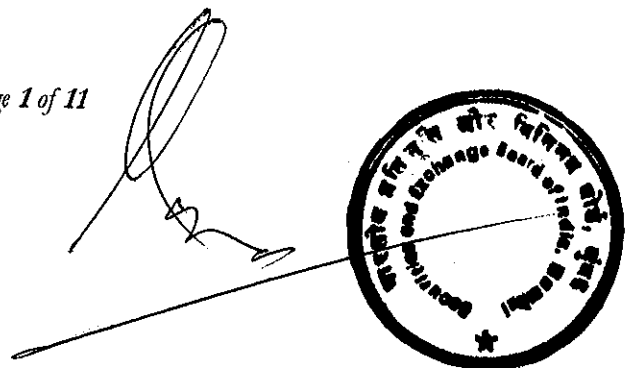


BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER

ORDER

Under Sections 11(1), 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 read with Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999 and Regulation 4(2) (t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, in the matter of Ally Multi-Trade India Private Limited and its Directors viz., Mr. Chetan Yashwant Thakur (PAN: ABNPT7551R) Mr. Vijay Dattaram Chavan (PAN: ACVPC1342G) and Dr. Suryakant Sambu Bhosle (PAN: AGXPB8179J) .

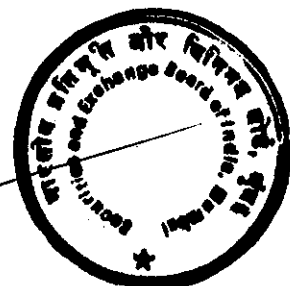
1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received an anonymous complaint on August 23, 2013 against Ally Multi-Trade India Private Limited (hereafter referred to as "AMTIPL") alleging illegal mobilization of funds. The complainant had enclosed brochures of "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)" launched by AMTIPL.
2. As a matter of preliminary inquiry, SEBI vide its letter dated September 10, 2013 sought the following details/ documents from AMTIPL :
 - i. Memorandum and Articles of Association ("MoA" and "AoA") of AMTIPL as filed with Registrar of Companies ("RoC"),
 - ii. Contact details, e-mail ids, fax numbers, telephone numbers of AMTIPL and the designated person for correspondence with SEBI,
 - iii. Details of past and present directors of AMTIPL such as name, address, PAN and contact details of the directors,
 - iv. Brochure/offer document pertaining to the schemes/ arrangements of AMTIPL,



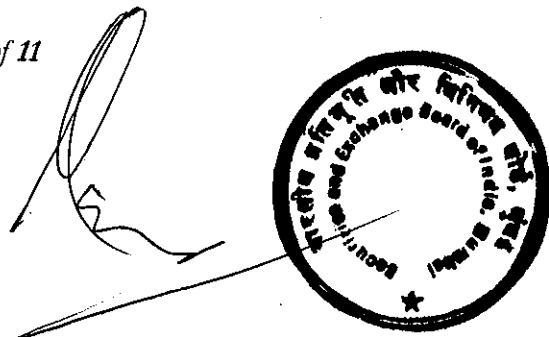
- v. Copies of application forms that are required to be submitted by the investors/applicants to participate in AMTIPL's plans/schemes,
- vi. Sample copies of the registration letter and allotment letter issued to the investors who subscribed to such schemes,
- vii. Sample copies of agreement letter/ contract required to be entered into by investor/applicant under such schemes,
- viii. Details of scheme wise and year wise amount mobilized by AMTIPL till date along with the number of investors under the schemes,
- ix. Details of the scheme wise, year wise, amount paid/redeemed by AMTIPL till date along with the number of investors under the schemes,
- x. Certified copy of audited financial statement for the last three financial years,
- xi. Copy of Income Tax Returns filed by AMTIPL for the last three financial years,
- xii. List of all investors along with the address and contact numbers of the investors,
- xiii. Details of the regulatory approvals obtained by AMTIPL, if any, for provision of accidental death/ disability benefits to investor under such schemes,
- xiv. Details of any other similar scheme (s), if any, floated by group/ associates of AMTIPL,
- xv. Details of regulatory approval/ registration, if any, obtained by AMTIPL.

3. In reply to the aforesaid letter, AMTIPL vide letter dated September 17, 2013 furnished the following information:

- a. Copy of MoA and AoA,
- b. Details of past and present directors,
- c. Brochures of schemes,
- d. Copies of application form ,
- e. Sample copy of Memorandum of Understanding ("MoU") with the investor,
- f. Details of scheme wise and year wise amount mobilized,
- g. Copy of audited financial statement for FY 2011-2012,
- h. Copy of income tax returns for the AY 2012-2013.



4. As the information provided by AMTIPL was inadequate, SEBI vide letter dated October 01, 2013, advised AMTIPL to furnish a scheme-wise list of investors along with amount mobilized from each investor and their addresses and contact numbers.
5. In response to the aforesaid letter, AMTIPL vide its letter dated October 15, 2013 submitted, *inter-alia*, as under:
- a) *AMTIPL was incorporated on July 25, 2011 having the object to carry on the business of various consumer goods such as house hold items, electric goods, readymade garments, kitchenware products,*
 - b) *AMTIPL has not been able to start existing objects of the company, the board of directors of the company has decided to modify the commencement of business and start the housing development business and selling of N.A. Plots,*
 - c) *AMTIPL has borrowed ₹ 65 lacs from the directors and ₹ 1 Crore 37 lacs from the Members and the remaining capital ₹ 38, 40,000/- from their relatives and friends. The aforesaid capital is borrowed for the housing development business and selling of N.A. plots*
6. Despite several reminders vide letters dated October 21, 2013, and November 12, 2013, AMTIPL has not furnished the scheme-wise list of investors, amount mobilized from each investor along-with addresses and contact numbers till date. Thereafter, AMTIPL vide letter dated November 12, 2013 has stated the following :
- a) *We are only associated with RR insurance Brokers Pvt Ltd and as far as business of insurance concerned we sell only accident Insurance Policy of Star Health Insurance.*
 - b) *Company don't have any other Scheme or similar scheme or any group / associate companies.*
 - c) *Company don't have any other Scheme or similar scheme or any group / associate companies so no other regulatory approvals / registration obtained from any appropriate authority.*
 - d) *As regards list of scheme-investors it stated that the same had already been furnished but for the protection of confidential data of the company address and contact numbers cannot be furnished.*
7. I have carefully considered the materials available on record, correspondence exchanged between SEBI and AMTIPL its Directors, Statutory Auditors, along with the documents contained therein, submissions made by AMTIPL etc. In this context, the issue for determination is



whether the mobilization of funds by AMTIPL under its schemes "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)" fall under the ambit 'collective investment scheme' provided in Section 11AA of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act").

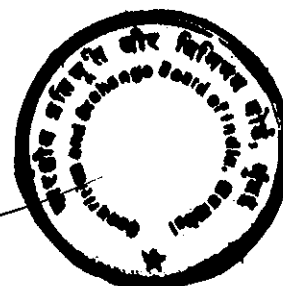
8. On examination of the material available on record, it is *prima facie* observed:

- a) AMTIPL (CIN:U52599MH2011PTC220145) was incorporated on July 25, 2011. It has its registered office at 201, Matoshree Building, Near Saraswat Bank, Parsi Agyari Lane, Jambhali Naka, Thane (W) - 400 601. Its directors are Mr. Chetan Yashwant Thakur, Mr. Vijay Dattaram Chavanand and Dr. Suryakant Sambu Bhosle.
- b) The main object of AMTIPL as per the MoA, is "to carry on the business of various consumer goods such as house hold items, electric goods, readymade, kitchenware products". It is stated in the reply dated October 15, 2013, that AMTIPL was not able to start existing objects of the company, hence, the Board of Directors of the company decided to modify the business and start the business of housing development and selling of Non Agriculture Plots (N.A.Plots).
- c) As per brochures of AMTIPL schemes, furnished by the complainant vide letter dated August 23, 2013, the following features of its schemes were observed:

- i. AMTIPL has launched Installment Payment Scheme (IPS) with tenure of 2 to 5 years and Single Payment Scheme (SPS) with tenure of 3 to 8 years. Details of the said schemes are tabulated below:

INSTALLMENT PAYMENT PLAN (IPS)- 5 years.

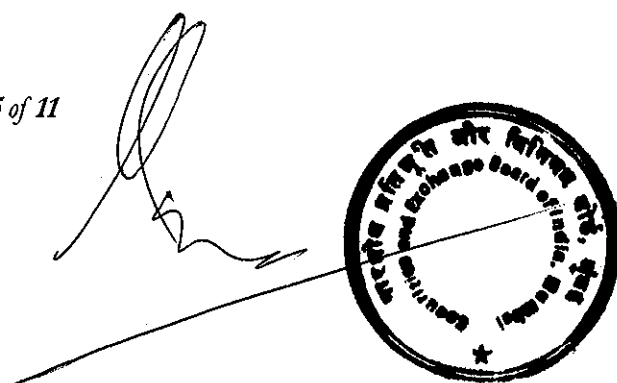
Area in sq ft	Initial payment	Mthly	Qtrly	Half yrly	Yrly	Optional refund amt	LPS(life protection scheme)
750	18000	300	870	1740	3480	25020	25000
1000	24000	400	1160	2320	4640	33360	25000
1250	30000	500	1450	2900	5800	41700	25000
2500	60000	1000	2900	5800	11600	83400	100000
3750	90000	1500	4350	8700	17400	125100	100000
5000	120000	2000	4800	11600	23200	166800	100000
7500	180000	3000	8700	17400	34800	250200	100000
10000	240000	4000	11600	23200	46400	333600	100000
12500	300000	5000	14500	29900	58000	417000	100000



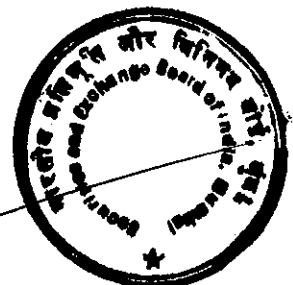
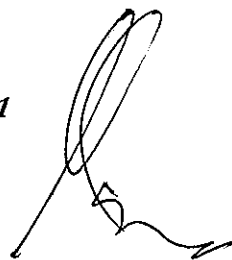
SINGLE PAYMENT PLAN (SPS) 3- 8 years.

Plot Area in Sq.ft.	Initial payment	3 years	5 years	8 years	LPS
200	5000	7500	10000	15000	25000
400	10000	15000	20000	30000	25000
600	15000	22500	30000	45000	25000
1000	25000	37500	50000	75000	50000
2000	50000	75000	100000	150000	50000
4000	100000	150000	200000	300000	100000

- ii. As per the terms and conditions of such schemes, investors are offered an undivided right, title and interest in agricultural land for a term of 2/3/5 years or 3/5/8 years under IPS and SPS respectively, upon a payment of 25% of the total price initially pursuant to which a 'Certificate of Membership' is issued to the investor.
- iii. Investors are given the option to purchase their share in the undivided land upon giving 60 days notice period and payment of remaining 75% amount pursuant to which a Deed of Conveyance will be executed subject to the applicable laws.
- iv. As per Clause 3 of the *agreement*, in case the conveyance is restricted by the laws in force at the time of request made by investor, the investor shall be entitled to refund along with 'fair returns' as specified for different periods under both schemes.
- v. The investor is also entitled to refund of investment amount and assured 'fair returns' in case he exercises the option not to purchase the undivided right, title and interest in the land.
- vi. As per Clause 6 of the *agreement*, the possession of the land shall vest with AMTIPL at all times and the investor shall not be entitled at any time to seek a partition of the holding.
- vii. AMTIPL has reserved the pre emptive right of purchase in case the investor desires to transfer the rights to any third party.



- viii. A Life Protection Scheme is also offered to investors in both schemes which shall be offered to the extent of minimum ₹25,000/- and maximum ₹1,00,000/- in case investor meets with any unfortunate accidental hazard resulting in loss of life or disability during the validity period of the schemes.
- ix. As per Clause 14 of the *agreement*, the investor is not entitled to any payment unless the Certificate of Holding is handed over in original to AMTIPL.
- d) As per its reply dated September 17, 2013, AMTIPL submitted that it has mobilized ₹1,75,69,040/- from the general public till September 11, 2013. AMTIPL has also stated in the said reply that an amount of ₹5,50,000/- has been redeemed by its investors till September 11, 2013. It is noted from the letter dated October 15, 2013 that AMTIPL has borrowed ₹2,40,40,000/- from its Directors, relatives and friends. As per the list of investors annexed to the said letter, AMTIPL has approximately 765 investors as on October 15, 2013.
9. The abovementioned features of the "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" offered by AMTIPL, have to be considered in light of the provisions of Section 11AA of the SEBI Act. 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 sub-section (2) shall 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."*

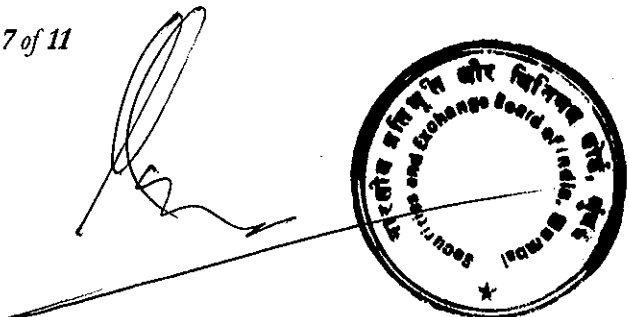
10. In the context of the abovementioned Section 11AA of the SEBI Act, the scheme of "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" offered by AMTIPL is examined as under:

(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;*

AMTIPL has launched "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" inviting investments from the public towards the purchase and allotment of an unidentifiable interest in undivided agricultural land upon payment in installments or lump sum in accordance with the schemes. Admittedly, as per the terms of the agreement, the pooled funds shall be utilized for the development of agricultural land and for conducting agricultural activities on the land and the investor shall get the forthcoming income as per the share. As per the reply dated September 17, 2013, AMTIPL has mobilized ₹1,75,69,040/- from the general public till September 11, 2013. It is noted that AMTIPL has mobilized funds from approximately 765 investors as on October 15, 2013. In view of the said facts, "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" offered by AMTIPL 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;*

It is noted from the brochures of AMTIPL that if an investor is investing ₹1,00,000/- in *Single Payment Plan (SPS)* for a period of 5 years, the value received on maturity is ₹3,00,000/-, thus expected return offered is ₹2,00,000/- along with accidental death cover of ₹1,00,000/-. Similarly, if the applicant chooses 5 year *Installment Payment Plan (IPS)* for 10,000 sq ft plot i.e. ₹4,000/- is payable in monthly installments for a total contribution ₹2,40,000/-. The amount repayable to the investor on maturity is ₹3,33,600/-, thus, the scheme offers a return of ₹93,600/- in 5 years along with Life protection cover of



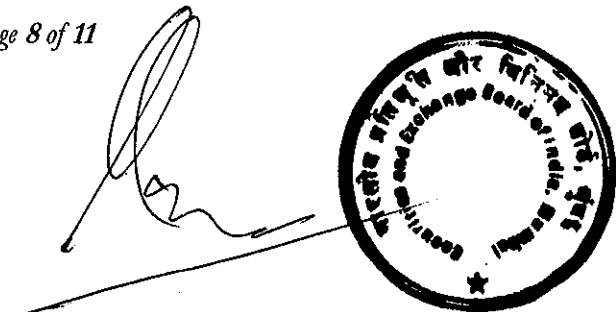
₹1,00,000/-. Hence, the contributions made by the investors to the instant *schemes* are with a view to receive some profits and income. As per the terms of the agreement, AMTIPL gives assurance that irrespective of the profit and losses, AMTIPL shall pay the assured amount on maturity to investors. In view of the above, I find that the instant scheme for "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" satisfies the second condition stipulated in section 11AA(2) of the SEBI Act.

(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.*

It is noted from the terms of agreement that the investor agrees to purchase the holding of an undivided right, title and interest in the agricultural land. The title to the land is not clearly identifiable, it is an undivided plot of land. Clause 3 of the agreement entered into with investor states *inter-alia* that "if the investor agree to purchase the agricultural land as per his share, the share shall be undivided in the entire agricultural land and full right for the agricultural purpose and its activities has been exclusively right of AMTIPL. Investor shall get forthcoming income from agriculture activities as per his share". It is observed from Clause 6 of IPS and SPS that "... the possession of the said land shall vest with Ally at all times. The investor shall not be entitled at any time to seek a partition of his holding". It follows that the property is managed on behalf of the investor and day to day control over the management and operation of agricultural activities as promised under the scheme shall solely vest with AMTIPL. In these facts and circumstances, I find that the scheme of AMTIPL for "*Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)*" satisfies third and fourth conditions stipulated in Section 11AA(2) of the SEBI Act.

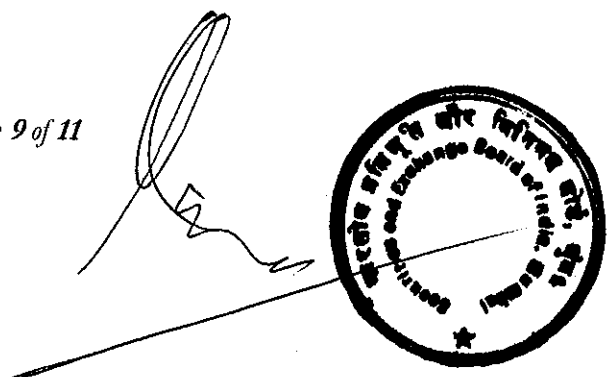
11. At this stage, it is relevant to refer to the observations of the Hon'ble Supreme Court of India in the matter of *P.G.F. Limited & Ors Vs. UOI & Anr. (MANU/SC/0247/2013)*, wherein it had observed:

"...sub-section (2) of Section 11AA, which defines a collective investment scheme disclose that it is not restricted to any particular activity such as in a shop or any other commercial establishment or even

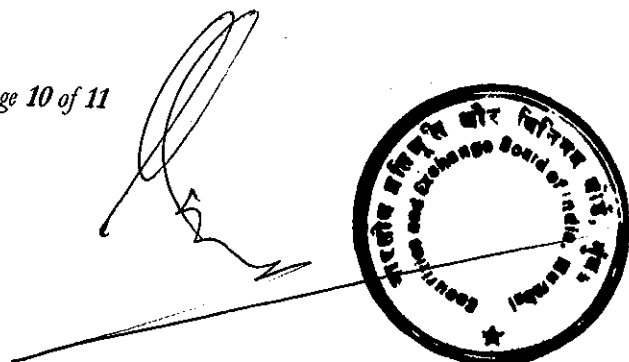


agricultural operation or transportation or shipping or entertainment industry etc. The definition only seeks to ascertain and identify any scheme or arrangement, irrespective of the nature of business, which attracts investors to invest their funds at the instance of someone else who comes forward to promote such scheme or arrangement in any field and such scheme or arrangement provides for the various consequences to result therefrom..."

12. The features of the schemes of "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS) " offered by AMTIPL, as discussed in the preceding paragraphs, shows that the activity of fund mobilization by AMTIPL under its 'scheme(s)' with a resultant promise of returns, *prima facie* falls within the ambit of 'collective investment scheme' as defined under Section 11AA of the SEBI Act. Therefore, I am of the view that AMTIPL is engaged in the mobilization of funds from public under its schemes "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)", which is in the nature of a 'collective investment scheme' as defined in Section 11AA of the SEBI Act.
13. 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 SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as "CIS Regulations") also prohibits carrying on CIS activities without obtaining registration from SEBI. Therefore, the launching/ floating/ sponsoring/ 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 and Regulation 3 of the CIS Regulations. In this regard, I note that AMTIPL has not obtained any certificate of registration under the CIS Regulations for its fund mobilizing activity from the public, under its "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)".
14. I also find that the fund mobilizing activity of AMTIPL through its "Installment Payment Scheme (IPS) and Single Payment Scheme (SPS)", *prima facie*, amounts 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 ("PFUTP Regulations").



15. 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 activities are carried on by AMTIPL and no investors are defrauded. AMTIPL has not submitted the list of scheme wise investors along-with addresses and contact numbers till date. From the material available on record, it is observed that Mr. Chetan Yashwant Thakur (PAN: ABNPT7551R) Mr. Vijay Dattaram Chavan (PAN: ACVPC1342G) and Dr. Suryakant Sambu Bhosle (PAN: AGXPB8179J) are the Promoters / Directors/ persons in charge of the business of AMTIPL. Further, in order to safeguard the assets/property acquired by AMTIPL and its promoters/directors using the funds collected from the investing public until full facts and materials are brought and final decision is taken in the matter, it is incumbent on SEBI to take preventive action by way of an immediate measure. In the light of the above, I find no other alternative but to take recourse to an interim order against AMTIPL and its Directors for preventing them from further carrying on with its existing fund mobilizing activity by launching 'collective investment scheme' without obtaining registration from SEBI in accordance with law.
16. In view of the foregoing, I, in exercise of the powers conferred upon me under section 11(1), 11B and 11(4) of the SEBI Act, 1992 read with CIS Regulations and PFUTP Regulations, hereby direct AMTIPL and its Directors who are in charge of and responsible for the day to day affairs of AMTIPL viz., Mr. Chetan Yashwant Thakur (PAN: ABNPT7551R) Mr. Vijay Dattaram Chavan (PAN: ACVPC1342G) and Dr. Suryakant Sambu Bhosle (PAN: AGXPB8179J) :
- *not to collect any fresh money from investors under its existing scheme;*
 - *not to launch any new schemes or plans or floating any new companies to raise fresh moneys;*
 - *to immediately submit the full inventory of the assets owned by AMTIPL;*
 - *not to dispose of any of the properties or alienate the assets of the existing scheme;*
 - *not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of the company;*
 - *to furnish all the information/details sought by SEBI within 15 days from the date of receipt of this order, including,*
 - i. *Details of amount mobilized and refunded till date,*
 - ii. *Scheme wise list of investors and their contact numbers and addresses*



17. The above directions shall take effect immediately and shall be in force until further orders.
18. This order is without prejudice to the right of SEBI to take any other action that is deemed fit to be initiated against AMTIPL and its Directors in accordance with law.
19. The *prima facie* observations contained in this Order are made on the basis of the material available on record. In this context, AMTIPL and its abovementioned Directors may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also indicate whether they desire to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.

Place: Mumbai

Date: July 22, 2014



S. RAMAN

WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

