

# Vansh Capital Pvt Ltd

SEBI Registered Corporate Investment Adviser  
INA000014818

Flat No.7,Dinkar Baug Apartment,Bhandarkar Institute Road,  
Opp Golwilar Metro Lab,C.T.S.852/1 F.P.188/1,Shivaji Nagar,  
Deccan Gymkhana, Pune - 411004.  
Cell : 8766803516 Email :vanshcapitaladvisors@gmail.com  
CIN : U67200PN2019PTC186550 GSTIN :27AAHCV0887A1ZB  
Website: www.vanshcapitaladvisors.in

**VANSH**  
We Make Investor !

May 27, 2021

Securities and Exchange Board of India

Investment Management Department

SEBI Bhawan, Plot No. – C4, A,"G Block"

Bandra Kurla Complex, Bandra East.

Mumbai – 400051

Kind Attn : ~~Biranchi Narayan Sahoo, Chief General Manager~~

Ruchi Chojer, Chief General Manager

Dear Sir,

**This is our Modified interpretative letter under SEBI (Informal Guidance) scheme, 2003. So instead of our earlier interpretative letter sent on March 25,2021, please consider this latest interpretative letter for SEBI (Informal Guidance) scheme, 2003.**

**Request for an interpretative letter under SEBI (Informal Guidance) scheme, 2003 regarding clarification on applicability of provisions of SEBI (Investment Advisers) (Amendment) Regulations 2020 for the following query.**

**Query: 1**

Can a Non Individual Investment Adviser becoming Authorized Person of Trading Member give Investment Advisory Clients implementation / execution services ?

**Query: 2**

Investment Adviser due to any unavoidable situation receives brokerage / commission sharing of Investment Advisory Clients from SEBI Registered intermediatory then what he should do with that amount ?

**Reference to SEBI (Investment Advisers)(Amendment) Regulations 2020 (Regulations)**

Regulation 22 (4) of the Regulations states:

(4) Non- Individual investment adviser shall maintain an arm's length relationship between its activities as investment adviser and distributor by providing advisory services through a separately identifiable department or division.

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Regulation 22A of the Regulations states:

## **Implementation of advice or execution.**

22A (1) Investment adviser may provide implementation services to the advisory clients in securities market :

Provided that Investment Advisers shall ensure that no consideration including any commission or referral fees, whether embedded or indirect or otherwise, by whatever name called is received: directly or indirectly, at investment adviser's group or family level for the said service, as the case maybe,

(2) Investment adviser shall provide implementation services to its advisory clients only through direct schemes / products in the securities market.

(3) Investment adviser or group or family of investment adviser shall not charge any implementation fees from the client.

(4) The client shall not be under any obligation to avail implementation services offered by the investment adviser.

## **Facts :**

Vansh Capital Private Limited (VCPL) is SEBI Registered Non Individual Investment Adviser (INA000014818). VCPL has Separate Identifiable Department / Division for Distribution and Execution Services of Equity, Derivatives, Commodity, Currency and Mutual Fund. VCPL is Authorized Person (3826A) of Sharekhan Ltd (INZ000171337). To give Investment Advisory client on his consent Implementation / Execution services through Sharekhan Ltd, VCPL is making arrangement with Sharekhan Ltd of Zero Commission / Brokerage Sharing.

Clause 22A of the Regulations states that an Investment Adviser may provide implementation services to the advisory clients provided that the investment adviser shall ensure that no consideration including any commission or referral fees whether embedded or indirect or otherwise, by whatever name is received, directly or indirectly at investment advisers group level for the said service.

**Our understanding for Query 1 :** This proposed arrangement is valid, because the Investment Advisory clients have direct Investment Advisory Agreement only with Vansh Capital Private Limited. VCPL is not receiving any Commission / Brokerage of Investment Advisory Clients from Sharekhan Ltd till the advisory service period. So our proposed arrangement fulfills all the relevant applicable clauses of SEBI (Investment Advisers) (Amendment) Regulations 2020 (Regulations).

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## Our understanding for Query 2 :

Investment Adviser should return that brokerage / commission amount to SEBI Registered Intermediary.

Or

If SEBI permits then such amount can be deposited in SEBI established Investor Protection and Education Fund (IPEF) / Any Stock exchange managed Investor Protection and Education Fund. So this will help to comply with SEBI (Investment Advisers) (Amendment) Regulations 2020 (Regulations) and ultimately help the Investor Community.

## **Request:**

We request for an interpretative letter on our understanding on the applicability of Provisions of IA Regulations as stated above, in accordance with SEBI Informal Guidance Scheme, 2003.

We would appreciate an early response in the above matter.

Thanking You

For Vansh Capital Private Limited

Rahul Jaju,

Principle Officer

