



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
DIVISION OF FUNDS-1

SEBI/HO/IMD1/OW/2021/10555/1
May 20, 2021

Purnartha Investment Advisers Pvt. Ltd.

32/33, Rachna, Dr Ketkar Road,
Off Karve Road, Erandwane,
Pune 411004

Dear Sirs,

Sub: Request for interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in connection with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 by Purnartha Investment Advisers Pvt. Ltd. (PIAPL)

1. This has reference to your letter dated February 05, 2021 and subsequent communications including email dated March 30, 2021, seeking an interpretative letter under the SEBI (Informal Guidance) Scheme, 2003.
2. In your letter and subsequent emails under reference you have, *inter alia*, represented as follows:
 - 2.1. Purnartha Investment Advisers Pvt. Ltd. ("PIAPL") is registered with SEBI as Portfolio Manager (Registration no. INP000007021) and Investment Adviser (Registration no. INA000000672).
3. In view of the above, you have sought an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 from SEBI on the following:
 - 3.1. In terms of Clause 4 (j) of the SEBI Circular Cir./IMD/DF/13/2010 dated October 05, 2010, if clients write electronically that they have understood the fees/charges structure, using their fingers or a stylus pen on the relevant portion of Annexure on fees and charges of portfolio management account opening form accessed by

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दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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them on touch sensitive screen of their personal computing device, whether this shall satisfy the requirement mandated under Clause 4(j) of the aforementioned SEBI Circular.

4. Our Comments

The submissions made in your letter and email have been considered. Without necessarily agreeing with your analysis, our response on the queries raised in your communications are as under:

4.1. In terms of queries raised in para 3.1 the following may be stated:

- i. Clause 4 (j) of SEBI Circular dated October 05, 2010 (the "Circular") states the following:

"New clients shall be required to separately sign the annexure on fees and charges and add in their own handwriting that they have understood the fees/charge structure."

- ii. Clause 4 (j) of the Circular states that the new client shall sign the annexure on fees and charges and add in their own handwriting that they have understood the fees/charge structure. In terms of Section 5 of the Information Technology Act, 2000 (the "IT Act"), the condition of signature of any person shall be deemed to have been satisfied, if such information or matter is authenticated by means of electronic signature affixed in such manner as may be prescribed by the Central Government.

- iii. Section 5 of IT Act states the following:

"5. Legal recognition of [electronic signatures]. —Where any law provides that information or any other matter shall be authenticated by affixing the signature or any document shall be signed or bear the signature of any person, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied, if such information or matter is authenticated by means of



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[electronic signature] affixed in such manner as may be prescribed by the Central Government.

Explanation. –For the purposes of this section, signed, with its grammatical variations and cognate expressions, shall, with reference to a person, mean affixing of his hand written signature or any mark on any document and the expression signature shall be construed accordingly.”

- iv. Further, as noted from the heading of the Clause 4(j) of the Circular, the intent of the provision is to disclose the fees and charges to the client and to ensure that the client has understood and acknowledged the fees and charges structure.
 - v. In view of the above, for compliance with Clause 4(j) of the Circular, the clients may sign the annexure referred to in the Circular, using electronic signature as per the IT Act and write electronically that they have understood the fees/charge structure, using their fingers or a stylus pen on the relevant portion of annexure on fees and charges, accessed by them on touch sensitive screen of their personal computing device.
5. This above position is based on the information furnished in your letters under reference. Different facts or conditions might lead to different interpretation. Further this letter does not express decision of the Board on the questions referred.
6. You may note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to the Circulars issued under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and do not affect the applicability of any other law and requirements of any other SEBI Regulations, guidelines and circulars administered by the SEBI or of the laws administered by any other authority.

Yours faithfully,


Manaswini Mahapatra