

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

ORDER

Under Sections 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, in the matter of Dynamic Asset Management Limited (CIN:U67120OR2010PLC012748; PAN:AADC6348J) and its Directors viz. Shri Basanta Kumar Sundara (DIN: 03290911; PAN: BJWPS8310K), Shri Saroj Kumar Sahoo (DIN: 03290944; PAN: AVOPS6359R), Shri Rajesh Das (DIN: 03544170; PAN: AHPPD8992C), Shri Pradip Kumar Mahapatra (DIN: 03562479; PAN: BMUPM1800K), Shri Ajaya Kumar Das (DIN: 03589699; PAN: AFVPD2306Q), Shri Susanta Kumar Panda (DIN: 03589705; PAN: ALDPP2259C), Shri Narendra Rout (DIN: 05108547; PAN: AJPPR6529R), Shri Nihar Ranjan Bidhar (DIN: 05108549; PAN: AIEPB7483J), Shri Kishore Chandra Maharathi (DIN: 05226934; PAN: AYYPM2926P), Shri Sangram Keshari Tarai (DIN: 05246572; PAN: AFCPT1949Q), Shri Madhaba Prasad Mohanty (DIN: 05246579) and Shri Sugyani Charan Nanda (DIN: 03324940; PAN: ACKPN6525B)

1. Securities and Exchange Board of India ("SEBI") received a complaint dated June 18, 2012 from Citizen Forum to Prevent Financial Frauds in Odisha wherein intervention of SEBI was requested against companies (including Dynamic Fund Management) which are allegedly indulging in illegal mobilization of funds.
- 2.1 SEBI, vide letter dated May 08, 2013, advised Dynamic Asset Management Limited ("Dynamic") to furnish *inter alia* the following information in receipt of the company and its schemes, viz. –
 - i. Copy of the Memorandum and Articles of Association of the company;
 - ii. Copy of Audited Balance Sheet and Profit & Loss Account of the company for the last 3 years;
 - iii. Name, addresses and occupation of all the promoters/directors of the company;
 - iv. Names and details of the Key Managerial Personnel of the company;



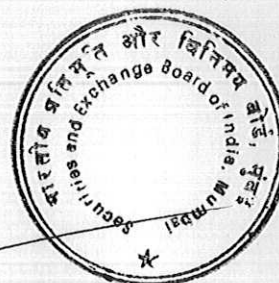
v. Other information in respect of issue of Preferences Shares/Debentures issued by the company, viz. –

- a. Copy of Prospectus/Red Herring Prospectus/Statement in lieu of Prospectus/Information Memorandum filed with Registrar of Companies (“RoC”) for issuance of debentures/preference shares;
- b. Date of opening and closing of the subscription list for the said debentures/preference shares;
- c. Details regarding the number of application forms circulated inviting subscription for debentures/preference shares;
- d. Details regarding the number of applications received;
- e. Details regarding the number of allottees and list of such allottees;
- f. Number of debentures/preference shares allotted and value of such allotment against each allottee's name.
- g. Details regarding subscription amount raised;
- h. Date of allotment of the debenture/preference shares;
- i. Copies of the minutes of Board/Committee meeting in which the resolution has been passed for allotment;
- j. Date of dispatch of debenture/preference shares certificates, etc.;
- k. Details of the total number of applicants for each of its scheme besides the list of final allottees;
- l. Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of debentures/preference shares;
- m. Terms and conditions of the issue of shares.

vi. Other information in respect of schemes launched for raising funds.

2.2 In reply, Dynamic vide letter dated May 27, 2013 submitted a copy of the Memorandum and Articles of Association, audited balance sheet and profit and loss account for the financial years 2010-11 and 2011-12, names and addresses of the promoters/directors of the company and some information in respect of preference shares.

2.3 As Dynamic submitted only partial information and further as the documents submitted were unsigned and uncertified, SEBI vide letter dated May 27, 2013 advised Dynamic to submit a point wise reply along with certified copies of documents.



- 2.4 Dynamic replied vide letter dated May 28, 2013, wherein it *inter alia* submitted:
"..... the points raised by your good office is not relevant to our company because our company is a closely held public company & not collecting any money from public subscription. The preference shares issued by the company only through private circulation & for which the return of allotment U/S 75 of Companies Act 1956 already been filed with the Registrar of Companies, Odisha, CuttackOur share holders are closely associates with the promoters as friends, relatives & well wishers.....The preference shares which has been issued by our company under private circulation for which our authorized capital enhanced from time to time through Form No.5 & Form No.23..... Any further information which you can obtain from the website www.mca.gov.in"
- 2.5 SEBI, vide letter dated June 05, 2014, once again *inter alia* sought copies of the offer documents, pamphlets, brochures of the scheme (s) launched, sample copies of the agreement letter/ contract required to be entered into by investor / applicant, etc.. However this letter sent to the address of Dynamic as indicated in 'MCA 21 Portal' was returned undelivered with the remark "No such addressee...". As on date, no further information/documents have been submitted by Dynamic.
3. The material available on record i.e. the complaint received by SEBI, correspondence exchanged between SEBI and Dynamic along with the documents contained therein and information obtained from the Ministry of Corporate Affairs' website i.e. 'MCA21 Portal' have been perused. On an examination of the same, it is observed that –
- a. Dynamic was incorporated on December 01, 2010 as a private company and subsequently converted to Public Limited company on May 24, 2011 with CIN U67120OR2010PLC012748, having its office at Golbai, Jankia, Khordha, Pin-752057, Orissa, India.
- b. Dynamic has submitted that Shri Basanta Kumar Sundara, Shri Saroj Kumar Sahoo, Shri Rajesh Das, Shri Pradip Kumar Mahapatra, Shri Ajaya Kumar Das, Shri Susanta Kumar Panda, Shri Narendra Rout, Shri Nihar Ranjan Bidhar, Shri Kishore Chandra Maharathi, Shri Sangram Keshari Tarai and Shri Madhaba Prasad Mohanty are the Directors of Dynamic.
- c. Shri Sugyani Charan Nanda who was earlier Director in Dynamic resigned on 14/02/2012.



- d. From the details of allotments indicated in the Extracts of the Resolutions passed in the Board Meetings of Dynamic, which has been obtained from 'MCA21 Portal', it is *prima facie* noted that funds to the tune of ₹4,42,40,000 were mobilized till December 31, 2012 through issuance of 44,24,000 Redeemable Preference Shares with face value of ₹ 10 and with a coupon rate of 24% p.a. The relevant details with respect to the issuance of 24% Redeemable Preference Shares by Dynamic are as under:

S. No.	Date of Allotment/ Date of Board Meeting	No. of allottees	No. of Redeemable Preference Shares	Amount raised (in ₹)
1	31/05/2011	47	2,43,300	24,33,000.00
2	30/06/2011	54	3,32,900	33,29,000.00
3	30/07/2011	81	5,46,600	54,66,000.00
4	31/08/2011	61	4,13,700	41,37,000.00
5	30/09/2011	44	3,93,800	39,38,000.00
6	31/10/2011	40	3,16,600	31,66,000.00
7	30/11/2011	42	4,01,000	40,10,000.00
8	31/12/2011	53	4,11,500	41,15,000.00
9	31/01/2012	19	99,000	9,90,000.00
10	29/02/2012	17	1,30,000	13,00,000.00
11	31/03/2012	28	1,90,000	19,00,000.00
12	30/04/2012	8	49,000	4,90,000.00
13	31/05/2012	15	55,300	5,53,000.00
14	30/06/2012	22	1,77,900	17,79,000.00
15	31/07/2012	16	1,00,400	10,04,000.00
16	31/08/2012	34	1,98,900	19,89,000.00
17	30/09/2012	26	1,34,100	13,41,000.00
18	31/10/2012	14	63,300	6,33,000.00
19	30/11/2012	8	71,700	7,17,000.00
20	31/12/2012	5	95,000	9,50,000.00
	Total	634	44,24,000	4,42,40,000.00

- e. The year-wise allotment of Redeemable Preference Shares by Dynamic is summarised below:

S. No.	Year	No. of allottees	No. of preference shares	Amount (₹)
1.	2011 -12	486	34,78,400	3,47,84,000.00
2.	2012 -13	148	9,45,600	94,56,000.00
Total		634	44,24,000	4,42,40,000.00



- f. As per the details of allotment mentioned above, Dynamic had issued and allotted *Redeemable Preference Shares ("Offer of RPS")* in series of allotments to 634 investors and raised an amount of Rs.4,42,40,000/- during the financial years 2011-12 and 2012-13.
- g. A perusal of Notes to Financial Statements for the year ended March 31,2012 provided by Dynamic shows deployment of funds to the tune of Rs. 2,34,72,873/- under "Loans and Advances" to related parties, Directors and Others as detailed below:

a.	Loans & Advances to related parties	:	Rs. 16,50,339/-
b.	Others (Loans & Advances)	:	Rs.1,42,72,534/-
c.	Loans& Advances (includes due from Directors)	:	Rs. 75,50,000/-

4.1 In the context of the abovementioned details, the issue for determination in the instant matter is whether the mobilization of funds by Dynamic through the *Offer of RPS*, is in accordance with the provisions of the SEBI Act, 1992 ("**SEBI Act**") and the Companies Act, 1956.

4.2 I note that the jurisdiction of SEBI over various provisions of the Companies Act in the case of public companies, whether listed or unlisted, when they issue and transfer securities, at the relevant point of time flows from the provisions of Section 55A of the Companies Act. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in **Sahara India Real Estate Corporation Limited & Ors. vs. SEBI (Civil Appeal no. 9813 of 2011) (Judgment dated August 31, 2012)** (hereinafter referred to as the "**Sahara Case**"), had observed that:

"We, therefore, hold that, so far as the provisions enumerated in the opening portion of Section 55A of the Companies Act, so far as they relate to issue and transfer of securities and non-payment of dividend is concerned, SEBI has the power to administer in the case of listed public companies and in the case of those public companies which intend to get their securities listed on a recognized stock exchange in India."

4.3 In this regard –

- i. Reference is also made to Sections 67(1) and 67(3) of the Companies Act, 1956, which are reproduced as under:



"67. Construction of reference to offering shares or debentures to the public, etc.

"67. (1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(2) Any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitation to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any manner.

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or
(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation

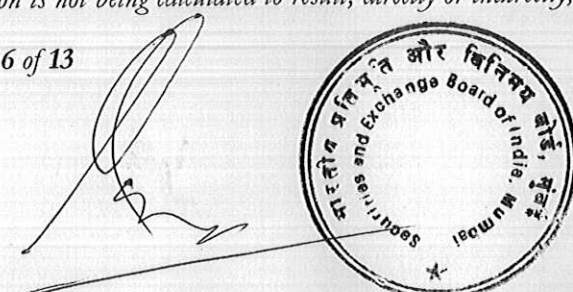
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Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:

Provided further that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956)."

- ii. While examining the scope of Section 67 of the Companies Act, 1956, the Hon'ble Supreme Court of India in the *Sahara Case* observed that:

"Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 67(1) and (2) is on the "section of the public". Section 67(3) states that no offer or invitation shall be treated as made to the public, by virtue of subsections (1) and (2), that is to any section of the public, if the offer or invitation is not being calculated to result, directly or indirectly, in



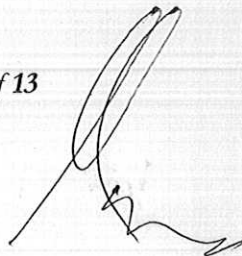
the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation or otherwise as being a domestic concern of the persons making and receiving the offer or invitations. Section 67(3) is, therefore, an exception to Sections 67(1) and (2). If the circumstances mentioned in clauses (1) and (b) of Section 67(3) are satisfied, then the offer/invitation would not be treated as being made to the public.

The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. ...

Resultantly, if an offer of securities is made to fifty or more persons, it would be deemed to be a public issue, even if it is of domestic concern or proved that the shares or debentures are not available for subscription or purchase by persons other than those received the offer or invitation. ...

I may, therefore, indicate, subject to what has been stated above, in India that any share or debenture issue beyond forty nine persons, would be a public issue attracting all the relevant provisions of the SEBI Act, regulations framed thereunder, the Companies Act, pertaining to the public issue. ..."

- iii. For ascertaining whether the Offer of RPS are public issues or issues on private placement basis in accordance with Section 67 of the Companies Act, 1956, the number of subscribers is of utmost importance.
- a) In the facts of the instant case, although the Offer of RPS is stated to have been made on a private placement basis by Dynamic, it is observed from the details of allotment as indicated in the extracts of the resolutions passed in the Board Meetings of Dynamic, obtained from 'MCA 21 Portal', that Dynamic issued and allotted Redeemable Preference Shares in series of allotments and raised an amount of approximately Rs.4.42 Crores from 634 investors during the financial years 2011-12 and 2012-13. It is pertinent to mention that the number of investors to whom the Offer of RPS was made by Dynamic in both these financial years was much beyond the prescribed limit of forty-nine persons (486 investors in the financial year 2011-12 and 148 investors in the financial year 2012-13). Further, on many occasions, Redeemable Preference Shares was issued to more than fifty people in the same allotment (viz. on 30/06/2011, 30/07/2011, 31/08/2011 and 31/12/2011). In view of the above stated facts, the Offer of RPS by Dynamic *prima facie* qualifies as a public issue



of securities under the *first proviso* to Section 67(3) of the Companies Act, 1956, which has been elucidated by the Hon'ble Supreme Court of India in the *Sahara Case*.

- b) In addition, Dynamic is not stated to be a non-banking financial company or a public financial institution within the meaning of Section 4A of the Companies Act and therefore, is not covered under the *second proviso* to Section 67(3).
- c) In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act read with Section 67 of the said Act, so far as it relates to issue and transfer of securities, shall also be administered by SEBI.

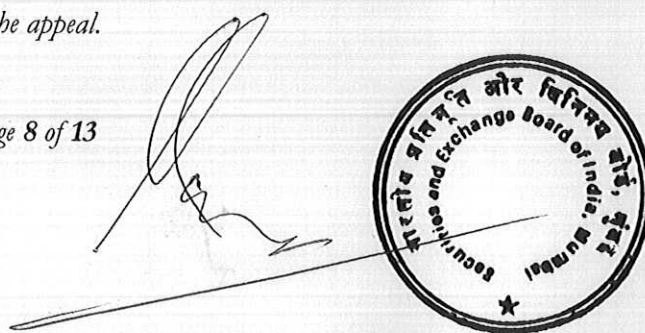
4.4 I note that –

- i. From the abovementioned, it will follow that since the *Offer of RPS* is a public issue of securities, such securities shall also have to be listed on a recognized stock exchange, as mandated under Section 73 of the Companies Act, 1956. In this regard, reference is made to Sections 73 of the Companies Act, 1956, of which sub-Sections (1), (2) and (3) are relevant for the instant case, which is reproduced as under:

"73. (1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.

(1A) Where a prospectus, whether issued generally or not, states that an application under sub-section (1) has been made for permission for the shares or debentures offered thereby to be dealt in one or more recognised stock exchanges, such prospectus shall state the name of the stock exchange or, as the case may be, each such stock exchange, and any allotment made on an application in pursuance of such prospectus shall, whenever made, be void, if the permission has not been granted by the stock exchange or each such stock exchange, as the case may be, before the expiry of ten weeks from the date of the closing of the subscription lists :

Provided that where an appeal against the decision of any recognised stock exchange refusing permission for the shares or debentures to be dealt in on that stock exchange has been preferred under section 22 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), such allotment shall not be void until the dismissal of the appeal.



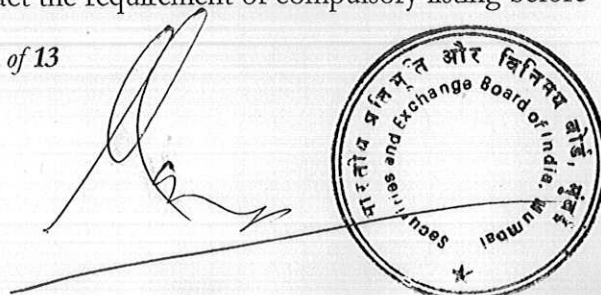
(2) Where the permission has not been applied under subsection (1) or such permission having been applied for, has not been granted as aforesaid, the company shall forthwith repay without interest all moneys received from applicants in pursuance of the prospectus, and, if any such money is not repaid within eight days after the company becomes liable to repay it, the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at such rate, not less than four per cent and not more than fifteen per cent, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money.

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank 1 [until the permission has been granted, or where an appeal has been preferred against the refusal to grant such permission, until the disposal of the appeal, and the money standing in such separate account shall, where the permission has not been applied for as aforesaid or has not been granted, be repaid within the time and in the manner specified in sub-section (2)]; and if default is made in complying with this sub-section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees."

- ii. In the *Sahara Case*, the Hon'ble Supreme Court of India also examined Section 73 of the Companies Act, 1956, wherein it observed that –

"Section 73(1) of the Act casts an obligation on every company intending to offer shares or debentures to the public to apply on a stock exchange for listing of its securities. Such companies have no option or choice but to list their securities on a recognized stock exchange, once they invite subscription from over forty nine investors from the public. If an unlisted company expresses its intention, by conduct or otherwise, to offer its securities to the public by the issue of a prospectus, the legal obligation to make an application on a recognized stock exchange for listing starts. Sub-section (1A) of Section 73 gives indication of what are the particulars to be stated in such a prospectus. The consequences of not applying for the permission under sub-section (1) of Section 73 or not granting of permission is clearly stipulated in sub-section (3) of Section 73. Obligation to refund the amount collected from the public with interest is also mandatory as per Section 73(2) of the Act. Listing is, therefore, a legal responsibility of the company which offers securities to the public, provided offers are made to more than 50 persons."

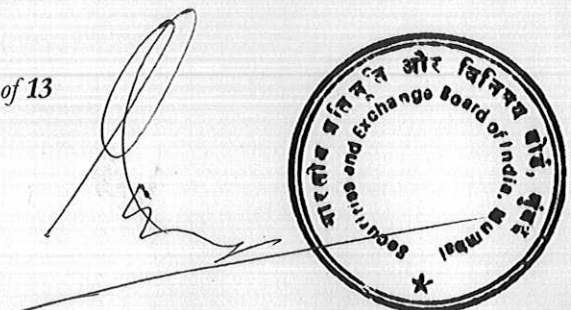
- iii. In the facts of the instant case, since the Offer of RPS was made to fifty persons or more by Dynamic, the same will attract the requirement of compulsory listing before



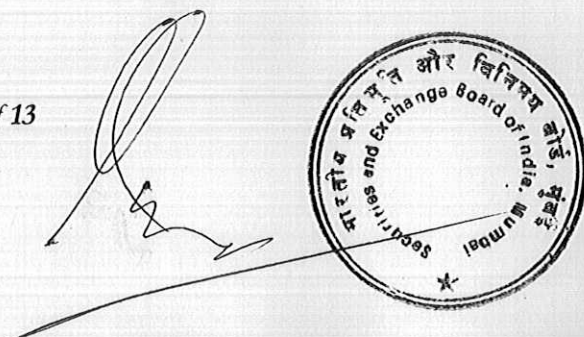
a recognized stock exchange in terms of Section 73(1) of the Companies Act, 1956. It therefore *prima facie* appears that Dynamic has violated the provisions of Section 73(1) of the Companies Act, 1956, since it has failed to ensure listing with a recognised stock exchange of the securities issued under the *Offer of RPS*.

- iv. As per Section 73(2) of the Companies Act, 1956, the obligation to refund the amount with interest that was collected from investors under the *Offer of RPS* is mandatory on Dynamic. In this regard, there is no evidence on record to indicate whether or not Dynamic has paid interest to the investors where such *Redeemable Preference Shares* were not allotted within 8 days under the *Offer of RPS*, as per the aforesaid Section. In view of the same, I find that Dynamic has *prima facie* not complied with the provisions of Section 73(2) of the Companies Act, 1956.
- v. Section 73(3) of Companies Act, 1956, states that all moneys received shall be kept in a separate bank account maintained with a Scheduled Bank and if default is made in complying with this sub-Section, the company and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees. In the instant case, there is no evidence on record to indicate whether or not funds received from the investors under the *Offer of RPS* have been kept in separate bank account by Dynamic. In view of the same, I find that Dynamic has *prima facie* not complied with the provisions of Section 73(3) of Companies Act, 1956.

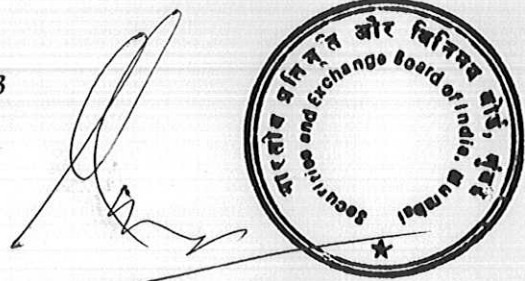
4.5 Under Section 2(36) read with Section 60 of the Companies Act, 1956, a company needs to register its prospectus with the ROC, before making a public offer or issuing the prospectus to the public. As per the aforesaid Section 2(36), "*prospectus*" means any document described or issued as a prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate. As mentioned above, since the *Offer of RPS* was made to fifty persons or more, it has to be construed as a public offer. Having made a public offer, Dynamic was required to register a prospectus with the ROC under Section 60 of the Companies Act, 1956. In the instant case, there is no evidence on record to indicate that the aforesaid requirement had been complied with, by Dynamic. In view of the same, I find that Dynamic has *prima facie* not complied with the provisions of section 60 of the Companies Act, 1956.



- 4.6 Under Section 56(1) of the Companies Act, 1956, every prospectus issued by or on behalf of a company, shall state the matters specified in Part I and set out the reports specified in Part II of Schedule II of that Act. Further, as per Section 56(3) of the Companies Act, 1956, no one shall issue any form of application for shares in or debentures of a company, unless the form is accompanied by abridged prospectus, contain disclosures as specified. Based on the material available on record, I find that Dynamic has not complied with the provisions of Section 56(1) and 56(3) of the Companies Act, 1956 and therefore, has *prima facie* violated the aforesaid provisions.
- 4.7 Upon a consideration of the aforementioned paragraphs, I am of the view that Dynamic is *prima facie* engaged in fund mobilising activity from the public, through the *Offer of RPS* and as a result of the aforesaid activity has violated the aforementioned provisions of the Companies Act, 1956 (Section 56, Section 60 read with Section 2(36), Section 73).
- 4.8 It is also disconcerting that, an amount of Rs.2.35 Crores (details in para 3 (g) above of this order), which is more than half of the total amount of Rs.4.42 Crores (the amount mobilised under the *Offer of RPS*), has been lent to related parties, directors and others.
5. SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it deems fit for fulfilling its legislative mandate. Further, as per the provisions of Section 55A of the Companies Act, 1956, the administrative authority on the subjects relating to public issue of securities is exclusively with SEBI. For this purpose, SEBI can exercise its jurisdiction under Sections 11(1), 11A, 11B and 11(4) of the SEBI Act read with Section 55A of the Companies Act, 1956 over companies who issue *Redeemable Preference Shares* to fifty persons or more, but do not comply with the applicable provisions of the aforesaid Companies Acts. Steps therefore, have to be taken in the instant matter to ensure only legitimate fund raising activities are carried on by Dynamic and no investors are defrauded. In light of the facts in the instant matter, I find that there is no other alternative but to take recourse through an interim action against Dynamic and its Directors, for preventing that company from further carrying on with its fund mobilising activity under the *Offer of RPS*.



6. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions –
- i. Dynamic shall not mobilize funds from investors through the *Offer of RPS* or through any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly, till further orders;
 - ii. Dynamic (CIN:U67120OR2010PLC012748; PAN:AADCD6348J) and its Directors viz. Shri Basanta Kumar Sundara (DIN: 03290911; PAN: BJWPS8310K), Shri Saroj Kumar Sahoo (DIN: 03290944; PAN: AVOPS6359R), Shri Rajesh Das (DIN: 03544170; PAN: AHPPD8992C), Shri Pradip Kumar Mahapatra (DIN: 03562479; PAN: BMUPM1800K), Shri Ajaya Kumar Das (DIN: 03589699; PAN: AFVPD2306Q), Shri Susanta Kumar Panda (DIN: 03589705; PAN: ALDPP2259C), Shri Narendra Rout (DIN: 05108547; PAN: AJPPR6529R), Shri Nihar Ranjan Bidhar (DIN: 05108549; PAN: AIEPB7483J), Shri Kishore Chandra Maharathi (DIN: 05226934; PAN: AYYPM2926P), Shri Sangram Keshari Tarai (DIN: 05246572; PAN: AFCPT1949Q) Shri Madhaba Prasad Mohanty (DIN: 05246579) and Shri Sugyani Charan Nanda (DIN: 03324940; PAN: ACKPN6525B) are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;
 - iii. Dynamic and its abovementioned Directors, are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions.
 - iv. Dynamic shall provide a full inventory of all its assets and properties;
 - v. Dynamic's abovementioned Directors shall provide a full inventory of all their assets and properties;
 - vi. Dynamic and its abovementioned Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the *Offer of RPS*, without prior permission from SEBI;



- vii. Dynamic and its abovementioned Directors shall not divert any funds raised from public at large through the *Offer of RPS*, which are kept in bank account(s) and/or in the custody of Dynamic;
- viii. Dynamic and its abovementioned Directors shall, within 21 days from the date of receipt of this Order, provide SEBI with all relevant and necessary information as sought vide SEBI letters dated May 08, 2013, May 27, 2013 and June 05, 2014 including details of "Loans & Advances to Others".
7. The above directions shall take effect immediately and shall be in force until further orders.
8. The *prima facie* observations contained in this Order are made on the basis of the material available on record i.e. the complaint received by SEBI, correspondence exchanged between SEBI and Dynamic along with the documents contained therein and information obtained from the Ministry of Corporate Affairs' website i.e. 'MCA 21 Portal'. In this context, Dynamic 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.
9. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against Dynamic and its abovementioned Directors, in accordance with law.

Place: Mumbai
Date: January 09, 2015

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

