

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**  
**CORAM: S RAMAN, WHOLE TIME MEMBER**

**ORDER**

Under Sections 11 and 11B of the Securities and Exchange Board of India Act, 1992, in the matter of Godavari Biorefineries Ltd. in respect of –

| SL. No. | Name of the Noticees                          | PAN        |
|---------|-----------------------------------------------|------------|
| 1.      | Sameerwadi Sugarcane Farmer's Welfare Trust   | AAITS7115G |
| 2.      | Mr. Narsang V. Padhiyar, Chairman and Trustee | ADNPP7282P |
| 3.      | Mr. Pandappa R. Channal, Trustee              | AOTPC5084M |
| 4.      | Mr. Balachandra R. Bakshi, Trustee            | AFMPB6323E |
| 5.      | Mr. Veerbhadrappa R. Terdal, Trustee          | ABCPT1496J |
| 6.      | Mr. Prahlad N. Desai, Trustee                 | ABOPD7235M |
| 7.      | Godavari Biorefineries Limited                | AABCG2543C |
| 8.      | Mr. Samir S. Somaiya, Managing Director       | AMUPS9442C |
| 9.      | Mr. Vinay V. Joshi, Director                  | AAHPJ2213M |
| 10.     | Mr. V. Sivaprakasam, Director                 | ABHPV3418P |

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- Securities and Exchange Board of India (**SEBI**), vide Order dated January 01, 2016 *inter alia* issued the following directions against Sameerwadi Sugarcane Farmer's Welfare Trust (hereinafter referred to as "**Trust**"), its trustees, *viz.* Mr. Narsang V. Padhiyar, Mr. Pandappa R. Channal, Mr. Balachandra R. Bakshi, Mr. Veerabhadrapa R. Terdal, Mr. Prahlad N. Desai and the Company, Godavari Biorefineries Limited ("**GBL**") and its directors, *viz.* Mr. Samir S. Somaiya, Mr. Vinay V. Joshi and Mr. V. Sivaprakasam (hereinafter referred collectively as "**the Noticees**"):

- “Notices Nos. 1 to 6 are directed to wind up the existing 'collective investment scheme' and dissolve the Trust,
- The Noticees shall, jointly and severally, refund to the contributories/ beneficiaries the money equivalent to the value of their investment with regard to pro rata shares along with interest at the rate of 10% per annum from the date of investment till the date of refund and after adjusting amount of dividend paid, if any. However, considering the desire of large number of contributories/ beneficiaries for pro rata distribution of shares, as mentioned hereinabove, in the interest of such investors, the Noticees are allowed to or to make pro rata distribution of GBL shares to contributories/ beneficiaries who give positive consent for such pro rata distribution of shares and also make payment in addition to these shares,
- The Noticees shall, within fifteen days of this order, issue a public notice, in one vernacular daily having wide circulation in each of the areas from where the contributions have been received providing therein the modalities for refund of investments with interest/ distribution of shares, details of contact persons such as names, addresses and contact details,
- The Trust and its Trustees are directed to refund the unutilized contributions remaining in the corpus of the Trust, if any, and any profit earned thereon, to all the contributories/ beneficiaries in proportion to their contribution to the corpus of the Trust,
- The Noticees are directed to ensure compliance with the above directions within a period of 12 months from the date of the order and submit a winding up and compliance report to SEBI in accordance with regulation 73 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 (CIS Regulations),
- The Trustees, (Noticees Nos. 2 to 6) namely, Mr. Narsang V. Padhiyar, Mr. Pandappa R. Channal, Mr. Balchandra R. Bhakshi, Mr. Veerbhadra R. Terdal and Mr. Prahlad N. Desai are restrained from buying selling and dealing in securities and from accessing the securities market, directly or indirectly, in any manner till the collective investment scheme in this case is completely wound up and investors are given refund of their investments or pro rata shares, as the case may be, in terms of the above directions”.

2.1 Thereafter, the Noticees vide letters dated December 22, 2016, April 10, 2017 and May 25, 2017 *inter alia* submitted that they have complied with the directions issued by SEBI vide Order dated January 01, 2016. The Noticees have also furnished compliance report and various documents/ declaration/ Certificates etc., as proof of compliance of the order.

2.2 On July 25, 2017, SEBI officials visited the registered office of Godavari Biorefineries situated at Somaiya Bhavan, 45-47, Mahatma Gandhi Road, Post Box No. 384, Fort, Mumbai-400001 and examined, on a

sample basis, some of the documents in connection with the distribution of shares and refunds made by the Noticees, such as:

- Consent letters submitted by the contributories/beneficiaries,
- Bank statements (in respect of a few refund transactions) reflecting RTGS/NEFT payments (bulk transfer mode),
- Certificates issued by M/s Desai Saksena & Associates, Chartered Accountants, certifying payments made by the company towards refund.

3.1 I have carefully considered the submissions made by the Noticees, the documents submitted by them and other material available on record.

3.2 In respect of the direction to issue a public notice, providing the modalities for refund of investments with interest/distribution of shares, I note that the Noticees vide letter dated December 22, 2016 stated that they issued the Public Notice as directed by SEBI, on March 21, 2016 which was published in a vernacular daily in Kannada, viz. Vijayavani Daily Newspaper. Noticees also furnished a copy of the extract of Public Notice issued in the vernacular daily in Kannada, viz. Vijayavani Daily Newspaper, as a proof of compliance.

3.3 With regard to the direction of SEBI “.....to, jointly and severally, refund to the contributories/beneficiaries the money equivalent to the value of their investment with regard to pro rata shares along with interest at the rate of 10% per annum from the date of investment till the date of refund and after adjusting amount of dividend paid, if any or to make pro rata distribution of GBL shares to contributories/beneficiaries who give positive consent for such pro rata distribution of shares and also make payment in addition to these shares”, I note that:

- i. The Noticees have submitted that they paid a total amount of Rs. 31,14,88,883/- to the 32,376 contributories/beneficiaries in compliance with the SEBI Order dated January 01, 2016.
- ii. The Noticees have provided the following documents as proof of compliance:

- a) Copy of the Certificate dated December 16, 2016 issued by M/s Desai Saksena & Associates, Chartered Accountants *inter alia* recording in tabular form, the calculation of arriving at the refund amount (as directed by SEBI in its Order dated January 01, 2016) and the break-up of the payments made by GBL in favour of the contributories/beneficiaries as directed by SEBI etc.
- b) Copy of the Report dated December 16, 2016 and April 03, 2017 submitted by Registrar and Transfer Agent (RTA) to GBL.

3.4 In respect of the direction issued by SEBI that the Noticees should wind up the existing Collective Investment Scheme, to refund the unutilised contributions remaining in the corpus of the Trust to the contributories/beneficiaries and to dissolve the trust, I note that as per the Auditor's Report dated May 20, 2017 of M/s D.V. Daga & Co., Chartered Accountants and the *Balance Sheet* as on May 20, 2017 (furnished by the Noticees), the Trust has paid off all known liabilities and has no assets. I further note from the said Report that the bank account of the Trust has been closed and the Trust has been dissolved/wound up. As per the *Income and Expenditure Statement* of the Trust furnished by the Noticees, I note that the Trust has distributed unutilised corpus of Rs. 19,680 among all the contributories/beneficiaries, as directed by SEBI.

4. After considering the information and documents submitted by the Noticees to SEBI, it appears that the Noticees, *viz.* Sameerwadi Sugarcane Farmer's Welfare Trust and its trustees, *viz.* Mr. Narsang V. Padhiyar, Mr. Pandappa R. Channal, Mr. Balachandra R. Bakshi, Mr. Veerabhadrappe R. Terdal, Mr. Prahlad N. Desai and Godavari Biorefineries Limited and its directors, *viz.* Mr. Samir S. Somaiya, Mr. Vinay V. Joshi and Mr. V. Sivaprakasam have complied with the directions passed by SEBI vide Order dated January 01, 2016.

5. In view of the forgoing, I in exercise of the powers conferred upon me under Section 19 read with Section 11 and 11 B of the SEBI Act, 1992 hereby-

- *Revoke the directions issued by SEBI vide Order dated January 01, 2016 against the Noticees Nos. 1 to 10, viz. Sameerwadi Sugarcane Farmer's Welfare Trust (PAN: AAITS7115G), and its Trustees, viz. Mr. Narsang V.*

*Padhiyar (PAN: ADNPP7282P), Mr. Pandappa R. Channal (PAN: AOTPC5084M) Mr. Balachandra R. Bakshi (PAN: AFMPB6323E), Mr. Veerabhadrappe R. Terdal (PAN: ABCPT1496J), Mr. Prahlad N. Desai (PAN: ABOPD7235M) and the Company, viz. Godavari Biorefineries Limited (PAN: AABCG2543C) and its Directors, viz. Mr. Samir S. Somaiya (PAN: AMUPS9442C), Mr. Vinay V. Joshi (PAN: AAHPJ2213M) and Mr. V. Sivaprakasam (PAN: ABHPV3418P).*

6. The aforesaid directions to revoke the Order dated January 01, 2016 is passed based on the material and information provided by the Noticees to SEBI vide their letters dated December 22, 2016, April 10, 2017 and May 25, 2017. In the event SEBI finds that any of the aforesaid information/declaration/Certificates provided by the Noticees in respect of the compliance of the SEBI directions (issued by Order dated January 01, 2016) is untrue or factually incorrect, SEBI is at liberty to take appropriate action against the aforesaid Noticees in accordance with the relevant provisions of law.
7. Copy of this Order shall be served on the recognized exchanges and depositories for their information and necessary action.

**Date: August 07, 2017**  
**Place: Mumbai**

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