

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11(1), 11(4) and 11B of Securities and Exchange Board of India Act, 1992 read with Regulation 65 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999, in respect of Interim Order dated March 30, 2015 in the matter of Parivar Dairies and Allied Ltd. (PDAL) and PDA Foundation (PDAF)

In respect of:

Sr. No.	Noticees	PAN	CIN/DIN
	Company/Trust		
1.	Parivar Dairies and Allied Ltd.	N.A.	U01211MP2002PLC015368
2.	PDA Foundation	N.A.	
	Director(s) / Promoter/Trustees		
3.	Basant Lal Sharma	AOWPS6591N	00594879
4.	Ahibaran Singh	AFJPA0800Q	00625418
5.	Chandra Bhan Yadav	ADRPY6592K	02706029
6.	Pradeep Kumar Sharma	N.A.	02706065
7.	Neeraj Singh	N.A.	N.A.
8.	Bhanu Pratap Singh	N.A.	N.A.
9.	Rakesh Singh Narwaria	N.A.	N.A.
10.	Girja Narwaria	N.A.	N.A.
11.	Phool Singh Rajput	N.A.	N.A.

Entities at serial numbers 1 to 8 in the Table above are hereinafter referred to collectively as “the Noticees”

1. SEBI had passed an Interim order cum Show Cause notice dated March 30, 2015 (hereinafter referred to as “**interim order**”) against the Noticees based on the prima facie conclusion that the fund mobilising activity of Noticee Nos. 1 and 2 i.e. Parivar Dairies and Allied Ltd. (“**PDAL**”) and PDA Foundation (“**PDAF**”), falls within the parameters of a “collective investment scheme” as defined in section 11AA of the SEBI Act, 1992.

Accordingly, the following directions were passed against the Noticees (including the directors/ trustees of PDAL/PDAF) :

"

- a. not to collect any fresh moneys from investors from its existing scheme;*
- b. not to launch any new schemes or plans or float any new companies to raise fresh moneys;*
- c. to immediately submit the full inventory of the assets including land obtained through money raised by PDAL and PDA Foundation;*
- d. not to dispose of or alienate any of the properties/assets obtained directly or indirectly through money raised by PDAL and PDA Foundation*
- e. not to divert any funds raised from public at large which are kept in bank account(s) and/or in the custody of PDAL and PDA Foundation;*
- f. to furnish all the information/details sought by SEBI within 15 days from the date of receipt of this order, including,*
 - i Details of amount mobilized till date,*
 - ii Scheme -wise list of investors as on date and their contact numbers and addresses,*
 - iii Details of commission paid on amounts mobilised above,*
 - iv Details of agents along with their addresses etc. ,*
 - v Audited Accounts for the last financial year and*
 - vi PAN of aforementioned Directors and Trustees.*

- 2.** The examination of the case emanated from an order dated July 13, 2012 of the Hon'ble High Court of Madhya Pradesh (Gwalior Bench) in the matter of Dhamvir Singh and Anr. v. Union of India & Ors. [Writ Petition No. 3332 of 2010]. I also note that the District Administration of Gwalior has also concluded that the schemes floated by PDAL are in contravention of the Madhya Pradesh Protection of Interest of Depositors Act and has accordingly passed orders of attachment of properties of PDAL in Gwalior. The district administration has informed SEBI by way of letter dated August 25, 2017 that currently investors in PDAL schemes are being refunded through court commissioner appointed by the Special Judge Gwalior.
- 3.** According to the interim order, the noticee company had been raising money from the public through its '*Cattle booking schemes*'. From the available documents, it was observed that PDAL has lump sum and instalment payment plans towards purchase of cattle. As per the '*Cattle Booking Agreement*', the cattle are allotted to the investors and the company undertakes to maintain, develop and feed the cattle till the expiry of the term/period opted. Depending on the subscription plan, the maturity amount/return (*treated as expected market value of the cattle*) would differ. In addition to the said maturity amount, investors would also receive an '*accident benefit*'. It was also noted that one of the clauses of the Agreement also stated that on completion of the payment

terms of the agreement, the investor was free to take cattle or opt to sell the cattle to PDAF for an estimated realisable value. From the available financial statements of PDAL, it was noted that the funds received from investors are pooled together as "Sundry Advances under cattle sales scheme". As on March 31, 2008, PDAL was observed to have collected Rs 4,62,08,962/- towards "Sundry Advances under cattle sales scheme". The total number of investors in the schemes issued by PDAL and PDAF has however not been identified.

4. The interim order was served on the noticees. In reply to the interim order, submissions dated June 13, 2015 and December 01, 2015 were received from PDAL and its directors and submissions dated June 30, 2015 and December 01, 2015 were received from PDAF and its trustees. Summary of the submissions made are as follows:

4.1 Reply by PDAL

- (i) The interim order has been passed in violation of the principles of natural justice SEBI has relied on private blog/website while passing the order and without proper appreciation of materials on record.
- (ii) In the order forwarded by the Ministry of Finance, there is no allegation of wrong doing and violations have been recorded against the company either by CBI or the Hon'ble Madhya Pradesh High Court. SEBI relied on 2 certificates issued to Shri Brajesh Kumar Sharma and Shri Arun Pratap Singh while passing the order but did not cross examine the persons and the company is not aware if those certificates are genuine or not and also the identity and veracity of the certificate holders is not established. SEBI was requested to provide true copies of the certificates based on which SEBI passed the order but it failed to do so.
- (iii) The company had replied after receiving SEBI's letter stating that the company is engaged in the business of sale of cattle, cows, buffaloes etc. and thus it shows the company is cooperating with SEBI. Documents could not be provided to SEBI as the Gwalior administration has sealed the office of the company.
- (iv) There is no link between PDAL and PDA Foundation and its trustees. Relationship between them cannot be co-related on the basis of some private blogs.

- (v) Plans offered by the company do not fall under the purview of Collective Investment Scheme as provided under Section 11 AA of SEBI Act, 1992. The company may carry on its business and collect money from customers in the course of business. The activities of the company do not amount to fraudulent practice in terms of Regulation 4 (2) (t) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), 2003. The mobilization of funds has been done only to carry out business of sale and purchase of cattle and dairy products. The plans offered by the company are only a sale and purchase transaction and in accordance with law. The company is a legitimate business entity engaged in business of sale and purchase of cattle and dairy products in accordance with law.
- (vi) The company is currently non operational as the registered office at Gwalior and a branch office at Chennai has been sealed and all branches of the company were taken on lease which expired long time back.
- (vii) The company was involved in various businesses, before it was sealed by the Gwalior administration and amongst its businesses were sale and purchase of cattle. Thereafter, the company started breeding cattle and sold milk related products. Hence, the company already had capital and cattle for other businesses and it was thereafter it had started breeding and selling cattle. The cattle was immediately sold by the company as their life span is short and the buyers used to maintain the cattle and the money received from them was utilized in other business. The customers had complete control over the cattle sold to them since day one.
- (viii) The company has returned all the money as per the order of the Hon'ble High Court and all immovable properties of the company had been sealed.

4.2 Reply of PDAF

One of the trustees of PDAF, namely Neeraj Singh (Noticee No. 7) has replied on behalf of PDA Foundation and its trustees. The submissions of PDAF in short are as follows:

- (i) The order is in violation of the principles of natural justice and SEBI passed the order based on the assumption that PDAL and PDA Foundation are a common entity. PDAF and PDAL are separate entities. There is no evidence presented in the interim order linking the two except that their offices are

located in a common area. This inference is erroneous since the said locality houses many business organizations in Gwalior and does not mean that every organization located there is related to each other. That Shiv Nagar, Birla Nagar in Gwalior is a big industrial area and thus the common address of 2 persons from such an area cannot show the relationship between PDAL and PDA Foundation. The head office of the foundation is at H. No. 25-26, G-4, Ground Floor, Sector- 16, Rohini, Delhi- 110085 and the allegations of SEBI that there is no office of the foundation at the above mentioned address is false. PDAF desires to verify the report of the official visiting the office at the aforementioned address and to cross-examine him.

- (ii) PDAF is duly registered with the Sub- Registrar at New Delhi. The motive of PDA Foundation is to establish gau-shala for destitute cows in India. The primary objectives of PDA Foundation is to establish, maintain and run schools and colleges, to promote the activity of dairy farming and its allied activities and for this purpose to buy, sell, trade, breed, import, export, grow, produce, keep and deal in all kinds of cattle including cow, buffaloes, goats, sheep etc. and also to propagate agricultural activities, to put up regional centres and sub centres of the foundation in order to promote its objects.
- (iii) Certificate of registration issued to the foundation has been extended till January 23, 2018. TVE Certification Services Private Limited has never suspended the ISO certificate of the foundation.
- (iv) There is no customer complaint against the foundation and if any complaint has been received by SEBI, then a copy of the same should be provided to the foundation.
- (v) PDAF does not fall under any of the four conditions of Collective Investment Scheme of SEBI. There is no illegal mobilization of funds by the foundation as all the money earned is utilized for charity. The judgment of the Hon'ble Supreme Court of India in the matter of PGF Limited rather supports the foundation as it has not brought out any scheme to attract customers but has always done charity by providing cattle and dairy products to the local people.

5. The Noticees were granted an opportunity to inspect documents on June 04, 2015, as requested by them. An opportunity of personal hearing was granted to the noticees on March 02, 2017. Another opportunity of hearing was given to the noticees on May 04, 2017. The hearing notice was served on the noticees by way of newspaper publication. No reply to the hearing notice was received from the noticees but Noticee No. 3 namely, Basant Lal Sharma appeared in person. He pleaded that he was only a token member of the PDA management. The person behind PDA and the scam associated with the money mobilization (which is the subject matter of this case) was Mr. Rakesh Narwaria. Mr Sharma submitted that he worked as an insurance agent and was employed by PDAL, on the pretext of managing the corporate insurance agency of PDAL. He was also required to manage the farms and other related agricultural activity of PDAL/PDAF. However he was not in charge of money mobilization matters of the company. He also submitted that there are FIRs lodged against several persons including himself in the said matter. Mr. Sharma was asked to send his written submissions as well for proper record. A copy of the Memorandum of Association of PDAL was also submitted.

6. Issues for Consideration

- (i) Whether Noticee Nos. 1 and 2 namely, PDAL and PDAF are related to each other and acted together for mobilisation of funds?
- (ii) Whether the schemes offered by PDAF and PDAL satisfy the elements of collective scheme as defined in section 11AA of the SEBI Act, 1992?

6.1 Whether PDAL and PDAF are related to each other and acted together for mobilisation of funds

6.1.1 PDAL and PDAF in their replies have contended that the two entities are not related to each other. The interim order had come to the conclusion that PDAL and PDAF were connected on the following basis:

- (i) Investor grievances available on the internet stating that the investment scheme documents were switched from PDAL to PDAF.
- (ii) Business activity was carried on by both PDAL and PDAF from the same office in Chennai (based on an inspection of the premises by SEBI officials).
- (iii) The address of the trustee of PDAF namely, Bhanu Pratap Singh is similar to the address of two of the directors of PDAL namely Ahibaran Singh and Rakesh Singh Narwaria.

The noticees have disputed the conclusion of the interim order on the following basis:

- (i) SEBI cannot rely on information available on the internet- websites or blogs for arriving for determining the relationship between PDAF and PDAL.
- (ii) The commonality in address of directors of PDAL and a trustee of PDAF is not an aspect that can be relied upon since various business houses operate from the said area.
- (iii) There is no customer complaint that PDAF has received.
- (iv) The report of the SEBI officials that PDAF and PDAL were operating from the same office in Chennai is incorrect.

6.1.2 The inspection of premises in Chennai from where PDAF and PDAL were said to be operating, was conducted by SEBI officials in pursuance of their official duties and in accordance with procedure subsequent to which relevant documents had also been collected. I see no reason to doubt the veracity of the inspection report by the officials or their statement that PDAF and PDAL were operating from the same premises, with a common intent of mobilising funds towards its cattle booking schemes. Further, as noted from the available records, PDAL and PDAF were granted an opportunity of inspection of documents on June 04, 2015. After availing the opportunity of inspection, PDAL resorted to seeking copies of some certificates issued to their investors. This request does not seem to be bonafide and only appears to be a dilatory tactic. Likewise the request for cross examination of the officials who inspected the premises does not appear to be genuine. PDAL and PDAF have not addressed the inspection observations on merits and are only attempting to protract the conclusion of the proceedings. They have also not availed of the opportunity of personal hearing granted to them. Therefore I do not find it appropriate to accede to the aforesaid requests. I also note that the conclusion of relation between PDAF and PDAL is not solely based on grievances against them seen on certain websites/blogs. SEBI is also in receipt of investor complaints relating to the fund mobilisation activity of PDAF and PDAL and the fact that documents for the schemes issued by them were being issued in the names of PDAF and PDAL interchangeably. In any case, as part of its enquiry, SEBI is entitled to examine all available information including those seen on the world wide web. Further, on an overall view of the matter, it may not be possible to brush aside the similarity in addresses of PDAF and PDAL as recorded in the interim order as being a mere coincidence. The available documents and surrounding circumstances convince me that the money mobilising activities of PDAF and PDAL cannot be examined in isolation of each other.

6.2 Whether the schemes offered by PDAF and PDAL satisfy the elements of collective scheme as defined in section 11AA of the SEBI Act, 1992?

6.2.1 Section 11AA lays down 4 elements to be satisfied in order for a scheme to be termed a collective investment scheme. These elements are as under:

- (i) The contributions, or payments made by the investors by whatever name called are pooled and utilised 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 attachment.
- (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 a day to day control over the management and operation of the scheme or arrangement.

6.2.2 The evidence laid out in the interim order, relevant to proving the prima facie conclusion that the scheme offered by PDAF and PDAL (hereinafter referred to as "the scheme") was a collective investment scheme in terms of section 11AA of the SEBI Act, are as follows:

- (i) The '**Cattle booking Certificate**' issued to investors of PDAL indicates that PDAL was collecting funds from general public towards its 'cattle booking schemes'.
- (ii) The '**Cattle Booking Agreement**' indicates that any person can purchase cattle by investing in the Lump sum Payment Plans or Instalment Payment Plans of PDAL's scheme. The Agreement also provides details of plan, term and the expected market value of cattle at the end of the term. Clause 4 of the Agreement states *"that on expiry/completion of payment terms of this agreement the second party(customer) is free to take the cattle or if the second party opts can sell the said cattle to the first party (PDA Foundation) for estimated realisable value"*. The general terms and conditions of the Agreement state that PDAL *"reserves the right to discontinue/ change/ amend/ modify or alter any of the terms and conditions at any time at its sole discretion without any notice"*.
- (iii) The **Application form** issued by PDAL in relation to the scheme required recording of personal details of the investor, Cattle/ product name, Value of cattle/ product, date of commencement, mode of payment, amount of instalment, etc.

- (iv) The **financial statements** of PDAL indicate that funds received from investors are pooled together as "*Sundry Advances under cattle sales scheme*". As on March 31, 2008, these advances amounted to ₹4,62,08,962/-.

6.2.3 PDAL's contention on the aforesaid issue is that it was only engaged in breeding and sale of cattle. The cattle was transferred upon sale and was within the complete control of the purchasers. PDAL has also denied having floated any scheme to lure customers. A similar line of argument has been adopted by PDAF. They have submitted that they are a Public charitable trust involved in breeding and sale of cattle and dairy products and the realised funds are used for the charitable objects of the trust, for creating employment for the poor and the development of the area. With respect to the application forms issued by PDAF, they have submitted that the forms provided for the option of complete description of cattle. Further, they have submitted that the possession of the cattle was transferred to the customers upon sale.

6.2.4 I find that the replies of PDAL and PDAF do not, on merits, address the specific allegations raised in the interim order. The contents of the Cattle Booking certificate and Agreement in particular raise questions regarding the true nature of the transactions between PDAL/PDAF and the customers. There is no documentation or evidence providing specifications of the distinctly identifiable cattle purchased customer-wise. Further, the returns against the contributions made by the customers were either in the form of cattle or its 'estimated realizable value'. The supposed sale of cattle and repurchase for an estimated realisable value and the terms thereof, do not lend credibility to the submission that the transactions executed by PDAL/PDAF were genuine contracts of sale. Rather, it appears that the money mobilised in the name of cattle purchase was being pooled by PDAL/PDAF. The written replies submitted by the noticees do not satisfactorily refute the allegation in the interim order that the schemes offered by PDAL and PDAF constitute collective investment scheme(s) in terms of section 11AA of the SEBI Act. The aforesaid legal provisions have already been discussed in detail in the interim order and therefore in the interest of brevity I do not find it necessary to reiterate the same. I also note that in terms of regulation 4(2)(t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("**FUTP Regulations**"), dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves illegal mobilization of funds by sponsoring or causing to be sponsored or carrying on or causing to be carried on any collective investment scheme

by any person without obtaining the necessary registration from SEBI. While the interim order alleges violation of regulation 4(2)(t) of the FUTP Regulations, I note that the said clause (t) in Regulation 4(2) was inserted only with effect from September 06, 2013 and there is no evidence available on record to conclusively state that the fund mobilisation was continuing after the said clause(t) came into effect. Therefore, while concluding that the noticees have violated section 12(1B) read with section 11AA of the SEBI Act, 1992, I am inclined to drop the allegation of the noticees having violated regulation 4(2)(t) of the FUTP Regulations.

7. From the available records, the list of persons who were directors in PDAL during the money mobilisation activity of PDAL and are currently directors of the company along with the period of their directorship are reproduced as follows:

TABLE 1

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Basant Lal Sharma	06/12/2003	-
2.	Ahibaran Singh	31/10/2006	-
3.	Chandra Bhan Yadav	07/07/2009	-
4.	Pradeep Kumar Sharma	07/07/2009	-
5.	Rakesh Singh Narwaria	31/10/2002	20/08/2008
6.	Phool Singh Rajput	11/07/2008	07/07/2009

8. Out of the aforesaid directors, interim order was passed against Basant Lal Sharma, Ahibaran Singh, Chandra Bhan Yadav and Pradeep Kumar Sharma. Only Basant Lal Sharma has availed of the opportunity of personal hearing granted on May 04, 2017. As noted earlier in this Order, he had pleaded that he was not directly responsible for money mobilisation activities of the company. He pointed out that Rakesh Singh Narwaria was the main person behind the management of the company. He had also submitted a copy of the Memorandum of Association of the company. However, despite promising to send written submissions including therein the evidence to support his claim that he had no role in the money mobilisation activity which is in question in this Order, no such submissions have been received from his end and no subsequent communication from him has also been received. Being a director of the company during the period when

monies were alleged to have been raised in contravention of law, and still continuing to function as such, Basant Lal Sharma would be presumed to be liable for the violation, unless evidence is produced to disprove the same. I also note from the Memorandum of Association(MoA) of PDAL that he was also subscriber to the MoA. Therefore Basant Lal Sharma also appears to be intricately involved with the formation and management of the company and in the absence of adequate evidence to prove the contrary, he would be equally liable for the illegal money mobilisation activity outlined in para 6 above. The other noticee directors in the written replies dated June 13, 2015 and December 01, 2015 have not put forth any submissions contesting their alleged role/liability in the collective investment schemes floated by PDAL. In the absence of any cogent reasons to dispute their role in the illegal collective investment schemes which were carried out by PDAL, I find the noticee directors i.e. Basant Lal Sharma, Ahibaran Singh, Chandra Bhan Yadav and Pradeep Kumar Sharma, liable for the illegal money mobilisation activity outlined in para 6 above.

9. At this point, I must also note that Rakesh Singh Narwaria was both director and subscriber to the MoA of PDAL, holding three fifths of the number of equity shares issued by PDAL. His wife, Girja Narwaria, was a subscriber to the MoA holding one fifth of the number of equity shares issued by PDAL. From the MoA it is clear that they jointly held 80% (eighty percent) of the share capital of PDAL from the stage of its incorporation. Rakesh Singh Narwaria subsequently resigned from the directorship of PDAL as indicated in Table 1 above. The letter from District Administration of Gwalior dated August 25, 2017 (*already discussed in para 2 of this Order*) while discussing elaborately the fraudulent scheme, properties involved and names of some of the investors, makes repeated references to the role of Rakesh Singh Narwaria and Basant Lal Sharma. An investor complaint received also makes specific reference to the role of Rakesh Singh Narwaria and Basant Lal Sharma, in the context of PDAL's and PDAF's activities in the state of Tamil Nadu. Therefore it is amply clear that Rakesh Singh Narwaria and Girja Narwaria are also liable for the illegal money mobilisation activity carried out by PDAL. Further, I note from Table 1 that Phool Singh Rajput was a director in PDAL albeit for one year. Like the other noticee directors, he too had a role in ensuring that the illegal scheme was wound up. The responsibility of ensuring compliance with law including the SEBI Act and CIS Regulations is an integral part of a director's functioning. For the aforesaid reasons, though Rakesh Singh Narwaria, Girja Narwaria and Phool Singh

Rajput were not part of the interim order, I find it necessary to immediately pass interim directions against all of them in the interest of investors and to call upon them to show cause as to why such interim directions be not confirmed against them in due course. Such interim directions against the persons included now in this Order are separately laid down at paragraph 12 of this Order. As far as the other noticees are concerned, this is a Final order in continuation of the interim order and the directions against them are laid down in paragraph 11 of this Order.

- 10.** As regards PDAF, since it is constituted as a Trust, the trustees would be responsible for the money mobilisation activity carried out by PDAF. The Trust Deed constituting PDAF, records Neeraj Singh and Bhanu Pratap Singh as trustees of PDAF. The documents available in the Office of Sub-Registrar - VI at New Delhi also records the said persons as being trustees of PDAF. In the absence of any evidence to disprove their role in managing the illegal money mobilisation activities of PDAF, I find them liable for the illegal money mobilisation activity outlined in para 6 above.

DIRECTIONS

- 11.** In view of the above, in the interest of investors and the securities market, I, in exercise of the powers conferred upon me under Sections 11(1), 11B and 11(4) thereof and regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999, hereby issue the following directions:
- (i) Parivar Dairies and Allied Ltd. (PAN:N.A.) and its noticee directors namely, Basant Lal Sharma (PAN:AOWPS6591N), Ahibaran Singh (PAN:AFJPA0800Q), Chandra Bhan Yadav (PAN: ADRPY6592K) and Pradeep Kumar Sharma(PAN:N.A) are jointly and severally liable to wind up the collective investment schemes and refund the monies collected by it under the schemes with returns which are due to the investors as per the terms of offer within a period of three months from the date of this order. The refund shall be made through 'Bank Demand Draft' or 'Pay Order'. Upon completion of the refund as directed above, within a further period of seven days, the present directors of PDAL (Noticee Nos. 3 to 6) i.e. Basant Lal Sharma, Ahibaran Singh, Chandra Bhan Yadav and Pradeep Kumar Sharma shall submit a winding up and repayment report (WRR), separately or jointly, to SEBI in accordance with the CIS regulations. The WRR shall be supported by the proof of the trail of funds claimed to be refunded, bank account

statements indicating refund to the investors and receipt from the investors acknowledging such refunds along with a certification of such repayment from two independent Chartered Accountants. In the event of failure by PDAL or its noticee directors to comply with the above directions for refund, SEBI shall initiate recovery proceedings under the SEBI Act. Since the assets of Parivar Dairies and Allied Ltd. within Gwalior district have been attached and refund of monies are currently being executed by the Court Commissioner appointed by Special Judge, the company and the noticee directors are directed hereby to deal with the scheme property, in accordance with the directions of the court commissioner appointed by the Special Judge and not in any other manner and ensure that the investors are being refunded out of such proceeds. As regards the refunds out of the properties of the scheme situated elsewhere, it is directed that the noticees shall not alienate, dispose off/otherwise deal with the property except for the purpose of repayment of the investors in the respective jurisdictions are effected and such proof of repayment shall be produced to SEBI.

- (ii) PDA Foundation (PAN: N.A.) and the noticee trustees, Neeraj Singh (PAN: N.A) and Bhanu Pratap Singh (PAN: N.A) are jointly and severally liable to wind up its existing collective investment schemes and refund the money collected by it under the schemes with returns which are due to the investors as per the terms of offer within a period of three months from the date of this order. The refund shall be made through 'Bank Demand Draft' or 'Pay Order'. Upon completion of the refund as directed above, within a further period of seven days, the noticee trustees of PDAF shall submit a winding up and repayment report (WRR), separately or jointly, to SEBI in accordance with the CIS regulations. The WRR shall be supported by the proof of the trail of funds claimed to be refunded, bank account statements indicating refund to the investors and receipt from the investors acknowledging such refunds along with a certification of such repayment from two independent Chartered Accountants. In the event of failure by PDA Foundation or its noticee trustees to comply with the above directions for refund, SEBI shall initiate recovery proceedings under the SEBI Act.

- (iii) The Noticees shall not alienate or dispose off or sell any of the assets of Parivar Dairies and Allied Ltd. (PAN:N.A.) or PDA Foundation, as the case may be, except for the purpose of making refunds to its investors as directed above.
- (iv) The Noticees shall with immediate effect be restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly, till the directions for refund/repayment to investors are complete, as directed at sub-paragraph (i) and (ii) above to the satisfaction of SEBI and WRR is submitted to SEBI and for a further period of four years from the date of completion of the refund, as directed above.
- (v) The Noticee directors and Noticee trustees, namely Basant Lal Sharma, Ahibaran Singh, Chandra Bhan Yadav, Pradeep Kumar Sharma and the noticee trustees, Neeraj Singh and Bhanu Pratap Singh shall be restrained from holding position as directors or key managerial personnel of any listed company for a period of 4 years from the date of this Order.

12. In view of the reasons recorded in paragraph 9 above, Phool Singh Rajput, Rakesh Singh Narwaria and Girja Narwaria are directed to show cause why the following directions recorded against the Noticees in this Order shall also not apply to them. They shall treat this Order as a show cause notice with respect to them and shall reply to the same within 4 weeks from the date of this Order. In the event of the aforementioned persons failing to file replies or requesting for an opportunity of personal hearing, within the said 4 weeks, the findings in this Order with respect to their liability for the illegal money mobilisation activity by PDAL shall stand automatically be confirmed and the directions at sub-paragraphs (i), (iii), (iv) and (v) of paragraph 11 above shall apply to Phool Singh Rajput, Rakesh Singh Narwaria and Girja Narwaria as well. In the interim however, i.e. till completion of the aforesaid period of 4 weeks, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B of the SEBI Act, 1992 hereby direct, with immediate effect, that Phool Singh Rajput, Rakesh Singh Narwaria and Girja Narwaria shall not-

- (i) access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly

- (ii) associate themselves with any listed company or company intending to raise money from the public, or
- (iii) dispose of, alienate or encumber any of its/their assets nor divert any funds raised from the public by way of sponsoring/causing to sponsor or carrying on/causing to be carried on the collective investment schemes.

13. A copy of this Order shall be forwarded to -

- (i) all the recognised stock exchanges and registered depositories for necessary compliance with the above directions;
- (ii) the Ministry of Corporate Affairs for information; and
- (iii) District Collector, Gwalior and Court Commissioner appointed by Special Judge, Gwalior.

DATE: October 10, 2017

PLACE: Mumbai

G. MAHALINGAM

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA