

WTM/AB/WROWRO/6928/2019-20

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

Under Sections 11(1), 11(4) and 11B of the 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 and Regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003

in the matter of Vayaa Builder and Developers Pvt. Ltd.

Noticee no.	Name of the Noticee	CIN/DIN	PAN
1.	Vayaa Builder and Developers Pvt. Ltd.	U45201MP2010PTC024055	AADCV3685L
2.	Shri Yogendra Bisay	02664008	AFQPB2353A
3.	Shri Jitendra Bisay	00128091	AFZPB2659A

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

1. The present proceedings have emanated from an interim order cum show cause notice dated November 09, 2018 (hereinafter referred to as “**Interim Order**”) passed by Securities and Exchange board of India (hereinafter referred to as “**SEBI**”) against Noticee No.1, Vayaa Builder and Developers Pvt. Ltd. (hereinafter referred to as “**VBDP**” or “**the company**”) and its two directors, i.e. Noticee 2 and 3.
2. In the said Interim Order the following directions were issued:

“17. In view of the foregoing, I, in exercise of the powers conferred upon me under Section 19 read with Sections 11(1), 11(4), 11B and 11AA of the SEBI Act read with Regulation 65 of the CIS Regulations and Regulation 11 of PFUTP Regulations, 2003, hereby direct VBDP and its Directors, viz. Yogendra Bisay and Jitendra Bisay :

- (i) Not to collect any fresh money from investors under its existing schemes;*
- (ii) Not to launch any new scheme/plan or float any new companies/firm to raise fresh moneys;*
- (iii) Not to dispose of any of the properties or alienate the assets obtained directly or indirectly through the money raised by VBDP;*
- (iv) Not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of VBDP;*
- (v) To immediately submit the full inventory of the assets obtained through money raised by VBDP;*
- (vi) To immediately submit the full inventory of the assets owned by VBDP out of the amounts collected from the investors under its existing Scheme;*
- (vii) To furnish all the information sought by SEBI, including –*
 - a. Copies of all the relevant documents of the company including Application Form, Agreement, Certificate issued by the Company, etc.;*
 - b. Scheme wise list of investors and their contact numbers and addresses, including - list of investors to whom land has been allotted and got registered and List of investors who have been refunded.*
 - c. Details of amount mobilized and refunded till date;*
 - d. Details of amount refunded till date along with the details of mode of payment, duly certified by a Chartered Accountant;*

3. The Interim Order came to be passed against the Noticees as SEBI had *prima facie* found that VBDP was mobilizing funds which was in the nature of running an unregistered Collective Investment Scheme (hereinafter referred to as “**CIS**”) in violation of Section 12 (1B) of the SEBI Act, 1992 (hereinafter referred to as the “**SEBI Act**”) and Regulation 3 of the SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as “**CIS Regulations**”) and that the fund

mobilizing activity of VBDP through the scheme of allotment of land post September 2013 *prima facie* amounted to a fraudulent practice in terms of Regulation 4(2)(t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”).

4. The Interim order also called upon the Noticees to show cause as to why suitable directions/prohibitions under Sections 11, 11(4), 11B and 11AA of the SEBI Act read with Regulation 65 of the CIS Regulations, 1999 and Regulation 11 of the PFUTP Regulations, 2003, should not be issued/imposed, including the following directions, viz. -
 - (i) VBDP and its Directors, viz. Yogendra Bisay and Jitendra Bisay to wind up the existing Collective Investment Scheme and to refund the money collected under the Scheme with returns which are due to investors as per the terms of offer of the said Scheme, supported by a Winding up and Repayment Report (in accordance with the CIS Regulations, 1999) to the satisfaction of SEBI (to be submitted to SEBI within 7 days of completion of the refund); and
 - (ii) VBDP to be restrained/prohibited from accessing the securities market and buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of effecting the refund.
5. In terms of the interim order, the Noticees were also provided an opportunity to file their reply, if any, to the Interim Order within 21 days from the date of receipt of the Interim Order and to also indicate whether they desired to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
6. The Noticees have not filed any reply to the Interim Order despite the service of the Interim Order to them through newspaper publication and email. Further, none of the Noticees have appeared for the personal hearings granted to them first on August 19, 2019 for which the hearing notice was served through newspaper publication and

second on December 9, 2019 for which the hearing notice was served through the email address obtained from the MCA website. In view of this, I will proceed to deal with the matter on the basis of the material available on record.

7. Before proceeding to examine the matter on merits, it would be appropriate to refer to the relevant provisions which have been alleged to be violated by the Noticees. The relevant extract of these provisions are as under:

Relevant extract of SEBI Act, 1992

“11AA. Collective investment scheme.

(1) Any scheme or arrangement which satisfies the conditions referred to in subsection (2) or sub-section (2A) shall be a collective investment scheme:

Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under the exemptions from CIS sub-section (3), involving a corpus amount of one hundred Crore rupees or more shall be deemed to be a collective investment scheme.

(2) Any scheme or arrangement made or offered by any person under which,

- (i) the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement;*
- (ii) the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement;*
- (iii) the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;*
- (iv) the investors do not have day to day control over the management and operation of the scheme or arrangement.*

(2A) Any scheme or arrangement made or offered by any person satisfying the conditions as may be specified in accordance with the regulations made under this Act.

(3) Notwithstanding anything contained in sub-section (2) or sub-section (2A), any scheme or Arrangement:

- (i) made or offered by a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or a society being a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State;
- (ii) under which deposits are accepted by non-banking financial companies as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934);
- (iii) being a contract of insurance to which the Insurance Act, 1938 (4 of 1938), applies;
- (iv) providing for any Scheme, Pension Scheme or the Insurance Scheme framed under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952);
- (v) under which deposits are accepted under section 58A of the Companies Act, 1956 (1 of 1956);
- (vi) under which deposits are accepted by a company declared as a Nidhi or a mutual benefit society under section 620A of the Companies Act, 1956 (1 of 1956);
- (vii) falling within the meaning of Chit business as defined in clause (d) of section 2 of the Chit Fund Act, 1982 (40 of 1982);
- (viii) under which contributions made are in the nature of subscription to a mutual fund;
- (ix) such other scheme or arrangement which the Central Government may, in consultation with the Board, notify, shall not be a collective investment scheme.”

....

Section 12(1B):

“(1B) No person shall sponsor or cause to be sponsored or carry on or caused to be carried on any venture capital funds or collective investment schemes including

mutual funds, unless he obtains a certificate of registration from the Board in accordance with the regulations:

Provided that any person sponsoring or causing to be sponsored, carrying or causing to be carried on any venture capital funds or collective investment schemes operating in the securities market immediately before the commencement of the Securities Laws (Amendment) Act, 1995, for which no certificate of registration was required prior to such commencement, may continue to operate till such time regulations are made under clause (d) of sub-section (2) of section 30.

Explanation-For the removal of doubts, it is hereby declared that, for purposes of this section, a collective investment scheme or mutual fund shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment besides the component of insurance issued by an insurer.”

Relevant extract of CIS Regulations

“No Person Other than Collective Investment Management Company to Launch collective investment scheme

3. No person other than a Collective Investment Management Company which has obtained a certificate under these regulations shall carry on or sponsor or launch a collective investment scheme.”

Relevant extract of PFUTP Regulations, 2003

“4. Prohibition of manipulative, fraudulent and unfair trade practices

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely

(a)...

(t) 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.”

8. I note that, pursuant to multiple complaints received against VBDP which was formerly known as Veenayaka H&H Property Makers Pvt. Ltd., SEBI examined the

activities carried out by VBDP. The complainants had alleged that VBDP had mobilized fund from investors through different land/plot allotment scheme and thereafter company had closed its office and investors are not receiving their invested amount.

9. During the examination, VBDP made its submissions wherein it provided copies of Memorandum of Association, Articles of Association, copies of audited Annual Reports from FY 2010-11 to FY2015-16, income Tax Returns filed from its inception to AY 2016-17, list of promoters and key managerial personnel. VBDP also stated that they had neither launched any scheme nor raised money from public. Further detailed clarification was sought from VBDP but no reply was received. Therefore, the information provided by VBDP, the complainants, the chartered accountant associated with the company and documents available with MCA were examined. Based on the same, the following was observed –

- (i) The certificate provided by one of the complainant (titled 'Registration Letter') included the name of the investor, nominee name, plan, term, date of commencement, final payment date, cost of product, mode of payment, instalment amount, agreed cost of product, and assumed cost of product.
- (ii) The reverse side of the certificate provided "Terms and Conditions". Some of the terms provided therein are as under:
 - a. The land shall be allotted in the name of Customer in case of cash down/lump sum payment after 180 days of receipt of full payment. In instalment plan, allotment in the name of Customer shall be done after 60 days from date of receipt of 60% amount as per plan opted by the Customer. In both lumpsum plan and instalment plan, the sale deed will be executed in the name of Customer after the receipt of the full consideration amount.
 - b. If the Customer after duly subscribing to a plan of VBDP fails and refuses to submit documents, papers, photographs to complete the necessary formalities and execute the documents required for the purpose of the

effective transfer and maintenance of his/her/their plots by VBDP, the same shall be constructed as a case of opting out.

- c. VBDP shall have the first charge on the said property on account of the unpaid installment for services/development charges for other incidental expenses incurred by VBDP. The said property cannot in any manner be sold, assigned, mortgaged, pledged or alienated without obtaining NO DUES CERTIFICATE from the VBDP.
 - d. The Customer has the right to retain or sell the said property to anybody or to the company as he/she may deem fit on expiry of tenure of the agreement. To facilitate easy liquidity, VBDP provides to Customer the marketing services for sale of developed plots.
 - e. The Company reserves the right to discontinue/change/amend/modify or alter prospectively/ retrospectively any of the rules/regulation plans and introduce new payment plan at any time at its self-discretion with or without any notice.
- (iii) From the analysis of the certificates it was observed that VBDP was operating different schemes including L2 (lump sum) (5Y6M), R2 (Monthly, Half yearly, yearly) (5Y0M), R3 (Quarterly) (5Y6M). These plans were of same types which are mentioned in the “Terms and Conditions” of certificate (i.e. lump sum and instalment plan). As per the certificates made available to SEBI, in L2 (5Y6M)- lump sum plan, VBDP was paying Rs. 1,00,000/- after expiry of terms of certificate for lump sum payment of Rs. 50,000/-.
- (iv) One of the complainants had also provided a land registration agreement dated March 15, 2013 having sale value of Rs. 1,21,96,000/- which was purchased in the name of VBDP. The registration agreement was supported by the PAN card copy of the company and the establishment certificate issued by Labour Department of Madhya Pradesh Government. The said registration agreement indicated that the company had bought lands and plots for execution of its plan/scheme of land development.

10. The Interim Order also mentioned the analysis of the balance sheet of VBDP carried out by SEBI which is as follows:

	FY 2010-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Non-current assets	NIL	NIL	Rs. 139,551/- (Tangible assets)	Rs. 811,481/- (Tangible assets)	Rs. 644,690/- (Tangible assets)	Rs. 504,473/- (Tangible assets)
	NIL	NIL	Rs.16,000/- (Long term loan and advances)	Rs.21,000/- (Long term loan and advances)	Rs.2,15,000/- (Long term loan and advances)	NIL
	Rs.20,000/- (other non-current assets)	Rs.15,000/- (other non-current assets)	Rs.10,000/- (other non-current assets)	NIL	NIL	NIL
Current Assets	NIL	NIL	Rs. 13,080,210/- (inventories)	Rs. 13,080,210/- (inventories)	Rs. 13,080,210/- (inventories)	Rs. 13,080,210/- (inventories)
	Rs.75,000/- (cash & Cash equivalents)	Rs.70,000/- (cash & Cash equivalents)	Rs.126,597/- (cash & cash equivalents)	Rs.5,148,529/- (cash & Cash equivalents)	Rs.1,242,618/- (cash & cash equivalents)	Rs.1,730,521/- (cash & Cash equivalents)
	NIL	NIL	NIL	Rs.22,080,574/- (short term loan and other advances)	Rs.21,048,705/- (Short term loan and other advances)	Rs.21,410,905/- (Short term loan and other advances)
	NIL	NIL	NIL	Rs.80,000/- (Other current assets) Rs.40,389,313/-	Rs.10,854/- (Other current assets) Rs.353,82387/-	Rs.27,900/- (Other current assets) Rs.36,249,536/-
Total asset	Rs.95,000/-	Rs.85,000/-	Rs.13,372,358/-	Rs.41,221,794/-	Rs.36,242,077/-	Rs.36,754,009/-
Non current liability	NIL	NIL	NIL	Rs.40,190/- (Long term borrowing)	NIL	Rs.62,259/- (Long term borrowing)
	NIL	NIL	Rs.3728/- (differed tax liability)	NIL	NIL	NIL
Current Liability	NIL	NIL	NIL	Rs.254,760/- (Short term borrowing)	Rs.62,989/- (Short term borrowing)	Rs.239,280/- (short term Borrowing)
	Rs.5000/- (Trade payable)	Rs.6000/- (Trade payable)	Rs.19,550/- (Trade payable)	Rs.397,100/- (Trade payable)	Rs.4,61,598/- (Trade payable)	Rs.1,067,942/- (Trade payables)
	NIL	NIL	Rs.13,340,000/- (Other current liabilities)	Rs.40,208,822/- (Other current liabilities)	Rs.35,531,346/- (Other current liabilities)	Rs.35,391,404/- (other current liabilities)
	NIL	NIL	NIL	Rs.88,383/- (Short term provisions)	Rs.24,900/- (Short term provision)	NIL
	Rs.5,000/-	Rs.6,000/-	Rs.13,363,278/-	Rs.40,949,065/-	Rs.36,080,833/-	Rs.36,698,626/-
Total Liability	Rs.95,000/- (including capital & Reserve and Surplus)	Rs.85,000/- (including capital & Reserve and surplus)	Rs.13,372,358/- (including capital & Reserve and Surplus)	Rs.41,221,794/- (including capital & Reserve and Surplus)	Rs.36,242,077/- (including capital & Reserve and Surplus)	Rs.36,754,009/- (including capital & Reserve and Surplus)

11. The Interim Order noted from the balance sheet that the "Other current liabilities" of VBDP had increased from NIL (2010-11) to Rs. 40,208,822/- (FY 2013-14). Therefore, it appeared that the "Other current liabilities" represented the amount of fund mobilized by VBDP. VBDP had not provided any details to SEBI regarding the amount of fund mobilized by it. The Interim Order also noted that the maximum amount of money mobilisation has taken place in the FY 2013-14 which amounted to Rs. 4,02,08,822/- under the 'Scheme' of allotment of lands/developing colony/plots and that it *prima facie* it appeared that the company had raised an amount of at least Rs. 4,02,08,822/- under the said 'Scheme'. It was also noted that the value of inventory had increased from NIL in FYs 2010-11 and 2011-12 to Rs.1,30,80,210/- in FY 2012-13.
12. The Interim Order has also observed that the increase in assets and liabilities of VBDP has a direct connection with the land purchased by VBDP, the details of which are as under:

Date of Agreement	Land Location	Total Consideration (in Rs.)	Total paid amount (in Rs.)	Remaining amount. (in Rs.)
15.03.2013 (Sale deed)	Gram : Bachora, Rani Mandal-02, Shivpuri, Ward No. 01, Madhya Pradesh (5.266 H)	1,21,96,000/-	1,21,96,000/- (this amount has been shown in 'inventories' in the balance sheet since the land was in the name of VBDP)	
28.12.2013	Gram: Islampura, Dhar, Madhya Pradesh (3.542 H)	8,82,00,000/-	2,20,50,000/- (this amount has been shown as short term loan in the FY 2012- 13)	6,61,50,000/- (by June 11, 2015)
02.09.2013	Gram: Maath, Kharora, Raipur, Chhattisgarh (1.625 H)	NA	15,00,000/-	NA

10.09.2014	Gram: Telebadha, Raipur, Chhattisgarh (0.425 H)	23,43,000/-	5,85,750/-	17,57,250/-
29.10.2014	Gram: Islampura, Dhar, Madhya Pradesh (0.266 H)	95,00,000/-	48,50,000/-	48,50,000/- (by December 31, 2017)
25.10.2013	Gram : Bachora, Rani Mandal-02, Shivpuri Ward No. 01, Madhya Pradesh (1500 Sq. ft)	6,00,000/-	3,00,000/-	3,00,000/-
12.11.2013	Gram : Bachora, Rani Mandal-02, Shivpuri Ward No. 01, Madhya Pradesh (2000 Sq. ft)	7,75,000/-	3,75,000/-	4,00,000/-
18.10.2013	Gram : Bachora, Rani Mandal-02, Shivpuri Ward No. 01, Madhya Pradesh (2500 Sq. ft)	10,00,000/-	5,90,400/-	4,09,600/-

13. The Interim Order noted that since the company's primary activity as per its Memorandum of Association is with respect to real estate and real estate development, therefore the figures related to 'inventory' indicated acquisition of land using money mobilized from investors. The same was confirmed by looking at the land purchase details. Moreover, the bank account statement of VBDP showed that VBDP had received cash deposits from Madhya Pradesh, Chhattisgarh, New Delhi, Haryana etc. Therefore, it is understood that these would be the fund collected from the investors in cash and later deposited in the bank account of VBDP. The Interim Order also noted that each of the land purchase/land development records were closely preceded by increase of "other current liabilities" of VBDP.

a. Based on the above, the Interim Order observed that the activity carried on by VBDP satisfied the four requirement of CIS as defined under section 11AA of the SEBI Act based on the following findings:

- “a. Section 11AA(2)(i) : The contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement.

As noted in preceding paragraphs, the company was engaged in mobilisation of funds during the FYs 2012-13 to 2015-16 and as per records monies mobilized by the company was invested in acquisition of land. The fact that each of the land purchase/land development records are closely preceded by increase in the company's "other current liabilities" points to the strong possibility that money raised from the public was used for investing in the said land projects. In view of the same, prima facie I am of the view that the scheme/plan of the company satisfied first condition stipulated in Section 11AA (2) of SEBI Act, 1992.

- b. Section 11AA(2)(ii): The contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement.

From the available documents including the Registration letter, it is noted that investors were promised allotment of a share in a property and not a bounded property in itself. In fact, the Registration letter also mentions the expected value of the property over a defined time period, although there is no specific mention of a buy-back option. This "expected value" read along with the terms and conditions mentioned on the reverse of the Registration Letter which states that the company may purchase the property back from the investor, goes on to indicate that the transaction is not a simple case of land sale. Therefore, I am of the prima facie view that the company's scheme/plan also satisfies the second condition stipulated in Section 11AA (2) of SEBI Act, 1992.

- c. The property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors; and

- d. The investors do not have day-to-day control over the management and operation of the scheme or arrangement.

As per the terms of the conditions mentioned on the reverse side of certificate(registration letter), the land will remain in the name the company till the payment of full consideration. Only after payment of certain percentage of consideration amount, the land allotment (not the transfer of land title) will take place. Significantly there is no record of any agreement to sell and the Registration letters merely mention allotment of a value of property but not any specific bounded/identified property in the name of the investor. Also, the right of the company to discontinue/change/amend/modify or alter prospectively/ retrospectively any of the rules/regulation plans and introduce new payment plan at any time at its self-discretion with or without any notice, indicates that the investors do not have day to day control over management and operation of scheme for which amount has been collected by company. Therefore, in my prima facie view, the aforesaid aspects satisfy the conditions stipulated in Section 11AA(2)(iii) & (iv) of the SEBI Act.”

14. I observe that the name of Noticee no.1 is Vayaa Builder and Developers Pvt. Ltd. I also note that there was a registration of land purchased in the name of VBDP. Further, it appears that VBDP first mobilized money from the investors and subsequently purchased the plot of land since each of the land purchase/land development records are closely preceded by increase in the company's "other current liabilities". If any entity is engaged in selling of plots or flats after development /construction it has to demonstrate that land/ plots/ flat are demarcated and each land/plot/ flat is sold to the buyer and ownership is transferred to the buyer through registered sale deed, etc. I note that the investors were not allotted any identifiable plots or flats but merely allotted units and the certificate issued to the investor carried the unit number. I also note that the Noticee no.1, after passing of the Interim Order has not submitted any reply or documents contesting the finding in the Interim Order even though opportunity of reply and hearing was given.

15. I have perused the material available on record and I am inclined to agree with the observations in the Interim order and find that the 'Scheme' of allotment of lands/developing colony/plots, as offered by VBDP satisfies the four requirements of a CIS as defined in Section 11AA of the SEBI Act.
16. Consequently, Section 12 (1B) of the SEBI Act, 1992 as well as Regulation 3 of the CIS Regulations prohibits carrying on CIS activities without obtaining Certificate of Registration from SEBI. I note that VBDP had not obtained a certificate of registration from SEBI for offering the 'Scheme' which has been found to be CIS in the previous paras. Therefore, VBDP has violated Sections 12(1B) of the SEBI Act, 1992 and Regulation 3 of the CIS Regulations. I further note that Noticee 2 and 3 are directors of VBDP with effect from August 03, 2010 and continues to be directors till date and thus Noticee nos. 2 and 3 are responsible for the violations of provisions of law by VBDP.
17. I further note that Regulation 4 (2) (t) was inserted in the PFUTP Regulations 2003 with effect from September 13, 2013 and as per the said provision the raising of funds by VBDP under its 'Scheme' without seeking registration from SEBI or filing any offer document as required under the CIS Regulations amounts to illegal mobilisation of funds and therefore the Noticees have also violated Regulation 4 (2) (t) of the PFUTP Regulations, 2003.

Directions

18. In view of the aforesaid observations and findings, I, in exercise of the powers conferred upon me under Sections 11(1), 11B, 11(4) read with Section 19 of the SEBI Act, 1992 and Regulation 65 of CIS Regulations and Regulation 11 of the PFUTP Regulations, 2003, hereby issue the following directions:
 - a. VBDP and its Directors, viz. Yogendra Bisay and Jitendra Bisay shall wind up its existing CIS and refund the contributions or payments collected from

investors under the schemes with returns due to the investors within a period of three months from the date of this order. The refund and interest payment to the investors shall be effected only through 'Bank Demand Draft' or 'Pay Order' (both of which shall be crossed as "Non-Transferable") or through internet banking channels such as NEFT or RTGS, with appropriate audit trail.

- b. Upon completion of the refund as directed above, within a further period of fifteen days, the Noticees shall submit a winding up and repayment report to SEBI in the format provided under regulation 73 of the CIS Regulations. The report shall be supported by the proof of the trail of funds claimed to be refunded, bank account statements of the company 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.
- c. The Noticees shall not divert any funds raised from public at large which are kept in bank account(s) and/or in the custody of VBDP or its Directors and they shall not alienate or dispose of or sell or create any encumbrance on any of the assets of VBDP except for the purpose of making refunds to its investors as directed above.
- d. The Noticees shall provide inventory of all the assets purchased in the name of the Noticees including all assets movable and/or immovable wherein Noticees have interest directly or indirectly in whatsoever manner, to SEBI within a period of fifteen days from the date of this order.
- e. The Noticees are 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 the investors are complied with, as mentioned above, to the satisfaction of SEBI and repayment completion certificate is submitted to SEBI and thereafter for a further period of four years from the date of completion of the refund, as directed above.

It is further clarified that the restrain to access securities market and prohibition from buying, selling or otherwise dealing in securities shall extend to their existing holding of securities including the units of mutual funds.

- f. Noticee nos. 2 and 3 shall be restrained from holding position as directors or key managerial personnel of any listed company for a period of four years from the date of this Order.

19. The winding up and repayment report and inventory mentioned hereinabove shall be forwarded to: "The Division Chief, Enforcement Department-1, Division of Regulatory Action 3, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C 7, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051."
20. In case the Noticees fail to comply with the directions given in para 19 (a) above within the time mentioned therein, without prejudice to any other action, SEBI shall initiate recovery proceeding under Section 28A of the SEBI Act, 1992 against the Noticees.
21. A copy of this Order shall be forwarded to the Noticees, all the recognized Stock Exchange, depositories and registrar to issue and share transfer agents for ensuring compliance with the above directions.

-Sd-

Place: Mumbai

ANANTA BARUA

Date : February 25, 2020

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA