WTM/GM/EFD/22/2018–19

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

IN COMPLIANCE WITH
THE ORDER OF THE SECURITIES APPELLATE TRIBUNAL DATED NOVEMBER 13, 2017 IN APPEAL NO. 86 OF 2017
READ WITH
THE ORDER OF THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH DATED MAY 4, 2018 IN CRM–M NO. 14044 OF 2018.

IN THE MATTER OF NICER GREEN HOUSING AND INFRASTRUCTURE DEVELOPERS LIMITED –

	COMPANY	PAN
1.	NICER GREEN HOUSING AND INFRASTRUCTURE DEVELOPERS LIMITED	AACCN5652N
	DIRECTOR	**PAN**
2.	PIPAL SINGH SIDHU	BVEPS9613M
3.	RANJIT SINGH	BZWPS3360K
4.	SURINDER KAUR	ASGPK7961G
5.	KARANJIT SINGH	CRCPS3999H

BACKGROUND –

1.1 Securities and Exchange Board of India ("**SEBI**") vide an Order dated November 9, 2015 ("**Final Order**") issued the following directions under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 ("**SEBI Act**") read with Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999 ("**CIS Regulations, 1999**") and Regulation 4(2)(t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations, 2003**") against Nicer Green Housing and Infrastructure Developers Limited ("**Nicer Green**") and its Directors, viz. Pipal Singh Sidhu, Ranjit Singh, Surinder Kaur and Karanjit Singh *inter alia* for launching a *'Collective Investment Scheme'* without obtaining Certificate of Registration from SEBI under Section 12(B) of the SEBI Act read with Regulation 3 of the CIS Regulations, 1999 –

> *"14. … I note that the Noticee namely Mr. Pipal Singh is the common link among the Company, NGHI Developers India Limited and Nicer Green Forest Limited. Further, the address of the head office of NGHI Developers Limited and Nicer are same. These facts have not been denied by the Noticees. I note that SEBI had passed order against NGHI Developers Limited and*

Nicer Green Forest Limited on November 6, 2012 and March 12, 2013, respectively. Vide the order dated March 12, 2013, inter alia Mr. Pipal Singh and Ms. Surinder Kaur were restrained and debarred from accessing the securities market. The above stated connection of the Company with NGHI Developers India Limited and Nicer Green Forest Limited and restraint order passed against Mr. Pipal Singh and Ms. Surinder Kaur, shows that these persons are habitual repeated offenders. It is seen that these persons are continuing with the illegal fund mobilization activities through new companies, by circumventing the directions of SEBI, in the said matters. In view of the same, it is necessary that strict action be taken against Nicer Green Housing and Infrastructure Developers Limited, Mr. Pipal Singh and Ms. Surinder Kaur.

15. *I note that SEBI has also received various investor complaints against the Company and its directors making serious allegations regarding the non-payment even after completion of the term or the plan against the Company.*

16. *In view of the observations made in this Order, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 and Sections 11(1), 11B and 11(4) thereof and Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999, hereby issue the following directions:*

    a. *Nicer Green Housing and Infrastructure Developers Limited [CIN U45200PB2007PLC030879] and its Directors, namely Mr. Pipal Singh Sidhu [DIN-00751858], Mr. Ranjit Singh [DIN-00922498], Ms. Surinder Kaur [DIN00922478] and Mr. Karanjit Singh [DIN – 02986346] shall abstain from collecting any money from the investors or launch or carry out any Collective Investment Schemes including the scheme which have been identified as a Collective Investment Scheme in this Order.*
    b. *Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh shall wind up the existing Collective Investment Schemes and refund the money collected by the said company under the schemes with returns which are due to its investors as per the terms of offer within a period of three months from the date of this Order and thereafter within a period of fifteen days, submit a winding up and repayment report to SEBI in accordance with the SEBI (Collective Investment Schemes) Regulations, 1999, including the trail of funds claimed to be refunded, bank account statements indicating refund to the investors and receipt from the investors acknowledging such refunds.*
    c. *Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Page 19 of 20 Karanjit Singh shall not alienate or dispose off or sell any of the assets of Nicer Green Housing and Infrastructure Developers Limited except for the purpose of making refunds to its investors as directed above.*
    d. *Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh are also*

directed to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/ securities, if held in physical form.

e. Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh are restrained from accessing the securities market and are prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly, in any manner and launching any scheme for mobilization of funds in any manner for a period of four (4) years.

f. In the event of failure by Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh to comply with the above directions, the following actions shall follow:

- *Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh shall remain restrained from accessing the securities market and would further be prohibited from buying, selling or otherwise dealing in securities, even after the period of four (4) years of restraint imposed in paragraph 16(e) above, till all the Collective Investment Schemes of Nicer Green Housing and Infrastructure Developers Limited are wound up and all the monies mobilized through such schemes are refunded to its investors with returns which are due to them.*
- *SEBI would make a reference to the State Government/ Local Police to register a civil/ criminal case against Nicer Green Housing and Infrastructure Developers Limited, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds; and*
- *SEBI would make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the company, Nicer Green Housing and Infrastructure Developers Limited.*
- *SEBI shall initiate attachment and recovery proceedings under the SEBI Act and rules and regulations framed thereunder.*

17. This order shall come into force with immediate effect.

18. This Order shall be without prejudice to the right of SEBI to initiate prosecution proceedings under Section 24 and adjudication proceedings under Chapter VIA of the Securities and Exchange Board of India Act, 1992 against Nicer Green Housing and Infrastructure Developers Limited and its directors, namely Mr. Pipal Singh Sidhu, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Karanjit Singh, including other persons who are in default, for the violations as found in this Order.

19. For the reasons stated in paragraph 14, SEBI is directed to initiate appropriate proceedings against Mr. Pipal Singh and Ms. Surinder Kaur. …"

1.2 The aforementioned Final Order was challenged by Nicer Green and its Directors before the Hon'ble Securities Appellate Tribunal ("**SAT**") in *Appeal No. 86 of 2017 – Nicer Green vs. SEBI*. Vide an Order dated November 13, 2017, the Hon'ble SAT directed as under –

> 2. *"Counsel for the appellants state that out of the amount of Rs.31.71 crores collected, the appellants have already refunded Rs.27.48 crores and the appellants are ready and willing to refund the balance amount in a time bound manner.*
> 3. *Since the appellants are ready and willing to comply with the impugned order passed by SEBI, without going into the merits of the contention raised by the appellants that the schemes floated by the appellants do not constitute CIS, we permit the appellants to make a representation to SEBI setting out in detail the amounts already paid to the investors, their names, quantum of amount paid and the mode and the manner in which the balance payment would be made to the remaining investors. Appellants shall also furnish additional information/documents demanded by SEBI.*
> 4. *Counsel for SEBI states that the refunds which the Appellants claim to have already made, are yet to be verified by SEBI.*
> 5. *In these circumstances, we dispose of the appeal by directing the Appellants to make a representation to SEBI within a period of 4 weeks from today with details as stated above. If the Appellants make a representation within period of 4 weeks from today, then SEBI shall consider the same and pass appropriate order in accordance with law. If the Appellants fail to submit the representation within 4 weeks from today, then the impugned order shall stand revived and SEBI would be entitled to enforce the same in accordance with law. …"*

1.3 Thereafter, vide a representation dated November 25, 2017, Nicer Green *inter alia* submitted –

> *"… The Appellants hereby reiterate that the Company has been engaged in the business of sale and purchase of real estate and properties and also in development of the lands and it has not floated any CIS Scheme as alleged by SEBI. The Appellants can very well prove that the Company has been engaged in buying, selling and developing of lands and none of its schemes can be considered as CIS. Without prejudice to its contentions raised in the Appeal No. 87 of 2017 filed before the SAT, the Appellants in compliance with the Hon'ble SAT's Order have agreed to make representation to SEBI setting out the details of payments made to the customers and mode and manner in which balance payment would be made to the remaining customers.*
>
> *<u>Details of the repayments made to the customers</u> –*
> *It is respectfully submitted that the Company has collected ₹31,71,35,203 against sale of agricultural land from customers till 31.03.2011 and also issued allotment letters to its customers. The Company has handed over the original title deed to its custodial services company, Skynet Land Developers Pvt. Ltd*

*("**Skynet**"). As per the agreement executed by the customers, each customer is free to have title deed in his/her name registered after making payment of all dues and registration charges.*

The Company has settled the accounts of 17771 customers by refunding the amount of ₹27,48,99,568 as per detail given below:

Bank Name	**No. of Customers**	**Amount refunded**
State Bank of India A/c no. 31451118601 Ferozepur City	*4261*	*3,64,17,809*
Punjab National Bank A/c No. 3452002100017191 Ferozepur City (Bank account is in the name of Skynet)	*7745*	*16,51,99,226*
Cash	*5765*	*7,32,82,533*
Total	***17771***	***27,48,99,568***
Amount received from customers (not refunded yet)		***4,22,35,635***

The copies of aforesaid bank account statements were procured from respective banks and kept in the records of the Company. Unfortunately, the local police has confiscated the aforesaid bank account statements. The Company has tried to procure the same from the respective banks but the respective banks have refused to provide the statements to the Company citing the reason that the bank accounts have become non–operative. The Appellants hereby request SEBI to kindly direct the Banks to provide the aforesaid bank account statements.

The Company hereby submits the following documents/records to establish the refund of ₹27,48,99,568 to 17771 customers –

(a) As far as refund of ₹7,32,82,533 to 5765 customers in case is concerned, it is respectfully submitted that the entire documents/records maintained by Company was confiscated by the local police of Ferozepur. The Company is continuously requesting the local police to provide the documents/records but the local police is not co–operating with it. Copies of available documents/records are enclosed.

(b) The outstanding amount of ₹4,22,35,635 turned out to be ₹4,00,52,520 underwent a change when the annual accounts of the Company were audited. As per the Company's Balance Sheet dated March 31, 2014, the total amount received but not refunded is ₹4,00,52,520. A copy of the Balance Sheet dated March 31, 2014 is enclosed.

It is respectfully submitted that the main Promoter of the Company, Mr. Pipal Singh Sidhu was arrested by local police of Ferozepur City, Punjab on 13-05-2016 as one FIR was filed against him at Police Station City, Ferozepur (FIR No. 151 dated July 22, 2015). While arresting him, the local police has confiscated all the documents/records of the Company. Out of the confiscated documents, the police has produced the original sale deeds in favour of the Company to the local Magistrate Court. The Company has been requesting the local police to provide the documents/records confiscated by it but the local police has refused to provide any documents/records to the Company so far. … Copies of the bank statements

available with the Company has been confiscated by the local police. Therefore, the Company is compelled to file this representation without having the entire documents and records.

Mode and manner in which balance payment would be made to the remaining customers.

As mentioned hereinabove, the total amount required to be refunded is ₹4,00,52,520. The Company has the following land bank:

a. Land situated at Sisgaon Tahsil Dabra District Gwalior, Madhya Pradesh.
b. Land situated at Toda gaon, Tahsil Bhitawar District Gwalior, Madhya Pradesh.
c. Land situated at Tetna gaon, Tahsil Bhander District Datia, Madhya Pradesh.
d. Land situated at Mehgaon Tahsil Dabra District Gwalior, Madhya Pradesh.
e. Land situated at Tendot gaon, Tehsil Bhander District Datia, Madhya Pradesh.

The original sale deeds of the above referred lands in the favour of the Company were confiscated by the local police of Ferozepur and subsequently handed over to Magistrate Court, Ferozepur. Fortunately, the Company is having photocopies of the said sale deeds. Copies of sale deeds are enclosed.

With a view to refund the outstanding amount of about ₹4 Crores to the customers, the Company proposes to dispose of its land bank. The Company has expertise in development of land to make it suitable for cultivation. However, due to SEBI's Order, as also adverse actions taken by other authorities including the local police against the Company and its Promoters/Directors, the Company has not been able to undertake any worthwhile development activities on the aforesaid land bank from the date of SEBI's ad interim ex parte order and it requires at least 18 months' time to make it suitable for cultivation. You will appreciate that the land in present form i.e. without any development work thereon will not fetch a good price and consequently, the Company will not be able to refund the entire amount to its customers. It is therefore requested that SEBI may provide at least 18 months' time to develop the land and provide further 18 months' time to (sell) the land and refund the entire amount to the customers to the satisfaction of SEBI. The Company is making consistent efforts to get back the confiscated documents/records from the local police of Ferozepur and the Company hereby requests SEBI to direct the Ferozepur police to provide all the data/records to enable the Company to complete the refund process at the earliest."

PERSONAL HEARING –

1.4 Upon receipt of the aforementioned representation dated November 25, 2017 (received at SEBI on December 11, 2017), an opportunity of personal hearing was granted by SEBI to Nicer Green and its Directors on March 6, 2018. However, Nicer Green and its Directors failed to appear for the personal hearing on that date.

1.5 Another opportunity of personal hearing was granted by SEBI to Nicer Green and its Directors on May 16, 2018, which was attended by the authorised representative for the Company i.e. Aparna Wagle of Alliance Law. The authorised representative reiterated the

submissions contained in the representation dated November 25, 2017. The authorised representative also submitted copy of letters dated November 25, 2017 and May 9, 2018, addressed by the Company to the Senior Superintendent of Police, Punjab Police, Ferozepur City ("**SSP–Punjab Police**") requesting the concerned authority to provide the documents, records, etc. seized pursuant to the filing of the FIR dated July 22, 2015, against Pipal Singh. The authorised representative was granted time till May 25, 2018, to submit to SEBI, written submissions and additional documents including copy of FIR, seizure *Panchnama*, etc. on behalf of Nicer Green and its Directors.

1.6 Subsequently, on May 22, 2018, SEBI received a copy of the Order dated May 4, 2018, passed by the Hon'ble High Court of Punjab and Haryana in the matter of ***Pippal Singh vs. State of Punjab in CRM–M No. 14044 of 2018***. Vide the aforesaid Order, the Hon'ble High Court directed –

"… Learned counsel for the petitioner fairly submits that the Securities Appellate Tribunal (SAT) has passed an Order asking the petitioner to make representation to SEBI to verify his claim about refund of money. He submits that the representation was made in November 2017 but the SEBI has not yet verified the claim made by the petitioner. He therefore, prayed for grant of bail having been in jail for almost one year.

In my opinion, since the SAT has already passed order asking the SEBI to verify the claim made in the petition, there is no reason the SEBI should not have by this time verified the claim about the refund of money though the period of six months has already passed.

In that view of the matter, it is expected of the SEBI to complete the verification of the claim made by the Petitioner in the representation, within a period of 30 days from today."

1.7 Vide an e–mail dated May 25, 2018, Nicer Green and its Directors requested SEBI for an extension of 3 weeks to submit the required documents along with the written submission as the Company was in the process of collating the documents requested by SEBI.

1.8 Vide an e–mail dated May 28, 2018, Nicer Green and its Directors were granted time till May 29, 2018, to make written submissions and submit additional documents in view of the Order of the Hon'ble High Court of Punjab and Haryana dated May 4, 2018.

FINDINGS –

2.1 I have considered the SEBI Order November 9, 2015; the SAT Order dated November 13, 2017; the representation dated November 25, 2017 along with the documents submitted therein; the letters dated November 25, 2017 and May 9, 2018, addressed by Nicer Green to the SSP–Punjab Police; the Order of the Hon'ble High Court of Punjab and Haryana dated May 4, 2018 and other material available on record.

2.2 It is reiterated that vide the Final Order, Nicer Green and its Directors were *inter alia* restrained from collecting money from investors and directed to wind up the existing *'Collective Investment Scheme'* and refund the money collected by the Company under the *Schemes* with returns which were due to the investors within the time set out therein since the Company had failed to obtain a Certificate of Registration from SEBI under Section 12(B) of the SEBI Act read with Regulation 3 of the CIS Regulations, 1999.

2.3 The Order of the Hon'ble SAT while recording that Nicer Green and its Directors are ready and willing to comply with the Final Order passed by SEBI permitted the said entities to make a representation to SEBI without going into the merits of the contention raised by them that the *Schemes* floated do not constitute *'Collective Investment Scheme'*. Accordingly, for the purpose of the instant proceedings, the limited issues for consideration are as under –

A. Whether the claim made by Nicer Green and its Directors of having refunded approximately ₹27.48 Crores to its customers stands verified on the basis of documents available on record?

i. It is pertinent to note that the Hon'ble SAT in its Order dated November 13, 2017, while permitting Nicer Green and its Directors to make a representation to SEBI, had clearly directed that the aforementioned entities shall set out in detail *"the amounts already paid to the investors, their names, quantum of amount paid and the mode and the manner in which the balance payment would be made to the remaining investors. Appellants shall also furnish additional information/documents demanded by SEBI".*

ii. It is also relevant to note that the Hon'ble High Court of Punjab and Haryana in its Order dated May 4, 2018, while referring to the abovementioned Order of the Hon'ble SAT, had specifically directed: *"… SEBI to complete the verification of the claim made by the Petitioner in the representation within a period of 30 days from today."*

iii. Vide its representation dated November 25, 2017, Nicer Green admittedly collected an amount of ₹31.71 Crores from its customers till March 31, 2011, against the sale of agricultural land. Out of the aforementioned amount of ₹31.71 Crores, Nicer Green claims to have paid its customers approximately ₹27.48 Crores.

iv. At the outset, I find that the representation dated November 25, 2017 containing the aforesaid claim made by Nicer Green and its Directors is not in compliance with the Order of the Hon'ble SAT since details such as *"the amounts*

already paid to the investors, their names, quantum of amount paid" have not been furnished to SEBI. In this context, as the representation made by Nicer Green and its Directors falls short of the details directed to be furnished by the Hon'ble SAT, it is not practically possible for SEBI to accurately ascertain *inter alia* the following –

- *Whether the claim of refund made by Nicer Green and its Directors is genuine?*
- *Whether all the customers/investors of Schemes launched by the Company were refunded?*
- *Whether the refunds were made to the customers/investors as per the terms of the Schemes launched by the Company?*
- *Whether the customers/investors who were allotted land units under the Schemes launched by the Company, were also refunded?*
- *Whether the complainants who submitted complaints to SEBI against Nicer Green and its Directors alleging non–payment even after completion of the term/plan of the Schemes launched by the Company, have been refunded?*

v. Considering the aforementioned, any closure by SEBI in respect of refund related issues is not possible. I am therefore, unable to accept the claim made by Nicer Green and its Directors of having refunded approximately ₹27.48 Crores to its customers.

B. Whether the request made by Nicer Green and its Directors for grant of 36 months' time to make the refund of approximately ₹4 Crores to its customers can be acceded to by SEBI?

i. In their representation, Nicer Green and its Directors have requested for a total of 36 months' time i.e. *18 months' time to develop the land and further 18 months' time to (sell) the land,* for making the refund of approximately ₹4 Crores to its customers, admittedly collected by the Company till March 31, 2011 and outstanding as on date. It is the Company's contention that development activities on the land bank owned by it could not be undertaken earlier on account of the SEBI *ad interim ex parte order* and also adverse actions taken by other authorities including the local police against the Company and its Promoters/Directors.

ii. As regards the instant issue, I also find that the representation dated November 25, 2017 is not in compliance with the Order of the Hon'ble SAT since details such as *"the mode and the manner in which the balance payment would be made to the*

remaining investors" have not been furnished by Nicer Green and its Directors to SEBI.

iii. It is reiterated that the aforementioned SEBI *ad interim ex parte order* was passed by SEBI on July 28, 2014 without any restriction being imposed on the Company for undertaking development activities on its land bank. Further, apart from the statement that its Director/Promoter i.e. Pipal Singh, was arrested by the Punjab Police on May 13, 2016, Nicer Green has not brought on record any other adverse actions taken by other authorities.

iv. Without prejudice to the foregoing, without going into factors such as the present market value of the land bank after assessment by an independent Valuer, marketability of such land bank, etc. which ought to have been submitted by the Company to SEBI while making its representation, it appears doubtful that the Company and its Directors will be in a position to effectively carry out/implement any development activities in the time period sought by them from SEBI considering the adverse actions taken by other authorities such as the detention of its Director/Promoter i.e. Pippal Singh. In my considered opinion, the request made by Nicer Green and its Directors lacks bona fides and fails to invoke faith regarding compliance even where extension of time may be granted.

v. Further, permitting such a request at this stage will not be in favour of all the customers/investors of Nicer Green to whom amounts are due under the *Schemes* launched by the Company admittedly since March 31, 2011.

vi. I, therefore, find that the request made by Nicer Green and its Directors for grant of 36 months' time for making refund to its customers, cannot be acceded to.

2.4 During the personal hearing held on May 16, 2018, the authorised representative for Nicer Green and its Directors had informed SEBI that the Director/Promoter i.e. Pippal Singh, was still in police custody in the State of Punjab since his arrest on May 13, 2016 (FIR No. 151 dated July 22, 2015). Accordingly, SEBI had *inter alia* directed that a copy of the FIR filed by the Punjab Police be submitted by the Company to SEBI on or before May 25, 2018. Incidentally, no information regarding the proceedings before the Hon'ble High Court of Punjab and Haryana in the matter *of Pippal Singh vs. State of Punjab in CRM–M No. 14044 of 2018* including details of the Order dated May 4, 2018, was provided to SEBI either by the Company or its Directors (through their authorised representative) during the aforesaid hearing or thereafter. Upon a consideration of the aforementioned in light of the preceding

paragraphs, I find that Nicer Green and its Directors have clearly resorted to dilatory tactics and suppression of facts from SEBI in the representation dated November 25, 2017 and during the hearing held on May 16, 2018.

ORDER –

3.1 I, in exercise of the powers conferred upon me under Section 19 read with Sections 11(1), 11(4) and 11B of the SEBI Act read with Regulation 65 of the CIS Regulations, 1999 and Regulation 4(2)(t) of the PFUTP Regulations, 2003, hereby dispose of the representation dated November 25, 2017 read with the additional documents filed by Nicer Green and its Directors in accordance with the findings contained in paragraphs 2.2–2.4 of this Order.

Place: Mumbai
Date: June 1, 2018

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA