

SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER UNDER SECTION 11(1), 11(4) AND 11B OF SEBI ACT.
AGAINST M/S MAX PORTFOLIOS AND
ITS PROPRIETOR SHRI SANJEEV KAPOOR

Securities and Exchange Board of India (SEBI) has come across certain advertisements placed by M/s Max Portfolios (hereinafter referred to as the "entity" having its offices at 9, Syed Ameer Ali Avenue, 5th Floor, Park Circus, Kolkata-17) in News Papers, soliciting investments from the public in the form of loans ranging from Rs. 20,000/- to Rs. 1,00,000/- and assuring monthly interest ranging from Rs. 1,000/- to Rs. 10,000/-. The entity has stated that the funds are required for share market and has assured monthly returns to the tune of 5% to investors. The entity has also claimed to be having their own NSE terminal at its own building. It is observed that the entity is not registered with SEBI in the capacity of broker or sub broker and therefore has no legal access to a trading terminal of any exchange. NSE had also made a visit to the addresses of the entity and had concluded that the trading terminal is unauthorized and are taking necessary action in this regard. Hence it appears that the entity has fraudulently and illegally got NSE terminal installed at their building. Further inviting moneys from the public by whatever name called, for share market operations with assured returns is akin to running a collective investment or mutual fund scheme without appropriate checks and balances and regulatory oversight.

From a perusal of the advertisement placed by the entity, it appears that the entity's intention is to attract unsuspecting investors into placing their hard earned money in the form of loans/deposits with them attracting high assured returns. Needless to say that what the entity proposes to do is fraught with very high risks to investors as the entity is not registered with SEBI in any capacity and in case of default by the entity in meeting its obligations to investors, the normal recourse available to investors may not be available.

From the forgoing it is apparent that the entity has, if at all, only an illegal access to a trading terminal of NSE and are luring the investors with promise of high returns without any regulatory checks, which is highly detrimental to the interests of investors and securities market. In view of this, it is imperative to restrain this entity from accepting loans/deposits from public for share market in the interest of investors and securities market.

Therefore in exercise of powers under section 11(1), 11(4) (b) and 11 B read with section 19 of the SEBI Act. 1992, I hereby order that the entity M/s Max Portfolios and its proprietor Mr. Sanjeev Kapoor be restrained from buying, selling or dealing in securities market in any manner, directly or indirectly, with immediate effect and from accepting any loans or deposits intended for share market from the public till further orders. The entity will be given a post decisional hearing on receipt of request.

T.M.NAGARAJAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

DATE : 02 JANUARY 2004

PLACE : MUMBAI