

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: RAJEEV KUMAR AGARWAL, WHOLE TIME MEMBER

ORDER

Under Sections 11 and 11B of the Securities and Exchange Board of India Act, 1992 read with regulations 65 and 73 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999.

In the matter of M/s Nicer Green Forest Limited and its directors- Mr. Pipal Singh, Mr. Gajjan Singh, Mr. Gurnaib Singh, Mr. Manjit Singh, Mr. Ranjit Singh, Ms. Surinder Kaur and Mr. Ramesh Ravi.

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1. It was brought to the notice of Securities and Exchange Board of India (SEBI) that Nicer Green Forests Limited (hereinafter referred to as 'NGFL') had been operating Collective Investment Schemes (hereinafter referred to as 'the CIS') and mobilizing funds from the investors/public under its CIS. SEBI had also received complaints from the public stating that NGFL was not redressing their grievances with regard to their dues.
 2. Being satisfied that the schemes of the NGFL fall within the definition of '*collective investment schemes*' as defined under section 11AA of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and regulation 3 of SEBI(Collective Investment Schemes) Regulations 1999 ('the CIS Regulations') and that the NGFL had failed to obtain registration from SEBI to operate such CIS and also failed to wind up its schemes and make repayments to its investors in accordance with the provisions of the CIS Regulations, SEBI, vide order dated November 9, 2010 directed NGFL to wind up its existing CIS and refund the money collected by it under the scheme(s) with returns which were due to the investors as per the terms of the offer within a period of one month from the date of the said order failing which the following actions were to follow:

"(i)Initiation of prosecution proceedings, under Section 24 of the Securities and Exchange Board of India Act, 1992, against the company (NGFL)/its promoters/directors/managers/persons in charge of the business of its scheme(s),

(ii) Debarring the company (NGFL)/its promoters/directors/managers/ persons in charge of the business of its schemes (s) from operating in the capital market and accessing the capital market for a period of five years,

(iii) Making a reference to the State Government/ local police to register civil /criminal cases against the company (NGFL) and its promoters/ directors for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds, and

(iv) Making a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the company (NGFL)."

3. NGFL made representation vide letters dated December 4, 2010 and December 13, 2010 requesting time of two years to comply with the SEBI directions regarding winding up of its CIS and repayment to investors. SEBI, vide letter dated February 1, 2011 advised NGFL to comply with the directions contained in order dated November 9, 2010. By this letter, SEBI further advised NGFL that status of compliance will be reviewed after six months from the date of the order. Vide letter dated May 11, 2011, SEBI advised NGFL to submit the status of compliance with order dated November 9, 2010 latest by May 23, 2011. NGFL vide letter dated May 22, 2011 submitted the following:
 - (a) It has wound up all its schemes with immediate effect from the date of the order and that it has refunded all the monies collected under different schemes.*
 - (b) Its shareholders had passed a special resolution in the extra ordinary meeting held on December 21, 2010 for the voluntary winding up of the company. It has also appointed Mr. Manjit Singh as the Voluntary Liquidator.*
 - (c) It has filed intimation with the Registrar of Companies, Chandigarh regarding voluntary winding up and appointment of official liquidator.*
4. Vide letter dated June 10, 2011, SEBI advised NGFL to file Winding up and Repayment Report (WRR) in the format specified by SEBI, signed by all its directors and certified by the statutory auditors. In response thereto, NGFL vide letter dated June 20, 2011 submitted that the information to be submitted in the form of WRR needs to be retrieved from the past records and it was in the process of retrieving the same. Vide letter dated August 1, 2011, SEBI again advised NGFL to file WRR. SEBI also advised that the submissions regarding Winding up and Repayment shall be verified by way of an independent audit by SEBI appointed auditors, the cost of which shall be borne by the NGFL.
5. Since NGFL failed to submit the required WRR, its claim regarding completion of repayments in compliance with order dated November 9, 2010 could not be verified/ ascertained. Thus, it was alleged that the NGFL has failed to comply with the directions contained in the order dated November 09, 2010, regarding winding up of its scheme(s) and

refund of the money with returns that were due to the investors. In view of the same, SEBI issued a Show Cause Notice (SCN) dated June 27, 2012 to NGFL and its promoters/ directors/ persons in charge of business of its scheme(s) {hereinafter referred to as 'the noticees'} calling upon them to show cause as to why appropriate actions in terms of SEBI Act and CIS Regulations should not be taken against it and its promoters/ directors/ persons in charge of the business of its scheme(s) for failing to comply with the order dated November 9, 2010. The SCN was issued to the following noticees-

Sr. no.	Name of the noticee	Whether promoter/director, etc. (indicate the position)
1.	Nicer Green Forest Limited	Company
2.	Mr. Pipal Singh	Director
3.	Mr. Gurnaib Singh	Director
4.	Mr. Manjit Singh	Director
5.	Mr. Ranjit Singh	Director
6.	Mr. Ramesh Ravi	Director
7.	Ms. Surinder Kaur	Director

6. NGFL vide letter dated July 2, 2012, filed its reply to the SCN, wherein it made *inter alia* the following submissions:
- That in compliance with order dated November 09, 2010; NGFL has discontinued and has wound up its scheme(s) as directed.*
 - That NGFL has refunded all the monies to its investors and no amount is due or unpaid to any of its investors to date.*
 - That NGFL not only discontinued all its schemes immediately but also wound up its affairs of the company in consonance with SEBI order.*
 - That NGFL ceased to carry on all its business and affairs with immediate effect after passing of winding up resolution passed at the meeting of its shareholders on December 21, 2010.*
 - That Mr. Manjit Singh has been appointed as Voluntary Liquidator by shareholders of NGFL to effectively conduct the winding up proceedings of NGFL.*
 - That NGFL has filed intimation with regard to its voluntary winding up and appointment of voluntary liquidator in the office of Registrar of Companies, Chandigarh and the same has been taken on record.*
 - That NGFL has 'nil' liability as on date and there is no claim of any person is pending against it.*

- b) That the delay caused in filing the WRR is purely inadvertent and without any mala-fide intention and the delay may be condoned.*
- i) An opportunity may be given to NGFL to rectify the mistake and to provide the necessary information and records.*
7. The above mentioned 7 noticees were granted an opportunity for personal hearing on July 6, 2012 and the date of hearing was communicated to them by SEBI vide letter dated June 27, 2012. On the date of the personal hearing, none of the noticees appeared for personal hearing. From the records of Registrar of Companies, Chandigarh it was noticed that Mr. Gajjan Singh was also one of the directors of NGFL. Hence, SEBI issued a separate SCN dated October 3, 2012 to Mr. Gajjan Singh calling upon him to show cause as to why appropriate actions in terms of SEBI Act and CIS Regulations should not be taken against him for failing to comply with the order dated November 9, 2010.
8. Another date of hearing in the matter was fixed on October 19, 2012 and was communicated to the said 7 noticees vide notice dated October 03, 2012. The opportunity of hearing was also afforded to Mr. Gajjan Singh on October 19, 2012 and the same was communicated in the SCN dated October 03, 2012 issued to him. Vide its letter dated October 16, 2012 NGFL expressed its inability to attend the hearing due to shortage of time and requested for another short date giving 10 days time. Another date of hearing was fixed on November 23, 2012 and the same was communicated by SEBI to all the noticees including Mr. Gajjan Singh, vide letter dated October 10, 2012. The NGFL vide its letter dated November 21, 2012, submitted through Mr. Manjit Singh, that NGFL was under voluntary winding up and that he could not establish contact with counsel of NGFL to appear for the hearing scheduled on November 23, 2012 and requested for adjournment of hearing for a period of four to six weeks.
9. Vide letter dated 'nil' received by SEBI on November 21, 2012 Mr. Pipal Singh submitted that he was not on the Board of Directors of NGFL and that it is already in liquidation and Mr. Manjit Singh has been appointed as liquidator. and requested for adjournment of the date of hearing to any day in the 4th week of December 2012 or in January 2013.
10. The notice dated October 03, 2012 and October 10, 2012 was returned undelivered from Mr. Gajjan Singh, Mr. Manjit Singh, Mr. Ranjit Singh, Mr. Ramesh Ravi and Ms. Surinder Kaur. The notice dated October 03, 2012 issued to Mr. Gurnaub Singh was also returned

undelivered and the status of delivery of the notice dated October 10, 2012 issued to him could not be ascertained as it was not returned undelivered. In observance of principles of natural justice, SEBI also issued public notice with regard to the date of hearing on November 23, 2012 in Daily Ajit on November 20, 2012, Malyala Manorama on November 21, 2012, The Tribune, (Bhatinda and Jalandhar edition) on November 22, 2012 and Daily Chandrikala Patiala on November 23, 2012. However, these noticees have not availed the opportunities of hearing provided to them on those dates. Even after the public notices were issued they have not responded to them or made any representation to date. I, therefore, find that these noticees are not interested to avail the opportunity of personal hearing in the matter.

11. I note that the noticees have been given sufficient opportunities of hearings. On request of adjournment of hearing fixed on October 19, 2012, though requested by only two noticees, the additional opportunity of hearing on November 23, 2012 was provided to all of them. However, they have failed to appear on the date/s so fixed. By its letter dated October 16, 2012, NGFL asked for short adjournment of hearing fixed on October 19, 2012 and also requested for 10 days advance notice but when this request was acceded to and it was intimated more than one month in advance, it again sought for four to six weeks time instead of availing the opportunity of hearing on November 23, 2012. The reason cited by it for not being able to appear on November 23, 2012 is not acceptable to me since NGFL had more than one month time after October 10, 2012 to contact its counsel or make arrangements to appear through any authorized representative on November 23, 2012. In facts and circumstances of the case, I find that the NGFL is deliberately keeping away from appearing for hearing in the matter. I find that reasons given by Mr. Pipal Singh for seeking repeated adjournment of hearing fixed for November 23, 2012 is not satisfactory. Even if it is assumed that NGFL is in the process of winding up, he could have appeared for hearing on October 19, 2012 or November 23, 2012. However, he has failed to avail the opportunities provided to him.
12. In view of the above, I find that the noticees have been given sufficient opportunities of personal hearings and to reply to the SCN issued to them. In the interest of justice, I do not deem it necessary to wait further in the proceedings to grant any additional opportunity in the facts and circumstances of this case. I, therefore, proceed to deal with the matter on the basis of the written replies of NGFL and Mr. Pipal Singh and in respect of other noticees *ex parte*.

13. I have carefully considered the show cause notices issued to the noticees, the written submissions made on behalf of NGFL and Mr. Pipal Singh and the material available on record. Mr. Pipal Singh has not proved by any evidence that he has resigned from the NGFL and he has also not proved as to when he resigned. I find that Mr. Pipal Singh was the director of NGFL at the relevant time when it launched its CIS and mobilized monies from the public through its scheme(s). His subsequent resignation can not absolve him from the obligations and liabilities that arose and the defaults that occurred when he was a director of NGFL.
14. I note that in terms of the order dated November 9, 2010 NGFL was directed to wind up its existing CIS and refund the money collected by it under the scheme(s) with returns which were due to the investors as per the terms of the offer within a period of one month from the date of the said order. After it made representation to SEBI seeking two years time to comply with the directions contained in the order dated November 09, 2010, it was advised by SEBI vide letter dated February 01, 2011 to comply with said order. I note that SEBI had communicated to NGFL that a status of such compliance shall be reviewed after six months from the date of the order. From this advice of SEBI, I note that the NGFL had sufficient time to confirm to SEBI about the compliance of the directions contained in the order dated November 09, 2010. When, on May 11, 2011, SEBI advised NGFL to submit the status of compliance, it submitted vide its letter dated May 22, 2011 that it had wound up its entire scheme with immediate effect from the date of the order and had refunded all the monies collected under different scheme(s). I find it curious that while on December 13, 2010 NGFL sought two years time to comply with the directions; on May 22, 2011 it claimed that it had complied with the directions with immediate effect from the date of the order.
15. I find that, to date, the NGFL has not submitted the WRR, to satisfy SEBI that it has wound up all its CISs and has repaid to all the investors, in accordance with regulation 73 of the CIS Regulations as directed by order dated November 09, 2010 and advised by SEBI on several occasions including vide letters dated May 11, 2011, June 10, 2011 and August 01, 2011. NGFL has not submitted any other evidence in support of its claim that its schemes have been wound up and it has refunded the monies collected by it under the scheme(s) with returns which are due to the investors as per the terms of offer within a period of 1 month as directed by order dated November 09, 2010. In these facts and circumstances the reasonable inference could be that the NGFL has not complied with the directions to wound up its

schemes and refund the monies collected by it under the scheme(s) with returns which are due to the investors as per the terms of offer as directed by order dated November 09, 2010.

16. Incidentally, I note that while inquiring a case relating to collective investment scheme launched by a company by name "*NGHI Developers India Ltd.*" (NGHI), SEBI noted that the word '*nicer*' was mentioned in the logo of NGHI on its website. Mr. Pipal Singh, Managing Director of NGFL was one of the directors of NGHI. SEBI also received complaints, in June 2011, that the NGFL was cheating the public by replacing the name of NGHI on the bonds issued by NGFL. In that case SEBI has initiated independent proceedings and appropriate directions have been issued vide *interim* order dated July 09, 2012 and the order dated November 06, 2012.
17. I further note that instead of winding up its CIS and refunding the monies to the investors the NGFL has initiated steps for its voluntary liquidation. I note from the data available on the MCA website that NGFL is under liquidation but not yet wound up. Even after NGFL went into liquidation process it was possible and very much within the competence of NGFL to file WRR to establish that it has complied with the SEBI order dated November 09, 2010.
18. In the above facts and circumstances, I am satisfied that the NGFL has deliberately avoided the winding up of its CIS and repayment of monies to the investors as directed by SEBI vide order dated November 09, 2010 and has continued to violate the CIS Regulations. The interest of investors is the first and foremost mandate for SEBI. In the facts and circumstances of the case, SEBI has to take steps to prevent activities indulged into by companies or entities defrauding the investors. Allowing these activities to continue may not be desirable for the investor confidence and the healthy growth of market.
19. In view of the foregoing, in exercise of the powers conferred upon me under Sections 11, 11B and 19 of the Securities and Exchange Board of India Act, 1992 read with the regulations 65 and 73 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 I hereby:-
 - (a) restrain and debar the following persons/ entities from accessing the securities market and further prohibit them from buying, selling or dealing in securities market, directly or indirectly, in any manner whatsoever till the schemes of the NGFL is wound up and all

monies mobilized by it through its collective investment schemes are refunded to the satisfaction of SEBI:

Sr.No.	Entity	DIN	PAN
1.	M/s Nicer Green Forest Ltd	N.A.	Not available
2	Mr Pipal Singh	0751858	Not available
3	Mr Gajjan Singh	02962765	Not available
4	Mr Gurnaib Singh	02898721	Not available
5	Mr Manjit Singh	02898717	Not available
6	Mr Ranjit Singh	02642856	CNQPS1349F
7	Mr Ramesh Ravi	02241206	Not available
8	Ms Surinder Kaur	02241207	Not available

- (b) Prohibit the above entities/persons from mobilizing funds under any schemes or arrangement, existing or future, as defined under section 11AA of the SEBI Act,
20. The above directions are without prejudice to the right of SEBI to take other actions contemplated in the order dated November 09, 2010 and to initiate adjudication proceedings against above mentioned entities/persons for non compliance of order dated November 9, 2010.
21. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure that the direction given in para 19 above are complied with.
22. This order shall come into force with immediate effect.

DATE: March 12 , 2013
PLACE: MUMBAI

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA