

**BEFORE THE RECOVERY OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

MUMBAI

Recovery Certificate Nos. 211, 231 & 288 of 2014

**Defaulter : Mr. Vinod Hingorani,
aged 58, S/o Mr. Ramchand Rochiram Hingorani
D-63, Punarvasu Srushti, Sector - 3,
Mira Road, Thane - 401104.**

(In the matter of Adam Comsof Limited and Kolar Biotech Limited)

Order under Rule 75 and 76 of Part V of Schedule II r.w. Section 222(1)(c) of Income Tax Act, 1961, and Section 28A of the SEBI Act, 1992.

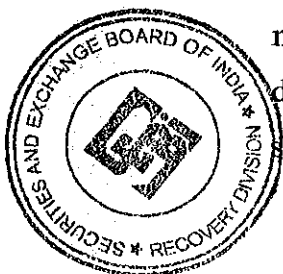
1. In captioned recovery proceedings, Certificate nos. 211, 231 & 288 of 2014 dated 11.07.2014, 11.07.2014 and 16.07.2014 respectively have been drawn up by the Recovery Officer against Mr. Vinod Hingorani (Defaulter) and Notices of Demand dated 11.07.2014 and 16.07.2014 under Rule 3 of Part I of Second Schedule to the Income Tax Act, 1961 r/w Section 28A of Securities and Exchange Board of India, 1992. In the said Notices of Demand, the defaulter was directed to pay the dues of Rs.37,62,644/-, Rs.81,98,863/- and Rs.45,19,904/- {aggregate Rs.1,64,81,411/- (Rupees One Crore Sixty Four Lacs Eighty One Thousand Four Hundred Eleven Only)} along with further interest and expenses within 15 days from the date of respective notices, failing which dues shall be recoverable by one or more modes specified under the Act.
2. As the defaulter failed to pay the said amount nor responded to the Notice of Demand, vide letter dated November 03, 2014, the defaulter was directed to appear in person before the Recovery Officer on November 11, 2014 and was directed to furnish documents relating to movable/immovable assets, bank statements, etc. The defaulter has vide letter dated November 11, 2014 replied while stating his inability to attend the hearing that he was Non Executive Chairman of Adam Comsof Limited and Kolar



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Biotech Limited and had no role in the matter. He further stated that he was employee Director in Kolar Sharex Pvt. Ltd. and he did not receive any monetary benefit. He mentioned that he has no movable or immovable properties and his bank accounts have been frozen by EOW and SEBI.

3. I note that three orders dated April 28, 2010, April 28, 2010 and June 10, 2010 were passed by SEBI imposing monetary penalty of Rs. 25,00,000/-, Rs. 30,00,000/- and Rs. 55,00,000/- respectively on the defaulter for his various fraudulent activities in the securities market. I note that the said orders have become final and the defaulter was well aware of his liability to pay the dues. In spite of repeated reminders he failed to pay any of the dues either in full or part.
4. As the defaulter has failed to take any steps to pay the said amount for the last four years, a notice under Rule 73 Part I of Second Schedule r.w. Section 222(1)(c) of the Income Tax Act, 1961 and Section 28A of the Act has been issued to the Defaulter on November 21, 2014 calling upon him to appear before the Recovery Officer on December 10, 2014 to show cause as to why he should not be committed to Civil Prison for his default in payment of the said dues to SEBI. The said notice was hand delivered to the defaulter on November 25, 2014.
5. In response to the said notice dated November 21, 2014, the defaulter has vide letter dated December 10, 2014 sought an adjournment and accordingly the hearing has been fixed to December 18, 2014 and the same was communicated to him vide letter dated December 10, 2014.
6. The Defaulter has appeared before me today. During the course of proceedings, the defaulter was advised to make payment towards the dues and/or to submit concrete proposal for payment of the dues. Since, the Defaulter failed to furnish any substantial proposal for payment of the dues except stating that he was not responsible for any activities for which penalty has been levied. I note that the penalty dues which are remittable to Consolidated Fund of India has been due for the last four years. I also note that nearly five months have lapsed from the date of Notices of Demand but the defaulter has not paid any amount so far. No substantial cause has been established or shown by the defaulter as to why he should not be committed to civil prison in the



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present recovery proceedings. Therefore, the defaulter has been detained at SEBI Bhavan, Mumbai and directed to come out with a proposal towards payment of dues to SEBI, failing which he will be arrested and committed to Civil Prison.

7. In spite of the detention, the defaulter did not come out with any proposal for repayment of dues. I am therefore satisfied that the defaulter shall be arrested and commit to Civil Prison. Accordingly in exercise of the powers conferred under Rule 76 Part V of Schedule II r.w. Section 28A of SEBI Act, 1992, the defaulter has been arrested and ordered to be sent to Civil Prison in Mumbai.
8. Since the dues of the defaulter are more than Rs.1.64 crores and that due to the fraudulent activities of the defaulter in various capacities in the aforesaid companies, number of innocent investors in the securities market have suffered. Therefore, I hereby order the civil imprisonment for a maximum period of six months under Rule 77 of Part V of Schedule II of Income Tax Act, 1961 r/w Section 28A of SEBI Act, 1992. Accordingly warrant is hereby issued directing The Jailor, Byculla District Prison, Mumbai to take Mr. Vinod Hingorani (Defaulter) into civil prison and keep him imprisoned for a maximum period of six months or until the amount aforesaid together with further interest is paid or until an order of release is received from the undersigned.

Mumbai
December 18, 2014.



D.V. Sekhar
18/12/2014

D.V.Sekhar
Recovery Officer

D.V. Sekhar
डी. वी. शेखर
Dy. General Manager & Recovery Officer
उप महाप्रबंधक एवं वसूली अधिकारी
Securities And Exchange Board of India
भारतीय प्रतिभूति और विनियम बोर्ड
Mumbai
मुंबई