as October 31, 2020.
- 5.4.4 From the analysis of Bank Statements of HDFC Bank for the period 01/08/17 to 19/11/20, it is noted that a total of 67 credit transactions were made from different sources into the said account since August 01, 2017 and the total credit received in the aforesaid account is 33,011,913/-. The credits were observed in the Bank account as recent as October 15, 2020.
6. Considering the above facts and circumstances especially, the contents of the website, admission of the director of MTPL that they are doing PMS since 2017 and the terms of Investment Partnership Agreement with investors to manage their portfolio coupled with the credit transactions in the Bank Accounts amounting to Rs. 64,70,15,194/- as detailed in preceding paragraphs, it is prima facie inferred that pursuant to a contract with the investors, MTPL on behalf of its clients has undertaken the management of funds as well as securities since 2017 and the fees/funds were collected through the Bank Accounts were for the purpose of availing the Portfolio Management Services.



7. I have perused the definition of Portfolio Manager as given in regulation 2(cb) of PMS Regulations 1993, which states “*portfolio manager “means any person who pursuant to a contractor arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or goods or the funds of the client, as the case may be”*”.
8. Thus from the discussion in the above paragraphs, there is prima facie evidence that MTPL is acting as portfolio manager and is engaged in ‘portfolio management services’, which falls under the definition of portfolio manager as defined under Regulations 2(cb) of PMS Regulations.

Issue No: 2 If answer to issue no. (i) is in affirmative, whether MTPL has, prima facie, violated the provisions of section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations?

9. In order to ensure that no investor is defrauded and the PMS activities are extended in conformity with the PMS Regulations, it is imperative that any person carrying out portfolio management services has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI Regulations. Section 12(1) of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) reads as under:

*“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.”*



Similarly, Regulation 3 of PMS Regulations also provides "*No person shall act as portfolio manager unless he holds a certificate granted by the Board under these regulations*".

10. Thus, as per regulation 3 of PMS Regulations and Section 12(1) of SEBI Act, any person acting as portfolio manager and carrying out portfolio management services has to necessarily obtain registration from SEBI and conduct its activities in accordance with the provisions of SEBI regulations i.e. the registration of portfolio manager is mandatory.
11. The activities of MTPL as brought out from the various materials described above, seen in the backdrop of the aforesaid provisions shows that MTPL has acted as Portfolio Manager. However, no material was available on record to indicate that MTPL had a certificate of registration as a Portfolio Manager. Therefore, pursuant to a contract between MTPL and its clients, MTPL on behalf of its clients has undertaken the management of funds as well as the securities of its clients since 2017 *prima facie* indicates that MTPL is acting as unregistered portfolio manager and is engaged in providing unregistered Portfolio Management Services.
12. It is noted that MTPL is not registered with SEBI in the capacity of a portfolio manager. I also note that the directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia are not registered with SEBI, in their individual capacity as a Portfolio Manager or any other capacity. The characteristics and features of the business activity carried out by MTPL as discussed in the preceding paragraphs, *prima facie*, leads to the conclusion that MTPL had provided services of a portfolio manager without a certificate of registration from 2017 till date and has collected an amount of Rs. 64,70,15,194/- as fee.
13. In my view, these activities are in violation of various provisions of PMS Regulations and such unregistered portfolio managers like MTPL can put investors at great risk by extending services without the regulatory compliance. Thus, the activities MTPL are *prima facie*, in violation of Section 12(1) of SEBI Act read with Regulation 3 of PMS Regulations.



Issue No.3: If answer to issue No. (ii) is in affirmative, who are all responsible for the violations?

14. From the MCA documents, I find that Anurag Bhatia is a director of MTPL since inception till present date. I also note that, Soham Soumya Sarkar and Adhiraj Singh who were earlier directors of MTPL have since resigned. The details of the appointment and resignation of the directors are as following:

Name of the Directors	Date of Appointment	Date of Cessation
Anurag Bhatia	28/09/2016	Continuing
Adhiraj Singh	28/09/2016	21/06/2019
Soham Soumya Sarkar	18/06/2019	13/09/2019

15. I note that any company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. In terms of Section 179 of the Companies Act, 2013, the Board of Directors of a company shall be entitled to exercise all such powers and do all such acts and things as the company is authorized to exercise and do. Therefore, the Board of Directors being responsible for the conduct of the business of a company are liable for any non-compliance of law and such liability shall be upon the individual Directors also.
16. I note for the contravention of law committed by the company, apart from the company, the directors of company who at the time of contravention, were having knowledge of the said contravention or their neglect results in the contravention of law, are also liable for said contravention of law committed by the company.
17. In the instant matter, I find that the core activities / objective of MTPL are to carry on business in securities market as Portfolio Manager. I also find that apart from PMS, the company is not involved in any other business. It is already established in the preceding paragraphs that MTPL is carrying on PMS without obtaining certificate of registration from SEBI.



18. Thus, the preponderance of the probability indicates that all directors of the company had knowledge and awareness of providing PMS by the company to its clients without obtaining certificate of registration from SEBI. I also note that the liability of the directors also arises if the contravention is attributable to any neglect on the part of them. There is no material to indicate that the directors have taken any due diligence efforts to prevent the contravention of running un-registered PMS activity by way of making application to SEBI. It shows there is a neglect attributable on the directors.
19. The preponderance of probability indicates that all the directors, regarding the instant contravention, stands on the same footing as they have the knowledge or they have not taken due diligence efforts to apply for registration, i.e., neglected in making the application for registration. Therefore, the extent of liability of each director is same as that of other directors. The extent of the liability vested on one director is not minimized in view of the presence of another director with similar liability. Since every director failed to discharge its liability, their liability is not only joint but also several in the instant case.

Thus, I am of the view that all directors of the company viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia are jointly and severally liable for any contravention of law committed by MTPL.

20. It is pertinent to mention that Section 12 (1) of SEBI Act read with Regulation 3 of PMS Regulations stipulates that no person shall act as a portfolio manager unless he obtains a certificate of registration from the Board in accordance with the regulations. The SEBI Act along with the PMS Regulations, provide for various remedies in the interest of investor protection. Section 11B of the SEBI Act being one of the pivotal measure for the purpose of investor protection under which remedial tool of refund is envisaged. SEBI Act has also prescribed other set of measures under section 11B of the SEBI Act. The said measures can include direction to refund the amount collected from the investors/clients for its services. While the primary responsibility for refund of amount collected from the investors lies on the Company, it does not absolve the obligation of



the directors, who collected the money on behalf of the company by causing the company to indulge in unregistered PMS activities, to refund. Therefore, the directors who collected the money on behalf of the company are also liable under section 11B of the SEBI Act to refund the money collected by them, during their tenure of directorship as mentioned above. Accordingly, the amounts collected are liable to be refunded jointly and severally by the company and by the directors in their personal capacity. As stated earlier, the liability of the directors is independent and the same can be enforced by way of direction to make refund under Section 11B of SEBI Act.

21. In the instant case, I have already found that MTPL indulged in Portfolio Management Services without obtaining a certificate of registration from SEBI, contravening the provisions of Section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations. I note that MTPL has collected an amount of Rs. 64,70,15,194/- from investors/clients. From the material available on record and the details of the appointment and resignation of the directors of MTPL reproduced above, it is noted that Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia were directors of the Company during the period MTPL was pima facie found to be involved in unregistered portfolio management services, hence I am of the view that they are liable to make refund of the amount collected from the clients/investors during their tenure.
22. I note that Soham Soumya Sarkar and Adhiraj Singh have resigned from the Company. I am of the view that aforesaid directors were also responsible for all the deeds/acts of the Company during the period of their directorship, even though they have since resigned, and they were obligated during their tenure as directors, to ensure that MTPL carries out PMS activity only after obtaining a certificate of registration from SEBI, and thus contravened the provisions of Section 12(1) of the SEBI Act and Regulation 3 of the PMS Regulations. In view of the failure to discharge the said responsibility, the aforesaid directors are also liable for the aforesaid violations.

Issue No.4: If answer to issue No. (ii) is in affirmative, whether urgent directions, if any should be issued against them?

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23. As a regulator of capital markets, SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. PMS Regulations have been formulated with the main objective of regulating such activities to safeguard the interests of investors and hence registration of such activities with SEBI has been made mandatory. PMS Regulations inter alia seek to create a structure within which portfolio managers will operate and also make them duly accountable for their services by requiring portfolio managers to comply with the relevant provisions of the PMS Regulations. The same is imperative for the protection of interests of investors and to safeguard the integrity of the securities market.
24. It is noted from material available on record that as recently as October 31, 2020, money was credited to the Bank accounts of MTPL. This prima facie indicates that the MTPL is still carrying on its unregistered portfolio management services. Since the conduct of MTPL as mentioned above is not, prima facie, in the interest of investors and the securities market, therefore, urgent necessary action has to be taken against MTPL immediately, else it may lead to loss of investors' trust in the securities market. Further, in view of the facts and circumstance of the case, one cannot lose sight of the fact that the violations discussed hereinabove are ongoing which may lead to its engaging with more investors and may continue to raise money from investors in the pretext of providing securities market related services. Furthermore, in case of non-redressal of investor grievances by MTPL, apart from the regulatory protection to investors, the normal remedies available to investors while dealing with a SEBI registered portfolio manager such as invoking the grievance redressal mechanisms, referring the matters to appropriate forum such as arbitration, etc. would not be available to the investors dealing with unregistered portfolio manager. Therefore, the impact of threat of investors getting lured and affected by the unregistered portfolio management services is still looming large and is imminent. Further, the total amount of money, prima facie, observed to have been collected in the bank account of MTPL is approximately Rs. 64,70,15,194/- which also indicates the magnitude of the prospective threat to the investors.



25. It is noted that permitting the investors to receive a portfolio management service from an unregistered entity, in effect means, the same is received from an unqualified person without following the safeguards mentioned in the PMS Regulations. An investor receiving a service from unregistered portfolio manager not in consonance with the PMS Regulations vis a vis an investor who receives such service from registered portfolio manager following the PMS Regulations stands in a disadvantageous position in respect of his protection as an investor as envisaged under the PMS regulations. An unregistered portfolio manager has not even satisfied the Regulator that he is a fit and proper person to hold the certificate of registration as portfolio manager. Availing of services from such persons are detrimental to investors and such unqualified services could result in irreparable detriment of the investors' interest as money is invested based on unqualified and un-regulated service. Exposing investors to such service also has the effect of interfering with the development of securities market, as victim of such services tend to lose faith in the securities market. Such an injury to the development of the securities market also qualifies as "irreparable injury" or "irreparable detriment" as the objective of SEBI as enshrined in the SEBI Act is not only the protection of investors but also orderly development of securities market.
26. Further, if an ex-parte order is not passed, many prospective investors may subscribe by parting with significant fees and handing over control over their funds / securities and this may cause irreparable injury to themselves as discussed earlier. However, if an ex-parte order is passed, what is at stake is right of the current Noitcee herein vis-a-vis multitude of prospective and current clients of the Noitcee. It may be noted that one of the underlying differences between the "ex-parte orders in the case of private suits" and "ex-parte public enforcement actions", is the identification of the injured party. In private damage suits, the injured individual, as "whole", is identifiable whereas ex-parte public enforcement actions, seeks to protect the floating multitude of investing public by preventing, continuous and imminent violations of the securities laws. Though, it can be argued that a final remedy by way of refund is available, as against the step of passing an ex-parte interim order, the potential loss to the investors on account of availing portfolio



management services from an unqualified person and resultant loss of investor's confidence and reliability of securities market, cannot be retrieved, if *prima facie* unregistered portfolio management services is permitted to be extended to the investors by not passing an *ex parte-interim order* at this stage. Therefore, I consider the balance of convenience is also not in favour of the Noitcee.

27. Considering the facts and circumstances of the present matter and on the basis of *prima facie* findings, it is necessary to take urgent preventive action in this matter and to take immediate steps to prevent MTPL from collecting any more funds from the public and indulging in unauthorized portfolio management activity. Such action needs to be taken not only to prevent any further harm to investors but also to preserve the integrity of the market.
28. As noted earlier, in the present case, *prima facie* violations of provision of section 12(1) of SEBI Act read with Regulation 3 of the PMS Regulations, have been noticed on the basis of the examination carried out by SEBI. It is pertinent to mention that several complaints involving huge amounts have been filed against MTPL alleging indulging in unregistered PMS and collection of money and the complainants have claimed refund of the money paid by them towards subscription of the services being offered by MTPL pursuant to the contract. One of the directions that can be passed against MTPL, subject to the adjudication of the allegation on the merits in the final order, under Sections 11(1), 11(4), 11B and 11D of SEBI Act is that of direction to refund the money collected by MTPL from their clients.
29. It is noted that entities covered in this order have already evaded the jurisdiction of SEBI by not subjecting themselves to the regulatory requirements of SEBI. With the initiation of quasi-judicial proceedings, it is imminent that MTPL may divert the money collected from the subscribers / clients. The same may result in defeating the effective implementation of the direction of refund, if any, to be passed after deciding the matter on merits. It therefore becomes necessary for SEBI to take urgent steps to prevent MTPL from diverting the money collected from the subscribers / clients. It is also essential to



take urgent steps to prevent them from alienating any assets, whether movable or immovable, or any interest or investment or charge in any of such assets, so that the final remedies, if any, do not become infructuous. In view of the facts and circumstances discussed hereinabove, and considering the interests of already existing clients of MTPL and also the interests of those who may fall prey to the unregistered portfolio management services being carried out by MTPL, the balance of convenience lies against MTPL, which requires immediate action against them including not to divert the money collected from the subscribers / clients.

30. Further, as the bank accounts of MTPL are active, the balance of convenience demands the preventive measure of stopping the collection of money in the bank accounts of MTPL from investors. The same can be effectively achieved by an appropriate direction of stopping the credit into the bank accounts of MTPL. As MTPL has already evaded the jurisdiction of SEBI by prima facie, acting as unregistered portfolio manager, the balance of convenience also demands that MTPL is to be prevented from diverting the funds collected from the investors through the unauthorized PMS activity. Accordingly, an appropriate direction stopping debits from the bank accounts of MTPL has been incorporated.

Order:

31. In view of the foregoing, I, pending conclusion of enquiry on grant of hearing opportunity, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11B (1) and 11D read with Section 19 of the SEBI Act hereby issue by way of this *interim ex-parte order*, the following directions –

28.1 MTPL and its Directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia are directed not to access the securities market and buy, sell or otherwise deal in securities or associate themselves with securities market, either directly or indirectly, in any manner whatsoever, until further orders;

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- 28.2 MTPL and its Directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia are directed to cease and desist from undertaking any activity in the securities market including the activity of acting and representing through any media (physical or digital) as a portfolio manager, directly or indirectly, in any matter whatsoever, until further orders;
- 28.3 If MTPL or its Directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. MTPL and its Directors are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.
- 28.4 MTPL and its directors are directed to not divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders;
- 28.5 MTPL and its directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia are directed to not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, except with the prior permission of SEBI.
- 28.6 MTPL is directed to immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc. if any, in relation to their PMS activity or any other unregistered activity in the securities market until further orders.
- 28.7 MTPL and its Directors viz., Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia is directed to provide a full inventory of all assets held in their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.
- 28.8 MTPL is directed to submit the number and details of the clients who availed Portfolio Management Services, money collected from them client wise and the



amount of fee collected as Portfolio Manager to SEBI immediately but not later than 5 working days from the date of receipt of this order.

28.9 Banks viz., Kotak Bank (account number: 9912354553), ICICI Bank (account number: 5305500490), HDFC Bank (account number: 50200026823764) wherein Bank account is held in the name of MTPL are directed not to allow any debits / withdrawals and not to allow any credits to the said accounts, without the permission of SEBI, until further orders. The Banks are also directed to ensure that this direction is strictly enforced.

28.10 The Depositories are directed to ensure that no debits and credits are permitted in the demat account(s) held in the name of MTPL till further directions. The Depositories are also directed to ensure that no debits and credits are permitted in the demat account(s) of Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia, held jointly or individually, till further directions.

28.11 The Registrar and Transfer Agents are directed to ensure that the securities, including Mutual Fund units, held in the name of MTPL are not transferred or redeemed till further directions. Further, the Registrar and Transfer Agents are also directed to ensure that the securities, including Mutual Fund units, held in the name of Soham Soumya Sarkar, Adhiraj Singh and Anurag Bhatia, jointly or individually, are not transferred or redeemed till further directions.

32. This Order shall also be treated as a show cause notice and MTPL and its Directors are show caused as to why the services offered by them should not be held as PMS in terms of PMS Regulations and thereby their activity be treated as unregistered activity under PMS Regulations, why appropriate directions, under Sections 11(1), 11 (4), 11B (1) and 11D of the SEBI Act and relevant SEBI Rules/Regulations including directions for prohibition on them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and directions not to be associated with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a particular period should not be passed against them. MTPL and its Directors are also

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show caused as to why they should not be directed to refund, jointly and severally, the fees collected from the investors/clients for its unregistered PMS activities under Sections 11 and 11B (1) of SEBI Act, should not be issued against them.

33. The *prima facie*, observations contained in this Order are made on the basis of the material available on record. In this context, MTPL and its Directors may, within 21 days from the date of service of this Order, file reply, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request to be made in that regard.
34. The above directions shall take effect immediately and shall be in force until further orders.
35. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against MTPL and its Directors in accordance with law.
36. A copy of this order shall be served upon all the MTPL and its directors, Kotak Bank, ICICI Bank and HDFC Bank, Stock Exchanges, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

Date: December 07, 2020

Place: Mumbai

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MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

Interim order in the matter of Minance Technologies Private Limited