

**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 read with Regulation 65 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 in the matter of Blessing Agro Farm India Limited (CIN: U01210TN2009PLC070355) and its Directors viz. Mr. Innsaipillai Lurdpillai Joseph Jeyaraaj (DIN: 02430751), Mrs. Prakasam Sagaya Packia Santhi (DIN: 02437679), Mr. Irudayaraj Manickam Pillai Jeyabalan (DIN: 02439369) and Mr. Santhanapeter (DIN: 0230812).

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1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") received a complaint vide email dated August 25, 2013, wherein *inter-alia* it was alleged that a few companies in Tamil Nadu are collecting monies from public through various schemes. Blessing Agro Farm India Limited (hereinafter referred to as "**BAFIL**") is one of the companies mentioned in the complaint.
 2. As a matter of preliminary inquiry into whether or not BAFIL was carrying on activities of 'collective investment scheme' in terms of Section 11 AA of the SEBI Act, 1992 ("**SEBI Act**"), SEBI vide letter dated August 26, 2013 sought information about the schemes operated by BAFIL.
 3. In response thereto, BAFIL, vide letter dated September 04, 2013 submitted that "*they are having a licence of Insurance Regulatory and Development Authority (IRDA) to operate as Corporate Agent (of Life Insurance Corporation of India (LIC)) under Insurance Act, 1938. It is further stated by BAFIL that if they fall within the activities mentioned in SEBI's letter, they will come forward to get themselves registered.*" However, BAFIL did not provide any information regarding the schemes operated by them.

4. Subsequently, SEBI vide letter dated October 03, 2013, sought the following additional information from BAFIL :
 - a. Details of amount collected - investor-wise, year-wise, and scheme-wise,
 - b. Details of amount refunded,
 - c. Brochures/pamphlets circulated by BAFIL and
 - d. Audited financial statements for the last three years.

5. Thereafter, BAFIL, vide letter dated February 27, 2014, submitted the following information and documents:
 - i. BAFIL is a LIC Corporate Agent of Madurai Divisional office (having license Number : 5371656) and they have a licence from IRDA to operate as Corporate Agent under Insurance Act. They own purified mineral water plant and milk plants. They also own lands and promote them on instalment subscription basis. They are filing statutory returns on regular basis. BAFIL also submitted Income Tax Returns filed for the years 2009-10 to 2013-14.
 - ii. BAFIL also attached a “*certificate*” dated February 27, 2014, from one Mr. S. Saravanan (M.No.109/06), claiming to be an “*Auditor*” along with aforesaid letter. In the said certificate it is certified that the Company’s main object is to act as LIC agent. BAFIL is also into the business of water purification and milk plants. It is further, certified that the company owns land to promote real estate business and sell it in instalment basis to its customers.

6. SEBI vide letter dated March 05, 2014 sought information from BAFIL regarding its financials, brochures, amount collected investor-wise, amount refunded, Memorandum and Articles of Association(“**MoA**”), etc. However, no information was received from BAFIL. Subsequently, SEBI issued a reminder dated March 17, 2014 directing BAFIL to submit the information within 10 days from the date of receipt of the letter.

7. As no information was received from BAFIL, SEBI vide another letter dated June 17, 2014, once again advised BAFIL to submit complete financial statements with schedules. BAFIL was given 15 days time to provide the information.

8. In response thereto, BAFIL, vide letter dated July 17, 2014, submitted the financial statements for the years 2011-12, 2012-13 and 2013-14. However, the information regarding the investors and scheme-wise mobilization were not furnished by BAFIL. Upon examination of the financial statements provided by BAFIL, SEBI vide another letter dated July 18, 2014, sought information regarding the amount of "Trade Payables" mentioned in the Balance Sheets, details of various lines of business of the company, details of money collected, sample copies of application forms, registration/allotment letter, brochures, structure and terms and conditions of schemes, details of assets owned by BAFIL, etc.
9. BAFIL, vide letter dated July 25, 2014 (received on July 28, 2014), sought extension of time for 15 days for providing the information. However, BAFIL did not provide the information within the time limit. Meanwhile Managing Director of BAFIL visited SEBI Office on August 11, 2014 and he was also advised to submit the relevant information to SEBI.
10. BAFIL vide letter dated August 16, 2014 *inter-alia* stated that "*we are basically running real estate business in the method of instalment basis to the customers and the customers pay the advance for the purpose of purchase of land from the company. As on date there is no delay/default complaint from its customers. Further, the trade payables mentioned in their accounts are the land advances received from land buyers in instalments basis, which is ₹51.91 Crores as on March 31 2013 and we have refunded ₹6.72 Crores and the balance amount remaining is ₹45.18 Crores.*" BAFIL also furnished information regarding instalment amount and refund details and assets owned by the company in a Compact Disc ('CD').
11. BAFIL also mentioned that they are acting as a corporate agent of LIC and also into the business of distribution of milk, mineral water purification, agricultural cultivation, manufacturing soap, herbal products, etc. It is also stated that all the relevant documents pertaining to their business are filed with the concerned departments and never collected any advances in the name of the promoter/director. BAFIL submitted the copies of returns filed with State Government. They also provided details regarding their various schemes offered by them, copy of blank application forms circulated to customers, copy of blank registration

certificate and land allotment letter issued to the customers. It was noticed that the CD provided by BAFIL which contains the details regarding the investors was received in a completely broken form. Hence, the data stated to be in the CD could not be accessed.

12. Thereafter, SEBI vide letter dated August 26, 2014, sought the complete information, particularly, regarding the modus-operandi of the “*land schemes*” operated by BAFIL, details of assets owned by the company and details of the investors, etc. BAFIL was also informed that the CD provided was broken and inaccessible.
13. In reply to the aforesaid letter, BAFIL vide letter dated August 30, 2014 *inter-alia* provided copy of a rule book, CD containing details such as name and addresses of the customers along with the amount collected from April 01, 2009 to March 31, 2013 – totalling to ₹51.92 Crores along with plan in which the investment is made and details regarding the amount refunded to the customers totalling to ₹6.72 Crores.
14. BAFIL has provided the details of land purchased in the name of the company in Tamil. From the data so received from BAFIL, it appears that the company is holding around 2285 acres and 57 cents of land in its name. Details regarding the registration number, date of registration, survey number and place where the land is located are provided in the CD. However, the said information could not be verified as it is only a statement in excel format without certified copy of sale deed.
15. BAFIL has also provided sample copies of the application form, registration letter, allotment letters and customer final settlement forms of five customers who opted for the plan viz., BMP A1-1 year for 109 Sq. Ft.
16. I have carefully considered the materials available on record such as correspondence exchanged between SEBI and BAFIL, submissions made by BAFIL, documents furnished by BAFIL and documents downloaded from the *MCA21 Portal*, etc. In this context, the issue for determination is whether the mobilization of funds by BAFIL is a ‘*collective investment*

scheme' in accordance with Section 11AA of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act").

17. On an examination of the material available on record, it is *prima facie* observed:

- i BAFIL (CIN: U01210TN2009PLC070355) was incorporated on January 02, 2009 having registered office at 1-K &1-E, Kajiyar Complex, North Gate, S.S. Colony, Madurai – 625010.
- ii The Directors of BAFIL are Mr. Innsaipillai Lurdpillai Joseph Jeyaraaj (DIN: 02430751), Mr. Prakasam Sagaya Packia Santhi (DIN: 02437679), Mr. Irudayaraj Manickam Pillai Jeyabalan (DIN: 02439369). Further, Mr. Santhanapeter (DIN: 0230812) resigned from the directorship of BAFIL with effect from April 06, 2013.
- iii The main objects as per the MoA of BAFIL *inter alia*, is "to carry on the business of Dairy products, Agriculture, Horticulture, Real Estate, manufacturer of Soap, Grocery, Drinking Water, Agents for Life and General insurance..."
- iv As per the financial statements of BAFIL, an amount of ₹45.18 Crores as on March 31, 2013 and ₹25.28 Crores as on March 31, 2012 is mentioned as "Trade payables".

18. As per the reply of BAFL, various plans offered to the public are illustrated as under:

- a. Various plans offered by Blessing Agro farms as per the rule book are as under:

Scheme - BMP A - 1 (12 months)								In ₹	
S.No.	Land in Sq Ft.	Consideration amount	Instalments				Expected cost of land	Accidental Death Compensation	
			Mly (12)	Qly (4)	Hly (2)	Yly (1)			
1	109	6,000	500	1475	2925	5900	6,500	6,000	
2	130	7,200	600	1770	3510	7080	7,800	7,200	
3	152	8,400	700	2065	4095	8260	9,100	8,400	
4	174	9,600	800	2365	4680	9440	10,400	9,600	
5	195	10,800	900	2655	5265	10620	11,700	10,800	
6	217	12,000	1000	2950	5850	11800	13,000	12,000	

Scheme - BMP A - 2 (36 months)								In ₹	
S.No.	Land in Sq Ft.	Consideration amount	Instalments				Expected cost of land	Accidental Death Compensation	
			Mly (36)	Qly (12)	Hly (6)	Yly (3)			
1	367	18,000	500	1475	2950	5900	22,000	18,000	
2	440	21,600	600	1775	3545	7080	26,400	21,600	
3	514	25,200	700	2065	4130	8260	30,800	25,200	
4	587	28,800	800	2365	4725	9440	35,200	28,800	
5	660	32,400	900	2655	5310	10620	39,600	32,400	
6	734	36,000	1000	2955	5905	11800	44,000	36,000	

Scheme - BMP A - 3 (60 months)								In ₹	
S.No.	Land in Sq Ft.	Consideration amount	Instalments				Expected cost of land	Accidental Death Compensation	
			Mly (60)	Qly (20)	Hly (10)	Yly (5)			
1	142	6,000	100	295	580	1150	8,500	6,000	
2	284	12,000	200	590	1160	2300	17,000	12,000	
3	425	18,000	300	885	1740	3450	25,500	18,000	
4	567	24,000	400	1180	2320	4600	34,000	24,000	
5	709	30,000	500	1475	2900	5750	42,500	30,000	
6	850	36,000	600	1770	3480	6900	51,000	36,000	
7	992	42,000	700	2065	4060	8050	59,500	42,000	
8	1134	48,000	800	2360	4640	9200	68,000	48,000	
9	1275	54,000	900	2655	5220	10350	76,500	54,000	
10	1417	60,000	1000	2950	5800	11500	85,000	60,000	

Scheme - BMP A - 4 (75 months)								In ₹
S.No.	Land in Sq Ft.	Consideration amount	Instalments				Expected cost of land	Accidental Death Compensation
			Mly (12)	Qly (4)	Hly (2)	Yly (1)		
1	317	12,000	160	470	960	1,900	19,000	12,000
2	475	18,000	240	705	1440	2850	28,500	18,000
3	634	24,000	320	940	1920	3800	38,000	24,000
4	792	30,000	400	1175	2400	4750	47,500	30,000
5	950	36,000	480	1410	2880	5700	57,000	36,000
6	1109	42,000	560	1645	3360	6650	66,500	42,000
7	1267	48,000	640	1880	3840	7600	76,000	48,000
8	1425	54,000	720	2115	4320	8550	85,500	54,000
9	1584	60,000	800	2350	4760	9500	95,000	60,000

19. From the Rule Book, sample application form, registration letter, allotment letter, Final Settlement Form provided by BAFIL following terms and conditions of the schemes are observed:

- i. "BAFIL is "An Agro and Land Development Project Based Public Limited Co." and is inter-alia engaged in development of waste lands and agriculture;
- ii. The company is offering various plans to the customers by which the customer enters into an agreement by booking the agricultural land of different sizes and the same shall be allotted to the customer;
- iii. The person joining as customer need to submit at least one instalment amount along with ₹10 as application fees;
- iv. When the instalment is not paid within the grace period the registration letter stands discontinued but may be revived at any time within 12 months on payment of all dues together with penalty there on @ 15% per annum and appropriate late fees for delayed payments;
- v. Along with the said schemes, the company is also offering Accidental Death Compensation to the customers;

- vi. *At the end of the term period the customer should apply to the company for getting land as per the registration letter;*
- vii. *All remittances shall be made through authorised distributors;*
- viii. *The company shall have first charge on the said property on account of its unpaid instalments for services/development charges and for other incidental expenses incurred by the company, The said property cannot be sold, assigned, mortgaged, pledged, alienated without obtaining no dues certificate from the company in case of instalment payment plans;*
- ix. *In case of BMP Plans (Instalment Payment plans) within a reasonable period generally not exceeding 270 days after receipt of 50% of consideration amount, the land shall be allotted in the name of applicant. The company reserves the right to change the location of the allotment of land and allot an alternative site at any other place;*
- x. *On completion of the term period, the customer is free to take agricultural lands/waste lands as per allotment letter. If the customer opts to surrender the land with all relevant documents to the company, the company is ready to take the land for an expected cost of land as per the plan as noted in the Registration letter and in the Rule Book. Customer can use the Blessing Marketing Service to sell their allotted land to any other person. The payment of such sale consideration amount to the customers is linked with transfer of ownership of the said developed property; and*
- xi. *The company reserves the right to discontinue/change/amend/modify or alters any of the Rules and regulations and Plans mentioned in the Rule Book at any time at its sole discretion with or without any notice.”*

b Application Form:

- i. As per the application form, the customer applies for purchase, development and maintenance of the land, produce and marketing of agricultural products under cash down plans /instalment payment plans.
- ii. The application form contains various fields including Plan Category, Consideration amount, Introducers code, Advisors code, etc.
- iii. From the terms and conditions printed on the reverse of Blank Application Form provided by BAFIL, the following Clauses are noted:
 - a) "...

- b) *Clause 12: "In case of BMP Plan after receipt of full payment within a reasonable time period generally not exceeding 120 days and in case of Instalment Payment plans within a reasonable period generally not exceeding 90 days after receipt of 50% of consideration amount, the land shall be allotted in the name of applicant. The company reserves the right to change the location of the allotment of land and allot an alternative site at any other place.;*
- c) *Clause 13: On expiry of the term, applicant should surrender the registration letter, last instalment receipt, identity proof and a letter requesting the company to get the land or expected cost of land;*
- d) *Clause 22: The company reserves the right to discontinue/change/amend/modify or alter prospectively any of the rules/regulations and plans mentioned in the Rulebook at any time at its sole discretion with or without notice."*

c Registration letter:

- i. The registration letter *inter-alia* mentions "you have been registered for the land booked by you as per the details mentioned". Details include Plan number and Term, Consideration amount and land size, mode of payment and the instalment amount.
- ii. On the reverse of the blank registration letter, the terms and conditions mentioned in the application form are reproduced.
- iii. It is observed that no specific information or details regarding the land allotted to the investor like location of the land, survey number, etc. are mentioned in the registration letter.

d Allotment letter:

- i. Though allotment letter mentions the Survey No./Sq ft. of the land and village and taluk in which it is situated, it is mentioned in the allotment letter that the company reserves the right to change the location of the allotment and allot an alternative site at any other place.**(Emphasis added)**
- ii. It is also stated that on expiry/completion of the term of the period, the customer is free to take agricultural lands/waste lands. If the customer opts

for surrender of the land, the customer shall surrender all relevant documents to the company or if any circumstances arise where it is not possible to allot land to the customer, the company will take the land from the customer for an expected sum payable value as per the plan as mentioned in the Application Form and the Registration letter.

e Customer – Final Settlement Form:

- i. The five sample documents submitted by BAFIL, contains a document viz., “*Customer – Final Settlement Form*” which are signed by all the five customers.
- ii. In the said document, it is stated that the investors are willing to accept the contents in the registration letter and requests BAFIL to settle the value mentioned in the registration letter.
- iii. Further, it is also stated that BAFIL may retain the content of registration letter or make a sale of it to anyone who is interested to buy it. The proceeds accruing may be handed over to the investors and acknowledging that the sum received is the amount of cost of land.
- iv. The same form is filled by the all five customers, whose sample documents are submitted by BAFIL to SEBI. Thus, it appears that the company is making the Customers to sign the “Final Settlement Form” and is mainly not transferring the land in the name of the customers or handing over the possession of land to them but provides for the estimated value mentioned in the plan.

20. The aforementioned features of the *sale/purchase and development of land* offered by BAFIL appear to be a “*scheme*”. In view of this, the *scheme* offered by BAFIL have to be considered in light of the provisions of Section 11AA of the SEBI Act. Section 11AA provides for the conditions to determine whether a scheme or arrangement is a ‘*collective investment scheme*’. It reads as follows:

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

Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under the exemptions from CIS sub-section (3), involving a corpus amount of one hundred Crore rupees or more shall be deemed to be a collective investment scheme.

(2) Any scheme or arrangement made or offered by any person 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.

(2A) Any scheme or arrangement made or offered by any person satisfying the conditions as may be specified in accordance with the regulations made under this Act.

21. In the context of the abovementioned Section 11AA of the SEBI Act, the scheme of *Sale/Purchase and development of plot* offered by BAFIL, is examined as under:

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.*

BAFIL collects funds from the "customers"/investors under its schemes for the purchase of the plot/land and undertakes to develop the land forming part of various plans offered by it. The contribution or investment made by a "customer"/ investor are in accordance with the various "Payment Plan(s)" offered under the Scheme for *Sale/Purchase and development of plot viz: "Scheme –BMP A-1 (12 Months), Scheme –BMP A-2 (36 Months), Scheme –BMP A-3 (60 Months) and Scheme –BMP A-4 (75 Months)*. It is important to note that no plot/land is identified and demarcated when an individual "customer"/investor is issued "Registration Letter" pursuant to the execution of the "Application Form". The "Registration Letter" issued to the "customer"/investor does not indicate the ownership aspect of the land/plot forming part of the *scheme* offered by BAFIL. As per the "Rule Book", even after receipt of full payment, the allotment of a similar (unidentified) land is agreed within a period generally not exceeding

120 days. In case of Instalment Payment plans, after receipt of 50% of consideration amount, within a reasonable period generally not exceeding 90 days, the allotment of a similar (unidentified) land is agreed upon. Though the letter of allotment specifies the survey number and location of the land, the sale deed is not executed and registered even after the so called act of “*allotment*” by BAFIL. As per the '*Allotment Letter*' and '*Rule book*' BAFIL "*reserves the right to change the location of the allotment of land and allot an alternative site at any other place.*" Further, it is observed that the "*Rule Book*" provides no clarity as regards the time period of actual possession of property or any individual ownership right to be given to "*customer(s)*" investors. The customer is left with no choice but to take the return in monetary terms, as mentioned in BAFIL's brochures. Thus, these schemes do not appear to be plain real estate transactions. It is noted from the reply of BAFIL dated August 16, 2014 that it has collected funds from the customers mentioned as “*trade payables*” in their accounts to the tune of ₹51.91 Crores as on March 31 2013 and they have refunded ₹6.72 Crores and the balance amount is ₹45.18 Crores. In view of the aforesaid, it is evident that BAFIL is collecting funds from the '*customer(s)*' investors for its scheme and the contributions/funds collected from the '*customer(s)*' investors are pooled and utilized for the purpose of the '*scheme*' offered by BAFIL. Hence, the instant '*scheme*' satisfies the first condition of "*pooling of contribution or payments*", stipulated in Section 11AA(2) of the SEBI Act.

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.*

As per the '*Rule Book*', at the end of the scheme, the customer/investor will receive his share in the form of immovable property or can opt out and receive “*the estimated cost of land*” mentioned in schemes. However, it is noted from the sample copies of the application form, registration letter, allotment letters and customer final settlement form of five customers opted for the plans of BAFIL that all the customers/investors opted for “*the estimated cost of land*”. For instance, if an investor invested ₹12,000/- (paid as monthly instalment of ₹1,000/- for 12 months) in the scheme of "*BMP A-1 (12 months)*", for a plot of 217 sq.ft. for a term of 12 months and at the end of the term an "*Expected Cost of Land*" for the plot indicated is ₹13,000/- (which includes cost of land and development charges). Thus, the

customer/investor is entitled to an amount of ₹1,000/- as profit/return. BAFIL is also offering ₹12,000/- as Accidental Death Compensation to the customer/investor. Hence, it is clear that the second condition, which stipulates that the contributions or payments are made to such scheme of arrangement by the investors with a view to receive returns as stipulated in Section 11AA (2) of the SEBI Act is also fulfilled.

- iii. *The property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors, and*
- iv. *The investors do not have day-to-day control over the management and operation of the scheme or arrangement.*

It is noted that BAFIL agrees to allot the plots (unidentified) to the “customer”/investor upon execution of the “Application Form” and after full/part payment of consideration amount. The allotment of such plot/land to the 'customer'/investor is at BAFIL's sole discretion. Even after the “allotment”, where the location and survey number of the land is mentioned in the “Allotment Letter”, BAFIL reserves the reserves right to change the location of the allotment of land and allot an alternative site at any other place. Thus, it is clear that even after “allotment” neither the ownership or nor possession of the land is transferred to the customer/investor. It is also noted from the “Final Settlement Form” provided by BAFIL that all the customers/investors are made to sign the “Final Settlement Form” wherein it is stated that the investors are willing to accept the contents in the registration letter and requests BAFIL to settle the value mentioned in the registration letter. As mentioned, above, it appears that BAFIL is not taking any steps to transfer the land in the name of the customer or hand over the possession of the land. As per the *Rule Book*, the said property cannot be sold, assigned, mortgaged, pledged, alienated without obtaining no dues certificate from the company in case of instalment payment plans. BAFIL reserves the right to discontinue/change/amend/modify or alters any of the Rules and regulations and Plans mentioned in the *Rule Book* at any time at its sole discretion with or without any notice". In light of the above facts and circumstance, it is clear that the 'customer(s)'/investors do not have day-to-day control over the management and operation of the 'Scheme(s)/ Plan(s)' and that the 'customer'(s)/ investors do not, at any stage, manage the property, contribution or investment forming part of the 'Scheme / Plan(s) 'and the contribution or investment is managed and

utilized. In view of the above, I find that the instant '*Scheme/ Plan(s)*' satisfies the third and fourth conditions stipulated in section 11AA(2) of the SEBI Act.

22. In light of the above analysis and examination, *prima facie*, the activity of fund mobilization by BAFIL, under the '*scheme*' with a promise of return/"*Estimated Cost of Land*", when considered in light of peculiar characteristics and features of such scheme, as discussed in the preceding paragraphs satisfies all the four conditions specified in Section 11AA (2) of the SEBI Act.
23. In this context, it is relevant to refer to the observations of the Hon'ble Supreme Court of India in the matter of *P.G.F Limited & Ors. vs. UOI & Anr. (MANU/SC/0247/2013)*"..sub-section (2) of Section 11 AA, which defines a collective investment scheme disclose that it is not restricted to any particular commercial activity such as in a shop or any other commercial establishment or even agricultural operation or transportation or shipping or entertainment industry etc. The definition only seeks to ascertain and identify any scheme or arrangement, irrespective of the nature of business, which attracts investors to invest their funds at the instance of someone else who comes forward to promote such scheme or arrangement in any field and such scheme or arrangement provides for the various consequences to result there from."
24. In view of the abovementioned analysis and examination, I, find that BAFIL is engaged in fund mobilizing activity from the public which clearly falls within the ambit of '*collective investment schemes*' as defined in Section 11AA of the SEBI Act.
25. I note that in terms of Section 12(1B) of the SEBI Act, "*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*". Regulation 3 of the SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as "**CIS Regulations**") also prohibits carrying on CIS activities without obtaining registration from SEBI. Therefore, the launching/ floating/ sponsoring/ causing to sponsor any '*collective investment scheme*' by any '*person*' without obtaining the 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.

26. I also find that the activity of illegal mobilization of funds by BAFIL through its schemes, *prima facie*, amounts to a fraudulent practice in terms of Regulation 4(2)(t) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), 2003 ("**PFUTP Regulations**").
27. It is observed that all the factors and characteristics of the activity of *sale/purchase and development of plot/land* propounded by BAFIL as mentioned in the preceding paragraphs, is nothing but a smokescreen of its fund mobilizing scheme/arrangement from the public, and BAFIL has not obtained any certificate of registration from SEBI as required under Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations. It is noted that Mr. Innsaipillai Lurdpillai Joseph Jeyaraaj (DIN: 02430751), Mrs. Prakasam Sagaya Packia Santhi (DIN: 02437679) and Mr. Irudayaraj Manickam Pillai Jeyabalan (DIN: 02439369) are the Directors who are in charge of and responsible for the day to day affairs of BAFIL. Further, Mr. Santhanapeter (DIN: 0230812) was the former Director of BAFIL who stated to have resigned from the directorship of BAFIL on April 06, 2013. However, the fund mobilization by BAFIL started since April 2009. Hence, Mr. Santhanapeter is also equally responsible for the violations committed by BAFIL.
28. Protecting the interests of the investors is the first and foremost mandate of SEBI and therefore, SEBI has to take immediate steps to prevent activities if companies or persons defrauding the investors and damaging the orderly development of the securities market. In order to ensure that BAFIL and its Directors (past and present) do not collect further funds under its scheme/plans and to safeguard the assets/property acquired by BAFIL and its Directors from the funds of the investing public until full facts and materials are brought and final decision is taken in the matter, it becomes necessary for SEBI to take urgent preventive action by way of this interim measure. In the light of the above, I find no other alternative but to take recourse to an interim order against BAFIL and its past and present Directors for preventing them from further carrying on with the fund mobilizing activity by launching '*collective investment scheme*', without obtaining registration from SEBI in accordance with law.

29. In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act read with CIS Regulations and PFUTP Regulations, hereby direct Blessing Agro Farm India Limited (CIN: U01210TN2009PLC070355) and its Directors, viz. Mr. Innsaipillai Lurdpillai Joseph Jeyaraaj (DIN: 02430751), Mrs. Prakasam Sagaya Packia Santhi (DIN: 02437679), Mr. Irudayaraj Manickam Pillai Jeyabalan (DIN: 02439369) and Mr. Santhanapeter (DIN: 0230812):

- *not to collect any fresh money from investors under its existing scheme;*
- *not to launch any new schemes or plans or float any new companies to raise fresh moneys;*
- *to immediately submit the full inventory of the assets owned by BAFIL certified by its statutory auditor;*
- *not to dispose of any of the properties or alienate the assets of the existing scheme;*
- *not to divert any funds raised from public at large, kept in bank account(s) and/ or in the custody of the company, and*
- *furnish following information,*
 - i. Details of amount mobilized and refunded till date, certified by the Auditor of the company,*
 - ii. Scheme wise list of investors and their contact numbers and addresses and amount invested as on date,*
 - iii. PAN of the aforementioned Directors.*

30. The above directions shall take effect immediately and shall be in force until further orders.

31. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against BAFIL and its Directors (past & present) in accordance with law.

32. The *prima facie* observations contained in this Order are based on the material available on record. In this context, BAFIL and its abovementioned 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 themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.

Place: Mumbai

Date: December 15, 2014

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