

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
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 the Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999 in the matter of G.C.A. Marketing Private Limited (CIN: U52599PB2005PTC28378) and its Directors viz., Shri Amardeep Singh Cheema (PAN:ADEPC5281C) and Shri Gurdeep Singh(PAN-BIVPS7069D).

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- 1 Securities and Exchange Board of India ("**SEBI**") has been directed by the Hon'ble Supreme Court of India vide order dated January 03, 2014 to determine whether certain companies including G.C.A Marketing Private Limited ("**GCA**") were involved in mobilising monies from public through Collective Investment Schemes. Earlier, Hon'ble High Court of Madhya Pradesh, vide order dated July 13, 2012 had directed various regulatory agencies including SEBI to take appropriate action against 33 (thirty three) companies who had allegedly cheated the residents of Madhya Pradesh under the garb of various schemes inducing investors / public to receive higher returns. GCA was one such company included in the said list.
 - 2 Pursuant to the aforesaid directions of Hon'ble M.P. High Court, as a matter of preliminary inquiry into whether or not GCA was carrying on activities of '*collective investment scheme*' in terms of Section 11 AA of the SEBI Act, 1992 ("**SEBI Act**"), SEBI vide letter dated November 22, 2012 *inter alia*, sought the following information/ documents in relation to its business activity viz.,:

- (a) *Memorandum and Articles of Association ('MoA') as filed with Registrar of Companies(RoC),*
- (b) *Details of past and present directors,*
- (c) *Brochures pertaining to schemes,*
- (d) *Copies of application forms,*
- (e) *Sample copies of the registration letter and allotment letter issued to the investors who subscribed to the schemes,*

- (f) *Sample copies of agreement letter/ contract required to be entered by investor,*
- (g) *Details of scheme wise amount mobilised along with number of investors,*
- (h) *Certified copies of audited financial statements and Income Tax Returns filed for the last three years.*

- 3 The aforesaid letter dated November 22, 2012 was returned undelivered by the postal authorities with the remark '*premises locked.*' SEBI issued reminders dated July 22, 2013 and September 02, 2013. In response thereto, GCA vide letter dated September 19, 2013 sought extension of time upto 21 days to submit documents and the same was granted vide SEBI's letter dated September 27, 2013.
- 4 Subsequently, GCA vide letter no. GCA/BO/2013-14 dated September 30, 2013 furnished information such as MOA, details of Directors, investment scheme brochures, financial statements for the years 2009-10, 2010-11 and 2011-12 and Income Tax Returns for the last three years. GCA also sought 15 days time to furnish information regarding scheme wise amount mobilised along with number of investors.
- 5 Thereafter, SEBI received a copy of the 'Report' on preliminary investigation conducted into the affairs of GCA as forwarded by Central Bureau of Investigation, New Delhi ('CBI') vide letter no. 8604/PE/01/2011 BPL/EOZONE/CBI/New Delhi dated October 23, 2013. CBI conducted the said inquiry pursuant to the directions of Hon'ble High Court of Madhya Pradesh in the matter of *Dharmvir Singh and Another Vs. Union of India & Others (Writ Petition No. 3332 of 2010)*. The findings of the CBI in respect of GCA (as contained in the 'Report') were *inter alia*, as under:
 - i. "..."
 - ii. *During the enquiry it is seen that the plants available with the company are mostly 'Bermidek'. At few places, the company has plants of 'Krunj', 'Amla', 'Neem' & 'Sheesham.' The plants of Ratanjot are not available in the company farms. None of the brochures, agreements of the company mention plants allotted as 'Bermidek.'*
 - iii. *As per records of company, there are total of 3,54,398 agreement holders out of which 53,434 have been cancelled and amounts in respect of these have been refunded (without interest) to farmers/investors. Further, there are 2,02,461 agreements against which no plants have been allotted so far.*
 - iv. *In case of 98,503 agreements, the company has received complete payments and plants are yet to be allotted. The number of plants required to allot to 98,503 agreement holders is 2,52,72,990 plants. However, the company has only 2,70,720 plants in its inventory. Thus to allot plants to 98,503*

agreement holders, company requires at least 93 times the inventory it has with it. In addition there are another 2,02,461 agreement holders who have to be allotted plants;

- v. The total lease money receivable by the company against all lease agreements was approximately ₹567 crores and out of which company has received ₹219 crores. The total buyback assured price against agreements not cancelled is ₹510 crores;*
 - vi. The above indicates that company is only collecting funds from the customers under garb of sale or lease of plants which it does not have;*
 - vii. It is also found that complainant / agreement holders who had filed refund claims with District Collector that they were under the impression that it was an investment policy with good returns and that they would be paid the amount shown in brochures at the end of agreement period."*
- 6 Thereafter, GCA vide letter no. GCA/BO/2013-14 dated October 14, 2013 submitted details regarding scheme-wise amount mobilised and number of investors.
- 7 I have carefully considered the material available on record such as correspondence exchanged between SEBI and GCA along with the documents contained therein, submissions made by GCA, CBI Report, etc. In this context, the issue for determination is whether the mobilization of funds by GCA under its schemes fall under the ambit of "Collective Investment Scheme" provided in Section 11AA of the SEBI Act.
- 8 On an examination of the material available on record, it is *prima facie* observed:
- 8.1 GCA (CIN:U52599PB2005PTC28378) was incorporated on May 09, 2005 having its registered office at F 0-77, Civil Lines, Bhatinda (Punjab). The Directors of GCA are Shri Amardeep Singh Cheema and Shri Gurdeep Singh.
 - 8.2 As per the MoA of GCA the main objects are "*to operate a Multilevel Marketing of Ayurvedic , Desi Medicines, Herbs (Within India or Abroad) as non-store retail sale either through direct buying and selling or on agreement basis (to deal in any product / commodity)...to carry on the Business of Multilevel Marketing, Growers, Care Takers, Producers, Cultivators, Nurserymen, Seedmen Farmers, Contract Farmers, Sellers..."*
 - 8.3 As seen from the MoA and reply of GCA dated September 30, 2013, it is observed tha GCA is engaged in the following activities:
 - i. Selling herbal, cosmetic and ayurvedic products through multilevel marketing.*

ii. *Contract Farming agreements with farmers for sale of plant saplings or lease of farms etc.*

- 8.4 As regards the business of '*multilevel marketing of herbal products and tree saplings*', it is noted that GCA appoints distributors /agents for herbal products and plant saplings and gives them initial starter kit. These distributors/ agents further introduce new agents. GCA has evolved a commission structure for various levels of distributors incentivising the sale of herbal products and tree saplings. It is noted that GCA earned a revenue of ₹67 lakh in 2011-12; ₹25 lakh in 2010-11; ₹42 lakh in 2009-10; and ₹54 lakh in 2008-09 from sale of its products. The analysis of financial statements of GCA reveals that the business of selling herbal medicines and products is minuscule as compared to the revenues earned by the '*contract farming*' business of GCA.
- 8.5 As regards '*Contract Farming*', it is noted from the marketing brochure, application forms, copies of agreement and certificates issued by GCA that it enters into contract farming agreements with farmers/investors to raise bio-diesel plants like '*Jatropha*,' '*Kranj*' and '*Ratanjot*'. The farmers/investors can either get allotment of the plants/trees themselves and be entitled to entire sale proceeds or seek the caretaker from the GCA under an agreement to share profits. The farmer can also enter into a '*Buy Back Agreement*' with GCA under which the company buys the seeds/harvest from the farmers and sells it on behalf of farmers. GCA also offers '*Assured Harvest*' scheme to the farmers/investors. The said scheme provides an option to the farmers/investors to invest and receive an assured buyback price ('Assured Harvest') @ ₹7/- per Kg. The farmers/investors make a onetime payment or deferred payment for the allotment of plants to GCA and in return assures buyback price of the crop /plantation for an investment period of 6 years, 15 years or 19 years. Under this plan, the farmers/investors have no claim whatsoever except for the '*Assured Harvest*' amount at the end of the agreement period.
- 8.6 As per the reply of GCA vide letter dated October 14, 2013, it has executed 2,81,271 lease agreements under its '*contract farming*' business and mobilised ₹150,32,29,442/- (Rupees One Hundred and Fifty Crore Thirty Two Lakh Twenty Nine Thousand Four Hundred and Forty Two Only). The monies received from public are shown as '*lease rental*' against allotment of plants. It is pertinent to note that the CBI report states that there are total of 3,54,398 agreement holders and lease money receivable from them is ₹567 crores, out of which GCA received ₹219 crores.

- 8.7 It is observed from the Application Form and model agreement entered between GCA and the farmers/investors have clauses that mainly require the farmers/investors to give their consent about buy-back arrangement at pre-determined rates and profit sharing in case the farmer opts for caretaker from GCA. The agreement is irrevocable and GCA undertakes to hand over the possession of plants within 18 months of execution of agreement after receipt of 50% of the agreed payment.
- 8.8 It is noted from the marketing brochure of GCA that it assures higher investment amounts in the form of '*lease rentals*' for longer maturity periods. For instance, ₹1,00,000/- is charged for 1000 Ratanjot or 200 Kranj plants for period upto 6 years. Similarly the farmer / investor pays ₹2,00,000/- as initial amount for a period of 19 years in single payment plan.
- 8.9 Further, the amount paid by customers in deferred/instalment plan is higher than the amount paid for single payment plan. For instance, a customer opting for investment in the single payment plan for 6 years pays ₹1,00,000/- while in deferred/instalment payment option the customer pays ₹1,20,000/- in three yearly instalments and ₹1,44,000/- in 72 monthly instalments.
- 8.10 The schemes offered by GCA in the marketing brochure is illustrated as under:

Lease rentals 'for 1000 saplings of 'Ratanjot' or 200 saplings of 'Kranj' for 6 years.

‘Lease Rental’	Part Payment (option 1) yearly				Part Payment (Option-2)		
					Monthly		
Single Payment (in ₹)	1 st Year 40%	2 nd Year 30%	3 rd Year 30%	Total (in ₹)	Instalment per month (in ₹)	Total Months	Amount (in ₹)
100000	48000	36000	36000	120000	2000	72	144000

'Assured harvest' buyback price for crop/ plantation of 1000 plants of Ratnajot or 200 plants of Kranj.

S. No	Duration	C-1	C-2	C-3
		Assured harvest (in quintals)	Assured harvest (in quintals)	Assured harvest (in quintals)
1	After 1 year	16.5	--	--
2	After 2 years	16.5	--	--
3	After 3 years	16.5	--	--
4	After 4 years	16.5	75	--
5	After 5 years	16.5	--	--
6	After 6 years	16.5 +150	200	300

8.10.1 **Option C-1:** In this option, the farmer / investor is given an '*assured harvest*' (in quintals) return yearly. In case the farmer / investor chooses monthly returns, GCA offers 1.35 quintals of crop each month. On the amounts invested by farmers/ investors as single payment or yearly part payment or monthly part payment as illustrated in para 8.10 above, the assured buyback price is at ₹7/- per Kg. Hence, the farmers/investors are entitled to an annual return of ₹11,550/- upto 6 years. Further, the redemption amount after 6 years works out as ₹1,74,300/-.

8.10.2 **Option C-2:** In this option, the farmer / investor is given '*assured harvest*' return of 75 quintals (@ ₹7/- per Kg) after 4 years and on completion of 6 years, the farmer/ investor is given another 200 quintals (@7/- per Kg). Thus on the amounts invested by farmers/ investors as single payment or yearly part payment or monthly part payment as illustrated in para 8.10 above, the returns offered by GCA after completion of 4 years and 6 years is ₹52,500/- and ₹1,40,000/- respectively.

8.10.3 **Option C-3:** In this option, the farmer / investor receives '*assured harvest*' return of 300 quintals (@ ₹7/-per Kg) after completion of 6 years. Therefore, on the amounts invested by farmers/investors as illustrated in para 8.10 above, the redemption amount is ₹2,10,000/-.

8.10.4 It is observed from the brochure that similar payment plans are mentioned for 15 years and 19 years also.

- 8.11 It is noted that the '*Certificate*' issued to farmers/investors by GCA contains the details about the period of investment and the price at which the '*assured harvest*' amounts will be calculated on maturity. It is termed as '*brief of the crop*' as per consent given by the customer. The *brief of crop given as per Consent I* (option for the duration and rates per quintal) mentioned in the certificates issued to the farmers/investors are as under:

S. No.	Duration	Rate of Crop per quintal(in ₹)
1	1 st to 6 th year	₹ 700/-
2	7 th to 11 th year	₹ 1,000/-
3	12 th to 18 th year	₹ 1,200/-
4	After 19 years	₹ 1,500/-

Brief of crop as per consent letter –II (option for the duration and crop share) for Ratanjot 50 plants mentioned in the certificates issued to the customers is as under:

S. No.	Duration	Crop Share in quantity
1	After 7 Years	14 quintal
2	After 11 years	10 quintal
3	After 15 Years	10 quintal
4	At the end of lease term 19 years	17 quintal

- 8.11.1 Summary of the crop as per the consent letter –I & II (Option for the duration/ maturity period, quantity, rate and amount) mentioned in the certificates issued to the customers is as follows:

S. No	Term	Qty	Date of Crop	Rate (in ₹)	Amount (in ₹)
1	After 7 Years	14 quintal	26-Feb-2018	1,000.00	14,000.00
2	After 11 years	10 quintal	26-Feb-2022	1,000.00	10,000.00
3	After 15 Years	10 quintal	26-Feb-2026	1,200.00	12,000.00
4	After 19 years	17 quintal	26-Feb-2030	1,500.00	25,500.00

- 8.11.2 In the certificate issued to the farmers/investors, GCA undertakes to pay '*assured harvest*' amounts to the farmers/investors as return on investment. GCA calculates '*assured*

harvest' amount by giving applicable quantity and rate at which '*assured harvest*' is calculated at the end of different maturity periods.

- 8.12 As per the financial statements submitted by GCA, the current liabilities of GCA is shown as ₹ 209.95 Crores as on March 31, 2012. This has increased from the previous year, wherein the current liabilities are shown as ₹170.44 crores. GCA had taken advance from its customers under its scheme of lease rentals of plant/saplings to the tune of ₹ 57.06 crores which is shown as an item under the head "*other current liabilities*". Furthermore, the amounts invested by farmers/investors is stated as income from lease rentals in the financial statements and the lease money received by the GCA for the period 2008-09 to 2011-12 is stated to be approximately ₹254 crores.
- 8.13 As per the information submitted by GCA vide letter dated October 14, 2013 that it has executed 2,81,271 lease agreements under its '*contract farming*' business and mobilised ₹150 crores.
- 9 The aforementioned details of '*schemes*' of GCA under various plans have to be considered in light of the provisions of Section 11AA of the SEBI Act, 1992. The aforesaid Section 11AA, 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.

(2) Any scheme or arrangement made or offered by any person under which,
(i) the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement;
(ii) the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement;

(iii) the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;

(iv) the investors do not have day to day control over the management and operation of the scheme or arrangement.

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

9.1 In the context of the abovementioned Section 11AA of the SEBI Act, the “Scheme” offered by GCA 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;

It is noted from the marketing brochure, application forms, model agreements and certificates issued by GCA that it solicits money from investors under its scheme of 'contract farming' to raise bio-diesel plants like 'Jatropha,' 'Kranj' and 'Ratanjot'. As per the said scheme, an investor who is desirous of *contract farming* in any of the said plants has to make an application cum agreement with GCA for a period of 6 years/9 years/15 years as per the plan. The investor has to give lease amount as per the opted payment plans viz., "*single payment plan, monthly payment plan or yearly payment plan.*" As per the schemes of GCA, the investors can either get allotted the plants and take care of the same by himself in the farms of GCA and receive the entire sale proceeds or opt for the caretaker appointed by GCA for the maintenance of the plants allotted to him under an agreement to share the profits. The farmer/investor can also opt for '*Assured buy back price option*' under which the rate of proceeds are calculated in advance and the said amount is assured to the farmer/investor as buy back price. Under the said scheme, the farmer/investor has no claim whatsoever except for the '*assured harvest*' amount at the end of the agreement period. As per Clause 3 of the agreement, GCA undertakes to allot plants only after more than 50% of the lease amounts are paid and allotment takes place after 18 months or 2 years. Clause 12 states "*agreement cannot be revoked but can be transferred to another person on payment of Rs.300/- or of 5% of money paid as lease rental (whichever is higher)*". It also suggests that GCA is not interested in allotting plants/saplings to the farmer/investor but is only soliciting monies by entering into agreement with farmer/ investors and promising them assured return after completion of its tenure. It is noted from the information submitted by GCA vide letter dated October 14, 2013 that it has executed 2,81,271 lease agreements

under its '*contract farming*' business and mobilised ₹150 crores. However, the lease money received by the GCA as per the financial statements for the period 2008-09 to 2011-12 is ₹254 crores. As per the CBI Report, the total lease money receivable by GCA against all lease agreements was approximately ₹567 crores and out of which GCA has received ₹219 crores. Thus, it is evident that the aforesaid contributions collected from the farmers/investors under the '*schemes*' of GCA are pooled for purpose of '*scheme*.' Hence, I find that the activities of GCA under its schemes satisfy the first condition stipulated in Section 11AA(2) 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 that under its scheme of '*contract farming*', GCA offers an '*assured buyback price*' to its investors. The farmers/investors are made to invest in single payment or yearly or monthly payment plans as illustrated in para 8.10 and the farmers/investors have the option of receiving returns in the form of '*assured harvest*' (in quintals) at agreed buyback price annually or intermittently after completion of a few years or receive return only after completion of specified time period. For instance, as per the Option C-1 of the said scheme, the farmer/investor is offered an '*assured harvest*' of 16.5 quintals as return annually. In case the farmer/investor chooses monthly returns, the GCA offers 1.35 quintals of crop each month. As per the terms of the schemes mentioned in the marketing brochure, the assured buyback price offered by GCA is ₹7/- per Kg. Hence, if an investor invests ₹1,00,000/- lease rental in single payment, he/she is entitled to an annual return of ₹11,550/-. The redemption amount after 6 years works out as ₹1,74,300/-. Similarly, in Option C-2, the farmer/investor is offered '*assured harvest*' return of 75 quintals (@ ₹7/- per Kg, after 4 years and on completion of 6 years, the farmer / investor is given another 200 quintals (@7/- per Kg. Hence, the returns offered by GCA to its farmers/investors on their investments is ₹52,500/- after completion of 4 years and ₹1,40,000/- after completion of 6 years. Furthermore, in Option C-3, the farmer/investor is entitled to an '*assured harvest*' return of 300 quintals (@ ₹7/-per Kg after completion of 6 years amounting to ₹2,10,000/-.Moreover, the certificates issued to the investors also indicate the amount of produce, rate at which the investors shall be repaid after completion of 7 years, 11 years, 15 years and 19 years. The certificates issued to the

investors also mention the 'assured harvest' amounts to be received by the farmers/ investors by investing in GCA's 'schemes'. Thus, it is clear that the contributions made by the investors towards the 'schemes' offered by GCA with a view to receive profits/financial returns on maturity. Therefore, the 'schemes' floated by GCA 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.

The features of 'assured harvest' scheme mentioned in marketing brochure of GCA is that "care and maintenance of crop is done by GCA and farmer/investor has no claim whatsoever except for 'assured buy-back price' at the end of agreement period." This aspect highlights that GCA manages funds collected from the investors and they do not have day to day control over management and operation of the scheme or arrangement by GCA. The investor does not conduct any farming related activity and they are offered assured returns. The certificate issued to the investors also indicates the *assured harvest* and the specified price that will be paid after completion of 7 years, 11 years, 15 years and 19 years. It clearly indicates that GCA is only mobilising funds from the farmers/investors and they do not have day to day control over the 'scheme' or 'arrangement' of the company. As per Clause 12 "agreement cannot be revoked but can be transferred to another person on payment of Rs.300/- or of 5% of money paid as lease rental (whichever is higher)". This clearly suggests that GCA is not interested in allotting plants/saplings to the farmers/investors but is only soliciting monies and is managing monies on behalf of investors. Thus, the scheme being operated by GCA satisfies that the lease amounts, land farms etc. are being managed on behalf of investors and that investors do not have day to day control. In view of the above, I find that the instant 'Scheme/ Plan(s)' satisfy the third and fourth conditions stipulated in Section 11AA(2) of the SEBI Act.

- 10 In light of the above analysis and examination, it is observed that the activity of mobilising monies by GCA under 'Scheme' / plans with promise of returns *prima facie* satisfies the features of Collective Investment Scheme in the context of Section 11AA of SEBI Act, 1992.

11 In this context, it is relevant to refer to the observation of the Hon'ble Supreme Court of India in the matter of **P.G.F Limited & Ors vs. UOI & Anr.** (MANU/SC/ 0247/2013)that:

" ...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 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.

13 I also find that the activity of illegal mobilization of funds by GCA through its schemes, *prima facie*, amounts to a fraudulent practice in terms of Regulation 4(2)(t) of SEBI(Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), 2003 ("PFUTP Regulations").

14 As has been seen from the preceding paragraphs that GCA has camouflaged its 'schemes' by attempting to show that the revenues received by it are in form of lease rentals and by sale of herbal products. However, it is noted from financial statements that the sale of herbal products and sale of plant/saplings is extremely small compared to the total amounts collected in the form of lease rentals for farms or tree/plant/saplings. It is noted from the information submitted by GCA vide letter dated October 14, 2013 that it has executed 2,81,271 lease agreements under its *'contract farming'* business and mobilised ₹150 crores. However, the lease money received by the GCA as per the financial statements for the period 2008-09 to 2011-12 is to be ₹254 crores. It is also noted from the CBI report that *" there are total of 3,54,398 agreement holders out of which 53,434 have been cancelled and amounts in respect of these have been refunded (without interest) to farmers/ investors. Further, there are 2,02,461 agreements against which no plants have been allotted*

so far. In case of 98,503 agreements, the company has received complete payments and plants are yet to be allotted. The number of plants required to allot to 98,503 agreement holders is 2,52,72,990 plants. However, the company has only 2,70,720 plants in its inventory. Thus to allot plants to 98,503 agreement holders, company requires at least 93 times the inventory it has with it. In addition there are another 2,02,461 agreement holders who have to be allotted plants. The total lease money receivable by the company against all lease agreements was approximately ₹567 crores and out of which company has received ₹219 crores. The total buyback assured price against agreements not cancelled is ₹510 crores; The above indicates that company is only collecting funds from the customers under garb of sale or lease of plants which it does not have..." Hence, it appears that GCA has not furnished the complete information with regard to fund mobilised. Considering all these facts and circumstances, I find that there is no safeguard for the investments made by the investors and an immediate course of action is warranted in the instant case.

- 15 Protecting the interests of the investors is the first and foremost mandate of SEBI and therefore, SEBI has to take immediate steps to prevent activities if companies or persons defrauding the investors and damaging the orderly development of the securities market. In order to ensure that GCA and its Directors do not collect further funds under its scheme/Plans and to safeguard the assets/property acquired by GCA and its Directors from the funds of the investing public until full facts and materials are brought and 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 above, I find no other alternative but to take recourse to an interim order against GCA and its Directors for preventing them from further carrying on with the fund mobilizing activity by launching 'collective investment scheme', without obtaining registration from SEBI in accordance with law.

- 16 In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11B and 11(4) of the SEBI Act read with CIS Regulations and PFUTP Regulations hereby direct G.C.A. Marketing Private Limited (CIN:U52599PB2005PTC28378) and its Directors Shri Amarjeet Singh Cheema (PAN-ADEPC5281C) and Shri Gurdeep Singh (PAN-BIVPS7069D) :
 - *not to collect any fresh money from investors under its existing schemes;*
 - *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 GCA;*
 - *not to dispose of or alienate any of the properties/assets obtained directly or indirectly through money raised by GCA;*

- *not to divert any fund raised from public at large which are kept in bank account(s) and/or in the custody of GCA;*
- *to furnish all the information/ documents sought by SEBI within 15 days from the date of receipt of this order, including:*
 - (i) *Details of amount mobilised and refunded till date as certified by statutory auditor of GCA and*
 - (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 in this regard.

18 This Order is without prejudice to the right of SEBI to take any other action that may be initiated against GCA 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, GCA 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: December 30, 2014

S. RAMAN

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA