

WTM/AB/DDHS/ERO/13/2019-20

SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: ANANTA BARUA, WHOLE TIME MEMBER

INTERIM ORDER CUM SHOW CAUSE NOTICE

UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF ORION INDUSTRIES LIMITED

In respect of:

Noticee No.	Name of the Noticee	CIN/DIN	PAN
1.	Orion Industries Limited	U01403JH2010PLC014555	NA
2.	Md Mahfuz Alam	03332910	NA
3.	Parwez Alam	03315228	NA
4.	Panchanan Kisku	03275553	NA
5.	Md Kamal Koshar	03422498	BBAPK4611F
6.	Mohammad Salimuddin Ansari	03422472	ALLPA8121E
7.	Manzur Alam	03504056	ANFPA9734M
8.	Punam Bharati	02685056	NA
9.	Mohammed Afaque Ahmad	05110815	NA
10.	Shahid Jama	07183857	NA
11.	Mohammad Jenul Ansari	07183890	NA
12.	Santanu Sen Choudhury	NA	AGVPC5307K

The aforesaid entities are hereinafter referred to individually by their respective names/Noticee numbers and collectively as “the Noticees”.

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received a complaint on December 06, 2018 from one Ms. Shahjahan Begam (hereinafter referred to as “**Complainant**”) alleging money mobilization by Orion Industries Limited (hereinafter referred to as “**OIL/ the Company**”). The Complainant had also enclosed copies of two certificates of Redeemable Preference Share (hereinafter referred to as “**RPS**”) and, therefore, the matter was taken up for examination as to whether the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter “**SEBI Act, 1992**”) read with the relevant provisions of Companies Act, 1956 were complied with or not in the alleged issuance of RPS by the Company.
2. During the course of examination conducted by SEBI, the following details of the Company were obtained from the portal of Ministry of Corporate Affairs (hereinafter referred to as “**MCA**”) :
 - i) Date of Incorporation : 15/12/2010 (status – strike off as on date)
 - ii) Type of the company : Public and Unlisted
 - iii) CIN: U01403JH2010PLC014555
 - iv) PAN: Despite several reminders not furnished by RoC
 - v) Registered Office Address: K-4, Kalpatru Jalan Road, Upeer Bazar, Ranchi, JH 834001
 - vi) Correspondence Address: same as above
 - vii) Details of present and past directors/Promoters:

Sl. No.	Name	Current Designation	DIN	PAN*	Date of appointment	Date of Cessation
Director cum Promoter						
1	Md Mahfuz Alam	Director and Promoter	03332910	NA	15/12/2010	-
2	Parwez Alam	Director and Promoter	03315228	NA	15/12/2010	-

3	Panchanan Kisku	Director and Promoter	03275553	NA	15/12/2010	07/03/2011
4	Md Kamal Koshar	Director and Promoter	03422498	BBAPK4611F	07/03/2011	-
5	Mohammad Salimuddin Ansari	Director and Promoter	03422472	ALLPA8121E	07/03/2011	-
Directors						
6	Manzur Alam	Director and Promoter	03504056	ANFPA9734M	18/04/2011	-
7	Punam Bharati	Director	02685056	NA	07/03/2011	16/05/2014
8	Mohammed Afaque Ahmad	Director	05110815	NA	11/11/2011	21/09/2013
9	Shahid Jama	Director	07183857	NA	18/05/2015	-
10	Mohammad Jenul Ansari	Director	07183890	NA	18/05/2015	-
Promoters						
11	Santanu Sen Choudhury	Promoter	NA	AGVPC5307K	-	-

viii) Date of filing of last Annual Accounts: 31/03/2012

ix) Paid up capital: As per Company Master Data available at MCA portal, the Company has shown a paid up capital of Rs. 5,53,38,000/-. Taking into consideration the Company Master Data, Form 2 and Annual Return filed by OIL with Registrar of Companies, the break-up of paid up capital is as under:

- a. Equity Capital: Rs. 7,30,000/-
 - b. Preference Capital: Rs. 5,46,08,000/-
3. The details of allotment of Redeemable Preference Shares made by the Company, as per Form 2 available at MCA portal, are as under:

Year	Date of allotment	Type	No. of allottees	Face Value (Rs.)	Premium Amount (Rs.)	Total Amount (Rs.)
2011-12	28/03/2012	Preference Shares	319	1000	Nil	38,57,000
2012-13	17/07/2012	Preference Shares	2000	1000	Nil	2,55,52,000
	17/11/2012	Preference Shares	1871	1000	Nil	2,51,99,000
Total						5,46,08,000

4. Further, as mentioned in para 1 above, the complainant had attached two copies of RPS certificates issued by the Company. However, the details of these two certificates were not found in the preference shareholders list attached in form 2 and Form 20B mentioned above. The details of the RPS certificates issued to the complainant are as under:

Reg. Folio No.	Financial Year	Date of allotment	No. of allottees	Amount (Rs.)
RP/80218313	2012-13	06/01/2013	1	40,000
MS/80220207/D	2013-14	14/06/2013	1	50,000

5. Thus, the combined year-wise details of number of persons to whom RPS were issued and the amount mobilized by the Company, as available on record, are as below:

Financial Year	No. of allottees	Amount (Rs.)
2011-12	319	38,57,000
2012-13	3872	5,07,91,000

2013-14	1	50,000
Total	4192	5,46,98,000

6. Considering the above information gathered from the MCA portal, SEBI vide its letter dated December 19, 2018 and February 04, 2019, addressed to the Noticees at their available address, advised to furnish the following information :
1. *Copy of the Memorandum and Articles of Association of the company.*
 2. *Copy of audited annual accounts of the company for last 3 years.*
 3. *Name, addresses and occupation of all the promoters/ directors of the company.*
 4. *Names and details fo the Key Managerial Personnel of the company.*
 5. **Information in respect of issue of shares/ debentures**
 - i) *Copy of Prospectus / Red Herring Prospectus/ Statement in lieu of prospectus/ Information memorandum filed with RoC for issuance of shares /debentures.*
 - ii) *Date of opening and closing of the subscription list for the said shares/debentures*
 - iii) *Details regarding the number of application forms circulated inviting subscription for shares/debentures*
 - iv) *Details regarding the number of applications received*
 - v) *Details regarding the number of allottees and list of such allottees year-wise and scheme-wise*
 - vi) *Number of shares / debentures allotted and value of such allotment against each allottee's name*
 - vii) *Details regarding subscription amount raised*
 - viii) *Date of allotment of the shares/ debentures*
 - ix) *Copies of the minutes of Board/committee meeting in which the resolution has been passed for allotment*
 - x) *Date of dispatch of debenture / share certificates etc.*
 - xi) *Details of the total number of applicants for each of its scheme besides the list of final allottees*
 - xii) *Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of shares/ debentures*
 - xiii) *Terms and conditions of the issue of Shares/Debentures.*
 - xiv) *Whether the company has applied for listing of its securities with any of the stock exchanges.*
 - xv) *Copies of Form 2 and Form 10 filed with the RoC.*
 - xvi) *Details of debenture trustee viz. name, address, board resolution authorizing their appointment etc.*
7. The aforesaid letters issued by SEBI to the Company and its promoters/ directors (i.e. the Noticee no. 2 to 12) were either returned undelivered or no reply was received from them. Two of the Noticees i.e. the Noticee Nos. 7 and 9 had visited Ranchi Local Office (RLO) of SEBI on February 26, 2019 and assured to file their reply. However, no reply was received from any one of them till

date. The status of letters sent by SEBI to the Noticees are as under:

Sr. No.	Name of Entity/ Director	Designation	Letter Date	Letter Status (Returned/ Delivered)	Reminder Letter sent date (if any)	Reply received (if any)
1.	Orion Industries Limited	Company	19.12.2018	Returned undelivered with the comment "Left RTS".	No	N/A
2.	Parwez Alam	Present Director	19.12.2018	Item delivered [To: PARWEZ ALAM] 28/12/2018 17:15:00	04.02.2019	Item delivered [To: PARWEZ ALAM] 11/02/2019. - NO
3.	Md Mahfuz Alam	Present Director	19.12.2018	No detail updated by India Post as on 06.02.2019	04.02.2019	Item delivered 11/02/2019 - NO
4.	Mohammad Salimuddin Ansari	Present Director	19.12.2018	Item delivered on 07.01.2019 15:22;22	04.02.2019	Item delivered 16/02/2019 - NO
5.	Md Kamal Koshar	Present Director	19.12.2018	Item delivered [To: MD KAMAL KOSHAR] 28/12/2018 17:15:00	04.02.2019	Item delivered [To: KAMAL KOSHAR] 10/02/2019. - NO
6.	Manzur Alam	Present Director	19.12.2018	Item delivered on 28/12/2018 17:15:00	04.02.2019	Item delivered 10/02/2019. – NO (Visited RLO on 26.02.2018 and informed that he will file reply)
7.	Shahid Jama	Present Director	19.12.2018	Returned undelivered with the comment "Refused RTS".	No	N/A
8.	Mohammad Jenul Ansari	Present Director	19.12.2018	Returned undelivered with the comment "Incomplete address".	No	N/A
9.	Panchanan Kisku	Past Director	04.02.2019	No detail updated by India Post as on 10.18.02.2019	18.02.2019	Returned undelivered with the comment "Insufficient address".

10.	Punam Bharati	Past Director	04.02.2019	No11. detail update12.d by India Post as on 18.02.2019	18.02.2019	Returned undelivered with the comment "Not found".
11.	Mohammed Afaque Ahmad	Past Director	04.02.2019	No detail updated by India Post as on 18.02.2019	18.02.2019	Visited RLO on 26.02.2018 and informed that he will file reply
12.	Santanu Sen Choudhury	Promoter	04.02.2019	No detail updated by India Post as on 18.02.2019	18.02.2019	Returned undelivered with the comment "Incomplete address".

8. In the absence of any information provided by the Company or its directors/promoters, the preliminary examination was carried out based on the information obtained from MCA Portal and the documents received from the complainant. As noted in para 5 above, the Company has issued RPS to 319 persons raising an amount of Rs. 38, 57,000 /- during F.Y. 2011-12, 3872 persons raising an amount of Rs. 5, 07,91,000/- during F.Y. 2012-13 and to 1 person in F.Y. 2013-14 raising an amount of Rs. 50,000/-. Thus, the Company has issued RPS to more than 49 persons during the F.Y. 2011-12 and 2012-13 and, therefore, the preliminary examination report observed that the Company has made 'public issue' of securities during the said period.

ISSUE FOR CONSIDERATION:

9. In view of the above, the issue for consideration in the present matter is whether issue of RPS by the Company during the F.Y. 2011-12 to 2013-14, as detailed in para 5 above, is in accordance with the provisions of the Companies Act, 1956 and the provisions of SEBI Act, 1992.
10. Section 67 of the Companies Act, 1956 deals with the conditions/circumstances under which an offer of shares/debentures by a company would be construed as made to the public. Extracts of the relevant provisions of Section 67 of the Companies Act, 1956, dealing with offer of shares or debentures to the public, are reproduced as under:

"67(1) Any reference in this Act or in the articles of a company to offering shares or debentures

to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(2) Any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or

(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation.

Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:

Provided further that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956)."

11. In view of the first proviso to Section 67(3) of the Companies Act, 1956, an offer of shares or debentures made to fifty persons or more would constitute an offer to the public. In this respect, based on the information available on record and the copies of RPS certificates provided by the Complainant, as mentioned in para 5 above, the company has issued RPS to a minimum of 319 persons in the F.Y. 2011-12 and, to 3872 persons in the F.Y. 2012-13. Thus, in terms of Section 67(3) of the Companies Act, 1956, the offer and allotment of RPS made by the Company in the F.Y. 2011-12 and 2012-13 *prima facie* qualifies to be construed as an offer made to the public.
12. In respect of making a public issue, Section 56 of the Companies Act, 1956, requires that the prospectus issued by a company shall state the matters specified thereunder and Section 60 of the Companies Act, 1956 mandates registration of such prospectus with the RoC. Further, in case of

public issue, the requirement of making application to one or more recognised stock exchanges seeking permission for listing of such shares in terms of Section 73 (1) of the Companies Act, 1956 is also attracted. Section 73(3) requires that the monies received by the Company has to be kept in a separate bank account until the permission for listing is granted. The relevant extract of Section 73 of the Companies Act, 1956, providing the requirement of making listing application to one or more recognised stock exchanges and consequences in case of omission thereof, is reproduced as under:

“73(1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.

(1A).....

(2) Where the permission has not been applied under subsection (1) or such permission having been applied for, has not been granted as aforesaid, the company shall forthwith repay without interest all moneys received from applicants in pursuance of the prospectus, and, if any such money is not repaid within eight days after the company becomes liable to repay it, the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at such rate, not less than four per cent and not more than fifteen per cent, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money.

(3)”

13. As noted in para 7 above, despite reminder letters issued by SEBI, no reply has been received from the Company or from any of its promoters/ directors (i.e. the Noticee no. 2 to 12) in respect of its aforesaid public issue of RPS. Further, the materials available on record, as accessed from MCA portal, also do not indicate compliance with the aforesaid requirements of Sections 56, 60, 73(1) or 73(2) of the Companies Act, 1956. In this view, the Company *prima facie* appears to have violated the provisions of Sections 56, 60, 73(1) or 73(2) of the Companies Act, 1956. As per the requirement under law, in case of public issue, the issuer company has to observe other requirements such as obtaining rating from rating agencies, preparing and filing the prospectus with required disclosures, listing of securities on stock exchange etc. It is *prima facie* observed that the company has failed to comply with the aforesaid requirements.

14. As per Section 55A of the Companies Act, 1956, the provisions contained in sections 55 to 58, 59 to 81 (including sections 68A, 77A and 80A), 108, 109, 110, 112, 113, 116, 117, 118, 119, 120, 121, 122, 206, 206A and 207, so far as they relate to issue and transfer of securities and non-payment of dividend shall – (i) in case of listed public companies and (ii) in case of those public companies which intend to get their securities listed on any recognized stock exchange in India, be administered by SEBI. Section 11A of the SEBI Act, 1992, *inter alia*, allows SEBI to issue order prohibiting any company from issuing prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities. Section 11 of the SEBI Act has empowered it to take such measures as it deems fit for fulfilling its legislative mandate. Further, sub-section (4) of Section 11 lists measures that SEBI may take, by an order in writing, either pending or on completion of investigation or inquiry, in the interest of investors in the securities market. Section 11B empowers SEBI to issue such directions as may be appropriate, in the interest of investors in securities and the securities market, *inter alia*, to any person associated with the securities market or to any company in respect of issue of capital, transfer of securities etc.
15. In view of the *prima facie* non-compliance with the provisions of Sections 56, 60, 73(1) or 73(2) of the Companies Act, 1956, by the Company, in raising money from the public through the issue of RPS, it becomes necessary for SEBI, being regulator of the securities market, to intervene and issue suitable directions including restraining the Company from mobilizing funds from the public. Further, the interest of the investors also need to be protected to ensure that public funds are not diverted and/or misappropriated.
16. Further, in terms of Section 73 (2) of the Companies Act, 1956, as reproduced above, the Company and its every director who is an officer in default is jointly and severally liable for repayment of the money raised in breach of provisions of section 73(1). Section 5 of the Companies Act defines the term ‘officer who is in default’ to mean the officers named therein. Section 5 (g) provides that where any company does not have any of the officers specified in clauses (a) to (c) of section 5, then all the directors would be “officer who is in default”. Section 5 is reproduced as under:

“5. Meaning of “officer who is in default”: For the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any punishment or penalty, whether by way of imprisonment, fine or otherwise, the expression “officer who is in

default" means all the following officers of the company, namely:-

- (a) the managing director or managing directors;*
- (b) the whole- time director or whole- time directors;*
- (c) the manager;*
- (d) the secretary;*
- (e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act;*
- (f) any person charged by the Board with the responsibility of complying with that provision: Provided that the person so charged has given his consent in this behalf to the Board;*
- (g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors:*

Provided that where the Board exercises any power under clause (f) or clause (g), it shall, within thirty days of the exercise of such powers, file with the Registrar a return in the prescribed form."

17. As there is no material available on record to suggest that the Company had any of the officers as referred to in Section 5(a) to (c) or to indicate that any director/directors was specified by the Board, thus, in terms of Section 5(g), all the directors would be considered as 'officer in default' for the purposes of the liability under Section 73. Further, in terms of Section 62 of the Companies Act, every person who *inter alia* is a director of the company at the time of the issue of the prospectus and every person who is a Promoter of the company, are liable to pay compensation to every person who subscribes for any shares or debentures on the faith of the prospectus for any loss or damage he may have sustained by reason of any untrue statement included therein.
18. As per the information available on the MCA Portal, the details of the directors of the Company, including the dates of appointment/cessation of their directorship of the Company, as available on record, are as under:

Notice No.	Name of the Director/ Promoter	Designation	Date of Appointment	Date of Cessation
2.	Md Mahfuz Alam	Director and Promoter	15/12/2010	NA
3.	Parwez Alam	Director and Promoter	15/12/2010	NA

4.	Panchanan Kisku	Director and Promoter	15/12/2010	07/03/2011
5.	Md Kamal Koshar	Director and Promoter	07/03/2011	NA
6.	Mohammad Salimuddin Ansari	Director and Promoter	07/03/2011	NA
7.	Manzur Alam	Director and Promoter	18/04/2011	NA
8.	Punam Bharati	Director	07/03/2011	16/05/2014
9.	Mohammed Afaq Ahmad	Director	11/11/2011	21/09/2013
10.	Shahid Jama	Director	18/05/2015	NA
11.	Mohammad Jenul Ansari	Director	18/05/2015	NA

19. I note from the above that the Noticee No. 4 had resigned from the Company on March 07, 2011 i.e. prior to F.Y. 2011-12 and Noticee Nos. 10 and 11 have joined the Company as director on May 18, 2015 i.e. after the F.Y. 2012-13. As per material available on records, the Company has not complied with the requisite provision of making 'public issue' made during the F.Y. 2011-12 and 2012-13 and, thus, the Noticee No. 4, 10 and 11 cannot be made liable, as the alleged non-compliance has been committed by the Company either after their leaving from the Company or before their joining the Company.
20. From the materials available on record, it is noted that the Company has not filed its annual accounts after March 31, 2012 and also neither the Company nor any director/ promoter has replied to SEBI, as detailed in para 7 above. In this view, the quantum of funds mobilized by the company can differ from what has been brought on record, as mentioned in above para 5 above, which is based on the information and documents available on MCA portal and those which are provided by the complainant.
21. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B of the SEBI Act, 1992 hereby issue, with immediate effect, the following directions, which shall remain in force until further orders:-

- a) Orion Industries Ltd. (Noticee No.1), Md. Mahfuz Alam (Noticee No. 2), Parwez Alam (Noticee No. 3), Md. Kamal Koshar (Noticee No.5), Mohammad Salimuddin Ansari (Noticee No. 6), Manzur Alam (Noticee No. 7), Punam Bharati (Noticee No.8), Mohammed Afaque Ahmad (Noticee No. 9) and Santanu Sen Choudhury (Noticee No. 12) are restrained from mobilizing funds or inviting subscription through the issue of RPS or through any other form of securities, from the public and/or issuing prospectus or any offer document or issue advertisement to the public inviting subscription of securities, in any manner whatsoever, either directly or indirectly till further directions;
- b) Orion Industries Ltd. (Noticee No.1), Md. Mahfuz Alam (Noticee No. 2), Parwez Alam (Noticee No. 3), Md. Kamal Koshar (Noticee No.5), Mohammad Salimuddin Ansari (Noticee No. 6), Manzur Alam (Noticee No. 7), Punam Bharati (Noticee No.8), Mohammed Afaque Ahmad (Noticee No. 9) and Santanu Sen Choudhury (Noticee No. 12) shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly, or associate themselves with any listed company or any company intending to raise money from the public, till further directions;
- c) Orion Industries Ltd. (Noticee No.1), Md. Mahfuz Alam (Noticee No. 2), Parwez Alam (Noticee No. 3), Md Kamal Koshar (Noticee No.5), Mohammad Salimuddin Ansari (Noticee No. 6), Manzur Alam (Noticee No. 7), Punam Bharati (Noticee No.8), Mohammed Afaque Ahmad (Noticee No. 9) and Santanu Sen Choudhury (Noticee No. 12) shall neither dispose of, nor alienate or encumber any of its/their assets nor divert any funds raised from public through the offer and allotment of RPS;
- d) Orion Industries Ltd. (Noticee No.1) and its present directors shall co-operate with SEBI and shall furnish all information/documents in connection with the offer and allotment of RPS sought vide letters dated December 19, 2018 and February 04, 2019.

The preliminary findings contained in paragraphs 11 to 20 of this order are made on the basis of the complaint received by SEBI and information obtained from MCA portal.

22. Further, Orion Industries Ltd. (Noticee No.1) and the abovementioned Noticees are hereby called upon to show cause as to why suitable directions/prohibitions under Sections 11, 11(4), and 11B of the SEBI Act, 1992 should not be issued/imposed, including the following directions, namely:-
- a) Orion Industries Ltd. (Noticee No.1) and its directors Md Mahfuz Alam (Noticee No. 2), Parwez Alam (Noticee No. 3), Md Kamal Koshar (Noticee No.5), Mohammad Salimuddin Ansari (Noticee No. 6), Manzur Alam (Noticee No. 7), Punam Bharati (Noticee No.8), Mohammed Afaque Ahmad (Noticee No. 9), to jointly and severally refund the money collected from the public through the offer and allotment of RPS, without complying with the public issue norms, with an interest of 15% per annum {the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment} within a period of ninety days and file a certificate of two independent Chartered Accountants to the satisfaction of SEBI (to be submitted within seven days of completion of the refund); and
 - b) The Noticees to be restrained / prohibited from accessing the securities market by issue of prospectus / offer document / advertisement and buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, for a period of four years, from the date of completion of making refund to the investors.
23. The Noticees, may, within 21 days from the date of receipt of this interim order - cum- show cause notice, file their respective replies. The Noticees are directed to furnish an inventory of their assets in their reply. In the event the Noticees intend to avail an opportunity of personal hearing, they may do so by seeking a confirmation in writing from SEBI for the same within 45 days from the date of receipt of this Order. In the event of the Noticees failing to file replies within 21 days or requesting for an opportunity of personal hearing within the said 45 days, the preliminary findings at paras 11 to 20 of this Order shall become final and absolute against the respective Noticees automatically, without any further orders. Consequently, the Noticees shall automatically be bound by the respective directions contained in paragraphs 21 and 22. The direction contained in para 21(c) shall stand relaxed only for the purpose of compliance with direction contained in para 22(a) above.
24. Upon the expiry of a period of 90 days from the date of this order becoming final, SEBI may initiate

appropriate enforcement action under SEBI Act, 1992 including Recovery etc. For the purpose of making refund, as directed under para 22(a), the liability of the Noticees shall extend not only to the amounts indicated in para 5 of the order but to all the moneys collected by the Company along with 15% interest thereon.

25. This Order shall come into force with immediate effect.
26. Copy of this order shall be forwarded to the Noticees, recognized stock exchanges, depositories and Registrars and Transfer Agents (RTA) of mutual funds for information and necessary action. A copy of this Order may also be forwarded to MCA/concerned RoC for their information and necessary action with respect to the directions imposed on the Noticees.
27. The communication, if any, to be made by the Noticees in respect of this Order such as filing of replies or submitting inventory of assets etc. shall be made at 'Ranchi Local Office, *Securities and Exchange Board of India, A-Block, Room No. 601 to 604, 6th Floor, New Collectorate Building, Kutchery Road, Ranchi, Jharkhand – 834001* and by email, if any, at gyanendran@sebi.gov.in

Place: Mumbai

ANANTA BARUA

Date: July 05, 2019

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA