

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Directions under sections 11 and 11B of the Securities and Exchange Board of India Act, 1992 read with regulations 65 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 against NGHI Developers India Limited.

1. SEBI came to know that a company, NGHI Developers India Limited (hereinafter referred to as "NGHI") having its head office at B-36, Multan Nagar, Rohtak Road, New Delhi; website "www.nghidindia.com"; is collecting money from the public. On a perusal of the Memorandum of Association (MoA), Articles of Association (AoA) and material available on the website of NGHI, it was noticed that NGHI is soliciting funds from public for the purpose of developing plots of land through its plans, viz; -'cash down payment plan' and 'installment payment plan'.
2. Since the word "*nicer*" is mentioned in the logo of NGHI on its website, it *prima facie* occurred that NGHI is related to another company namely; 'Nicer Green Forests Limited (Nicer)', which was earlier found operating 'collective investment scheme' (CIS) in contravention of the SEBI (Collective Investment Schemes) Regulations, 1999 and has already been directed by SEBI, vide an Order dated November 9, 2010, to wind up its existing collective investment scheme(s) and refund the money collected by it under the scheme(s) with returns which are due to its investors as per the terms of the offer.
3. In order to ascertain whether NGHI was carrying on activities of a 'collective investment scheme' or is being used by Nicer and its management to subvert above stated SEBI order, SEBI, as matter of preliminary inquiry, sent a letter dated May 12, 2011 to NGHI at its registered office address at F-117, 1st Floor, City Star Complex, Central Spine, Vidyadhar Nagar, Jaipur, Rajasthan-302001 and advised it to submit the following details/documents within 14 working days from the date of receipt of the letter:
 - a) Number of plans/ schemes launched.
 - b) Brochures/publicity material pertaining to all schemes/ offers to the public.
 - c) Structure of all the plans/schemes
 - d) Main terms and conditions of the plans/schemes
 - e) Sample copies of the agreement letter/contract required to be entered into by investor/applicant under the schemes
 - f) Name and present addresses of the promoters/directors/key managerial personnel along with their Permanent Account Number (PAN)
 - g) Number of investors and amount collected in each plan/scheme

4. While the preliminary inquiry was in progress, SEBI received a complaint on June 20, 2011, enclosing therewith copies of the receipt issued by Nicer and NGHI and mentioning *inter alia* that:
 - a) On July 30,2005, Pipal Singh Sidhu, Managing Director of Nicer and one Mr. Surjit Singh had visited the complainant's village and made announcement that Nicer had 2000 acres of land in its possession and invited the villagers to purchase the lands in installments.
 - b) The complainant booked a plot for an installment of Rs.2080/- on an assurance of Nicer that he would be allotted a plot after one year.
 - c) In spite of paying for 13 installments, he was not allotted any plot.
 - d) The complainant came to know that Nicer did not have any land. He met Mr. Pipal Singh, Managing Director of Nicer when he told the complainant that he had left the company and the complainant's money has been invested in Nicer Green Infrastructure.
 - e) On May 10, 2011, when the complainant visited Nicer to claim his money, the officer of Nicer took the complainant's receipts and in lieu of them gave him the bonds of NGHI.
 - f) The complainant alleged that Nicer is cheating the public by changing names and that it is still continuing to raise money.
 - g) The complainant prayed that his money and the money of 10 lac investors like him should be refunded.
 - h) The complainant also informed that the company claims that it has closed Nicer but it is still mobilising money from the public under the name 'Nicer'.
5. After a reminder dated July 27, 2011 to furnish the desired information, NGHI vide letter dated August 01, 2011 submitted that it is a company incorporated on March 13, 2010 as a public limited company and is engaged in the business of sale and purchase of real estate and properties and to act as colonizers, infrastructure developers, etc. as enshrined in the main object clause of its MoA. Mr. Pipal Singh, Mr. Avtar Singh and Mr. Bakshish Singh are its promoters/directors. It is already having lands in its ownership at various places and develops the same and promotes the sale in different units to its customers for mutually decided consideration. It denied launching any investment plan or collecting any money from general public under the veil of any plan. It enclosed sample copies of the agreement (between itself and its customer) for sale. It sought further time to compile and provide information with respect to the number of investors and the amount collected.
6. On August 9, 2011, SEBI advised NGHI to submit the remaining information and to submit proof of its ownership on lands as claimed by it, within seven days. NGHI, vide letter dated August 17, 2011, reiterated that it is engaged into the business of acquiring lands at suitable places and develops the same for the purpose of re-sale in different units on '*cash down*' or '*installment payment basis*'. NGHI submitted that it enters into legally enforceable agreement to transfer the land to its customers on payment of agreed value under the acknowledged payment mode and then transfers the land on completion of the sale transaction. It does not collect any investment from any person on the pretext to acquire or develop land as it sells or offers to sell its pre-acquired land

to customers under the acknowledged payment modes. Alongwith this letter NGHI submitted certain details of lands sold/allotted to its various customers and furnished copies of sale deeds with respect to certain properties claiming to be owned by it.

7. Since the NGHI did not furnish complete information as advised by SEBI, a letter dated September 8, 2011 was issued to it advising it to submit the following information/documents:
 - a) List of properties held by NGHI including date of acquisition, price paid and location (including survey nos. and size) and source of funds.
 - b) List of investors from whom NGHI has collected money against the each of the properties , including the rate paid per square yard and the total amount paid/promised to be paid.
 - c) The methods used by NGHI to approach the investors and to collect the monies mobilized by it.
8. A reminder letter dated September 26, 2011 was also sent to NGHI requiring it to produce the aforesaid details. NGHI vide letter dated September 23, 2011 (*received by SEBI on September 28, 2011*) stated that the details of properties has been duly submitted along with sale deeds evidencing its ownership on the said properties. It requested four to six weeks time to submit the desired information of its customers in tabulated form as asked by SEBI . NGHI further submitted that it uses conventional method to locate the land to be bought or to approach its customer through property consultants or dealers of the area where a particular land is situated. It reiterated that it is engaged into business of sale, purchase, and development of land. It has further submitted that it acquires land , develops it and then sells it to its customers. Further, it does not have any investment plan and it is not engaged in any fund mobilising activity. It has admitted that it is bound to furnish information/ records sought by SEBI.
9. SEBI noted that the replies of NGHI were inadequate and vide letter dated September 28, 2011 granted 14 days time to it as a final opportunity to provide the information strictly in the manner indicated in the SEBI letter dated September 08, 2011. Thereafter, NGHI, vide letter dated October 24, 2011 (*received by SEBI on November 8, 2011*), contended that it does not access the securities market either directly or indirectly or engage or deal in any manner in any form of marketable securities to attract the provisions of section 11(2)(i) of the SEBI Act which empowers SEBI to seek information from specified persons/entities. It does not fall under the categories of persons/entities specified in the said section. It further contended that it does not operate any scheme or plan to induce investors or to lure in any manner to invest into the company except to deal in sale or purchase of land or its development business and requested SEBI to drop the proceedings.
10. NGHI has not provided the required details/documents as sought from it by SEBI. The information and material so far available on record *prima facie* suggest that the management of

Nicer and NGHI are attempting to subvert the directions issued against Nicer vide Order dated November 9, 2010 by substituting the certificates issued by Nicer with the Bonds of NGHI. Since NGHI is also mobilising funds under its plans/ schemes that could be 'collective investment scheme', it becomes incumbent upon SEBI to intervene urgently in the matter . Therefore, in the facts and circumstances of this case, it becomes necessary for SEBI to act swiftly and proceed *ex parte* on the basis of material available on record. Hence, I proceed accordingly.

11. I have perused the complaint received by SEBI in the matter, the correspondences between SEBI and NGHI , the application forms circulated by NGHI , the information/documents received from NGHI and other material available on record. From the application form I note that NGHI invites customers/investors to apply for purchase of farm land plot, its development under its 'Cash Down Payment Plan/ Installment Payment Plan. The investors apply with application monies in cash/ cheque/ demand draft/ money order. As per one of the conditions stipulated in the application form NGHI reserves right to discontinue, change, amend or modify the plan and introduce new plans at any time at its sole discretion. The investors have to execute an agreement on the basis of the application at the time of making payment of application money. From the standard agreement that is executed between NGHI and its customer, I note the following terms of its plan/scheme:

- (a) *"AND WHEREAS THE COMPANY organises the sale of undeveloped agricultural land of different sizes, to prospective buyers and undertakes at the option of the Customer, the development of the same."*
- (b) *"AND WHEREAS THE COMPANY has made arrangements for purchasing/procuring the land with clear and marketable title and with possession, which forms part of various plans launched by THE COMPANY."*
- (c) *"AND WHEREAS THE COMPANY has agreed to arrange for the sale of PLOT in favour of the CUSTOMER and to develop the same at its expense by undertaking various development activities in which the Company possesses the requisite expertise and skill."*
- (d) *"The land shall be allotted in the name of the Customer, in case of Cash Down Payment Plans after completion of nine months from the date of agreement and in installment Payment Plans after having receipt of 50% of the cost of the plot and development charges within the period of 270 days". (clause 1).*
- (e) *"THE COMPANY or its nominee shall procure and install bore wells, open wells and other water points and install motors, pump sets, irrigation, main pipelines, electrical installations and temporary sheds/ structures....."*
(clause 2)
- (f) *"The Customer has exercised the option to get the farm Land Plot developed by the Company and this Agreement shall be construed as a confirmation thereof." (clause 3)*
- (g) **"5. POSSESSION**
The Customer shall be owner in vacant physical possession of the plot at all times, after execution of registered sale deed. The Company shall enter upon the plot only for the limited period for the purpose of undertaking development of the plot, as per the terms of this agreement between the customer and the company in that regard. The overall security of the Plot shall, however, be the responsibility of the Company till the expiry of the development period of Plan opted for by the customer....."

(h) "6. IRRIGATION SYSTEM

The Company shall provide such irrigation system as it may deem appropriate, which shall be part of the overall irrigation system, depending upon the nature of soil, crop pattern of the plot, etc, in consonance with the expert advises received by the Company."

(i) "7. FERTILIZATION

The Company shall upon planting the saplings, plants, crops, trees etc. over the aforesaid plot, shall use necessary fertilizers, pesticides etc. as it may deem appropriate."

(j) NGHI would employ personnel for carrying out its obligations as per the agreement. (clause 8)

(k) "9. SALE OF PRODUCE

Unless specifically otherwise directed by the Customer the Company shall be responsible for arranging the sale of the produce, if any, out of the plot, on behalf of the Customer. For the purposes of arranging the sale of the produce as aforesaid, the Company shall have the sole discretion to decide as to whether the produce shall be sold in the wholesale market and/or in the semi-wholesale market, and/or to one or more marketing Company, or may decide to sell it to any other market which the Company may consider appropriate for the sale of a particular grade of the produce."

(l) "10. SALE PRICE

The task of sale of the produce, undertaken by the company under the provision of the aforesaid clause 9, shall be subject to the condition that depending upon the grade of the produce harvested from the plot, market conditions and other relevant factors, the Company may decide to sell the produce at such price which it may deem fit and reasonable in the circumstances prevailing at that point of time. It shall be the endeavor of the company to sell the product at the best prevailing prices and terms. The customer shall accept the net sale proceeds, so obtained by the company from the sale of the said produce as final and no dispute shall be raised in respect of the same. "

(m) "14. WASTAGE

Both the Company and the customer agree that in process of arranging for sale of the produce, if any pursuant to the aforesaid clause 9, there will normally be a percentage of wastage at the time of harvesting, grading and handling before the delivery/sale. The Company shall keep such percentage of wastage at such nominal levels as practicable and this shall be applicable to every harvest in general without any reference to the produce harvested."

12. On examination of the application form and the terms of the agreement , I note that under its plans/ scheme NGHI invites contribution from applicants on the premise that it has made arrangements for purchasing/procuring the land and undertakes to develop the land, irrigate it, plant saplings, crops, trees and use fertilizers, pesticides on the crops and plants. It also undertakes to arrange for the sale of the produce from such land on behalf of the customer. NGHI decides where to sell the produce (in wholesale market or in semi-wholesale market), the price at which the same is to be done depending upon the grade of the produce and thereafter give the customer the 'net sale proceeds'. As per the said agreement, the customer has no role to play and has to merely accept whatever proceeds are given and shall raise no dispute. NGHI is also entitled to keep such percentage of wastage (of produce at the time of harvesting, grading and handling before sale/delivery) at such nominal levels.

13. I also note from the website of NGHI (www.nghidindia.com/plans.htm) that the entity has in operation two plans -

- (a) **Plan No. 1- Cash Down Payment ; and**
- (b) **Plan No .2- Installment Payment Plan**

Following are the details of the above plans :

Plan No.1 - Cash Down Payment

Plot Size	Period	Cost of Plot (Rs)	Development & Other Changes (Rs.)	Project Plot Value of Expiry of agreement term (Rs.)
650 S.Y.	24 Months	20000	4600	24600
800 S.Y.	24 Months	50000	11500	61500
650 S.Y.	36 Months	15000	5250	20250
702 S.Y.	36 Months	40000	14000	54000
650 S.Y.	48 Months	15000	7500	22500
975 S.Y.	48 Months	50000	25000	75000
650 S.Y.	60 Months	15000	9750	24750
965 S.Y.	60 Months	45000	29250	74250
650 S.Y.	72 Months	15000	12000	27000
702 S.Y.	72 Months	30000	24000	54000
650 S.Y.	84 Months	10000	10000	20000
1300 S.Y.	84 Months	50000	50000	100000
650 S.Y.	120 Months	10000	15000	25000
650 S.Y.	120 Months	20000	30000	50000
650 S.Y.	180 Months	5000	25000	30000
1040 S.Y.	180 Months	10000	50000	60000

Plan No.2 - ¹Installment Payment Plan (Tenure 120 months)

Plot Size	Cost of Plot (Rs.)	Development & Other Charges (Rs.)	Installments (Rs.)				Project Plot Value of Expiry of agreement term (Rs.)
			Mly.	Qly.	Hly.	Yly.	
650 S.Y.	10000	10000	90	270	510	1000	20000
650 S.Y.	15000	15000	135	405	765	1500	30000
650 S.Y.	20000	20000	180	540	1020	2000	40000
650 S.Y.	25000	25000	225	675	1275	2500	50000
780 S.Y.	30000	30000	270	810	1530	3000	60000
1040 S.Y.	40000	40000	360	1080	2040	4000	80000
1300 S.Y.	50000	50000	450	1350	2550	5000	100000
1560 S.Y.	60000	60000	540	1620	3060	6000	120000
2080 S.Y.	80000	80000	720	2160	4080	8000	160000
2600 S.Y.	100000	100000	900	2700	5100	10000	200000
5200 S.Y.	200000	200000	1800	5400	10200	20000	400000

It is seen that except in case of few plot sizes, the development charges are equal to or more than the cost of a plot.

¹ Under this Plan, a customer could chose from '72 months', '96 month' and '120 months' tenure of payment.

14. From the standard agreement, application form circulated by NGHI, the material and contents of its website and the complaint received by SEBI against NGHI, it is observed that:
- (a) NGHI is soliciting funds from the public through its 84 “customer service centers” spread across the states of Uttar Pradesh, Punjab, Rajasthan, Bihar, Haryana, Gujarat, Uttarakhand, Delhi and Jammu & Kashmir. Further, from the above mentioned complaint, it is noted that the Managing Director of the NGHI who is also the Managing Director of Nicer, had been soliciting monies from the public by making announcements about plans/schemes of NGHI.
 - (b) NGHI receives contribution from the customers/investors on the basis of the application form and agreement for its schemes operated by it. It issues certificates/ bonds against investments made by the customers in its plan/scheme. NGHI thereafter collects substantial amount of contribution toward development charges.
 - (c) Further, it is not necessary that the NGHI will allot the plot from the land already acquired by it before pooling of contribution from the customers/ investors. At the time of contribution by investor, the NGHI declares that it has made arrangements for purchasing/procuring the land. Thus, it may acquire land after pooling the investment/contribution from the customers/investors.
 - (d) In the Cash Down payment, the land is allotted to the customer after nine months from the date of agreement and under the Installment Payment Plan, the plot is allotted to the customer within the period of 270 days after receipt of 50% of the total cost and development charges of the plot. Thus, in the Installment Payment Plan, the customer gets allotment of plot after four to nine years, depending on the installment plan.
 - (e) NGHI would develop the land on behalf of the customer .The agricultural land purchased by an investor/customer is managed by NGHI on his behalf. NGHI takes upon itself the responsibility to plant trees, saplings, crops, sprays fertilizers, etc. The proceeds from the sale of produce from such land is payable to the customer. NGHI decides the price, identify the market where such produce is to be sold and deduct a percentage as wastage of produce during harvesting, grading and handling before delivery/sale.
 - (f) All infrastructural amenities including irrigation, power, buildings etc. are built and controlled by NGHI as part of a common pool and not by the investors. As noted above, the effective control of the land including its development remains with NGHI. NGHI employs its own personnel for administration and management of the lands as per the agreement. The property/ land/plot is managed on behalf of the investors/customers, till it is finally conveyed to them. Further, the overall security of the plot shall be the responsibility of NGHI till the expiry of the development period of the plan opted for by the investor.
 - (g) As mentioned above, one of the conditions stipulated in the application form is that NGHI reserves the right to discontinue, change, amend or modify the plan and introduce new plans at any time at its sole discretion.

15. From the above details of the plans/schemes of the NGHI it may be seen that:-

- (a) NGHI operates investment plans / scheme and offers it to the public. The contribution/ investment made by the investors/customers in response to its plans/ scheme are pooled and utilized for the plans/scheme.
- (b) The contributions are made by investors/ customers in the plans/scheme with a view to receive profits through development of land and receipt of proceeds from sale of produce from the land.
- (c) The property and the contribution or investment forming part of the scheme are managed on behalf of the investors of such plans/schemes.
- (d) The investors do not have day to day control over the management and operation of the plans/schemes.

16. The above characteristics of the plans/schemes of NGHI offered to the public do not seem to represent a plain real estate transaction rather they enshrine investment objectives and plans and *prima facie* satisfy all ingredients of a 'collective investment scheme' as defined in section 11AA(2) of the SEBI Act which provides as under:

"11AA (1) Any scheme or arrangement which satisfies the conditions referred to in subsection (2) shall be a collective investment scheme.

(2) Any scheme or arrangement made or offered by any company under which,

(i) the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement;

(ii) the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement;

(iii) the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;

(iv) the investors do not have day to day control over the management and operation of the scheme or arrangement."

17. In this regard, I refer to the judgment of the Hon'ble Punjab and Haryana High Court in the matter of *PGF Limited vs. Union of India & others*, wherein under the similar facts and circumstances as the present case, the Hon'ble High Court held that when each customer/investor is a recipient of agricultural land i.e. "property" it is apparent that each customer/investor is admittedly a recipient of one of the benefits contemplated under section 11AA(2)((i)), namely, "property". The Hon'ble Court further held that :

"It is clear also from the reasons recorded while drawing the aforesaid conclusions, that a customer/investor has practically no accessibility to the agricultural land purchased by him; it is practically impossible for him to carry on agricultural/or developmental activities on the land purchased by him; the life line/blood stream of agricultural activity which include irrigational and drainage

facilities along with ancillary inputs are to remain perpetually, under the control of the PGFL; it is also practically impossible for any customer/investor to have a day to day control over the agricultural land purchased by him. Day to day control with the customer/investor is one of the most important tests delineated by the Dave Committee for arriving at a final determination, whether or not, a scheme/arrangement is a "collective investment scheme". In view of the totality of circumstances noticed above, it is not possible for us to accept the contention of the learned counsel for the petitioner, that the customer/investor, has day to day control over the agricultural land purchased by him or that he himself manages the agricultural land purchased by him. The aforesaid fact situation, therefore, leads to the only other conclusion possible, namely, the agricultural land purchased by a customer/investor is managed on his behalf.”

18. In view of the above, I *prima facie* find that NGHII and its promoters and directors including Mr. Pipal Singh , Mr. Bakshish Singh and Mr. Avtar Singh are engaged in the fund mobilising activity from public through investment contracts by floating/sponsoring/ launching 'collective investment schemes' as defined in section 11AA of the SEBI Act. In its replies to the letters of SEBI, NGHII has contended that it does not access the securities market either directly or indirectly or engage or deal in any manner in any form of marketable securities to attract the provision of the SEBI Act including the power of SEBI to call for information from it under section 11(2)(i) of the SEBI Act. In this regard, it is necessary to refer to the relevant provisions of SEBI Act along with their background in brief. Section 11(1) of the SEBI Act and its preamble clearly spell out the duty of SEBI to :-

- (i) *protect the interests of investors in securities,*
- (ii) *to promote the development of securities market,*
- (iii) *to regulate the securities market*

and for matters connected therewith or incidental thereto.

19. The word 'securities' as defined in section 2(1)(i) of the SEBI Act read with section 2(h)(ib) of the Securities Contracts (Regulation) Act, 1956, includes '*units or any other instrument*' issued by any 'collective investment scheme' to the investors in such schemes. As per section 11(1) of the SEBI Act, SEBI may take such '*measures*' as it thinks fit for carrying out the above objectives and duties. Section 11(2) of the SEBI Act says that without prejudice to the generality of the provisions of section 11(1), the '*measures*' referred to in section 11(1) may provide for registering and regulating the working of 'collective investment schemes'. Section 11AA provides the definition of 'collective investment scheme' as mentioned hereinabove. In terms of section 12(1B) of the SEBI Act, 1992 no "*person*" shall sponsor or cause to be sponsored or cause to be carried on a 'collective investment scheme' unless he obtains a certificate of registration from the Board in accordance with the regulations. In exercise of powers conferred under section 30 read with sections 11 and 19 of the SEBI Act, SEBI has framed the CIS Regulations to register and regulate the activities of 'collective investments schemes'. Regulation 3 of the CIS Regulations provides that no person other than a Collective Investment Management Company which has obtained a certificate under

the said regulations shall carry on or sponsor or launch a 'collective investment scheme'. Therefore, a person can launch or sponsor or cause to sponsor a collective investment scheme only if it is registered with SEBI as a Collective Investment Management Company.

20. Therefore, the launching/ floating/ sponsoring / causing to sponsor any 'collective investment scheme' by any person without obtaining a certificate of registration in terms of the provisions of the CIS Regulations is in contravention of section 12(1B) of the SEBI Act and regulation 3 of the CIS Regulations. Such person, in my view would be a person associated with the securities market for the purposes of the SEBI Act and CIS Regulations and for the purpose of inquiry to ascertain whether a person is undertaking the activity of a 'collective investment scheme' SEBI can call for information from such person under section 11(2)(i). I am also of the view that the jurisdiction of SEBI would extend to such persons with regard to registering and regulating, seeking information, conducting inquiries and, without prejudice to other enforcement actions under the said Act, issuing directions to such persons under sections 11 and 11B read with section 12(1B) of the SEBI Act and the CIS Regulations. As noted above, NGHII is *prima facie* launching/floating/sponsoring the 'collective investment schemes' and it is thus, a person associated with the securities market which is *prima facie* not complying with the above stated applicable provisions of the SEBI Act and the CIS Regulations.
21. Having held that NGHII is amenable to the jurisdiction of SEBI under the facts and circumstances noted above, I proceed to consider whether any direction at this stage needs to be issued in the matter. The complainant in the matter has alleged that Nicer is substituting the certificates issued to its investors with the bonds of NGHII. Further, in the cover page of the agreement (between NGHII and the investors) and in the website of NGHII, the logo “*nicer*” is mentioned. I note from the records that Mr. Pipal Singh is the promoter and Managing Director of NGHII. His brother, Mr. Bakshish Singh is also a director of NGHII. Mr. Pipal Singh and Mr. Bakshish Singh are the promoters/directors in Nicer too against whom directions were issued by SEBI on November 09, 2010. NGHII was incorporated by Mr. Pipal Singh, Mr. Bakshish Singh and others on March 13, 2010 when the proceedings initiated by SEBI against Nicer were on-going. These facts suggest that Nicer and NGHII are related to each other and *prima facie* appears that NGHII is being used by Mr. Pipal Singh and Mr. Bakshish Singh as a vehicle to subvert the SEBI order against Nicer. It is noted that agricultural lands are claimed to be sold to poor villagers/farmers who invest their hard-earned money pursuant to investment contracts that are in the nature of 'collective investment schemes' of NGHII.
22. In view of the aforesaid peculiar facts and circumstances of this case, it is incumbent upon SEBI to take immediate and urgent *measures* to safeguard the market integrity, protect the interests of the investing public in the schemes/plans operated by NGHII and also ensure that such menace is not perpetuated. Further, in order to ensure that NGHII does not collect further funds under its plans/schemes and also to safeguard the assets/property acquired from such funds of the investing public till full facts are brought and final decision is taken in the matter, it becomes necessary for

SEBI to take urgent preventive and remedial action by way of this *ex-parte* order. If urgent preventive and remedial measures are not taken immediately, irreparable loss and damage may be caused to such investors.

23. For the aforesaid reasons, I, in exercise of powers conferred upon me by virtue of section 19 of the SEBI Act, by way of this *ad-interim ex-parte* Order, issue the following directions under sections 11 and 11B thereof read with regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999:-

- (a) NGHI Developers India Limited (Permanent Account Number: AADCN2229G) having its Registered office at F-117, 1st Floor, City Star Complex, Central Spine, Vidyadhar Nagar, Jaipur and Head office at B-36, Multan Nagar, Rohtak Road, New Delhi-110056 and its promoters and directors including Mr. Pipal Singh (DIN-00751858) residing at Sardar Colony, Near Gupta Petrol Pump, Ferozepur-15202, Punjab; Mr. Bakshish Singh (DIN-02962798) residing at Guru Harsahai, Ferozepur-152022, Punjab and Mr. Avtar Singh (DIN-02962785) residing at V. Alfu Ke, Ferozepur-152003, Punjab shall immediately stop collecting money, directly or indirectly, from investors under the plans/ schemes offered by it and as identified in this Order or launch any such further plans /schemes in the nature of a 'collective investment scheme'.
- (b) The properties/assets which have been owned or acquired in respect of or in pursuance of the plans/schemes or earmarked/allotted to the investors under the plans/schemes, shall not be disposed of by NGHI Developers India Limited without prior permission of SEBI.
- (c) NGHI Developers Limited, its promoters and directors including Mr. Pipal Singh , Mr. Bakshish Singh and Mr. Avtar Singh are prohibited from buying, selling or otherwise dealing in the securities and are restrained from accessing the securities market, directly or indirectly, or in any manner whatsoever. Further, they shall not be associated with any intermediary registered with SEBI.
- (d) NGHI Developers India Limited shall deposit the money collected from the investors under its plans/schemes identified in this Order in a separate bank account within a period of 3 days from the date of this order. A report to this effect shall be filed within 3 days of making such deposit. It shall not withdraw the money so deposited without the prior permission of the SEBI in writing in this regard.
- (e) NGHI Developers India Limited is hereby restrained from replacing the certificates issued by Nicer Green Forests Limited with its bonds or any other instruments by whatsoever name called.
- (f) NGHI Developers India Limited shall, within 7 days of receipt of this order, provide the details/documents as required by SEBI vide letter dated September 08, 2011.

24. This order is without prejudice to the right of SEBI to take any other action that may be initiated against NGHII Developers India Limited, its promoters and directors and against Nicer Green Forests Limited, its promoters and directors, in accordance with law.
25. This order shall be treated as a show cause notice by NGHII Developers India Limited, its promoters and directors including Mr. Pipal Singh, Mr. Bakshish Singh and Mr. Avtar Singh and may show cause as to why the plans/schemes identified in this Order should not be held as a 'collective investment scheme' in terms of the section 11AA of the SEBI Act and the CIS Regulations and why appropriate actions under the SEBI Act and CIS Regulations, including directions for winding up of such plans/schemes in terms of regulation 73 of the CIS Regulations should not be taken/issued against them.
26. NGHII Developers India Limited, its promoters and directors including Mr. Pipal Singh, Mr. Bakshish Singh and Mr. Avtar Singh shall, within 21 days from the date of receipt of this Order, file their reply, if any. They may also indicate, in their replies, whether they wish to avail an opportunity of personal hearing in the matter.
27. This Order shall come into force with immediate effect and the directions issued hereinabove shall continue till further Orders.

Date: July 9th , 2012

Place: Mumbai

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA