

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER**

ORDER

Under Sections 11(1), 11(4), 11B and 11D of the Securities and Exchange Board of India Act, 1992, against M/s. Unique Vision Financial Advisory Pvt. Ltd. (PAN:AABCU3600J) and its directors/promoters viz. Mr. Chandrakant Shamrao Dhole (PAN:AGJPD5155A) and Mr. Ravindra Shankar Kaurav (PAN: AOTPK5176L).

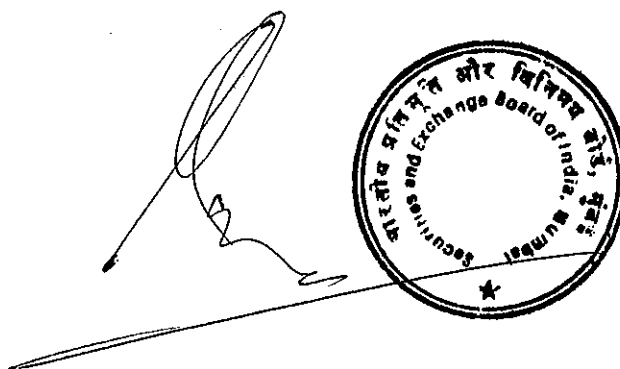
1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received several complaints against M/s. Unique Vision Financial Advisory Pvt. Ltd. ("hereinafter referred to as "Unique Vision"/the company) alleging that,

- Unique Vision is collecting money from investors for investing in the capital market,
- The company guarantees to pay fixed monthly profits for the investments and also issues post dated cheques as a guarantee for repayment of principal amount invested.
- The cheques given by Unique Vision to the investors for re-payment of principal amount were getting bounced for the reason "*insufficient funds*".

1.1 The complainants also furnished the following documents,

- Copy of cheque issued by Mr. Chandrakant Shamrao Dhole (director of Unique Vision) to the complainant,
- Copy of "*Letter of Security*"/agreement issued by Mr. Chandrakant Shamrao Dhole, for and on behalf of Unique Vision,
- Copy of bank memo indicating the reason for cheque return as '*insufficient funds*'.

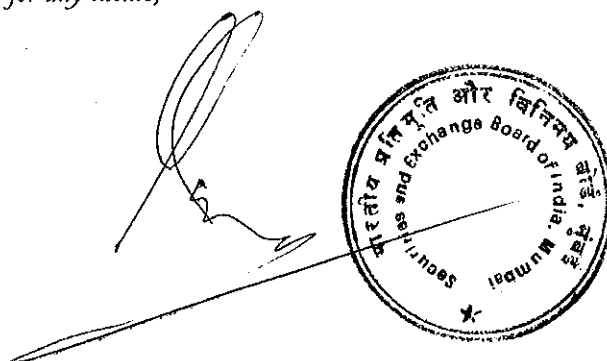
2. As a matter of preliminary inquiry into the business activities of Unique Vision, SEBI, vide letter dated October 08, 2014 *inter alia* sought the following information, viz.,

A handwritten signature in black ink is written over a circular official stamp. The stamp contains the text "Securities and Exchange Board of India, Mumbai" in English and its Hindi equivalent "भारतीय प्रतिष्ठान और विनियम बोर्ड, मुंबई". There is a small star at the bottom of the stamp.

- i. Registered/corporate addresses of Unique Vision along with the contact numbers,
- ii. Certificate of incorporation,
- iii. Name, address and phone numbers of the promoters/directors of the company,
- iv. List of all the securities/investment activities undertaken by Unique Vision,
- v. Details in respect of the commencement of the business of portfolio management services by Unique Vision,
- vi. A copy of the agreement entered into with investors.
- vii. No. of clients and total amount of money collected from them during the year,
- viii. Total Asset Under Management (AUM) as on September 30, 2014,
- ix. Break-up of AUMs under various asset classes,
- x. List of the clients and minimum amount accepted for managing their portfolio,
- xi. Details of fee charged for various products/services offered by the company,
- xii. Details of the guaranteed return scheme floated by the company,
- xiii. Complete details of the investment advisory services provided, if any,
- xiv. Details of registration certificate, if any,
- xv. A copy of the audited annual accounts for last three financial years.

2.1 The aforesaid letter issued to Unique Vision at its Pune address (registered office) was returned undelivered. The letter was again dispatched to the registered office of Unique Vision on November 26, 2014 through registered AD and the same was acknowledged by Unique Vision. Since no reply was received from Unique Vision, a scanned copy of the letter was sent to the e-mail id of a promoter and director of Unique Vision viz. Mr. Chandrakant Dhole, on November 26, 2014. Mr. Chandrakant Dhole, through various e-mails dated November 27, 2014, November 28, 2014, November 29, 2014, December 2, 2014 and December 3, 2014, submitted the following information/documents:

- *"We have registered the company for portfolio management services and for advisory services but we are not doing this for any clients,*

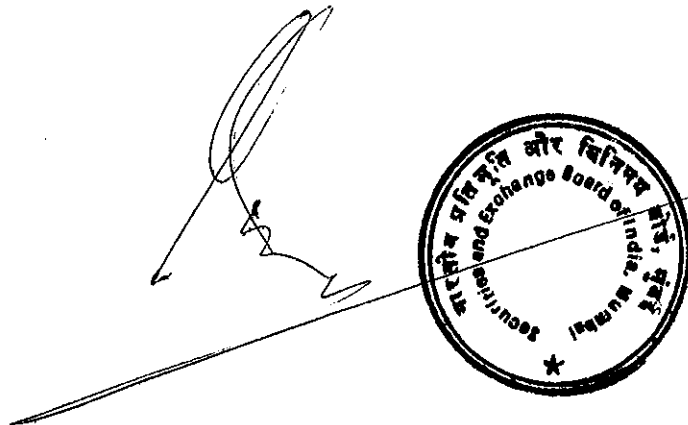


- *We have collect money from clients and used the amount in stock market and international currency market, but every time we are in loss and not getting any profit.,*
- *We have done only Rs. 12 lakh financial transaction on company's current account otherwise all financial transaction on my personal account,*
- *We do not keep all agreement because all these people are close friends..... and we do not charge any fee,*
- *We have not done any audit of the company".*

2.1.1 Unique vision also furnished the following documents,

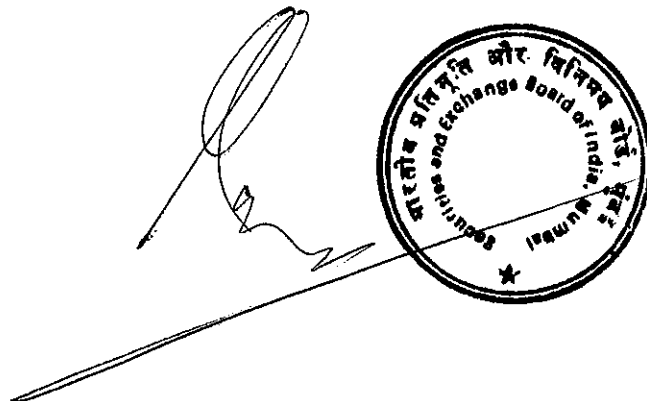
- A copy of Memorandum of Association (MoA) and Articles of Association (AoA),
- Certificate of Incorporation,
- Details of the schemes and list of investors,
- Details of PAN and the directors of the company,
- Details of the bank accounts of the company used for refunding moneys to investors,
- List of stock brokers, with whom the company has dealt with, for the purpose of transacting in securities market,
- Shareholding pattern.

3. On an examination of the aforesaid documents such as, the correspondence exchanged between SEBI and Unique Vision, along with the documents contained therein; the submissions made by Unique Vision, complaint received by SEBI, along with the documents contained therein etc. it is *prima facie* observed as under:



- i. M/s Unique Vision Financial Advisory Ltd. (CIN:U74999PN2011PTC140873) was incorporated on September 26, 2011. The registered office of the company is situated at "Survey No.48/3, C/4, Heaven Park, Mohammad Wadi, Hadapsar, Pune- 411028".
- ii. The Directors of Unique Vision are Mr. Chandrakant Shamrao Dhole (holds 81% of shares) and Mr. Ravindra Shankar Kaurav (holds 19% of shares).
- iii. As per the MoA, main objects of Unique Vision *inter alia* are,
"To carry on the business as financial advisors, management advisor and provide advice in various fields, general administrative, secretarial, commercial, financial.....".
- iv. As per the details furnished by the director, *viz.* Mr. Chandrakant Shamrao Dhole, Unique Vision collects money from investors and invest the same in stock market.
- v. The company is offering two schemes, *viz.* scheme offering monthly 5% return on investment and scheme offering 100% return after 18 months, on investment.
- vi. The company informed that they do not execute any agreements with investors. It is, however, observed from the copy of the "Letter of Security" issued by Unique Vision provided by the complainant that the company has agreed to return the amount invested by the complainant after a specified period and also a fixed amount per month by way of "fixed profits" for the said investment. Following are noted from the said "Letter of Security" issued by Unique Vision to one of the complainants, who had invested an amount of ₹2,00,000/-,

"I have received Rs. 2,00,000/- from you through DD....as an investment deposit in our company for investing in the share market."



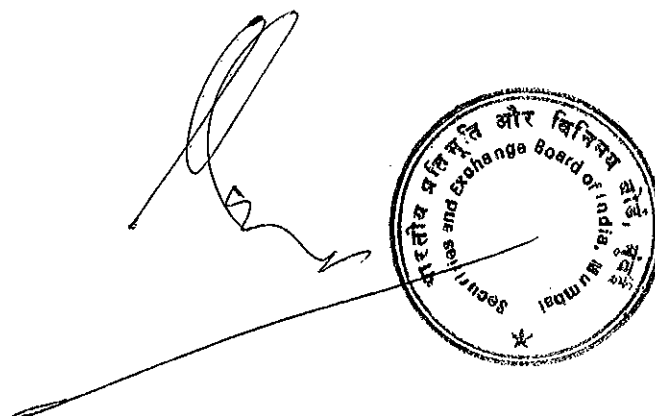
It was agreed between us to return the said amount to you after one year from today for which we are giving a cheque of Rs. 2,00,000/- along with the letter.

It is further agreed between us that we will pay you Rs. 10,000/- through RTGS/Cash per month by way of fixed profits for the said investment."

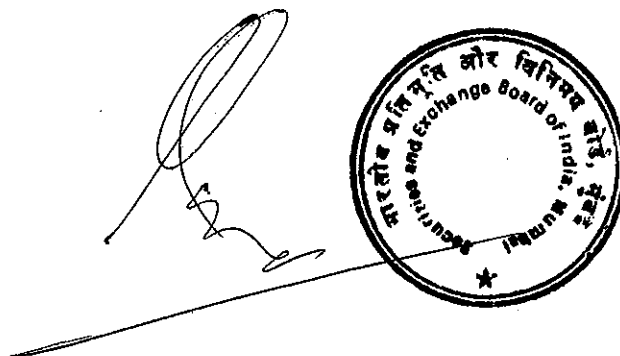
- vii. As per the information provided by Unique Vision, they have collected an amount of ₹1,84,60,000/- from 67 investors for investing in share market through the aforesaid two schemes floated by them, since 2011. The company has refunded an amount to the extent of ₹1,35,87,636 to some of the investors. Unique Vision has provided investor-wise details of amount collected and amount returned by it. The details of amount collected by Unique Vision are summarized as under:

Sr. No.	Details of Scheme	Amount collected (in ₹)	No. of investors
1	Monthly 5% return on investment	1,80,60,000.00	63
2	100% return on investment after 18 months	4,00,000.00	4
	Total	1,84,60,000.00	67

- viii. As per submission made by Unique Vision, they have returned a sum of ₹1,35,87,636 to their investors. It is however, observed from the details of the complaints received by SEBI that the cheques issued by the company (post dated cheques issued by the company to the investors, at the time of investing the money, guaranteeing the refund of the principal amount invested) to the complainant had bounced back with the reason "insufficient funds".



4. The issue under consideration in the instant matter is whether Unique Vision is offering portfolio management services to their clients without obtaining registration from SEBI as a portfolio manager.
5. It is *prima facie* observed from the admissions of Unique Vision and from the details provided by the complainants that,
- The company agrees (by way of a *Letter of Security*) to manage funds collected from the investors by investing in the share market and international currency market,
 - They guarantees fixed monthly profits/income for the investments,
 - The company issues post dated cheques to the investors, as a guarantee of repayment of principal amount invested,
 - As per submission made by Unique Vision, it has collected a total sum of ₹1,84,60,000 from 67 investors under the 2 schemes floated by it.
6. Considering the abovementioned facts and circumstances and from the terms of the agreement/"*Letter of Security*", it is *prima facie* observed that Unique Vision was undertaking, on behalf of its clients, the management and administration of the funds collected from investors, which tantamount to the services offered by a "*portfolio manager*", as defined in Regulation 2(cb) of the SEBI (Portfolio Managers) Regulations, 1993 ("**PMS Regulations**"), which provides as under:
- "'portfolio manager' means any person who pursuant to a contract or 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 the funds of the client, as the case may be'.*
7. Section 12(1) of the SEBI Act, 1992 reads, " No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter,

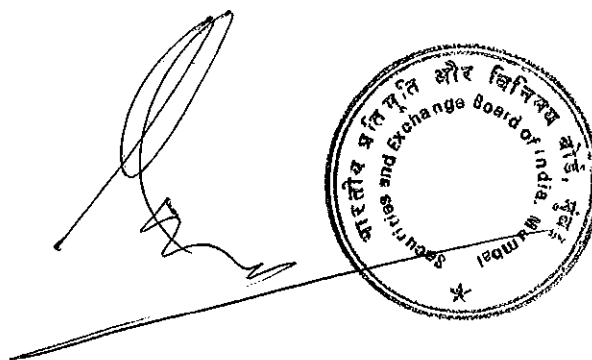


portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under 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".

7.1 Furthermore, PMS Regulations envisage provisions for the protection of investors who avail the services of a registered portfolio manager. It also provides the framework and manner in which PMS activities are carried out. Chapter III of the PMS Regulations enumerates the general obligations and responsibilities of a registered portfolio manager such as *the portfolio manager shall abide by the Code of Conduct as specified in Schedule III.* Regulation 14 (1) (a) of PMS Regulations states "*The portfolio manager shall, before taking up an assignment of management of funds or portfolio of securities on behalf of a client, enter into an agreement in writing with such client clearly defining the inter se relationship, and setting out their mutual rights, liabilities and obligations relating to management of funds or portfolio of securities containing the details as specified in Schedule IV...*"

7.2 In this context, it is noted that Unique Vision is not registered with SEBI in any capacity, either as a portfolio manager or as a broker or a sub-broker affiliated to any broker. The characteristics and features of the business activity carried out by Unique Vision as discussed in the preceding paragraphs *prima facie* lead to the conclusion that Unique Vision is conducting itself as a portfolio manager and providing the services of portfolio management as defined in Regulation 2(cb) of the PMS Regulations. This is being done by Unique Vision without obtaining the registration from SEBI in accordance with the provisions of PMS Regulations as described in the preceding paragraphs.

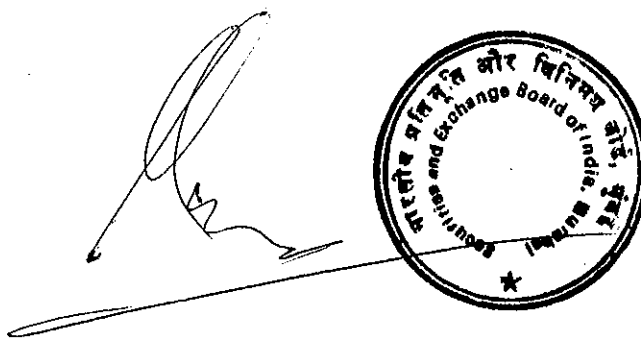
7.3 I find that these activities are in violation of various provisions of PMS Regulations and could put investors at great risk. Considering the facts and circumstances of the case,



there is a likelihood that Unique Vision may continue to carry out this business in contravention of PMS regulations, which may lead to his engaging with more investors in such a manner. Furthermore, in case of default by Unique Vision in meeting his obligations to investors, the normal remedies available to investors while dealing with a SEBI registered intermediary such as invoking the grievance redressal mechanisms, referring the matters to appropriate fora such as arbitration, etc. would not be available.

8. 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 deems fit for fulfilling its legislative mandate enshrined in SEBI Act read with PMS Regulations for the purpose of investor protection. Therefore, steps have to be taken in the instant matter to prevent Unique Vision from soliciting and collecting funds from investors and carrying on portfolio management services without due registration from SEBI. It becomes necessary for SEBI to take urgent preventive action. In light of the same, I find there is no other alternative but to take recourse through an *ad interim ex-parte order* against Unique Vision for preventing them from collecting funds and offering portfolio management activities without obtaining registration from SEBI in accordance with the law.
9. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11B and 11D read with Section 19 of the SEBI Act hereby direct M/s Unique Vision Financial Advisory Pvt. Ltd. (PAN:AABCU3600J) and its promoters/directors *viz.* Mr. Chandrakant Shamrao Dhole (PAN: AGJPD5155A) and Mr. Ravindra Shankar Kaurav (PAN: AOTPK5176L),

- i. *to cease and desist from acting as a portfolio manager,*
- ii. *not to solicit or undertake anymore such activity or any other unregistered activities in the securities market, directly or indirectly, in any manner whatsoever,*



iii. not to divert any funds raised from any of its existing clients/investors.

10. The above directions shall take effect immediately and shall be in force until further orders. It is clarified that the prohibition on Unique Vision and its aforementioned promoters/directors shall not prevent them from making payments to the existing clients, if any, in accordance with the terms of the contracts already executed by them.
11. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against Unique Vision and its promoters/directors in accordance with law.
12. The *prima facie* observations contained in this Order are based on the material available on record. In this context, Unique Vision and its aforementioned promoters/directors may, within 21 days from the date of receipt of this Order, file their 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 made in that regard.

Place: Mumbai
Date: January 29, 2015


S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

