

**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 in the matter of Pancard Clubs Limited and its Directors viz., Mr. Sudhir Shankar Moravekar (PAN-AADPM2933M), Mrs. Shobha Ratnakar Barde (PAN-ASLPB1204C), Mrs. Usha Arun Tari (PAN-ABYPT8841M), Mr. Manish Kalidas Gandhi (PAN-AITPG8933H), Mr. Chandrasen Ganpatrao Bhise (PAN-AADPB6103E) and Mr. Ramachandran Ramakrishnan (PAN-AAIPR9196G).

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1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received references/ complaints against Pancard Clubs Limited (hereinafter referred to as “**PCL**”) alleging fraudulent fund mobilization across the country.
 2. As a matter of preliminary inquiry into whether or not PCL is carrying on activities of 'collective investment scheme' in terms of Section 11 AA of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) SEBI, vide letter dated September 17, 2013, sought the following information from PCL:-
 - i. Memorandum and Articles of Association (" **MoA**" and "**AoA**") of the company as filed with the Registrar of Companies,
 - ii. Contact details, Email id, Fax numbers of the company and the designated person for corresponding with SEBI,
 - iii. Details of the past and present directors of the company. Details should contain name, address, PAN and contact details (Email/fax/contact no) of the directors,
 - iv. Brochures/ offer document pertaining to PCL's schemes/ arrangements,
 - v. Copies of application forms that are required to be submitted by investors / applicant to participate in PCL's schemes,

- vi. *Sample copies of the registration letter/ allotment letter or any other document issued to the investors who subscribe to PCL's schemes,*
- vii. *Sample copies of the agreement letter / contract required to be entered into by investor / applicant under PCL's schemes.*
- viii. *Details of the scheme wise and year wise amount mobilized by PCL till date along with the number of investors under the schemes,*
- ix. *Details of the scheme wise and year wise amount paid/ redeemed by PCL till date along with the number of investors under the schemes,*
- x. *Details of scheme wise timeshare availed by the investors/ applicants. In case the investors/ applicants opted for surrender value instead of timeshare, to provide the details of surrender value redeemed,*
- xi. *Certified copy of audited financial statement for the last three financial years,*
- xii. *Copy of Income Tax Return filed by PCL for the last three financial years,*
- xiii. *List of all investors along with the address and contact numbers and their investment details with PCL,*
- xiv. *Details of the regulatory approvals obtained by PCL, if any, for provision of accidental death / disability benefits to investor, under PCL's schemes,*
- xv. *Details of any other similar scheme(s), if any, floated by group/ associates of PCL,*
- xvi. *Details of regulatory approval / registration obtained by PCL from any Regulatory Authority along with copy of such certificate of registration or regulatory approval.*

3. In reply to the aforesaid letter, PCL vide letters dated October 01, 2013, October 31, 2013 and December 03, 2013, April 02, 2014 and April 14, 2014, *inter alia*, furnished the following documents:

- i. Copies of MoA and AoA,
- ii. Copies of the application forms and the brochures of PCL in respect of different schemes,
- iii. Sample copy of the certificate issued to the applicant,
- iv. Certified audited financial statements for financial year 2010-11, 2011-12 and 2012-13 of PCL,
- v. Amount mobilized during the financial year 2010-11, 2011-12 and 2012-13 by PCL.

4. PCL also made the following submissions in the aforesaid letters about their activities:

- a. *"PCL is not mobilizing/ pooling funds from the general public. It is specifically denied that the business of PCL is in the nature of fixed deposits/ponzi scheme/collective investment scheme.*

- b. *PCL is in the business of marketing time share products- room's nights of its hotels, affiliates and other hotels outside its group to its prospective applicants at a fixed tariff during the contracted tenure of the holiday options.*
- c. *At the end of the tenure of the holiday options, the applicants have the option of surrendering their unutilized room nights entitlements and obtain estimated market value for the re-purchased room nights or provide them any products of the group or gift their entitlement to any of their friends and family members nominated by them.*
- d. *PCL's business model does not fall under the purview of collective investment scheme."*

5. I have carefully considered the materials available on record, correspondence exchanged between SEBI and PCL, its Directors along with the documents contained therein and the submissions made by PCL etc. In this context, the issue for determination is whether the mobilization of funds by PCL under its schemes fall under the ambit '*collective investment scheme*' provided in Section 11AA of the SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**").

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

- a) PCL (CINU91900MH1997PLC105363) was incorporated on January 24, 1997. It has its registered office at 111-113, Kallandas Udyog Bhavan, near Century Bazar, Prabhadevi, Mumbai- 400 025. Its directors are Mr. Sudhir Shankar Moravekar, Mrs. Shobha Ratnakar Barde, Mrs. Usha Arun Tari, Mr. Manish Kalidas Gandhi, Mr. Chandrasen Ganpatrao Bhise and Mr. Ramachandran Ramakrishnan.
- b) The main object of PCL as per the MoA, is "*to carry on business as proprietors of all types of clubs, gaming rooms, card rooms and billiard rooms, golf club and creating recreation and club facilities and generally as amusement caterers and organisers, promoters, providers and managers of all kinds of entertainments*".
- c) As per the brochure furnished by PCL, vide letter dated October 03, 2013 it is noted that PCL is offering, inter alia, following schemes to general public:
 - 1. *Pancard Clubs-Relax Holiday for 3.3 years (39 months)*
 - 2. *Pancard Clubs-Delight Holiday for 6.3 years (75 months)*
 - 3. *New Royal Holiday 9 years*
 - 4. *New Regular Holiday for 10 years*

5. *Pancard Clubs-New premium Holiday for 10 years*
6. *Sunrise Holiday for 5 years*
7. *Pancard Clubs-Desire Holiday for 37 months*
8. *Devine Holiday for 66 months*

d) The details of the abovementioned schemes of PCL are tabulated as under:

i. **Pancard Clubs-Relax Holiday for 3.3 years (39 months):**

(w.e.f. May 02, 2008):

Current Average Tariff for three room nights	Offer Price of three room nights at a discount	Minimum room nights to be bought	Estimated surrender value of three unused room nights @ ₹1260/- per room nights
₹ 6,000 (2,000*3)	₹ 2700 (900*3)	3	₹3780

ii. **Pancard Clubs-Delight Holiday for 6.3 years (75 months):**

(w.e.f. May 02, 2008):

Current Average Tariff for three room nights	Offer Price of three room nights at a discount	Minimum room nights to be bought	Estimated surrender value of three room nights @ ₹1800/- per room nights
₹6,000/- (2,000*3)	₹ 2,700/- (900*3)	3	₹ 5,400/-

iii. **New Royal Holiday 9 years: (w.e.f. May 22, 2007):**

Current Average Tariff for three room nights	Offer Price of three room nights at a discount	Minimum room nights to be bought	Estimated surrender value of three room nights @ ₹2,700/- per room nights
₹2,000/- (2,000*1)	₹900/- (900*1)	1	₹2,700/-

- It is noted from the terms and conditions of the abovementioned schemes at (i), (ii) and (iii) that *"an applicant can commence utilising his room night entitlements after 60 days from the date of acceptance of application. Further, an applicant shall be entitled to utilise a maximum of 33% of the total room nights purchased by him in a single financial year"*.

iv. New Regular Holidays for 10 years: (w.e.f. April 01, 2004):

Current Average Tariff Actual price for two Hundred & Forty Room Nights Package	Offer Price of the package at discount	Total entitlement room nights	Total entitlement Room Nights per month	Current surrender Value as on Today
₹2,40,000/- (1,000*240)	₹1,02,000/- (425*240)	240	2	₹850 (per room night)

v. Pancard Clubs – New Premium Holiday for 10 years (w.e.f. May 22, 2007):

Current Average Tariff for Eighty room Nights	Offer Price of Eighty room Nights	Total entitlement room nights	Total entitlement Room Nights per quarter	Current estimated surrender Value per unutilized room nights
₹80,000/- (1,000*80)	₹34,000/- (425*80)	80	2	₹850

vi. Sunrise Holiday for 5 years (w.e.f. February 05, 2009):

Current Average Tariff for one hundred and twenty room nights	Offer Price of one hundred and twenty room nights	Total entitlement of room nights	Entitlement of room nights per months	Current Estimated surrender value per unutilized room nights.
₹2,40,000/- (2,000*120)	₹1,08,000/- (900*120)	120	2	₹ 1800

- As per the policy of PCL, applicants of abovementioned schemes at (iv) and (v) can *"...commence utilising his room night entitlements after 30 days from acceptance of his application by the company. Applicants of abovementioned schemes at (vi) can commence utilising his room night entitlements after 60 days from acceptance of his application by the company.*
- Applicants of schemes at (iv) and (vi) shall be entitled to utilise a maximum of 2 room nights per month. Applicants of schemes at (v) shall be entitled to utilise a maximum of 2 room nights per quarter.*
- Out of the monthly/ quarterly entitlements, an applicant of schemes at (iv), (v) and (vi) can surrender 50% of his entitlement immediately and the balance room nights at the expiry of the tenure.*

vii Pancard Clubs-Dezire Holiday for 37 months (w.e.f. March 01, 2013):

Current Average Tariff for Nine room nights	Offer Price of nine room nights at a discount	Minimum room nights	Payment Facility	
			Monthly basis	Quarterly basis
₹18,000 (2,000*9)	₹8,100	9	₹300	₹900

- *The tenure of Pancard Clubs-dezire holiday option scheme is 37 months. The applicant has to confirm to acquire a minimum of 9 room nights and thereafter multiple of 9 room nights at the offer price ₹900 for one room nights. The applicant can choose option of monthly or quarterly payment of the room night instalment at the time of obtaining the room nights. The applicant shall have to complete their payment towards the committed number of room nights in a maximum period of 27 months from the date of first payment. Persons completing all the 27 payments for the committed number of room nights shall be considered as a valid applicant and shall be formalised for and eligible for the benefits of the scheme. In the event of non-payment of instalment consistently, the applicant shall be levied a late fee of ₹25 per month for monthly option and ₹. 75 /-per quarter for quarterly option for each such delayed payment.*
- *The applicant can commence utilising his room night entitlements 60 days after completion of all the 27 payments towards committed room nights.*

viii. Divine Holiday for 66 months (w.e.f. May 01, 2009) :

Current Average Tariff for four room nights	Offer Price of four room nights	Minimum room nights to be acquired	Minimum amount to be paid	Current Estimated surrender value @Rs.1200/- per room nights
₹8,000/- (2,000*4)	₹3,600/- (900*4)	4	₹3,600/-	₹4,800/-

- *The tenure of Pancard Clubs-Divine Holiday scheme is 66 months. The offer price for one room nights is ₹900. The applicant has to confirm to acquire a minimum of four room nights and thereafter in multiples of 4 room nights. The applicant shall have to complete their committed number of room nights in a maximum period of 36 months from the date of first payment. Persons completing all the 36 payments for the committed number of room nights shall be considered as a valid applicant and shall be formalised for and eligible for the benefits of the scheme. In the event of*

non-payment of instalment consistently, the applicant shall be levied a late fee of ₹15 per month for each such delayed payment.

- *The applicant can commence utilising his room night entitlements after 60 days from completion of all the 36 payments towards committed room nights. As per the policy of PCL, an applicant shall be entitled to utilise a maximum of 33% of the total room nights purchased by him in a single financial year. For availing the room nights, at the affiliated destination, applicant shall have to pay exchange fees of ₹.150 per room nights.*

7. For all the eight schemes mentioned above, upon maturity, the applicant may surrender his unutilized room nights and opt for following:

- i. The applicant may opt for surrender value. The actual surrender value shall be determined by the company at the time of surrender of room nights and shall be paid after the expiry of tenure under the scheme.*
- ii. The applicant may opt to exchange or barter or utilise the products and services of the company or group companies.*
- iii. The applicant may opt to convert his unutilised room nights to the extent of surrender value entitlement into life membership of various clubs of the company/group.*
- iv. The company in its discretion may give an option to its applicant to convert his unutilised room nights, to the extent of surrender value, into shares, debentures*

8. As per PCL, the applicants, under all the aforementioned schemes, were also offered free insurance benefits from IRDA approved Insurance Companies and yearly premium towards the same was paid by PCL.

9. The details of the financial statements provided by PCL for the financial year 2009-10, 2010-11, 2011-2012 and 2012-13, has been analysed and the relevant summary of the same is tabulated as under:

(Rs in Crores)

1	2	3	4	5	6	7	8	9
Sl. No.	Financial Year	Income from membership and annual subscription fee	Provision for surrender value payable	Advance against sale of room nights	Other heads under long term current liabilities *	Long term current liability	Holiday members surrender value	Marketing expenses
1	2009-10	0.31	688.75	2087.68	132.06	2908.49	297.19	194.07
2	2010-11	0.46	953.93	2778.76	150.07	3882.76	368.54	145.98
3	2011-12	0.67	1376.14	3607.13	116.54	5099.81	587.71	292.52
4	2012-13	0.85	1781.31	4352.34	130.28	6263.93	707.11	276.63

**. Other heads under long term current liabilities include membership funds, N.U.C.A. payable, club membership fees, security deposits, sundry creditors for assets.*

10. It is observed from the above table that provision for surrender value payable (Column No. 4) and advance against sale of room nights (Column No.5) are the major items under the head of Current liability. With respect to Column No. 4, the Statutory Auditor of PCL has noted that provision has been made in respect of all unutilised outstanding room nights. Provision has been made for the difference between the estimated surrender value and the offer price and has been equally distributed from the period in which the membership was sold and the period in which the membership matures.
11. As regards Column No.5, the Statutory Auditor has stated that the amount received as advance against room nights does not get the character of income till the time it is determinable as to when the room nights shall be utilised by the member. Therefore, the amount received is credited under the head "advance against sale of room nights" and is reflected under the head of "current liabilities".
12. As per the submission of PCL, with respect to amount mobilised, and number of room nights actually utilised for the financial years 2010-11, 2011-12 and 2012-13 under various schemes is tabulated as under:

Financial year 2012-13

(Rs. in Crores)

Sl. No	Scheme	Amount mobilized	Total no of applicants	room nights sold	Room nights utilized	% of room nights actually utilised
1	Delight Holiday	327.19	314576	3635525	8326	0.23
2	Dezire Holiday	.03	341	416	0	0.00
3	Divine holiday	171.34	488539	1903779	567	0.03
4	New Premium	3.86	639	90880	116	0.13
5	New Regular holiday	24.17	1449	568720	630	0.11
6	New Royal Holiday	85.61	112494	951243	5708	0.60
7	Relax Holiday	577.93	302727	6421506	30545	0.48
8	Sunrise Holidays	.73	48	8160	18	0.22
Total		1190.86	1220813	13580229	45910	0.34

Financial year 2011-12

(Rs. in Crores)

Sl. No	Scheme	Amount mobilized	Total no of applicants	room nights sold	Room nights utilized	% of room nights actually utilised
1	Delight Holiday	298.30	121795	3314444	1803	0.05
2	Dezire Holiday	-	-	-	-	-
3	Divine holiday	146.77	155218	1630778	-	0.00
4	New Premium	3.54	633	83294	50	0.06
5	New Regular holiday	22.62	1335	532235	777	0.15
6	New Royal Holiday	86.33	125259	959222	1069	0.11
7	Relax Holiday	489.00	271293	5433333	4840	0.09
8	Sunrise Holidays	5.54	318	61556	2	0.00
Total		1052.10	675851	12014863	8541	0.07

Financial year 2010-11

(Rs. in Crores)

Sl. No	Scheme	Amount mobilized (In Crores)	Total no of applicants	room nights sold	Room nights utilized	% of room nights actually utilised
1	Delight Holiday	250.15	112471	2779444	62	0.00
2	Dezire Holiday	-	-	-	-	0.00
3	Divine holiday	68.99	124804	766556	-	0.00
4	New Premium	4.14	768	97412	23	0.02
5	New Regular holiday	25.26	1577	594353	-	0.00
6	New Royal Holiday	84.24	122308	936000	50	0.01
7	Relax Holiday	412.42	227639	4582444	121	0.00
8	Sunrise Holidays	8.15	455	90556	-	0.00
Total		853.35	590022	9846765	256	0.03

13. It is noted from the above analysis that only 0.34% of the investors/customers utilised the purchased room nights. From the details provided by PCL, it is observed that PCL has a total of 1420 rooms (723 domestic and 697 foreign) of its own. As per the scheme details provided by PCL vide letter dated April 11, 2014, it is noted that the available room night for a year owned by PCL is only 5,18,300. However, it has sold around 1.35 Crores room nights. In other words, PCL possesses less than 4% rooms.

14. As per the financial statements for the financial year 2009-10, 2010-11, 2011-2012 and 2012-13 and the detail of the submission of PCL, with respect to amount mobilised, and number of room nights actually utilised for the financial year 2010-11, 2011-2012 and 2012-13 under various schemes, it is noted that less than 1% of customers are actually utilising the room nights and more than 99% of the customers are getting back the money deposited along with certain promised returns.
15. The abovementioned features of "*Holiday Plans*" offered by PCL 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."*

16. In the context of abovementioned Section 11 AA of the SEBI Act, the "*Holiday Plans*" offered by PCL, 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.*

PCL has launched investment schemes in the nature of *Holiday Plans*, which are offered to the public. Holiday Plan Certificates of confirmation are issued to individual investors who purchase the Holiday Plans. As per the submissions made by PCL vide letters dated

April 02, 2014 and April 11, 2014, it is noted that during the financial years 2010-11 (₹853.35crores), 2011-12 (₹1052.10crores) and 2012-13 (₹1190.86crores) it raised a sum of ₹3096.31 Crores from a total number of 24,86,650 investors under its abovementioned eight *Holiday Plans*. From the details for the financial year 2012-13, I note that PCL has long term current liability of ₹6263.93 Crores. It is noted from PCL's letter dated April 11, 2014 that apart from the above mentioned schemes, there are several other schemes being operated by PCL. Under the various *Holiday Plans*, room nights are awarded by PCL to investors who purchase the Holiday Plans and the room nights can be rented out or surrendered to PCL and in lieu of the same the investors receive an assured amount from each of the surrendered room night. Thus, apparently the contribution made by investors in response to the *Holiday Plans* offered by PCL are pooled and utilized for providing various holiday facilities and in case said facilities are not availed, then the same can be surrendered. In view of the said facts, "*Holiday Plans*" offered by PCL satisfies the first condition stipulated in section 11AA(2) (i) of the SEBI Act that the contributions received from the investors are pooled and utilized for the purpose of the scheme.

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.

PCL is collecting money from investors and assuring them a certain return on investment, which is in the nature of profit. For instance, in the Divine Holiday scheme, if any person invests an amount of ₹3600/- (i.e. 4 room nights) then after 66 months, the investor gets a return of ₹4800 for surrendering the four room nights. Similarly, in its Sunrise Holiday Scheme, the investors are assured a return of ₹1800/- on an investment of ₹900/-, at the end of five years. Further, as compared to the total number of investors in its Holiday Plans, only a very small proportion of investors i.e. less than 0.3% (of the sold room nights) have actually availed the holiday facilities/plans being marketed by PCL. This indicates that most of the investors in the said schemes invested on account of the promise of assured returns. Thus, it is clear that the contributions made by investors towards schemes offered by PCL are with the view to receive profits or income. In view of the above, I find that the instant scheme of PCL satisfies the second condition stipulated in section 11AA(2)(ii) 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.*

The money collected from public in the form of investments made in the various Holiday Plans of PCL are purportedly used by PCL for the purpose of the Plans. It is mentioned, in clause 16 of the brochure/offer document of the schemes that PCL “reserves the right to modify/ alter/ amend/ revoke the benefits/privileges and or the terms and conditions contained herein in whole or in part at its sole discretion or according to the prevailing market conditions/cost factors. PCL takes decisions regarding the management and use of the money collected from investors, and has day-to-day control over the operation of the schemes including maintaining various accommodation and other holiday facilities at different locations. Hence, it is seen that the Holidays Plans offered by PCL satisfies third and fourth conditions stipulated in Section 11AA (2) of the SEBI Act.

17. I note that although PCL has submitted that it is in the '*Time Share*' business and therefore falls outside the purview of SEBI the main characteristics of a '*collective investment scheme*' are clearly present in the aforementioned *Holidays Plans* offered by it. 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 the Hon'ble Court has observed :

“...sub-section (2) of Section 11 AA, which defines a collective investment scheme disclose that it is not restricted to any particular commercial 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 there from...”

18. The features of the *Holiday Plans* offered by PCL, as discussed in the preceding paragraphs, shows that the activity of fund mobilization by PCL under its '*scheme(s)/ plan(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 PCL is engaged in the mobilization of funds from public under its *holiday plans*, which is in the nature of '*collective investment scheme*' as defined under Section 11AA of the SEBI Act.

19. 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 PCL has not obtained any certificate of registration under the CIS Regulations for its fund mobilizing activity from the public, under its schemes/Holiday Plans as aforesaid.
20. It is noted that PCL was advised to respond to the preliminary enquiry conducted by SEBI, through SEBI letters dated September 17, 2013 and emails dated March 13, 2014 and April 03, 2014. However, on all these occasions, PCL delayed submission of the requisite information and also failed to furnish the scheme wise list of investors and their contact numbers and addresses as sought by SEBI. In these circumstances, I find that reasonable opportunity has been afforded to PCL to respond to SEBI. When considered in the context of the abovementioned *prima facie* finding, the inescapable conclusion is that non-submission of the information especially scheme wise list of investors and their contact numbers and addresses to SEBI is nothing but an attempt to conceal the true nature and operation of the fund mobilizing activity of PCL.
21. 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 PCL and no investors are defrauded. From the material available on record, it is observed that Mr. Sudhir Shankar Moravekar (PAN-AADPM2933M), Mrs. Shobha Ratnakar Barde (PAN-ASLPB1204C), Mrs. Usha Arun Tari (PAN-ABYPT8841M), Shri. Manish Kalidas Gandhi (PAN-AITPG8933H), Shri. Chandrasen Ganpatrao Bhise (PAN-AADPB6103E) and Shri Ramachandran

Ramakrishnan (PAN-AAIPR9196G) are the Promoters / Directors/ persons in charge of the business of PCL. Further, in order to safeguard the assets/property acquired by PCL 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 PCL 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.

22. 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 read with Regulation 65 of CIS Regulations, hereby direct PCL and its Directors, namely, Mr. Sudhir Shankar Moravekar (PAN-AADPM2933M), Mrs. Shobha Ratnakar Barde (PAN-ASLPB1204C), Mrs. Usha Arun Tari (PAN-ABYPT8841M), Shri. Manish Kalidas Gandhi (PAN-AITPG8933H), Shri. Chandrasen Ganpatrao Bhise (PAN-AADPB6103E) and Shri Ramachandran Ramakrishnan (PAN-AAIPR9196G):

- *not to collect any fresh money from investors under its existing scheme;*
- *not to launch any new schemes or plans or float any new companies to raise fresh moneys;*
- *to immediately submit the full inventory of the assets obtained through money raised by PCL;*
- *not to dispose of or alienate any of the properties/assets obtained directly or indirectly through money raised by PCL;*
- *not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of PCL or group companies or promoters or LLPs or Proprietary concerns or any person directly or indirectly controlled through shareholding or management by PCL ;*
- *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, investment amount and addresses with contact numbers, if any.*
 - iii. Details of agents along with address, money mobilized and commission paid*

23. The above directions shall take effect immediately and shall be in force until further orders.

24. This Order is without prejudice to the right of SEBI to take any other action that is deemed fit to be initiated against PCL and its Directors in accordance with law.
25. The *prima facie* observations contained in this Order are made on the basis of the material available on record. In this context, PCL 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 31, 2014

S. RAMAN

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA