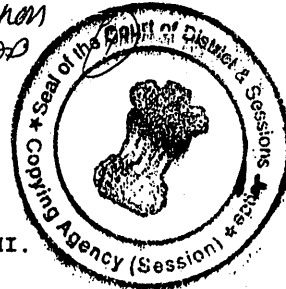


*In the Court of Ms. Asha Menon*

149



IN THE COURT OF MS. MADHU JAIN, C.M.M. TIS HAZARI, DELHI.

COMPLAINT NO. 1208 /2003

16/10/03

11/10/05

22401R 22326003

IN THE MATTER OF:

SECURITIES AND EXCHANGE BOARD OF INDIA,  
a statutory body established under the  
provisions of Securities and Exchange  
Board of India Act, 1992, having its  
Regional Office at New Delhi, represented  
by its Legal Officer/Manager/Asst.  
General Manager Ms./Mr. Rakesh Bhanot.

COMPLAINANT

VERSUS

1. WHEELS PLANTATIONS LTD.  
Wheels Complex,  
1772, Housing Board Colony,  
Sector-15,  
Punchkula-134109.
2. Shri. Surjeet Dandora,  
S/o. Shri. Priyam Singh,  
R/o. Wheels Complex,  
1772, Housing Board Colony,  
Sector-15,  
Punchkula-134109.
3. Shri. Sukh Darsman,  
S/o. Shri. Budh Ram,  
R/o. Wheels Complex,  
1772, Housing Board Colony,  
Sector-15,  
Punchkula-134109.
4. Mrs. Seema Narang,  
W/o. Shri. Raj Kumar Narang,  
R/o. Wheels Complex,  
1772, Housing Board Colony,  
Sector-15,  
Punchkula-134109.

ACCUSED

COMPLAINT UNDER SECTION 200 OF THE CODE OF CRIMINAL  
PROCEDURE, 1973 READ WITH SECTION 24(1), 27 OF SECURITIES  
EXCHANGE BOARD OF INDIA ACT, 1992.

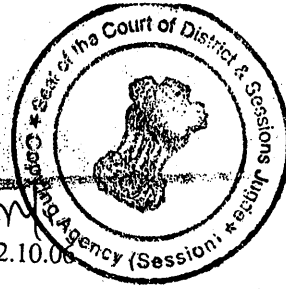
11

25



13-10-06

ASJ: 12.10.06



Pr: Sh. Sachin Setu: for SEBI.

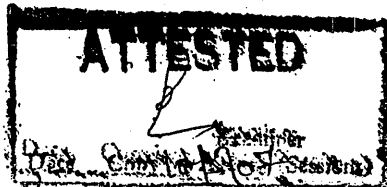
All the accused are PO.

CW-1 is present and examined U/S 229 CrP  
Evidence on behalf of SEBI closed.

File be consigned to Records to be  
revised upon apprehension of any or all  
of the accused.

(Announced in the Open Court)

Ashak Menon  
(ASHA MENON)  
ASJ/Delhi  
13-10-06.

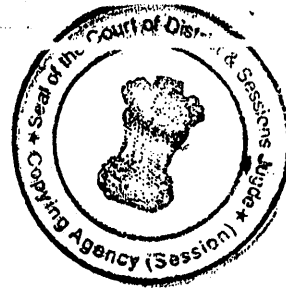


CC 111/05

SEBI Vs. Wheels Plantations Ltd. & Ors.

CW-1, Sh. Rakesh Bhanot, AGM, SEBI.

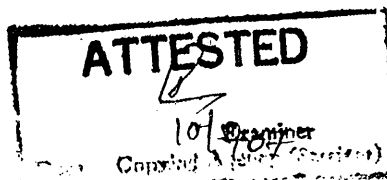
On S.A.

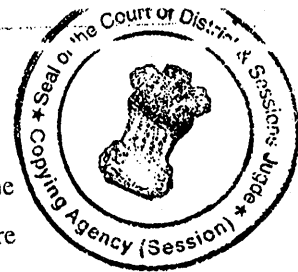


Government of India vide Press release 18.11.97 directed that Bonds which were in the nature of Plantation bonds and Agro bonds issued by companies would be considered as Collective Investment Schemes as stipulated U/S 11 of SEBI Act' 1992. Thereafter, SEBI issued a Press Release dt. 26.11.1997 and a public notice dt. 18.12.1997 directing the companies which were running CIS to file information with SEBI regarding their schemes, such as, details of funds mobilized, names of directors/promoters etc., in case they were desirous of obtaining benefits of Sec. 12(1B) of SEBI Act. Pursuant to this, company filed information vide their letter dated 14.1.98 with SEBI regarding CISs vide letter which was received by us on 21.1.98 which is Ex.CW-1/1 which runs to 4 pages besides copy of brochure. The company also submitted names and addresses of its Directors/Promoters and copy of application form. As per this letter the directors/promoters were Sh. Surjeet Dandora, Sh.Sukhdarsman Kumbh & Smt. Seema Narang. Subsequently, SEBI Collective Investment Scheme (Regulations) 1999 was notified on 15.10.99. Intimation regarding notification of these regulations was intimated to the company vide public notice dt. 20.10.99 and specific letter to the company dt. 21.10.99, sent by registered post. Office copy of the said letter is Ex. CW-1/2. In terms of the said regulations, the company was either required to file for registration or wind up its schemes in terms of regulations of 73 and 74 as given in chapter IX of the regulations. As per the procedure laid in the regulations, the company was required to circulate information memorandum to its investors and to repay and wind up its schemes and submit the winding up and repayment reports with SEBI within five and half months. These regulatory obligations were communicated to the company vide specific letters dt. 10.12.99 and 29.12.99. Letters dt. 10.12.99 and 29.12.99 were returned with remarks "left without address". The envelope containing letter dated

15

*Rakesh Bhanot*

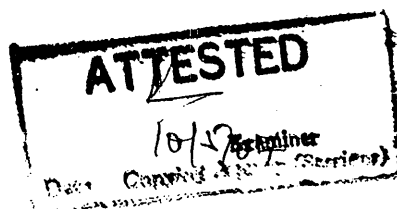


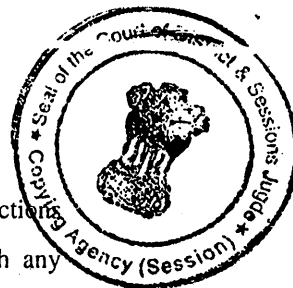


10.12.99 is Ex. CW-1/3 and the letter dated 10.12.99 is Ex. CW-1/4. The remarks dated 16.12.99 on the envelope were in Hindi to the effect that there is no such firm by this name. The envelope containing letter dated 29.12.99 is Ex. CW-1/5 and letter dated 29.12.99 is Ex. CW-1/6. The remarks dated 4.1.2000 on the envelope were in Hindi to the effect that there is no such firm by this name. These requirements were also communicated vide public notice dt. 10.12.99. The company neither applied for registration nor intimated regarding its winding up of the scheme. Show cause dt. 12.5.00 was issued which also returned as undelivered. The returned envelope is Ex. CW-1/7 and the letter taken out is Ex. CW-1/8. Vide letter dt. 31.7.00, SEBI forwarded the format of the winding up and repayment report in which the companies were required to furnish information regarding winding up of the schemes and repayments done thereafter. The letter returned undelivered. The returned envelope is Ex. CW-1/9 and letter got out of the envelope is Ex. CW-1/10. As the company failed to comply with the regulatory provisions of the Regulations, company was directed by the Chairman SEBI vide order dt. 7.12.00 to repay the investors as per the original terms of offer within one month of the said order. The copy of the order was communicated to the company vide letter dated 18.12.00 which returned as undelivered with remarks dated 21.12.00 "left without address". The returned envelope is Ex. CW-1/11 and the letter got out of the envelope is Ex. CW-1/12. Contents of the said order issued by Chairman SEBI U/S 11 of SEBI Act also published in the leading national newspaper as well as vernacular newspaper on 14.1.01. Public notice issued on 14.1.01 is Ex. CW-1/13 (OSR). Vide copy of notice dated 10.12.99 Ex. CW-1/14 which was published in Hindustan Times on 19.12.99 and public notice dated 10.12.99 SEBI intimated to all persons operating Collective Investment Scheme of obligations imposed on them under Regulations 73 and 74 in case they were not to apply for registration under regulation. It was also intimated that in case they were failed to comply with these requirements they would be liable for further actions including directions for debarment, initiation of prosecution etc. The company did not file any application seeking

17

*Harish Hand*





registration under SEBI CIS Regulations. Subsequent to 11B directions issued by Chairman vide order dt. 7.12.00 company did not furnish any report with SEBI confirming compliance accordingly, further actions were initiated including filing the prosecution. No intimation was received from the company till the filing of prosecution. Name of the company appears at serial No. 512 of public notice published on 14.1.00 in Hindustan Times which is mark A. Company has not been granted any registration under SEBI CIS Regulations, 1999. No specific correspondence was done with Directors and all correspondence was done with letters addressed to company and also through public notices and press releases issued by SEBI from time to time. It is assumed that Directors and persons incharge of the company were thereby intimated through these public notices and press release. I am authorized to file this complaint through letter of authority dt. 21.5.01 signed by Chairman, SEBI. The copy of authority letter is Ex.CW-1/15. Before filing the complaint I had verified the records.

RO & AC

ASJ: 13.10.06

*Sanjay Sharma*

Statement of Sh. Sachit Setia, Counsel for SEBI.

I close the evidence on behalf of SEBI.

RO & AC

ASJ: 13.10.06

19

