
SO/AA/EFD2/2023-24/7081
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of:

Sr. no.	Name of the Entity/ Applicant	Settlement Application No.	PAN
1	Mansun Consultancy Private Limited	7081/ 2022	AALCM1703G
2	Mr. P R Sundar	7076/ 2022	ANTPP8886F
3	Ms. Mangayarkarasi Sundar	7077/ 2022	AMPPM2461E

(The aforesaid entities are hereinafter referred to by their respective names and collectively as the “Applicants”)

IN THE MATTER OF MANSUN CONSULTANCY PVT. LTD.

BACKGROUND

1. The Securities and Exchange Board of India (hereinafter referred to as ‘SEBI’) received two references *inter alia* alleging that Applicant no. 2, Mr. P R Sundar was providing advisory services without obtaining the requisite registration from SEBI. Upon examination, it was observed that Applicant no. 2 was running the website www.prsundar.blogspot.com through which he was offering various packages for providing advisory services. The fees collected in lieu of the services were received via a payment gateway linked to the bank account of Applicant no. 1, Mansun Consultancy Pvt. Ltd. (hereinafter referred to as ‘Mansun/ company’) held with ICICI Bank Ltd. Mansun was incorporated on June 30, 2017. Applicant no. 2, Mr. P R Sundar and Applicant no. 3, Ms. Mangayarkarasi Sundar are the promoter directors of the company with 50% shareholding each.
2. A Show Cause Notice dated May 17, 2022 (hereinafter referred to as ‘SCN’) and Supplementary Show Cause Notice dated November 08, 2022 (hereinafter referred to as

‘Supplementary SCN’) were served on the Applicants. The SCN and Supplementary SCN have *inter alia* alleged the following:

- (a) The website www.prsundar.blogspot.com had posts from August 27, 2013 onwards. The website has a tab titled “Advisory” wherein the following is mentioned, “*Advisory services - Daily calls on Telegram: We will be giving daily calls on what positions to take, adjustments, etc. on telegram messaging app*”. The website also provided a payment link including a Razorpay link.
- (b) It is learnt from Razorpay vide their reply dated April 27, 2021 that the amount collected through the website www.prsundar.blogspot.com was credited to the ICICI bank a/c. no. *****0393 of Mansun.
- (c) From the account opening forms and KYC documents of the Applicants forwarded by the ICICI Bank and Razorpay, it is observed that the type of business mentioned therein is “share marketing consultancy”.
- (d) On enquiry, Mansun vide email dated March 17, 2022 submitted a list of recommendations provided by it for the month of January 2021. Upon analysis of a sample of such recommendations it is observed that the aforesaid recommendations are related to purchasing / selling / dealing in securities which were communicated to the clients. Therefore, it was alleged that the recommendations provided by Mansun fall under the category of ‘investment advice’ as defined under Reg. 2 (1) (1) of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to as ‘**IA Regulations**’).
- (e) Further, on account of the above activities, it was alleged that the Applicants have engaged in the activities of an ‘investment adviser’ as defined under regulation 2 (m) of IA Regulations which is reproduced 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.”

- (f) The advisory fees collected in the said ICICI Bank account no. *****0393 through Razorpay and direct credits are Rs. 4,36,42,503.13/- and Rs. 23,53,260/- respectively.
- (g) In view of the above, it was alleged that the Applicants have carried out investment advisory activities without obtaining registration of SEBI and allegedly violated the provisions of Section 12(1) of Securities and Exchange Board of India Act, 1992

(hereinafter referred to as “**SEBI Act**”) read with Regulation 3 (1) of the IA Regulations.

(h) They were also called upon to show cause as to why suitable directions including refund of fees collected, debarment, non-association with listed entities, intermediaries, imposition of monetary penalty etc. should not be issued against the Applicants under sections 11 (1),11(4), 11(4A), 11B (1), 11B (2) and 11D of SEBI Act, 1992 and sections 15 EB and 15 HB read with section 27 of the SEBI Act 1992.

3. The Applicant no. 1 filed a reply dated June 06, 2022 in response to the SCN. In accordance with the principles of natural justice, an opportunity of being heard was granted to the Applicants. While the proceedings were underway, the Authorized Representative of the Applicants vide email dated January 11, 2023 informed that they have filed three applications for settlement of the proceedings as per the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).

APPLICATIONS FOR SETTLEMENT OF PROCEEDINGS

4. It was informed by the concerned department of SEBI that the Applicants have filed the following three (3) applications dated December 09, 2022 with SEBI in terms of Settlement Regulations proposing to settle the pending proceedings through a Settlement Order without admitting or denying the findings of fact and conclusions of law:

Table No. 1

Sr. no.	Name of the Entity/ Applicant	Settlement Application No.
1	Mansun Consultancy Private Limited	7081/ 2022
2	Mr. P R Sundar	7076/ 2022
3	Ms. Mangayarkarasi Sundar	7077/ 2022

5. Pursuant to receipt of the Settlement Applications, the Authorised Representatives of the Applicants had a meeting with the Internal Committee of SEBI (hereinafter referred to as ‘**IC**’) on January 18, 2023, wherein the terms of settlement were deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and permitted the Applicants to submit revised terms of settlement. Accordingly, the Applicants filed Revised Settlement Terms (hereinafter referred to as “**RST**”) dated February 02, 2023 wherein the Applicants proposed the following:

- (i) Settlement Amount of Rs. 15,60,000/- each i.e. a total sum of Rs. 46,80,000/- to SEBI;
- (ii) Disgorgement amount of Rs. 6,07,69,863/- including interest @12% p.a. from June 01, 2020 till the date of submission of the RST, details of which are as under:

Table No. 2

Sr. No.	Particulars	Amount (in Rs.)
1	Total fees collected by Mansun (A)	4,59,95,763
2	Interest calculated @12% p.a. from June 01, 2020 till February 02, 2023 (B)	1,47,74,100
3	Total amount payable (A+B)	6,07,69,863

- (iii) The Applicants shall refrain from buying, selling or otherwise dealing in securities in India for a period of one (1) year from the date of passing of the Settlement Order.
6. The High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) in its meeting held on February 22, 2023 considered the revised settlement terms proposed by the Applicants and recommended the case for settlement. In terms of Regulation 15 of the Settlement Regulations, the Panel of Whole Time Members of SEBI approved and accepted the recommendation of the HPAC on April 03, 2023 and the same was communicated to the Applicants on April 06, 2023.
7. Pursuant to the same, the Authorized Representative of the Applicants vide e-mail dated May 02, 2023 informed SEBI about the remittance of the settlement amount and the same was confirmed by the concerned department of SEBI.

ORDER

8. On the basis of the aforesaid, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the instant proceedings initiated against the Applicants vide Show Cause Notice dated May 17, 2022 and Supplementary Show Cause Notice dated November 08, 2022 are disposed of as per the following terms:

- (i) SEBI shall not initiate any other enforcement action against the Applicants for the said violation; and
 - (ii) Passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate any enforcement action against the Applicants, if SEBI finds that:
 - (a) any representations made by the Applicants in the settlement proceedings is subsequently found to be untrue; or
 - (b) the Applicants have breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings; or
 - (c) there was a discrepancy while arriving at the settlement terms.
9. This settlement order is passed on the 25th Day of May, 2023 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicants, Mansun Consultancy Private Limited, Mr. P R Sundar and Ms. Mangayarkarasi Sundar and also to the SEBI.

Place: Mumbai
Date: May 25, 2023

Sd/-
DR. ANITHA ANOOP
CHIEF GENERAL MANAGER
QUASI JUDICIAL CELL 1
SECURITIES AND EXCHANGE BOARD OF INDIA