BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SR/2021-22/14958/3]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of

Gaekwad Plantations Limited

(PAN AAACG7786L)

In the matter of

Gaekwad Plantations Limited

BACKGROUND OF THE MATTER

1. As per material available on record, it is noted that Gaekwad Plantations Limited (herein after referred to as **GPL/Noticee**) was directed vide order dated December 07, 2000(sr no. 142 in the 'Order in the matter of 523 entities' as seen from SEBI website-Home»Enforcement»Orders»Orders of Chairman/Members) to refund the moneys due to investors, within a period of one month. These directions were issued as GPL was operating a collective investment scheme at the time of notification of Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999 (in short **CIS Regulations, 1999**). It is further noted that GPL vide its letter dated February 12. 2001 submitted a winding up and repayment report (in short **WRR**) alongwith certificate issued by Chartered Accountants Atul Parikh & Co. GPL in the said letter submitted that it had made repayments to all 9520 number of investors and requirements of Regulation 75 of the CIS Regulations, 1999 have been duly complied.

2. Further noted from record that, from the month of June 2010, Securities and Exchange Board of India (in short **SEBI**) started receiving complaints from investors alleging non-receipt of maturity amounts, and that the same were forwarded to GPL. It is further

noted that, GPL in its reply letter dated May 17, 2013 inter alia stated that the letter dated February 12, 2001 was forged and that signatures in the said letters are not of the directors of the company and also that 57% of teak holders had given positive consent to continue with the scheme. It is noted from record that GPL sought inspection of documents regarding said letter and inspection was provided by SEBI. GPL inspected the documents on December 12, 2013 and filed reply dated December 19, 2013, wherein, it was re-iterated that WRR, earlier submitted vide letter dated February 12, 2001 was fabricated.

3. A Department (in short **OD**) of **SEBI** observed from the above, that GPL has not complied with the directions of SEBI, to refund the amounts to investors as directed in the said SEBI order dated December 07, 2000 and thereby initiated Adjudication Proceedings against GPL. Adjudicating Officer (in short **AO**) was appointed vide order dated June 2, 2014 to inquire into and adjudge, under the provisions of 15HB and 15D(a) of the Securities and Exchange Board of India Act, 1992 (in short the SEBI Act, 1992), the matter for non-compliance of SEBI Order dated December 7, 2000 and operating CIS without obtaining registration from SEBI as required under section 12(1) of the SEBI Act, 1992. The Adjudication Officer sent the matter back to OD for consideration and the instant adjudication proceedings were kept on hold. Undersigned was informed vide order dated July 10, 2017 that the said matter is transferred from previous AO and undersigned have been appointed AO in the matter. However, no record was transferred to undersigned. However, copy of an office note (dated April 24, 2016) by dealing officer of a just previous Adjudicating Officer read as follows: previous AO was appointed vide order dated December 15, 2015, on receipt of the file from EFD it is noted that SCN dated January 19, 2015 has already been issued, at the request of the Noticee, hearing dated was rescheduled to March 15, 2016, in view of 57% of total investors gave positive consent to continue with the CIS Scheme and the said issue is referred for reconsideration, thereby record transferred to OD for reconsideration of OD. Having been appointed AO, undersigned sent emails and office notes for further information in the matter or whether the original record can be made available to undersigned so as to deal with the adjudication proceedings.

The original record was then transferred to undersigned vide office note dated December 22, 2020 and thus matter was proceeded further since.

APPOINTMENT OF ADJUDICATING OFFICER

4. OD of SEBI appointed Shri Jayanta Jash as AO on June 02, 2014, later on matter was transferred and Shri Nagendraa Parakh was appointed AO on December 12, 2016 and matter was then transferred to undersigned vide order dated July 10, 2017. Adjudication Proceedings were initiated for the alleged violation by the Noticee for the non-compliance with the directions given by SEBI Order dated December 07, 2000 and operating CIS without obtaining registration from SEBI as required under section 12(1) of the SEBI Act, 1992, which makes the Noticee liable for monetary penalty under sections 15HB and 15D(a) of the SEBI Act, 1992.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. A Show Cause Notice EAD5/ADJ/JJ/AK/OW/2131/2015 dated January 19, 2015 (in short SCN) was issued by previous AO to the Noticee under rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (in short **AO Rules, 1995**) calling upon the Noticee to show cause as to why an inquiry should not be held against Noticee in terms of rule 4(3) of AO Rules, 1995 read with section 15I of the SEBI Act, 1992 and penalty be not imposed under sections 15D(a) and 15HB of the SEBI act, 1992.

6. Details of the SCN are given as under:

> *The undersigned has been appointed as the Adjudicating Officer vide order dated June 02, 2014 and the said appointment was conveyed vide proceedings of the Whole Time Member dated June 02, 2014 to inquire and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **SEBI Act, 1992**), the alleged violations of provisions of the SEBI Act, 1992 committed by M/s Gaekwad Plantation Limited (hereinafter referred to as **"GPL"/"you"**), for failure to comply with the directions issued by the Securities and Exchange Board of India (hereinafter referred to as **SEBI/Board**).*
>
> *SEBI passed an Order dated December 07, 2000 against you for operating Collective Investment Scheme (hereinafter referred to as "CIS") (i.e. scheme in respect of Teak Sapling sale) without obtaining registration from SEBI. In exercise of the powers conferred under Section 11B of the SEBI Act,*

1992 read with regulations 65 & 73 of SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as "CIS Regulations") SEBI vide its aforesaid Order dated December 07, 2000 inter alia directed M/ s Gaekwad Plantation Limited ".....to refund the money collected under the schemes with returns which is due to the investors as per the terms of offer within a period of one month from the date of this Order....."

It is observed that subsequent to SEBI Order dated December 07, 2000 GPL vide letter dated February 12, 2001 had submitted the Winding up and Repayment Report (hereinafter referred to as ***"WRR")*** *dated January 26, 2001 (copy attached for your reference as* ***Annexure-1****) certified by its statutory auditors M/ s Atul Parikh & Company to SEBI wherein it has been certified that repayments have been duly made to all the investors.*

During the year 2010-2012, SEBI had received investors complaint against GPL for non-receipt of maturity amount in respect of its Teak Sapling sale scheme. Copy of few investors complaint are hereby attached as Annexure-2 for your reference. Thus, the WRR dated January 26, 2001 filed by GPL with SEBI was fictitious.

From the above, it is observed that GPL has failed to refund the money collected under the schemes with returns within a period of one month from SEBI Order dated December 07, 2000. ***It*** *is also observed that GPL has been operating CIS (i.e. scheme in respect of Teak Sapling sale) without obtaining registration from SEBI.*

This act of yours, i.e., non-compliance with the directions given by SEBI Order dated December 07, 2000 and operating CIS without obtaining registration from SEBI as required under section 12(1) of SEBI Act, 1992 is alleged to be in violation of the SEBI Act, 1992 which makes you liable for monetary penalty under Sections 15 HB and 15D (a) of the SEBI Act, 1992 which reads as follows:

Securities and Exchange Board of India Act, 1992

Section 15HB. Penalty for contravention where no separate penalty has been provided

Whoever fails to comply with any provision of this Act, the rules or the Regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.

Section 15D.If any person, who is-

required under this Act or any rules or regulations made thereunder to obtain a certificate of registration from the Board for sponsoring or carrying on any collective investment scheme, including mutual funds, sponsors or carries on any collective investment scheme, including mutual funds, without obtaining such

certificate of registration, he shall be liable to a penalty of one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds, or one crore rupees, whichever is less;

*You are, therefore called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 (3) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "**Rules**") r/w Section 151 of the SEBI Act, 1992 and penalty be not imposed under Sections 15D(a) & 15HB of the SEBI Act, 1992.*

*You are advised to submit the photocopy of your Income Tax Permanent Account Number card (**PAN Card**) for our record.*

Your reply, if any, should reach the undersigned, at the address given below, within 14 days from the date of receipt of this Notice, failing which it shall be presumed that you have no reply to submit and the matter would be proceeded further on the basis of material available on record in terms of Rule 4(7) of the Rules

Said SCN was supported with a copy of the letter no. GPL/170/2000-2001 dated 12.02.01 sent by Noticee to SEBI, attaching therewith **1**. Winding up and repayment report dated 26.01.01 alongwith annexures showing total amount repaid to all investors, **2**. floppy disk showing repayment made to investors (SEBI hand written noting shows 'no floppy received') and **3**. Certificate of statutory auditors stating that, 'we have verified the Winding up and Repayment Report….found it correct'. SCN was also supported with copies of complaints of few complainants, such as Vitthalbhai Morarbhai Mahta (folio no V/222 sr no 5629, distinctive no 6672 and folio no V/375 sr no 9123, distinctive no 10902-10903), Kalpana Amit Vyas, Krunal A Sanghvi (folio no K/373 sr no 5045, distinctive no 6023) , Krutarth Atulkumar Bhatt and Bhavarth Atulkumar Bhatt.

7. The said SCN was sent for service to the Noticee through Western Regional Office (in short **WRO**) of SEBI vide letter dated EAD/JJ/AK/2132/2015 dated January 19, 2015 to the Regional Director of WRO. The SCN was serviced upon the Noticee by affixture. Proof of service is on record. As seen from the letter of Noticee dated February 05, 2015 acknowledging the receipt of the SCN through affixture and seeking time for submitting of reply.

8. Noticee sought time for reply vide letters dated February 05, 2015, March 01, 2015, and May 02, 2015. Noticee sought inspection of documents. Noticee then replied in detail to the SCN vide letter dated June 24, 2015. Details of the same are as follows:

- scheme I (1992-1993) was to sell the teak saplings with an undertaking to take care of these sold saplings for a period of 17 years and thereafter to return the grown trees to the buyer of the saplings at the end of the 17th year. company had raised an amount of Rs. 123.60 lac through the scheme in 1992-93

- scheme II (1998-1999) was rights issue offered to existing scheme holders: teak saplings which were already grown for 5 years were sold, with an undertaking to take care of these sold saplings for a period of for 14 years and thereafter return the grown trees to the buyers at the end of the 14th year. company raised an amount of Rs.7.78 lac in 1999 by way of rights issue

- After these two schemes no trees were sold. Thereafter company continued to take care of the saplings sold in 1992-93 and 1998-99 till 2009-10 and 2011-12 respectively and no money / finances were raised after 1999. The said scheme, in the meaning of funds raising thereafter no more remained operational and the land on which teak woods / trees were grown has since become barren, plain and flat. The company pays even today the realized amount to the original purchaser of sapling in 1992-1993. The company had informed the purchasers concerned about the status of the scheme and on 31.03.2015 only about Rs.5.82 lac have remained payable.

- copy of SEBI's order dated 07.12.2000 was received under SEBI's covering letter dated 18.12.2000. .. This letter was replied by our letter dated 05.01.2001 .Prior to this date, we vide our letter dated 23.03.2000 informed SEBI about the company's teak saplings scheme of 1992-93

- as per SEBI's advice in 2000, the company offered to pay back the monies, but majority owners of the teak woods chose to continue the schemes. Copies of Application Form, Teak Sapling sale certificate submitted. After SEBI's circular / directive no funds raised from public, Noticee only took care of the already planted teak wood saplings had it cut the seven(7) years grown sapling it would have been against the terms of the scheme and would have been detrimental to the interest of the scheme holders. This was duly conveyed to SEBI at the relevant time vide our letters dated 15.10.1999, 05.01.2001 and 12.02.2001, copies submitted. Hence, it is incorrect to say that Noticee operated the said schemes without obtaining registration from SEBI as required under Section 12(1) of The SEBI Act,1992

- IOC plant set-up next to the teakwood property affected it adversely, the teak wood trees could not grow for diverse reasons over time. The company has paid the amount realized on sale of grown teak wood trees against their original payment of Rs. 1,000/-. Many

persons yet have not collected the realized amount for several reasons despite advertisements in Newspapers. Hereto annexed and marked as Annexure '4' are copies of the said newspaper advertisements.

- We did not collect any fund by selling sapling from the year 1999 as the only activity we continued after 1999 was take care of saplings and to return grown trees or to pay realized amount to the claimants on surrendering the original certificate. It is pertinent to mention that selling of teak tree (after 17 years & 14 years) was never our responsibility and not the term in.

- Gaekwad Plantations Ltd. is a company of Mr. Digvijaysinh D. Gaekwad (main Promoter & Director) with presently Mr. Yashodhan D. Gaekwad and Mr. Kamlesh P. Patel as directors. This company was promoted in May, 1992 inter alia with a view to serve small and marginal people who could form a habit of saving and contribute as low a sum of money — Rs. 1,000/per teak sapling and earn a reasonable rate on their contributions and at the end of expiry period of 17 years and 14 years get a good lump sum amount (from their point of view). There were no promises of assured returns, and the said purchasers were aware of terms and conditions, force majure, disclaimers. The company had taken the responsibility of care and nurture planted saplings by watering, fertilizing, etc. activities and engaging labours for such care.

- Unfortunately on account of excessive pollution in the area of planted teak wood, in 1998-99 Indian Oil company bought nearby land, made well for storage of oil etc. and pond for wastages etc. whose ponds walls got broken and added to the woes were heavy flood in Vishvamitri river in the year 2000-01 and subsequent years. All these unanticipated events adversely affected the already grown trees then.

- We may point out that there has hardly a case of complaint / grievance against us anytime against the company and / or its directors. The company at all times enjoyed high esteem and reputation on account of its fair and honest dealings with its purchasers of saplings, who are from different cities / states.

- We have been reducing our obligations as is seen from the company's audited balance sheets:

Rs. in Lacs

Particulars	2011-12	2012-13	2013-14
No. of trees refund given.	831	154	64

Sale proceeds to be refunded	6.89	6.51	5.95

Copies of audited balance sheets for the year ended 31.3.2012, 31.3.2013 and 31.3.2014 are enclosed. (**Annexure -5**)

- We deny that we have failed to comply with the directions issued by SEBI in 2000. We state that the copy of our purported letter dated 12.22001 that was sent by SEBI along with SCN dated 19.1.2015 is a forged and fabricated document and hence disputed. This was clarified to SEBI in our letter dated 17.52013, reference of which SEBI has made in its letter dated 21.5.2013

- We submit that the WRR dated 26.1.2001 available with you (enclosure to covering letter dt.12.02.2001) was not filed by the company. The said document which is on file of a SEBI is a fabricated document with forged signatures thereon. This is communicated to SEBI vide our letter dated 17.05.2013. This fact of fabrication came to our notice during our inspection on 12.12.2013. As per the said fabricated letter, our scheme was closed as on 20.01.2001 and that we had refunded the amounts to all the investors. However, that was not a correct state of affairs.

- We hereby submit the copy of our official and genuine letter dated 12.02.2001 and WRR submitted to SEBI. (**Annexure - 8**). As per said letter, we had refunded the amounts to total 380 investors amounting to Rs. 95,000/- (Rs. 250/- amount after expenses incurred). We further submit that we have never claimed that refund have been made to all the investors. We had also vide our letter dated 15.10.1999 submitted the details to SEBI in pursuance of SEBI letter dy. MFD/CIS/AY/18475/99 Dt.27-09-2009.We also apprised to SEBI about our scheme by our letter dt.05-01-2001.

- We deny the alleged non-compliance with the directions given by SEBI Order dated December 07, 2000 and that we are operating CIS without obtaining registration from SEBI as required under section 12(1) of SEBI Act, 1992 and have violated SEB' Act, 1992. We deny that we are liable for monetary penalty under Section 15 HB and 15D(a) of the SEBI Act, 1992.

- As we have already stopped colleting monies from the investors long back in January, 1999 and there has not been a single instance of collection from 1999 and the scheme has ceased to operate, it appears that there is misappreciation of factual aspects in the matter. Moreover taking cognizance of alleged irregularities after 10 to 15 years from the date of alleged 'cause of action' itself shows that the Adjudicating proceeding is out and out penal. This cannot be done in law. In the circumstances, it appears that

adjudicating proceeding does not have any basis and will not serve any useful purpose. Hence, were discharged from the adjudicating proceeding at the earliest.

- In the circumstances, we be permitted to continue to pay the realized amount to those who approach us in future so that the company meets its obligation to the persons concerned after completing the normal procedure in the matter.

- In the alternative, we are prepared to deposit the balance amount of Rs. 5.95 lac available with us as on 31.03.2014 with SEBI so as to prove our bonafides and which it may distribute as and when the eligible / concerned persons approach SEBI and after verification of their claims and documents. The said amount has since reduced.

9. It appears from record that a personal hearing was granted to Noticee and hearing proceedings conducted on March 15, 2016. Pursuant to which Noticee sent another reply dated March 21, 2016. Details of which are as under:

Further to our reply dated 24th June 2015 and personal hearing dated 15th March, 2016, we submit as under.

- The company did not have any intention to disobey the order/directions of SEBI nor to hide anything from SEBI. It has always informed to SEBI about status of scheme.

- The scheme was not wound up in view of the Regulation 73(7) of the Securities & Exchange Board of India (Collective Investment Schemes) Regulations, 1999 which reads as under:

"73(7) The investors who give positive consent under sub regulation (6), shall continue with the scheme at their risk and responsibility.

Provided that if the positive consent to continue with the scheme, is received from only twenty percent or less of the total number of the existing investors, the scheme shall be wound up."

- In view of this clause, the company took consent of all the teakholders in May 2000. The 5226 teak holders (57%) gave their positive consent to continue in the scheme and hence the amount were not refunded. The status of the scheme as on 31st Dec. 2000 was informed to SEBI vide letter dt.05.01.2001 .We invite your specific attention to our reply dated 05.01.2001 (Page 31,32 of our reply dated 24.06.2015)wherein we submitted (Annexure-2), the following statistics with regard to the net scheme.

"The net result is as under:
No of Total teak holders in the scheme

to whom IM was sent	9,225.
No. of Total teak holders gave positive consent to continue(57%)..	5,226.
No. of Total teak holders desired to discontinue	395.
No. of Total teak holders did not replied at all	. . 3,604."

- We invite your attention to also our reply dated 15.10.1999 (Page 27 of our reply) wherein details of repayments made have been furnished.

- As regards directive of SEBI for registration of the company, we invite your kind attention to Noticee's letter dated 23.03.2000 regarding its CIS registration. (Annexure -A). The said letter categorically states that out of about Rs. 1.30 crores funds raised, Rs. 29.00lacs approx. were invested in movable and immovable assets out of which the company had to take care of trees for next 10 years. If the company had to register with SEBI, it was required to pay Rs. 10.25 lac towards registration fees and spend further Rs. 3 to 4 lac approx. towards obtaining rating from rating agencies. With the balance funds then available with the Noticee, it would have been impossible for the company to fulfill its obligation to take care of the trees for the remaining period of ten years. But for this additional financial burden (otherwise) the Noticee had no difficulty in getting SEBI registration. The Noticee in the said letter had sought guidance from SEBI, however, the Noticee did not receive any reply from SEBI."

- We invite your good self's kind attention towards the Noticee's letter dated 12.02.2001 as regards to winding up report dt.26.01 .2001 filed vide letter dated 12.2.2001 of the company along with its acknowledgement (Annexure-B) Page No-87 of reply dated 24.06.2015. We were informed during the personal hearing that SEBI has not received a Floppy Disk stated to have been sent along with this letter. We hereby enclose one CD as Floppy Disk is now out of time, it is not working now. We have floppy disk, if your good-self wishes we can produce it on hearing from you. The Noticee states that as per the forged letter dated 12.02.2001, the Noticee had made 100% repayment to the Teak tree-holders. In this regard, the Noticee submits that within a short span of one month from the last date of submission of report on 05.01.2001, it was practically impossible to repay the amounts to about 9,500 Teakholders then. So it was apparently fraudulent letter.

- We submit that Submissions as to' WWR' (Winding up and Repayment report) dated 26.01.2001 alleged to be filed by Gaekwad Plantations Ltd, which is on the record of SEBI and found during the course of inspection with SEBI was fictitious.

- We refer to our letter dated 17.05.2013 (**Annexure-C**) (Page 82 of reply dated 24.06.2015), Noticee had disputed the fabricated letter dated 12.02.2001 in its letter dated 17.05.2013.

- The Noticee vide its letter dated 26.06.2013 offered to SEBI to submit the confirmation letters of majority of (57%) the investors who had consented to continue the scheme. We also sought inspection of the documents referred to and relied upon by SEBI in our letter dated 12.02.2001 which is in the records of SEBI.

- We wish to inform you that main promoter, chairman and managing director Mr. Digvijaysingh D. Gaekwad recently expired (on 01.12.2015). He was looking after the affairs of the company. A copy of his death certificate is enclosed. **(Annexure-D).**

- As the company's schemes have got over in 2009-10/2011-12 and as we have not collected any fund after 1999, we respectfully submit that the underlying cause of action, which is the subject matter of adjudicating proceedings, no more exists or has become stale and such a cause of action cannot be adjudicated belatedly and would not serve any purpose as the company had already stopped the scheme in 1999.

- We have initiated procedure to distribute balance amount remaining from sales proceeds of trees, which are not claimed by the teak holders till date. We shall finish the process within period of month time.

- Printout of the contents of the CD shows a list of name titled List of team holders from letters received to continue in the scheme, it has no, holder name, amount, running serial till 5324.

10. Noticee sent letter dated April 04, 2016 seeking acknowledgement of earlier letter. Vide hearing notices (HNs) dated February 15, 2021 no. SEBI/AO/SR/4099 and 4097/2021 an opportunity of hearing was given to the Noticee scheduled on February 24, 2021 between 11:00 AM to 4:00 PM at SEBI HO, Mumbai or SEBI, WRO, Ahmedabad sent to both addresses on record. Noticee was informed through the said HNs that if Noticee fails to avail this opportunity of hearing it shall be presumed that Noticee has no further reply to submit and matter shall be proceeded on the basis of material available on record. One HN got delivered and proof of service is on record, another HN returned undelivered. Noticee replied vide letter dated February 23, 2021

interalia that since the matter is old, company is not having staff at present and due to Corona situation is unable to make it with required information. Vide HN dated September 17, 2021 no. SEBI/AO/SR/24553/1 and 2/2021 an opportunity of hearing was given to the Noticee scheduled on October 5, 2021 between 11:00 AM to 4:00 PM at SEBI HO, Mumbai or SEBI, WRO, Ahmedabad sent to both addresses on record. Noticee requested for postponement by email, same was acceded to and conveyed by email and hearing rescheduled for October 12, 2021. Noticee replied vide letter dated October 12, 2021 giving details of authorized representatives to represent and attend hearing as scheduled. Hearing was conducted as scheduled. Noticee acknowledged and informed vide email that hearing will be attended. Hearing was conducted as scheduled and hearing minutes sent by email, which were acknowledged by the Noticee (email dated October 12, 2021). All email printouts and delivery receipts on record.

11. Hearing proceedings are as follows: 1. AR/Noticee reiterated earlier submissions made. 2. AR/Noticee made additional submission. In this regard, AO advised Noticee to make written submissions in case the same are not already made earlier and as per request of Noticee time was given for making such submissions. 3. AO allowed till 31.10.2021, by which the said Noticee is required to make the written submissions, if any.

12. Noticee in its letter dated October 12, 2021 gave details of the current status of the fund mobilized and repayment done. As per the submission of Noticee a total of Rs. 123.6 Lac was mobilized in two tranches i.e. Rs. 115.82 (in 1992-93 from 11582 investors) and Rs. 7.78 (in 1999-2000 from 311 investors) of which as on March 31, 2021 Rs. 8,53275 remains pertaining to 7740 investors. Further in another letter dated October 12, 2021 Noticee interalia made following submissions:

    - SCN is bad in law, owing to abnormal delay issued for non-compliance of order dated December 07, 2000 and issued on January 19, 2015 i.e. after more than 15 years. Noticee made reference to order passed by Hon'ble Securities Appellate Tribunal in appeal no. 279 of 2020 Parag Sarda vs SEBI. Noticee also made reference to order dated August 21, 2020 in W.P. 315/2020 and WMP 362/2020 of Hon'ble Madras High

Court in the matter of J Sheikh Parith vs The Commissioner of Customs. Noticee also made reference to order dated May 17, 2018 in WP 322/2015 of Hon'ble Calcutta High Court in the matter of Lal Gandhi Vs. UoI and others.

- Noticee denies that it is liable for penalty as, Scheme was that company sold teak sapling at Rs. 1000/- per sapling and had undertaken to maintain the same for a period of 17 years, upon completion owner was entitled to cut and use it or sell it or entrust task to Noticee cutting and selling. There was no pooling of resources, the scheme has not envisaged that total amount realized on selling of all the trees would be pooled and distributed amongst the owners of the saplings in the ratio of their holding. Each person was owner of identified tree and was entitled to individually receive the amount realized from the specific tree owned by him. Company had only undertaken to take care of trees owned by teak holder for 17 years.
- On receipt of the notice dated September 27, 1999 from SEBI seeking information about the scheme the same was provided by our letter dated October 15, 1999. As required by CIS regulations, information memorandum was sent to 9225 members seeking their consent in writing to continue with the scheme, 5226 gave their consent, 395 opted for repayment and 3604 dint reply. A winding up and repayment report was sent to SEBI on February 12, 2001 in terms of Regn 73 and 74 of SEBI CIS Regulations. Since scheme was 17 years it has ended in the year 2009. Payments were made to members on surrender of their original certificates, advertisements were issued in newspapers inviting claims, company has been making payments. An amount of Rs. 8.52 lakh is outstanding and same is kept in fixed deposit with banks.
- Company is transparent and forthwith in complying and replying promptly to SEBI. No dilatory tactics to delay proceedings or repayment to teak tree owners. Teak tree owner is required to surrender its original certificates and the company cannot be faulted for default of action on the part of the tree owner. After issue of CIS and SEBI order/directive, the company has not raised any fund from the public and it only took care of the already planted saplings. Had it cut seven (7) years grown saplings, it would have been against the terms of the scheme and detrimental to the interest of the scheme holders. It was duly conveyed to SEBI vide letter dated October 15, 1999, January 05, 2001 and February 12, 2001. It is incorrect to say that the company operated the said scheme without obtaining registration from SEBI as required under section 12(1) of the SEBI Act, 1992.

13. Noticee in its letter dated October 27, 2021 made further submission in addition to the submissions made earlier, interalia as under:

- Company does not fall under the ambit of section 11AA of the SEBI Act, 1992. As per, sub section 2(i) of the Section 11AA it envisages that there is a scheme or arrangement, and in pursuance thereof, contributions or payment made by the investors are pooled and utilized for the purpose of scheme or arrangement. We respectfully submit that section 11AA of the SEBI Act, 1992 is applicable only in cases where in pursuance of any scheme or arrangement contributions or payments made by investors are pooled and utilised with a view to receive profits, income, produce or property and is managed on behalf of the investors can be considered as CIS. There has to be a common objective.

- In our case, there was no scheme or arrangement. Individual identifiable teak trees were sold and only maintenance of tree was undertaken by us. There was no pooling of resources. The scheme commenced in the year 1992 and the company had sold teak sapling had undertaken to maintain the same for a period of 17 years. On completion of the scheme, the owner of the teak tree was entitled to cut the tree on its own and use it for its own purpose or sell it or can entrust the task to us for cutting and selling the same. Thus, was no pooling of resources. The scheme had not envisaged that on completion of the scheme, the total amount realised on selling of all the trees would be pooled and distributed amongst the owners of the saplings in the ratio of their holding. Each person was owner of identified tree and was entitled to individually receive the amount realised from the specific tree owned by him. The company had only undertaken to take care of trees owned by teak holder for 17 years.

- We respectfully submit in view of above, we do not fall within the ambit of Section 11AA as first of all, it envisages existence of a scheme of arrangement and in pursuance thereof moneys are received/collected from investors which are pooled and deployed for a common purpose and on completion of the scheme, the amount realised on disposable of the assets are distributed to each investor in the ratio of the amount invested by them. In the present case, we had sold teak saplings and which are identifiable and the person purchasing the sapling is owner of that particular sapling and thus, is entitled to decide about the future course of action. The owner of the teak sapling is the ultimate decision maker.

CONSIDERATION OF ISSUES, EVIDENCES AND FINDINGS

14. I have carefully perused the charges levelled against the Noticee in the SCN and other material available on record. In the instant matter, the following issues arise for consideration and determination: -

   a. ***Whether there is non-compliance with the directions given by SEBI Order dated December 07, 2000 by the Noticee***
   b. ***Whether the Noticee was operating CIS without obtaining registration from SEBI as required under section 12(1) of the SEBI Act, 1992 has thereby violated section 12(1) of the SEBI Act, 1992***
   c. ***If yes to issue a and/or b, then whether the Noticee is liable for a monetary penalty under sections 15HB and 15D(a) of the SEBI Act, 1992***
   d. ***If yes to c, then what would be the monetary penalty that can be imposed upon the Noticee, taking into consideration the factors mentioned in rule 5(2) of the AO Rules, 1995?***

   Before proceeding further, I refer to the relevant rules, regulations etc related to the matter.

CIS Regulations, 1999

CHAPTER VIII
PROCEDURE FOR ACTION IN CASE OF DEFAULT
Directions by the Board

65. The Board may, in the interests of the securities market and the investors and without prejudice to its right to initiate action under this Chapter, including initiation of criminal prosecution under section 24 of the Act, give such directions as it deems fit in order to ensure effective observance of these regulations, including directions:
   (a) requiring the person concerned not to collect any money from investors or to launch any scheme;
   (b) prohibiting the person concerned from disposing of any of the properties of the scheme acquired in violation of these regulations;
   (c) requiring the person concerned to dispose of the assets of the scheme in a manner as may be specified in the directions;
   (d) requiring the person concerned to refund any money or the assets to the concerned investors along with the requisite interest or otherwise, collected under the scheme;

(e) prohibiting the person concerned from operating in the capital market or from accessing the capital market for a specified period.

CHAPTER IX
EXISTING COLLECTIVE INVESTMENT SCHEMES
Manner of repayment and winding up
73.
(1) An existing collective investment scheme which:
(a) has failed to make an application for registration to the Board;
or
(b) has not been granted provisional registration by the Board; or
(c) having obtained provisional registration fails to comply with the provisions of regulation 71;
shall wind up the existing scheme
(2) The existing Collective Investment Scheme to be wound up under sub-regulation (1) shall send an information memorandum to the investors who have subscribed to the schemes, within two months from the date of receipt of intimation from the Board, detailing the state of affairs of the scheme, the amount repayable to each investor and the manner in which such amount is determined.
(3) The information memorandum referred to in sub-regulation (2) shall be dated and signed by all the directors of the scheme.
(4) The Board may specify such other disclosures to be made in the information memorandum, as it deems fit.
(5) The information memorandum shall be sent to the investors within one week from the date of the information memorandum.
(6) The information memorandum shall explicitly state that investors desirous of continuing with the scheme shall have to give a positive consent within one month from the date of the information memorandum to continue with the scheme.

The SEBI Act, 1992
Section 12(1)
Registration of stock brokers, sub-brokers, share transfer agents, etc.
12. (1) No stock-broker, sub- broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:
Provided that a person buying or selling securities or otherwise dealing with the securities market as a stock- broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market immediately before the establishment of the Board for which no registration certificate was necessary

prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application.
Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration.

15. Issues a and b

Issue a: Whether there is non-compliance with the directions given by SEBI Order dated December 07, 2000 by the Noticee

Issue b: Whether the Noticee was operating CIS without obtaining registration from SEBI as required under section 12(1) of the SEBI Act, 1992 has thereby violated section 12(1) of the SEBI Act, 1992

a) Before dealing with allegations made in the aforementioned SCN, it is pertinent to address the contention of the Noticee regarding delay in proceedings and also the contentions that the said scheme carried out by the Noticee is not CIS Scheme. As regards the delay, it is noted that Adjudication Proceedings only upon receipt of complaints regarding non-receipt of redemption value in June 2010 whereas SEBI had received a WRR from Noticee in Feb 2001 which stated that all investors have been refunded the monies raised, thus delay can't be accorded to SEBI beginning from year 200 to year 2010 as the alleged non-compliance was not brought to light. Further, the Noticee receiving complaints is also an admitted position by the Noticee, as seen from the various annual reports submitted by the Noticee that complaints have been filed in the consumer courts as well. Thus, Noticee was receiving investor complaints in addition to the complaints taken up by OD of SEBI. As for delay between year 2010 to 2015 contended by Noticee, it is an admitted position that the correspondence between OD and Noticee was to ascertain the veracity of WRR and other matters as seen from record. In my considered opinion there is no delay as contended by the Noticee of over 15 years from year 2000 to year 2015 in the instant proceedings.

b) As regards the various contentions of the Noticee regarding scheme not being CIS I note from material submitted by Noticee has description of the scheme Noticee has furnished a copy of application for the scheme with application form on one side and what appears to be conditions of the scheme on reverse, interalia as follows:

- Under this scheme company offers planted/to be planted saplings of teak in the company's plantation to the holder of the certificate and nurture its growth for a period of 17 years and delivers the tree to the certificate holder thereafter
- Duration of the scheme is for 17 years
- The receipt holder is deemed to have joined the scheme in the full knowledge of its being agricultural forestry in nature.
- Land, roots, stumps to the height of 12" from the land shall remain property of the company and the receipt holder shall have no right or interest in them
- This scheme does not create for the receipt holder any title to the land where the tree stands/stood prior to delivery on due date to the receipt holder
- Receipt holder shall be beneficiary of the concerned tree to the extent of the tree alone from 12" above the ground level
- Entire control and management of the tree and the plantation shall be that of the company. The interest of the receipt holder in the scheme as whole shall extinguish on his exercising his choice to the tree or its realizable proceeds. At end of scheme holder shall exercise his choice either of the tree or its sale proceeds. In case the tree is not claimed, six months and further period of six months will be allowed, maintenance to be debited to receipt holder. If still not claimed, tree will be cut and stored, cost debited to receipt holder for storage etc. Cut tree will be so held in storage for six months after which realizable proceeds credited to 'unclaimed tree a/c' and tree to become property of the company. Said amount will be paid to the receipt holder whenever a claim is made after recovering all charges so mentioned. No interest to be paid for the realizable sale proceed. Company will retain the

tree for a period of 18 months only and receipt holder to have claim on the realizable sale proceeds without interest after which.

- Company will repurchase tree from 25% of the receipt holder after five years at double the amount of the original paid.

c) Noticee has also furnished a copy of a teak tree sale certificate on one side which has terms and conditions on the reverse, interalia stating a follows:

- Entire control and management of the tree and plantation shall be that of the company
- Trees will be insured on cost basis as per Agriculture crop insurance scheme
- It is understood that between the certificate holder and the company that the transaction covered by the unit certificate is a sale of Teak tree sapling and does not constitute an investment within the meaning of any laws of the country relating to investment in companies.
- Rs. 1,00,000/- per unit is the expected realizable value for 17 years. The realization of the funds of the certificate holder are only indicative sale proceeds, and based on the present market conditions and govt policies.
- The certificate holder shall get his/her name and complete address registered with the company and it shall be the responsibility of the Certificate holder to inform the company by 'registered post acknowledgement due' of any change of address, failing which all notices and letters posted at the registered address shall be deemed to have been received by the certificate holder within the time by which they should ordinarily reach the addressee.

d) Taking into consideration the above material submitted by the Noticee, to ascertain whether the scheme was CIS, I refer to the criteria for the same. From the existing criteria laid down in section 11AA(2) of the SEBI Act, 1992, inserted by the Securities Laws (Amendment) Act, 2014, w.r.e.f. 18-07-2013 are as follows: (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. It is very pertinent to note that at the time of SCN said criteria had come into existence while the same were not in existence at the time of violation. Nonetheless, undersigned places reliance on the same to provide guidance to ascertain whether scheme mentioned in the SCN in light of the abovementioned defense put up by Noticee vide letter dated October 27, 2021,that the scheme is not CIS.

e) In light of section 11AA(2) of the SEBI Act, 1992, it is noted from the reply of the Noticee that the monies raised in the scheme are for the purpose of buying, maintaining teak tree saplings. It is noted from a web search that currently a teak sapling costs below Rs. 100, whereas in the years 1992-93 and 1998-99 an investment of Rs. 1000/- per teak sapling, which is not merely a sale of a teak tree sapling as contended by the Noticee, but investment in a scheme of teak planation where the sold tree is sold but still kept in possession of Noticee for a period of 17 years and arrangement of insurance, storage etc done by Noticee. It is understood that the said investment was pooled and utilized solely for the purposes of the scheme or arrangement which was maintaining a teak tree plantation and related allied services i.e. crop insurance, storing etc. It is further noted that at one point in time of the scheme i.e. after 5 years, holder can redeem at double the price i.e. which indicates return of 100 % over five years, it is also noted that at the end of the 17 years a price of Rs. 1 lac was indicated as a probable realizable price from the sale of the teak, wherein Noticee does not promise returns but it indicates returns. I also note that it is an admitted position of the Noticee that plantation is managed on behalf of the teak tree holder and the teak tree holder does not have control over the day to day management of the said teak tree holder. Thus, on one hand the Noticee is as an afterthought put up a defense that the said scheme was

not CIS, on the other hand produced material showing correspondence regarding registration etc. It is established from the material available on record and as per the details submitted by Noticee regarding the said scheme that the scheme so floated by the Noticee as evidenced from its application form and sale certificate was a CIS Scheme.

f) Allegations levelled in the SCN: It is noted from the SCN that the charges levied against the Noticee in the instant adjudication proceedings are as follows. ".. *This act of yours, i.e., non-compliance with the directions given by SEBI Order dated December 07, 2000 and operating CIS without obtaining registration from SEBI as required under section 12(1) of SEBI Act, 1992*."

g) As regards the allegation of, *non-compliance with the directions given by SEBI Order,* from perusal of the said SEBI Order dated December 07, 2000, it is noted that 523 entities including Noticee which had collected money from investors and were thus running CIS Schemes were directed, to refund the moneys due to investors, within a period of one month. In this regard I observe from the various replies of the Noticee on record including the latest reply dated October 27, 2021 that some buyers of the teak saplings sold by Noticee in two tranches of its scheme are still to be repaid. Also it is an admitted position by the Noticee that out of a total invested by teak tree buyers of Rs. 123.6 Lac which was mobilized in two tranches i.e. Rs. 115.82 (in 1992-93 from 11582 investors) and Rs. 7.78 (in 1999-2000 from 311 investors) an amount of Rs. 8,53,275/- remains pertaining to 7740 investors as on March 31, 2021, thus directions issued vide SEBI Order dated December 07, 2000 were not complied with by the Noticee. Thus, I observe from the material on record that that the allegation levelled by OD against the Noticee regarding non-compliance with the directions given by SEBI Order dated December 07, 2000 regarding refunding of the monies within a period of one month, stands established.

h) As regards, allegation of *operating CIS without obtaining registration from SEBI as required under section 12(1) of SEBI Act, 1992* I note the following from the material submitted by the Noticee:

- Noticee has furnished a copy of annual report having financials for FY 14, Notes to which mentioned Note 15 sr no. 2 that, SEBI has prescribed accounting norms for plantation scheme, company is of the opinion that nature of company's business is not similar to the business of the schemes for which the norms are prescribed by SEBI is as much as company takes care of the trees owned by teak holders and at the end of the scheme teaks are to be returned to the teak holder.

  Further note 15, sr no. 10 interalia mentions that, Rs. 1000/- per teak received was for taking care of teak sapling for 17 years and hence amount so received was shown as current liability and spread over 17 years as income. It is noted that similar notings are there in FY 13, FY 04 and FY 02 financials submitted by Noticee.

  Also further the said note 15 mentions that a few teak holders have filed their grievances in the consumer court to claim higher return for their holdings. It is noted that similar notings are there in FY13 financials submitted by Noticee.

- Noticee has furnished a copy of a letter dated October 15, 1999 addressed to the Division Chief SEBI, Earnest House, 194, Nariman Point, Mumbai 400-021, which reads as, "*In reply to your letter no MFD/CIS/AY/18475/99 ..enclosed herwith details as required by you….",* annexures giving details of repayments in full/part, which interalia states that out of the 25% investors who could claim double of Rs. 1000/- initial amount i.e. Rs. 2000/-, only 276 investors claims for it and the company has paid.

- Noticee has furnished a copy of the letter no. WRO/CIS/Gaekwad/2305/2013 dated May 21, 2013 sent by SEBI, referring to following claims made by Noticee in its letter dated May 17, 2013 that, *1) signatures of the directors in the winding up and repayment report dated 12.2.2001 as available with SEBI are forged 2) the WRR available with SEBI claiming that the entire amount due to investors was refunded is incorrect/forged.3) You had written to SEBI on 5/1/2001 claiming that about 57% of teak holders had given positive consent and thereafter submitted WRR on 12.2.2001 detailing the same*

along with a floppy containing the details. Letter further states that*,"…the alleged letter dated 5.1.2001 has not been received by us…..however in order to substantiate your claims…submit the following documents: 1) Copy of information memorandum issued soliciting consel about winding up from investors along with proof of dispatch 2)copies of all positive consent to continue with your scheme received from investors. 3) efforts made to trace investors who you have claimed were untraceable".*

- Noticee has furnished a copy of the letter no. GPL/170/2000-2001 dated February 12, 2001 addressed to SEBI, Mittal Court, B-Wing, First Floor, 224, Nariman Point, Mumbai 400 021 sending WRR dated 26.01.01 alongwith annexure, floppy disk with details of repayment made to investors and details of investors who gave positive consents to continue in the scheme and statutory Auditor's certificate (noted from record only WRR is attached to letter, no Auditor's certificate). Note A to the WRR states that, company has not promised any return or a certain fixed sum of money or cubic feet of wood.

As seen from, **a)**the aforementioned annual reports of the Noticee submitted by Noticee, **b)** list of investors who gave positive consent to continue in the scheme submitted by the Noticee, **c)** the WRR of later date purported to be the authentic WRR which gives details of the money not yet refunded and the no. of investors to which the monies are owed, and given that as already mentioned in the previous para the said teak tree sale scheme is indeed a CIS Scheme, I thereby conclude that the Noticee continued to operate the said CIS scheme even after the said SEBI Order directing Noticee to take registration in case the scheme is required to be continued. Material on record does show correspondence regarding CIS registration, however, nothing on record indicates that registration as required under section 12(1) of the SEBI Act, 1992 was taken by the Noticee. Also it is an admitted position by the Noticee.

In light of the material made available on record it is thereby established that the Noticee was operating CIS without obtaining registration from SEBI as required

under section 12(1) of SEBI Act, 1992, thus the said allegation levelled by OD against the Noticee, hereby stands established.

i) Thus, I observe from the material that sufficient opportunities were given to the Noticee for defending against the charged levelled by the OD and conveyed vide the said Show Cause Notice dated January 19, 2015 (SCN). Upon perusal of all the material made available on record such as the said SCN, its annexures, replies of Noticee to SCN, annexures to replies to the SCN, Hearing minutes, etc, I observe that the allegations levelled by the OD against the Noticee against the Noticee regarding non-compliance with the directions given by SEBI Order dated December 07, 2000 and not taking registration in accordance with section 12(1) of the SEBI Act, 1992, hereby stand established.

16. <u>Issues c and d:</u>

Issue c: If yes to issue a and/or b, then whether the Noticee is liable for a monetary penalty under sections 15HB and 15D(a) of the SEBI Act, 1992

Issue d: If yes to c, then what would be the monetary penalty that can be imposed upon the Noticee, taking into consideration the factors mentioned in rule 5(2) of the AO Rules, 1995?

a) From the various evidences adduced by the Noticee and the material brought on record by the OD and other material on record, as mentioned in the above paragraphs, I have already observed that the allegations levelled against the Noticee by the OD stand established, this leads to Noticee being liable for penalty under the relevant provisions. It is noted that the following penalty provisions are so mentioned in the SCN by OD:

<u>Section 15HB Penalty for contravention where no separate penalty has been provided</u>
Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.
<u>Section 15D. If any person, who is-</u>
(a) Required under this Act or any rules or regulations made thereunder to obtain a certificate of registration from the Board for sponsoring or carrying on any collective investment scheme, including mutual funds, sponsors or carries on

any collective investment scheme, including mutual funds, without obtaining such certificate of registration, he shall be liable to a penalty of one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds, or one crore rupees, whichever is less;

b) I am of a considered opinion that the Noticee is liable for penalty under the said provisions, in this regard, so as to ascertain the quantum of penalty I refer to the factors that an AO is required to consider as per the AO Rules, 1995

AO Rules, 1995
Order of adjudicating officer.
Rule 5(2) While adjudging the quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) The amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of any default

c) As regards, disproportionate gain/unfair advantage, I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee as a result of the said default. As regards, amount of loss to investors, as such the material on record does not give any quantum of loss, however, it is seen from the material submitted by Noticee that the amount of Rs. 8.52 lakh is currently outstanding pertain to 7740 teak tree buyers, which tantamount to erosion of value of the original Rs. 1000 of said teak tree buyers. As regards, repetitive nature of default, record does not indicate so.

d) As regards, quantum of penalty while the minimum penalty is not mentioned, as regards, maximum penalty, imposing the same would be disproportionate to the default. In my considered opinion, a penalty of Rs. 10,00,000/-(Rs. Ten Lakh only) is commensurate with the non-compliances by the Noticee.

17. ORDER

In exercise of the powers conferred under section 15-I of the SEBI Act, 1992 and rule 5 of the AO Rules, 1995, having considered the facts and circumstances of the case, the material available on record, the factors mentioned above, I hereby impose a penalty of penalty of Rs. 10,00,000/-(Rs. Ten Lakh only).

The Noticee shall remit/pay the said amount of penalty within 45 (forty five) days of the receipt of this order either by way of Demand Draft ("DD") in favour of "SEBI – Penalties Remittable to Government of India", payable at Mumbai or through online payment facility available on the website of SEBI, by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html

The Noticee shall forward the aforesaid DD/payment confirmation details to the Western Regional Office, Regional Director, SEBI Bhavan, Western Regional Office, Panchvati, 1st Lane, Gulbai Tekra Road, Ahmedabad - 380006, Gujarat, and also send an email to tad@sebi.gov.in with the following details:

1. Case Name
2. Name of the 'Payer/Noticee' alongwith PAN of Noticee
3. Date of Payment
4. Amount Paid
5. Transaction No.
6. Bank Name and Account No.
7. Purpose of payment

In the event of failure to pay the aforesaid amount of penalty within 45 days of receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said penalty amount along with interest thereon, interalia, by attachment and sale of movable and immovable properties

A certified copy of this Adjudication Order is being sent to the Noticee to its last known address and a copy is being sent to SEBI in terms of rule 6 of the AO Rules, 1995.

Date: February 14, 2022 **SANGEETA RATHOD**

Place: Mumbai **ADJUDICATING OFFICER**