

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992

In the matter of KKDIL Nidhi Limited

In respect of KKDIL Nidhi Limited [CIN-U65990OR2011PLC014338] and its promoters and directors,

Mr. Baman Charana Das [PAN: AJMPD9925C],

Ms. Sujata Das [PAN not available],

Mr. Bipin Chandra Das [PAN: ACHPD4632J],

Mr. Santosh Kumar Panda [PAN: ASMPP9586C],

Mrs. Kalyani Das [PAN not available],

Mr. Lingaraj Panigrahy [PAN: AGJPP1247K]

Mr. Hara Prasad Das [PAN: AJOPD4124F] and

Mr. Kailash Chandra Bishoi (PAN : ATKPB3979L)

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') received a reference from the Registrar of Companies ("RoC"), Cuttack, Odisha with respect to a company, **KKDIL Nidhi Limited** (hereinafter referred to as '**KKDIL**' or 'the **Company**'). RoC, vide the above reference informed SEBI that during the course of their examination of a complaint received relating to business activity of the Company it had come to their notice that the **Company has allotted equity shares to 10,289 persons** of Rs.10/- each in private placement by issuing application forms for issuance of shares. The reference further stated that the said allotment of equity shares by an 'un-notified Nidhi Company' to its members may be in violation of the provisions of 'issues' in terms of section 67(3A) of the Companies Act, 1956.

2. SEBI initiated a preliminary examination into the alleged allotment of equity shares by KKDIL to the public and required the Company vide SEBI's letter dated June 12, 2014 (*addressed to the registered office of KKDIL*) to *inter alia* furnish the following information/documents:

1. Copy of the memorandum and articles of association of the company.
2. Copy of audited balance sheet and profit & loss account of the company for last 3 years.
3. Name, addresses and occupation of all the promoters/ directors of the company.
4. Names and details of the key managerial personnel of the company.
5. Information in respect of issue of shares/debentures issued by the Company:

- a. Copy of Prospectus/ Red Herring Prospectus/ Statement in lieu of prospectus/ information memorandum filed with RoC for issuance of debentures/shares.
- b. Date of opening and closing of the subscription list for the said debentures/shares.
- c. Details regarding the number of application forms circulated inviting subscription for debentures/shares.
- d. Details regarding the number of applications received, number of allottees and list of such allottees.
- e. Number of debentures/shares allotted and value of such allotment against each allottee's name.
- f. Details regarding subscription amount raised.
- g. Date of allotment of the debenture/shares.
- h. Copies of the minutes of board/ committee meeting in which the resolution has been passed for allotment.
- i. Date of dispatch of debenture/share certificates, etc.
- j. Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of debentures/shares.
- k. Terms and conditions of the issue of debentures/shares.

The Company vide its letter dated July 05, 2014 submitted copies of the following:

- o Memorandum and Articles of Association,
- o Audited Balance Sheet for FY 2011-2012 and 2012-2013. The Company stated that auditing of its Balance Sheet for FY 2013-14 was in progress.
- o Name, address and occupation of its promoters/directors
- o Information about its key managerial personnel,
- o Statement in lieu of Prospectus,
- o Details of issue of equity shares - date of opening and closing, no. of applications received, no. of allottees, no. of equity shares allotted, amount of money raised, date of allotment of equity shares (31.03.2012, 30.03.2013 and 30.06.2013) and date of despatch of share certificates.
- o List of allottees,
- o Board Resolutions
- o Information Memorandum
- o Application form.

3. Meanwhile, SEBI (vide its letter dated June 12, 2014) also sought information from the RoC, Cuttack. The RoC vide its letter dated August 25, 2014, provided the following documents relating to the Company:

1. Form 1 (application and declaration for incorporation of a company) along with Memorandum of Association & Articles of Association
2. Form 32 (particulars of appointment of Managing Director, directors and changes in them) dated 17.10.2011 and 05.09.2013
3. Form 2 (return of allotment) with Board Resolutions and List of allottees - for allotment of shares done on 31.03.2012 and 30.03.2013
4. Form 63 (form for filing application for declaration as nidhi company) dated 15.11.2013.
5. Form 23 AC along with Balance sheet as at 31.03.2012 and as at 31.03.2013
6. Form 23 ACA along with Profit & Loss Account as on 31.03.2012 and as at 31.03.2013

4. SEBI examined the matter on the basis of the material collected during the preliminary examination i.e. the reference, reply from KKDIL, information/documents submitted by the Company, information/documents obtained from the 'MCA 21 Portal', documents furnished by the RoC, etc. The following are the preliminary observation:

- a. The registered office of the Company is situated at Gandhi Nagar-2nd Lane Extn., Berhampur-760001, Odisha. The Company was incorporated on October 17, 2011. The Corporate Identity Number (CIN) of the company is **U65990OR2011PLC014338**. The promoters of the Company are :

Sl. No	Name of the person	PAN
1	Baman Charana Das	AJMPD9925C
2	Sujata Das	NA
3	Bipin Chandra Das	ACHPD4632J
4	Santosh Kumar Panda	ASMPP9586C
5	Hara Prasad Das	AJOPD4124F
6	Kalyani Das	NA
7	Lingaraj Panigrahy	AGJPP1247K
8	Kailash Chandra Bishoi	ATKPB3979L

- b. The details of the directors of the company are as follows:-

Sl. No	Name of the person	PAN	DIN	Date of Appointment	Date of Cessation
1	Baman Charana Das	AJMPD9925C	02116492	17.10.2011	Continuing
2	Sujata Das	NA	01903032	17.10.2011	Continuing
3	Bipin Chandra Das	ACHPD4632J	01859168	17.10.2011	31.03.2013
4	Santosh Kumar Panda	ASMPP9586C	06659695	31.03.2013	Continuing
5	Hara Prasad Das*	AJOPD4124F	06659703	31.03.2013	Continuing

** Though the Company had stated that this person had resigned on 31.12.2013, there is no record available in the MCA evidencing his cessation as a director. Accordingly, he is considered to continue in the Company as its director.*

- c. On perusal of information submitted by the Company, documents from the MCA as well as that of the audited accounts of the company, it is noticed that the Company has issued **equity shares** as per details given below:

Sr. No	Date of Allotment of Equity Shares	No. of Equity Shares Allotted	No. of Allotees	Value of such Allotment (Rs.)
1	October 17, 2011	50,000	7*	5,00,000
2	March 31, 2012	50,000	510#	5,00,000
3	March 30, 2013	1,49,190	158	14,91,900
4	June 30, 2013	1,06,130	9618	10,61,300
	Total	3,55,320	10,289	35,53,200

* Allotted to the promoters/directors at the time of incorporation.

includes further allotment to existing 4 directors.

From the above, it is seen that KKDIL had issued equity shares in four tranches and a total of Rs.35, 53,200 has been mobilized from 10,289 investors during the relevant period. I note that the number of allottees in the issuances of equity share is substantial.

- d. The directors of the Company during the period when the above mentioned equity shares were issued were Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda and Mr. Hara Prasad Das.
- e. The present directors of the company are Mr. Baman Charana Das, Ms. Sujata Das, Mr. Santosh Kumar Panda and Mr. Hara Prasad Das.

5. I have perused the sample 'Application Form' and 'Information Memorandum' with respect to the issue of equity shares by the Company. As per these documents, the issue of equity shares aggregating Rs.25,00,000/- is stated to be done on 'private placement basis'. The terms and conditions as set out in the 'Information Memorandum' also mentions that:

- This Information Memorandum (IM) for private placement is neither a prospectus nor a statement in lieu of prospectus. It does not constitute an offer of an invitation to subscribe to equity shares issued by KKDIL Nidhi Limited / the issuer/the company. The IM for private placement was not intended for distribution and was for the consideration of the person to whom it is addressed and should not be reproduced by recipient.
- The Company proposes to raise Rs.25,00,000/- through the issue of equity shares of face value of Rs.10 each. Minimum number of equity shares to be applied for is 10 shares.
- The minimum application money to be paid by an applicant along with the application money shall not be less than 50% of issue price.

- The subscription money is proposed to be received in 'calls'.
- The entire subscription money is to be called within 12 months from the date of allotment.
- If the investor fails to pay all money within 12 months the subscription money already paid may be forfeited.
- There is a lock-in period of 5 years from the date of allotment.
- The main object of the issue was to raise capital for the Company to fulfil its business planning. The Company planned to set up 100 branches throughout Odisha for 'member of 1,00,000 nos' to run 'thrift concept' within the members of the Company following the guidelines issued by the RBI.
- The Company was also planning to raise funds by issuing redeemable preference shares through private placement.

6. In view of the allegations against the Company in the reference from the RoC, it needs to be seen whether the offer and allotment of the aforesaid equity shares by the Company were done in accordance with the provisions of the Companies Act, 1956, the SEBI Act, 1992 and the relevant regulations framed thereunder.

7. As mentioned above, the Company has -

- o allotted 50,000 equity shares on 31.03.2012 to 510 persons;
- o allotted 1,49,190 shares on 30.03.2013 to 158 investors; and
- o allotted 1,06,130 shares on 30.06.2013 to 9,618 investors.

These allotments were made during the financial year 2011-2012, 2012-2013 and 2013-2014.

By way of the above allotments, the Company has raised a total of Rs.30.53 lakhs from a total of 10,282 persons. In each of the above allotments, the Company has allotted equity shares to more than 49 persons. Further, as per the application and information memorandum of the Company, it is stated that the Company 'proposes to raise Rs.25,00,000/- through the issue of equity shares of face value of Rs.10 each'. In view of the same, it can be construed that the Company made an "offer of equity shares" and in pursuance of the same had accepted applications and allotted equity shares.

8. In view of the above, it is important to refer to the provisions of section 67 of the Companies Act, 1956. This provision provides the criteria to determine whether the issue was a 'public issue' or was done on 'private placement'. The relevant provisions of this section is reproduced below:

"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) ...

(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 ...

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)."*

A reading of the above provisions, makes it clear that in terms of the first *proviso* to section 67, the provisions of Section 67(3) shall not apply in a case where the offer or invitation to subscribe for shares or debentures is made to **fifty persons or more**. Therefore, if an offer is made to 50 persons or more, then such offer becomes a 'public offer'. The Company 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, 1956 and therefore is not covered under the *second proviso* to Section 67(3) of the Companies Act, 1956. In this regard, it is noted that as Form-63 pertaining to the Company enclosed copy of the extracts of minutes of meeting of the Board of Directors of the Company held on June 30, 2013. As per the minutes, it was resolved that the Company may apply to the Central Government for recognition as a Nidhi company. However, there is no record to state that the Central Government has recognised the Company as a 'nidhi company'.

9. The allotment made on October 17, 2011 of 50,000 shares need not be taken into consideration as it is the initial allotment of capital by the Company made to its 7 promoters.

10. As the Company had made an offer of equity shares and has allotted such securities to more than 50 persons on three instances, i.e., on March 31, 2012, March 30, 2013 and June 30, 2013, it is alleged that the Company had made a 'public offer' of equity shares in terms of the first *proviso* to section 67(3) of the Companies Act, 1956.

11. In this context, I refer to the below mentioned observation made by the Hon'ble Supreme Court of India in the matter of *Sabara India Real Estate Corporation Limited & Ors. Vs. SEBI (Civil Appeal no. 9813 and 9833 of 2011)* (hereinafter referred to as the '*Sabara Case*):

"... .. 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. ..."

12. As it is noticed that the Company has offered and issued equity shares to more than 49 persons, it had allegedly made a public offer of such securities and was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956 including sections 56, 60 [read with section 2(36)] and 73 of the Companies Act, 1956. In terms of 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 a company, unless the form is accompanied by abridged prospectus, contain disclosures as specified. Section 2(36) of the Companies Act read with section 60 thereof, mandates a company to register its 'prospectus' with the RoC, before making a public offer/ issuing the 'prospectus'. 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. There is no record to suggest that the Company has filed a Prospectus and complied with the above provisions.

13. Further, by issuing equity shares to more than 49 persons, the Company had to compulsorily list such securities in compliance with section 73 of the Companies Act, 1956. As per section 73(1) and (2) of the Companies Act, 1956, a company is required to make an application to one or more recognized stock exchanges for permission for the shares or debentures to be offered to be dealt with in the stock exchange and if permission has not been applied for or not granted, the company is required to forthwith repay with interest all moneys received from the applicants. The Company appears to have contravened the said provisions as it has neither made an application seeking listing permission nor refunded the amounts on account of such failure. The Company has also not complied with the provisions of section 73(3) as it has not kept the amounts received from investors in a separate bank account and failed to repay the same in accordance with section 73(2) as observed above.

14. I note that the jurisdiction of SEBI over various provisions of the Companies Act, 1956 in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flows from the provisions of Section 55A of the Companies Act, 1956. 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."

15. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, Section 67 of that Act, so far as it relates to issue and transfer of securities, shall also be administered by SEBI in the case of companies who intend to get their securities listed. In terms of the relevant provisions of the said section, the provisions contained in Sections 55 to 58, 59 to 81 (including Sections 68A, 77A and 80A), 108, 109, 110, 112, 113, 116, 117, 118, 119, 120, 121, 122, 206, 206A and 207, so far as they relate to the issue and transfer of securities shall be in the case of listed public companies and in the case of those public companies which intend to get their securities listed on any recognised stock exchange in India, be administered by SEBI. The terms 'securities' as per Section 2(h) of the Securities Contracts (Regulation) Act, 1956 includes 'shares'. As already observed above, the term 'shares' includes 'Equity Shares'. I observe that Sections 67 and 73 of the Companies Act, 1956 are included in the list of sections as mentioned in Section 55A of the Companies Act, 1956, and therefore, such sections are to be administered by SEBI. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations") read with section 11A of the SEBI Act also govern and regulate the issuance of equity shares (specified securities). Therefore, the Company was also mandated to comply with the provisions of the ICDR Regulations including the following:

- *Application for listing of specified securities on one or more recognized stock exchange (Regulation 4(2)(d),*
- *Appointment of merchant banker and other intermediaries (Regulation 5),*
- *Filing of draft offer document with SEBI and the designated stock exchange and RoC (Regulation 6),*
- *Obtaining in-principle approval from the recognized stock exchanges in which the specified securities are to be listed (Regulation 7),*
- *Satisfy the conditions of initial public offer (Regulation 25 and 26),*
- *Lock-in of specified securities held by promoters and persons other than promoters (Regulation 36 and 37)*
- *Keeping the public issue open for the specified period (Regulation 46),*
- *Pre issue advertisement for public issue (Regulation 47)*
- *Manner of disclosures in the offer documents (Regulation 57)*
- *Refrain from offering any incentive to any person making application for allotment of specified securities (Regulation 59).*

16. On a consideration of the aforementioned observations, I am of the view that the Company was engaged in fund mobilizing activity from the public, through the offer and issuance of equity shares and

has contravened the provisions of sections 56, 60 and 73 of the Companies Act, 1956 read with section 67(3) thereof and the provisions of the ICDR Regulations.

17. The impugned offer of equity shares and allotments were done during March 2012, March 2013 and June 2013. The following directors are responsible, as they managed the affairs of the Company during such period, for such alleged contraventions by the Company.

Sl. No	Name of the person	PAN	DIN	Date of Appointment	Date of Cessation
1	Baman Charana Das	AJMPD9925C	02116492	17.10.2011	Continuing
2	Sujata Das	NA	01903032	17.10.2011	Continuing
3	Bipin Chandra Das	ACHPD4632J	01859168	17.10.2011	31.03.2013
4	Santosh Kumar Panda	ASMPP9586C	06659695	31.03.2013	Continuing
5	Hara Prasad Das	AJOPD4124F	06659703	31.03.2013	Continuing*

(* as no records are available with MCA to corroborate the Company's statement that he had resigned)

The above persons are also the promoters of the Company along with Kalyani Das, Lingaraj Panigrahy and Kailash Chandra Bishoi. Though, it is submitted that Mr. Bipin Chandra Das had resigned on March 31, 2013, he is also found to be the promoter of the Company.

Accordingly, all the above persons are alleged to be the 'officers in default' with respect to the contraventions allegedly committed by the Company and also for the failure in making the repayments as stipulated under section 73(2) of the Companies Act, 1956.

I note that the scope of Sections 11, 11B and 11(4) of the SEBI Act are wide enough to include a promoter/ director or other concerned persons. Further, as per Regulation 107 of the ICDR Regulations, directions can be issued against KKDIL and the 'persons concerned' including its promoters/ directors. In terms of Regulation 2(1)(za) of the ICDR Regulations, the term 'promoter' includes; 'the person or persons who are instrumental in the formulation of a plan or program pursuant to which specified securities are offered'. Accordingly, I am of the view that for the contravention of the provisions of ICDR Regulations, the directions can be issued to the 'persons concerned' including the promoters who are instrumental in the formulation of an illegal plan or program pursuant to which equity shares were offered to the public by KKDIL.

I observe that KKDIL had started issuing equity shares since March, 2012. Apparently, the process of offering the equity shares and inviting monies by the Company from investors started almost immediately after its incorporation.

In view of the foregoing, the above said promoters and directors namely Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi are responsible for the contraventions

committed by the Company while issuing equity shares as observed above and also for the failure to make the repayments.

18. I note that SEBI has a statutory duty to protect the interest of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act empowers SEBI 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 read with Section 465 of the Companies Act, 2013, the administrative authority on the subjects relating to public issue of securities is with SEBI. For this purpose, SEBI can exercise the jurisdiction under Sections 11(1), 11A, 11B and 11(4) of the SEBI Act read with Section 55A of the Companies Act, 1956 and Section 465 of the Companies Act, 2013, over companies who issue equity shares to fifty persons or more, but fail to comply with the applicable provisions of the aforesaid statutes. In view of the nature of the alleged violations and to prevent the Company from further mobilization of funds from the public under the garb of issuing *equity shares* or any other form of security, and in the interests of investors, it becomes necessary for SEBI to intervene at this stage by passing suitable directions, pending investigation and passing of further orders.

19. In view of the foregoing, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 and sections 11(1), 11(4), 11A and 11B thereof read with regulations 107 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, hereby issue the following directions :

(a) The Company, namely, **KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das [PAN: AJMPD9925C], Ms. Sujata Das [PAN: not available], Mr. Bipin Chandra Das [PAN: ACHPD4632J], Mr. Santosh Kumar Panda [PAN: ASMPP9586C], Mrs. Kalyani Das [PAN: not available], Mr. Lingaraj Panigrahy [PAN: AGJPP1247K] Mr. Hara Prasad Das [PAN: AJOPD4124F] and Mr. Kailash Chandra Bishoi (PAN : ATKPB3979L)** are restrained from mobilizing funds through the issue of equity shares or through any other form of securities, to the public and/ or invite subscription, in any manner whatsoever, either directly or indirectly till further directions.

(b) **KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi** are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, or in any manner whatsoever, either directly or indirectly, till further orders.

(c) KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi shall not dispose of any of the properties or alienate the assets of the Company or dispose off any of their properties or alienate their assets.

(d) KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi shall not divert any funds raised from public at large through the issuance of the impugned equity shares, kept in its bank accounts and/or in the custody of the company without prior permission of SEBI until further orders.

(e) KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, till further directions.

(f) KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi are also directed to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form.

20. The above directions shall come into force with immediate effect and shall continue to be in force till further directions.

21. KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi are advised to show cause as to why suitable directions/prohibitions, under the sections 11(1), 11(4), 11A and 11B of the SEBI Act read with the ICDR Regulations, including the following, should not be taken/imposed against them :

a) directing them jointly and severally to refund the money collected through the issue of equity shares that are impugned in this Order, along with interest of 15% from the date when the repayments became due till the date of payment to the investors ;

- b) directing them to not to issue 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, for an appropriate period;
- c) directions restraining them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period;
- d) directing them and other companies in which their directors hold substantial or controlling interest, to not to access the capital market for an appropriate period.

22. KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi may file their replies/submissions within a period of 21 days from the date of receipt of this Order and may also indicate whether they desire to avail an opportunity of personal hearing in the matter.

23. This Order is without prejudice to the right of SEBI to take any other action including prosecution proceedings under section 24 of the SEBI Act and section 621 of the Companies Act, 1956 read with the relevant provisions of the Companies Act, 2013 and adjudication proceedings under the SEBI Act, against KKDIL Nidhi Limited and its promoters and directors including Mr. Baman Charana Das, Ms. Sujata Das, Mr. Bipin Chandra Das, Mr. Santosh Kumar Panda, Mrs. Kalyani Das, Mr. Lingaraj Panigrahy, Mr. Hara Prasad Das and Mr. Kailash Chandra Bishoi in accordance with law.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date : March 20, 2015

Place: Mumbai