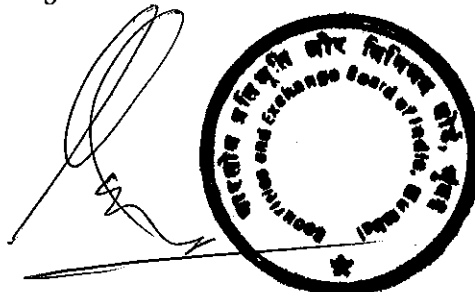


BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER

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 SEBI (Collective Investment Schemes) Regulations, 1999 in respect of M/s Peers Allied Corporation Ltd (PAN No. AAECF5032C) and its Directors, viz. Mr Durga Prasad Dubey (PAN No. AIYPD6009L), Mr Anup Aggarwal (DIN No.00655222), Mr Ashish Kumar Tripathi (DIN No.02238706), Ms Indu Dubey (PAN No. AKYDP8151B), Ms Manju Upadhyay (PAN No. AAZPU1224F), Mr Alok Tripathi (PAN No. AEUPT1819A), Mr Sadhu Sharan (PAN No. AAZPU1225E), Mr. Sandeep Kumar Mishra (PAN No. AXHPM2750M), and Mr. Ajay Kumar Pandey (PAN No. AXLPP7767R)

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received information in respect of certain "investment scheme" launched by a company viz. M/s Peers Allied Corporation Ltd. (hereinafter referred to as "Peers"). On perusal of the "brochure" issued by Peers, which had details regarding the schemes, it was observed that Peers has floated many investment schemes through which money is being mobilized from the investors. It was also observed that Peers solicited funds from the public for the purpose of developing plots of land through its plans, viz; - "Instalment plan" and "Single Instalment plan".
2. As a matter of preliminary inquiry, SEBI, vide letter dated September 16, 2008 and various reminders particularly those dated December 29, 2008, January 15, 2009, April 20, 2009 and November 25, 2009 sought the following information from Peers in relation to its business activity,
 - a. Memorandum and Articles of Association (MoA and AoA);
 - b. Details of the past and present directors;
 - c. Brochures pertaining to schemes/offers;
 - d. Application forms to be submitted by applicants/investors;
 - e. Sample copies of the "Registration Letter" and "Allotment Letter" issued to the applicant/investor;

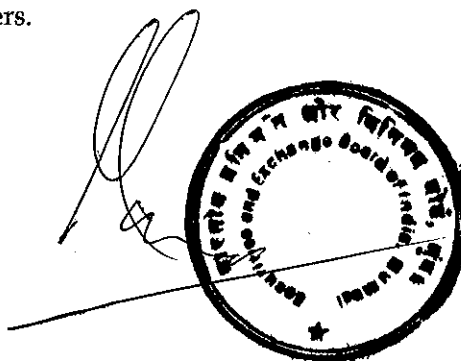


- f. Sample copies of the agreement/contract required to be entered into by applicants /investors;
- g. Details of the scheme wise amount mobilized till date along with the number of investors under each scheme;
- h. Details of the location of land proposed to be sold and developed under various schemes.
- i. Details of the regulatory approvals obtained, if any, for provision of accidental death/disability benefits to investors, under the schemes;

2.1 It is noted that the aforesaid letter and the reminders sent to Peers to its addresses, available on record, were all returned as undelivered. In view of this, SEBI obtained the details of the Directors of Peers from Registrar of Companies (RoC), New Delhi. As per the details of the Directors of Peers obtained from RoC, SEBI, vide letters dated March 5, 2010 and June 16, 2010 sought information from the Directors of Peers viz. Mr. Durga Prasad Dubey, Mr Anup Aggarwal, Mr Ashish Kumar Tripathi, Ms Indu Dubey, Ms Manju Upadhyay, Mr Alok Tripathi, Mr Sadhu Sharan, Mr. Sandeep Kumar Mishra, Mr. Ajay Kumar Pandey Mr Sandeep Shankar, Mr Amit Saxena, Mr Vinay Saxena, Mr Brahampal Singh and Mr Kapil Panwar, regarding the business activity of Peers.

2.1.1 In reply to aforesaid letter sent by SEBI, three of the directors viz. Mr Sandeep Shankar, Mr Amit Saxena and Mr Vinay Saxena, vide separate letters dated March 25, 2010 submitted that they were additional directors of Peers for short period and had resigned on August 08, 2008. Copies of their resignation letters duly acknowledged by Peers were also enclosed along with aforesaid letters. Two of the directors, viz. Mr Brahampal Singh and Mr Kapil Panwar replied that they had resigned from the directorship of Peers on September 25, 2008 and August 18, 2008 respectively. Further, the Director, Mr Durga Prasad Dubey vide letter dated June 23, 2010, on behalf of Peers, submitted the following details,

- Details of past and present directors,
- Copies of MoA and AoA,
- "Registration letter" issued by Peers.



2.1.2 Subsequent to this, SEBI, vide its letter dated November 3, 2010, advised Mr Durga Prasad Dubey to appear personally before the officials of SEBI on November 19, 2010 to provide further clarification in the matter. However, Mr. Durga Prasad failed to appear before SEBI.

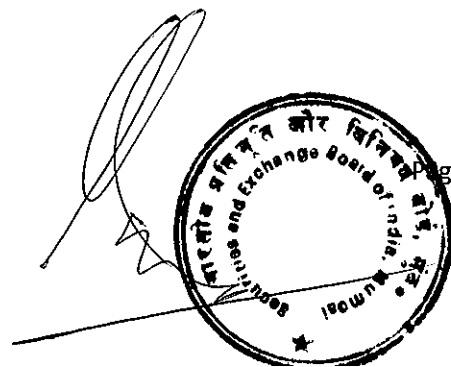
2.1.3 In view of this, information was again sought from Peers and its Directors by SEBI, vide letter dated January 17, 2013. Mr Durga Prasad Dubey, vide his letter dated January 22, 2013, on behalf of Peers, requested time for submitting the information.

2.2 Subsequent to this, the Auditors of Peers, vide letter dated March 06, 2013, while stating that *"In case our company is required to be registered under collective investment scheme...we assure you that company will get registered with SEBI as collective investment scheme management company"*, provided the following information,

- List of present Directors of Peers;
- Copies of audited accounts as on March 31, 2012;
- Copies of "Agency Application Forms";
- Copies of "Brochures".

2.2.1 As Peers failed to provide the complete information, SEBI vide letter dated May 28, 2013 required Peers to submit the following documents in addition to the materials/information sought by SEBI in its letter dated September 16, 2008,

- Annual Returns of the Company since incorporation as filed with RoC,
- Certified copy of audited financial statements for the FY 2009-10, 2010-11 and 2011-12,
- Copy of IT Return for the last three years,
- Number of plans/schemes launched,
- Structure of plans,
- Terms and conditions of each such plan/scheme,
- Amount collected in each plan/scheme and the number of investors,
- Balance sheets and Profit and Loss Accounts.



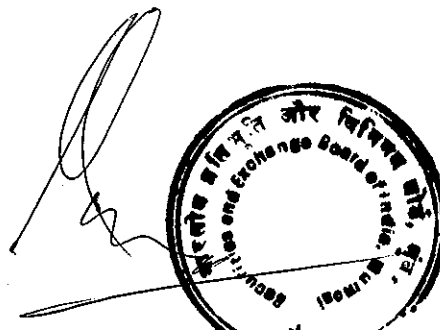
2.2.2 In reply to the aforesaid letter, sent by SEBI, Peers, vide its letter dated June 27, 2013, *inter alia* submitted the following information/documents,

- Copies of "Brochures" pertaining to the scheme offered by Peers,
- Copy of "Application Form", and "Agreement" required to be submitted by investors, containing the terms and conditions of the plans/scheme,
- Sample copies of "Registration Letter" as well as "Allotment letter",
- Total amount mobilized by Peers in respect of its various schemes,
- Details of location land proposed to be sold and developed under various scheme
- Copy of Annual Return, Audited Financials for the financial year ending March 31, 2010, 2011 & 2012,
- Total number of plans launched by Peers and total number of investors.

2.3 In the meanwhile, SEBI received a complaint on May 06, 2013, against Peers and another company alleged to have been formed by the Director/Chief Managing Director of Peers Mr. Durga Prasad Dubey, *viz.* Dpeers Allied Corporation Ltd. (hereinafter referred to as "Dpeers"). Following are the allegation against Dpeers and Mr. Durga Prasad Dubey:

- a) Durga Prasad Dubey, Chief Managing Director of Peers has formed another company & all expenses are shown in Peers and all profits are shown in Dpeers,
- b) Dpeers mobilises fund from investors by offering plans/schemes *viz.* SIP, IBP etc, for period ranging between 1 to 15 years and purchases property in the name of family members that can be sold easily in future,
- c) Dpeers has eight branches in Bihar and mobilises ₹1 crore per month,
- d) Agents are given high commissions ,
- e) Dpeers makes claims that it is in real estate business, however no land has been allotted till date by Dpeers to its customers.

3. The material available on record i.e. various complaints received by SEBI against Peers; correspondence exchanged between SEBI and Peers, alongwith the documents contained therein have been perused. In this context, the issue for determination in the instant matter is whether the mobilization of funds by Peers is a 'collective investment



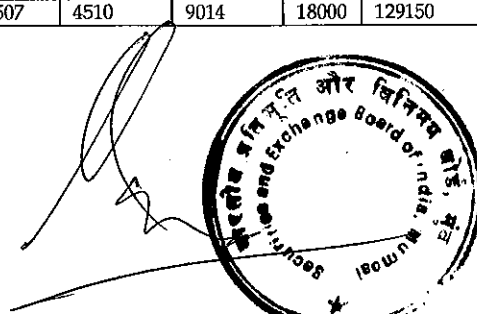
scheme in accordance with Section 11AA of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act").

3.1 On examination of the material available on record, it is *prima facie* observed that:

- a) Peers (CIN No. U70109DL2008PLC172452) was incorporated on January 9, 2008 and has its registered office at New Delhi. Mr. Durga Prasad Dubey, Mr. Anup Aggarwal, Mr. Ashish Kumar Tripathi, Ms Indu Dubey, Ms Manju Upadhyay, Mr Alok Tripathi, Mr Sadhu Sharan, Mr. Sandeep Kumar Mishra, and Mr. Ajay Kumar Pandey are the present Directors of Peers.
- b) Main objectives of Peers are *inter alia* to carry on business of procuring agricultural or waste land, developing the said land, growing of saplings, or other crops over the land, construction over the land for value addition and leasing of the land along with various other objects. Peers has offered various plans/schemes for the "*purchase and development/maintenance of land*" (hereinafter referred to as "*the scheme*") for growing agricultural produce through its "*Brochures*" circulated to the public.
- c) The contribution or investment to the "*Scheme*" is made by a "*customer*" / investor as per the "*Payment Schedule(s)*", which differ on the basis of monetary payment either through "*Instalment Payment Plan*" or "*Single Instalment Payment Plan*". An "*estimate of the approximate value*" / estimated realizable value at the end of the term is also indicated in the "*Payment Schedule(s)*". The "*schemes*" / plans offered by Peers are for periods ranging 36 months, 48 months & 60 months. One such plan from each category (ie, Instalment and Single) is reproduced below for reference purpose,

Instalment based plan (for 60 months)

Size of plot sq. yards	Deposit Amount Appr.x.	INSTALMENT PAYMENT				Companies Estimate of the Approximate value	Accidental Risk coverage
		Monthly	Quarterly	Half Yearly	Yearly		
		60	20	10	5		
150	7500	126	377	751	1500	10763	11250
300	15000	252	753	1502	3000	21525	22500
450	22500	378	1129	2257	4500	32288	33750
600	30000	502	1505	3009	6000	43050	45000
750	37500	629	1882	3761	7500	53813	56250
900	45000	755	2258	4512	9000	64575	67500
1050	52500	881	2634	5263	10500	75338	78000
1800	90000	1507	4510	9014	18000	129150	125000

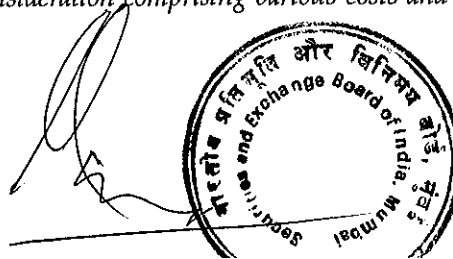


Single Installment Plan

Size of plot S.q. yards)	Consideration	Estimate of the approx.value after development at the end of the agreement						
		3 Yrs.	4 Yrs.	5 Yrs.	6 Yrs.	7 Yrs.	8 Yrs.	10 Yrs.
20	1000	1345	1540	1780	2050	2295	2560	3750
40	2000	2690	3080	3560	4100	4590	5120	7500
100	5000	6725	7700	8900	10250	11475	12800	18750
200	10000	13450	15400	17800	20500	22950	25600	37500
400	20000	26900	30800	35600	41000	45900	51200	75000
500	25000	33625	38500	44500	51250	57375	64000	93750
1000	50000	67250	77000	89000	102500	114750	128000	187500
2000	100000	134500	154000	178000	205000	229500	256000	375000

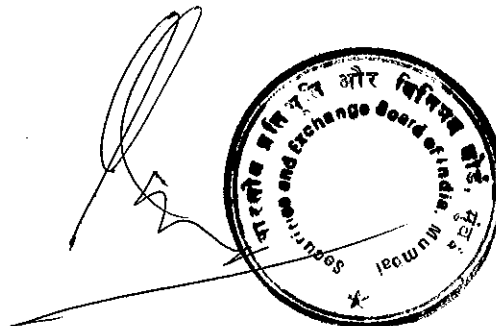
d) The "Customers"/investors who are interested in the "scheme" offered by Peers are made to enter into an "Application Form cum Agreement" with Peers. On examination of the aforesaid "Application Form cum Agreement", the following clauses are noted:-

- Peers Allied Corporation Ltd is engaged in the business of real estate and development and maintenance of agricultural land at various places.
- Peers Allied Corporation Ltd is in the process of making arrangements / has made arrangement for purchasing/producing the land, forming part of various plans launched by Peers Allied Corporation Ltd with clear and marketable titles"The development and maintenance arrangement of land/farms, being agro-farming/agro-forestry and integrated development in nature, is subject to various vagaries, risks, hazards & contingencies associated with agriculture/nature...The plans have been drawn after considering the current laws in force.
- The land shall be allotted to the customer, in case of Single Payment Plan after receipt of full payment within a reasonable period generally not exceeding 90 days. Subject to the ongoing, the land ownership would be ordinarily transferred in the name of the customer within a reasonable period after allotment.
- In case of joint sale deeds, the title deeds pertaining to the sale of the said property shall be kept in the safe custody of Trustee(s) appointed by Peers Allied Corporation Ltd for the purpose.
- In case of instalment based plans, if customer makes a default by not paying one or more instalments for a period of 9 consecutive months from the due date, such default shall be treated as breach of agreement. If such occurs before allotment of plot (s), the payments received under plan before the allotment shall be refundable after the expiry of 9 months the due date of last instalment only on furnishing specific written request by customer, after deducting 5% of total consideration comprising various costs and other incidental expenses,



if any. Amount paid towards purchase of said property shall be appropriated towards costs and other incidental expenses and the amount in excess of 5% total consideration shall be entitled to a simple benefit @ 12.5% p.a.

- Under single instalment payment plans, the customer (s) has the facility to opt out before the allotment of said property.
- The customer has the right to retain or sell the said property, as he/she may deem fit, on expiry of the term of the agreement. To facilitate easy liquidity, Peers Allied Corporation Ltd provides to customer(s) the marketing service for sale of developed plots.
- Since fragmentation into smaller size of plot (s) lands may not be practicable, feasible or permissible under the relevant revenue laws, the customer shall have the requisite share along with other allottees/transferees in a particular piece of land.
- The customer shall pay, in aggregate, sum of Rs (.....) as per payment schedule of plan opted by him, towards consideration for the acquisition, sale, development and maintenance of the aforesaid property by Peers Allied Corporation Ltd and for such other allied expenses as may be allocable, apportionable, or appropriable to the said property.
- Unless specifically directed otherwise by the customer, Peers Allied Corporation Ltd shall be responsible for arranging the sale of the produce, if any, out of the said property, on behalf of the customer, for the purpose of arranging the sale of the produce as aforesaid.
- 'The net sale proceeds, so obtained by Peers Allied Corporation Ltd from the sale of the said produce, shall be accepted as final by the customer and no dispute shall be raised in respect of the same.'
- It is agreed that during the course of development of allotted / sold plot (s) of lands no saleable produce from the land under development is foreseen, the customer shall not make any claim for any produce during the period of first six years.
- In case Peers Allied Corporation Ltd commits a breach of Agreement by not allotting the said property in favour of the customers in the manner agreed to, customer shall be entitled to terminate the agreement, in which event Peers Allied Corporation Ltd shall refund the amounts paid by customer together with simple benefit @12.5% per annum from the date of agreement.
- Peers Allied Corporation Ltd shall have the right to develop and maintain the said property in consultation with agro-consultant and experts, and customer shall not ordinary interfere with the method and mode of development and maintenance of the said property.....



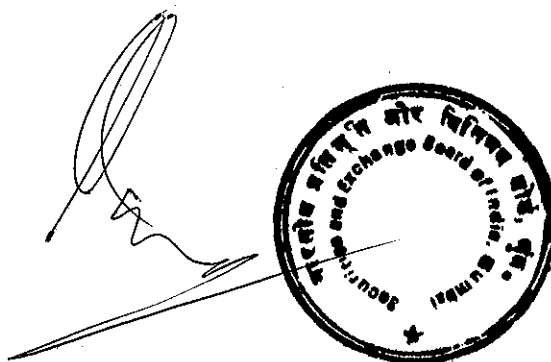
e) Upon execution of the "Application Form cum Agreement", and after the receipt of first instalment amount from the "customer"/investor, Peers issues a "Registration Letter" to the "customer"/investor. Following clauses are noted in the "Registration Letter",

- "... you have been registered for the plot(s) booked by you as per the details furnished hereunder."
- "Cost of the plot includes, the cost of land, development charges, other inputs, sapling, plants, trees, crops, planting....."
- It has been agreed that the buyer shall give possession of the proposed plot to Company for development, cultivation, plantation.....and for marketing of the produce thereof during the tenure of the agreement."
- The "Registration Letter" also contains the details regarding the payment plan, expiry date of agreement, amount of instalment and the estimated value to be realised at the end of the terms etc.

f) Peers issues an "Allotment Letter" to the "customer"/investor, after receipt of full consideration in case of "Single Instalment Payment Plan" and 50% of the consideration in case of "Instalment Payment Plan". Following conditions are noted in the "Allotment Letter",

- "...Peers reserves the right to change the location of this allotment and allot you an alternate site at any other place. The sale deed in respect of the plot allotted to you shall be executed and registered shortly.
- Upon registration the original title deeds shall be handed over to the custodial services company, Peers.....which shall be holding the same in trust.....
- This allotment and subsequent conveyance of the aforesaid plot to you shall remain subject to the General terms and conditions contained the Application Form signed by you.....

g) From the audited financial statements of Peers for the FY 2009-10, 2010-11 and 2011-12, it is observed that the amounts mobilized under the 'Scheme' have been recorded in the relevant Balance Sheet. The same is indicative from the "short term borrowings" and is reproduced below:



Particulars	March 31, 2012 (₹)	March 2011 (₹)	March 2010 (₹)
Plot Booking Received (SIP)	5,88,76,246.23	5,87,22,045.23	4,74,98,031.43
Plot Booking Received' (IBP)	8,32,05,802.19	5,50,39,666.19	1,87,08,387

h) Further from the details provided by Peers, vide its letter dated June 27, 2013, it is observed that the total number of investors is approximately 4500 and Peers has collected an approximate amount of ₹14,20,82,048.42 from all the investors as on 31.03.2012 under its various schemes.

3.2 The aforementioned details of the 'Scheme' towards the purchase and development/maintenance plot/land offered by Peers have to be considered in light of Section 11AA of the SEBI Act, 1992. The aforesaid Section 11AA, which provides for the conditions to determine whether a scheme or arrangement is a 'collective investment scheme', reads as follows:

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

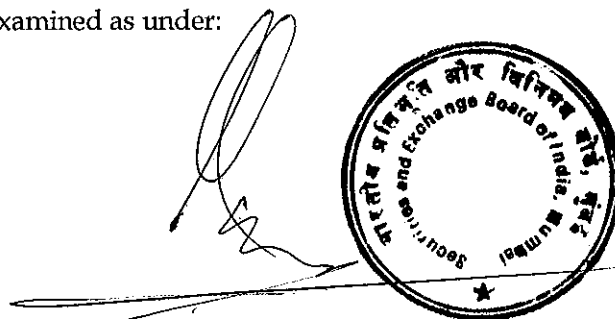
*[Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under the exemptions from CIS sub-section (3), involving a corpus amount of one hundred Crore rupees or more shall be deemed to be a collective investment scheme.**]*

*(**Inserted by Securities Laws (Amendment) Ordinance, 2014).*

(2) Any scheme or arrangement made or offered by any company 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."*

3.2.1 In the context of the abovementioned Section 11AA of the SEBI Act, 1992, the 'Scheme' offered by Peers, is examined as under:

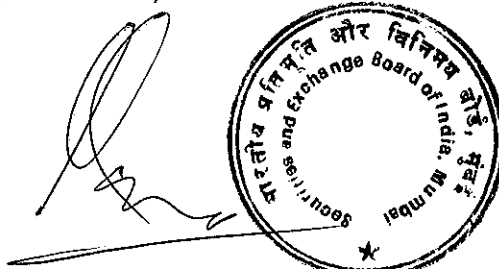


- i. *The contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement.*

Peers has launched the 'Scheme' for the purchase and development of plot/land of varying sizes by inviting investment from the public. The contribution or investment made by a "customer"/investor is in accordance with the "Payment Schedule(s)" i.e. participation in the form of "Instalment Payment Plan" or "Single Instalment Payment Plan". An equal monetary amount is collected from each "customer"/investor, depending on the size of the plot/land, without identifying the plot or land. The area, location and the price of land etc. are neither mentioned in the "Application Form cum Agreement" nor in the "Registration letter" which is issued to the "customer"/investor at the time of initial payment of the first instalment. It is observed that even after the issuance of the "Allotment Letter" (after receiving the payment of the booking amount i.e. minimum payment of 50% of total consideration in accordance with the "Payment Schedule(s)" or full payment in a single instalment scheme as the case may be), Peers reserves the right to change the location of the land/plot allotted and to provide an alternate land/plot. It is important to note that no plot/land is identified and demarcated neither at the time submitting the "Application Form cum Agreement" nor at the time of issuing the "Allotment Letter". In view of the aforesaid, it is evident that Peers runs a money scheme rather than a sale and purchase of land/plot and its development. The contributions or investments received from individual 'customer(s)'/ investors are pooled and utilized solely for the purpose of the 'scheme' offered by Peers. Hence, it is clear that the instant 'scheme' satisfies the first condition stipulated in Section 11AA(2)(i) of the SEBI Act.

- 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.*

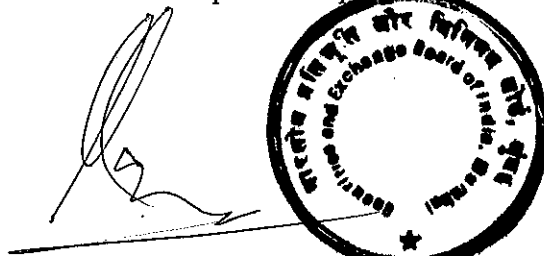
The "customer"/investor makes contribution in the schemes/plans of Peers with a view to receive the property or profits, income and return on their investments that may accrue on the land/plot applied by them. It is observed that an "estimate of the approximate value"/ estimated realizable value is indicated in the "Payment Schedule(s)" at the end of the tenure. The "customers"/investors invest in the 'Scheme' with a view to



receive profit/return/income. It is apparent that each customer/investor is admittedly a recipient of any one of the benefits contemplated Section 11AA (2) (ii), i.e. either property or profit. For instance, if the "customers"/investor is investing ₹1,00,000/- in "Onetime payment plan" for a period of 3 years, the value he would receive on maturity is ₹1,34,550/-, thus expected return offered is ₹34,500/-. Similarly if the applicant chooses 60 months "Installment plan", total contribution ₹7500/- payable in monthly, quarterly, half yearly or yearly installments of ₹ 126/-, ₹377/-, ₹751/- and ₹1500/- respectively. The estimated amount on expiry is ₹10,756/-. Thus he is entitled for a return of ₹3,256/- plus accidental death compensation of ₹11,250/-. Hence, the contributions made are with a view to receive some profits and income. In this regard, reference is drawn to the judgment of the Hon'ble Punjab and Haryana High Court in the matter of *PGF Limited vs. Union of India & others*, wherein the Hon'ble High Court held that "when each customer/investor is a recipient of 'property' it is apparent that each customer/investor is admittedly a recipient of one of the benefits contemplated under section 11AA (2) (ii), namely, 'property'. Hence, the second condition i.e. the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property' as stipulated in section 11AA (2) (ii) of the SEBI Act is also fulfilled.

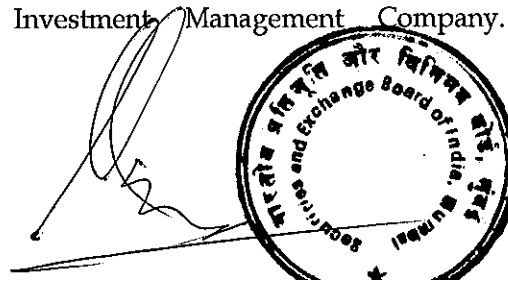
- iii. *The property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors and*
- iv. *The investors do not have day-to-day control over the management and operation of the scheme or arrangement.*

At the time of making the initial contribution in the "scheme" offered by Peers, the "customer"/investor only gets a promise to get allotment of a piece of land/plot in the properties to be developed and managed by Peers. At this stage, the land unit is not identified as it is non- distinguishable. The investor does not take part in the acquisition, development or management of property. The right of an investor is created at the time of making initial contribution/payment in an unidentified and non-distinguishable land unit. As already stated above, even after the allotment of the land to the "customer"/investor by way of an "Allotment Letter", Peers reserves the right to change the location of the allotment and to provide an alternate site different from the plot that is mentioned in the "Letter of allotment". The management and operation of the 'Scheme' for the purchase and development of plot/land is carried out by Peers on



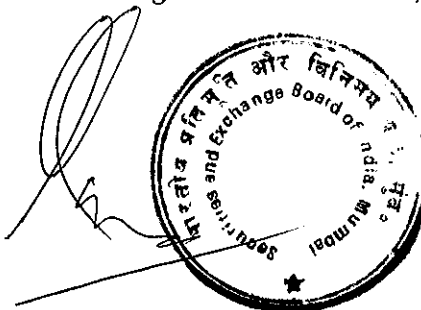
behalf of investors. Therefore, it is clear that the "customers"/investors do not, at any stage, have any say in the management of the property, contribution or investment forming part of the "Scheme" towards purchase and development of plot/land. Further, as stated above, the contributions towards the 'scheme' are managed by Peers on behalf of the investors and the investors do not have any role in the day to day management and operation of its schemes/arrangements. As per the terms of agreement, Peers has the right to develop and maintain the said property and "customer"/investor does not appear to have any right in the management of the scheme. Peers is also responsible for arranging the sale of produce out of the property, on behalf of the "customer"/investor. If the "customer"/investor wish to sell the plot/land allotted to them, they have to necessarily approach Peers at the end of the agreement term in accordance with the 'Scheme', at a price agreed upon by Peers or in the alternative the customer/investor can opt for the "estimate value to be realized"/return as per the plan. In these facts and circumstance, it is clear that the 'buyer (s)'/ investors do not have day-to-day control over the management and operation of the 'Scheme'. I, therefore, find that the instant "Scheme" also satisfies the third and fourth conditions stipulated in Section 11AA(2)(iii) & (iv).

4. From the above analysis, I find that the fund mobilizing activity by Peers under its 'Scheme' towards purchase and development of plot/land, with a resultant promise of returns when considered in light of peculiar characteristics and features of such scheme, as discussed in the preceding paragraphs, fulfills essential conditions and characteristics of a 'collective investment scheme' as defined in Section 11AA of the SEBI Act. Therefore, I am of the view that Peers is engaged in the fund mobilizing activity from public, which is in the nature of a 'collective investment scheme' as defined in Section 11AA of the SEBI Act.
5. I note that in terms of Section 12(1B) of the SEBI Act, "no person shall sponsor or cause to be sponsored or cause to be carried on a 'collective investment scheme' unless he obtains a certificate of registration from the Board in accordance with the regulations". Regulation 3 of the CIS Regulations provides that no person other than a Collective Investment Management Company which has obtained a certificate under the CIS Regulations shall carry on or sponsor or launch a 'collective investment scheme'. Therefore, a person can launch or sponsor or cause to sponsor a 'collective investment scheme' only if it is registered with SEBI as a Collective Investment Management Company. Therefore, the



launching/floating/ sponsoring or causing to sponsor any "collective investment scheme" by any person without obtaining the certificate of registration in terms of the provisions of the CIS Regulations is in contravention of Section 12(1B) of the SEBI Act, 1992 and Regulation 3 of the CIS Regulations. In this regard, I note that Peers has not obtained any certificate of registration from SEBI under the CIS Regulations for its fund mobilizing activity from the public, under the instant "Scheme" offered by it.

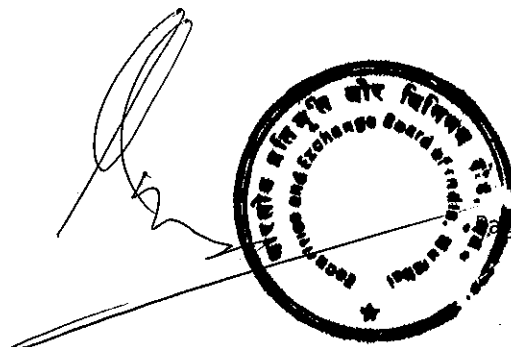
6. Upon a consideration of the aforementioned paragraphs, I find that the "scheme" offered by Peers in the name of purchase and development of plot/land is nothing but a smokescreen for its fund mobilizing activity. I am of the view that such fund mobilizing activity falls within the ambit of 'collective investment scheme' as defined under Section 11AA of the SEBI Act and the same has been carried on by Peers without due registration from SEBI as required under Section 12(1B) of the SEBI Act and the CIS Regulations. In this regard, it is pertinent to note the submissions made by Peers in its letter dated March 06, 2013, wherein it is stated that if required by SEBI, Peers would obtain registration from SEBI as collective investment scheme. From this, it is evident that Peers and its Directors were aware that Peers has been running the collective investment activities without obtaining registration from SEBI. The question of obtaining registration from SEBI as a collective investment scheme arises at the time when a person proposes to carry any activity as "Collective Investment Management Company" and subjecting the collective investment activities to the regulatory requirement of registration is imperative so as to monitor its genuineness and legitimacy. Section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations start with negative words i.e. "No person shall sponsor.../No person other than..." which clearly indicate that their provisions are mandatory. In the instant case, Peers has been conducting the collective investment activities without obtaining registration from SEBI in violation to the provisions of SEBI Act and CIS Regulations. In view of this, the question of granting registration to Peers does not arise at this juncture. Further, considering the fact that no prior registration has been obtained by Peers in respect of the aforesaid activities in the nature of collective investment scheme, I am of the view that Peers is illegally mobilizing funds from the public, which *prima facie* amounts to a fraudulent practice in terms of Regulation 4(2) (t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice Relating to Securities Market) Regulations, 2003.



7. Protecting the interests of investors is the first and foremost mandate for SEBI and therefore, steps have to be taken in the instant matter to ensure that only legitimate investment activities are carried on by Peers and no investors are defrauded. It is further noted that Mr. Durga Prasad Dubey, Mr. Anup Aggarwal, Mr. Ashish Kumar Tripathi, Ms. Indu Dubey, Ms. Manju Upadhyay, Mr. Alok Tripathi, Mr. Sadhu Sharan, Mr. Sandeep Kumar Mishra, and Mr. Ajay Kumar Pandey are the present Directors of Peers who are in charge of and responsible for the day to day affairs of Peers. Further, in order to ensure that Peers and its Directors do not collect further funds under the 'Schemes' and to safeguard the assets/property, acquired by Peers and its promoters/directors from the funds of the investing public until full facts and materials are brought on record and a final decision is taken in the matter, it becomes necessary for SEBI to take urgent preventive action by way of this interim measure. In the light of the same, I find no other alternative but to take recourse through an interim measure against Peers for preventing it from further carrying on with its fund mobilizing activity by launching "collective investment scheme" without obtaining registration from SEBI in accordance with law.

8. In view of the foregoing, I, in exercise of the powers conferred upon me under sections 11(1), 11B and 11(4) of the SEBI Act, 1992 read with Regulation 65 of CIS Regulations, hereby direct M/s Peers allied Corporation Ltd. and its Directors, viz. Mr. Durga Prasad Dubey, Mr. Anup Aggarwal, Mr. Ashish Kumar Tripathi, Ms. Indu Dubey, Ms. Manju Upadhyay, Mr. Alok Tripathi, Mr. Sadhu Sharan, Mr. Sandeep Kumar Mishra, and Mr. Ajay Kumar Pandey,

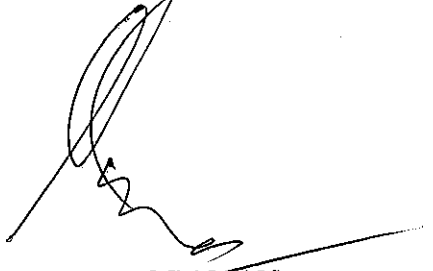
- not to collect any money from investors from its existing "scheme" or to launch any new schemes;
- to immediately submit the full inventory of the assets owned by Peers out of the amounts collected from the "Customers"/investors under its existing "Schemes";
- not to dispose of any of the properties or alienate the assets of the existing "Schemes";
- not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of Peers;



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- to furnish all the information/details sought by SEBI, till date including the details of scheme wise list of investors and their contact numbers and addresses, within 15 days from the date of receipt of this Order.
9. The above directions shall take effect immediately and shall be in force until further orders.
10. This order is without prejudice to the right of SEBI to take any other action that may be initiated against Peers and its Directors/ Promoters, in accordance with law.
11. This Order shall also be treated as a show cause notice. M/s Peers Allied Corporation Ltd and its abovementioned Directors may show cause as to why appropriate directions under the SEBI Act, 1992 and CIS Regulations including directions in terms of Regulations 65 and 73 of the CIS Regulations should not be taken against them.
12. M/s Peers Allied Corporation Ltd and its abovementioned Directors shall, within 15 days from the date of receipt of this Order, file their reply, if any, to this order. M/s Peers Allied Corporation Ltd and its abovementioned Directors may also indicate, in such reply, whether they wish to avail an opportunity of personal hearing in the matter.

Date : April 23, 2014
Place: Mumbai


SRAMAN
WHOLE-TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

