

**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 Adarsh Wealth Ventures Limited (CIN: U67120OR2010PLC012414) and its Directors viz., Shri Bijaya Kumar Rout (PAN:AJAPR7516B); (DIN:02728049), Shri Gangadhar Nayak (PAN:AFYPN4413K); (DIN:03335449), Shri Ganeswar Mahanta (PAN: BAVPM4368K); (DIN:05164202), Shri Dipak Kumar Mohanty (PAN:AKOPM1988P);(DIN:02727987), Shri Ramakanta Mahakul (PAN:BFLPM3736C); Shri Anil Singh (PAN:BAMPS0082D); (DIN:03138348), Shri Choudhury Niranjana Pradhan (PAN:AIAPP3677Q); (DIN:03141451) and Shri Bibhuti Bhusan Nanda (PAN:AENPN4881R)

1. Securities and Exchange Board of India ("**SEBI**") received a complaint dated November 24, 2014 from the Ministry of Company Affairs, Office of the Registrar of Companies-cum-official Liquidator, Odisha, Cuttack with an observation that Adarsh Wealth Ventures Limited (AWVL) is raising funds from the public by way of issue of securities and that no prospectus has been filed by the company in the '*MCA-21 Portal*'. Details of Form 2 relating to allotment of preference shares were also enclosed with the letter.
- 2.1 As a matter of preliminary inquiry, vide letter dated December 01, 2014 SEBI advised AWVL to furnish *inter alia* the following information in respect of issuance of debentures /preference shares and schemes, viz. –
 - i. 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.
 - ii. Copy of the Memorandum and Articles of Association of the company;
 - iii. Copy of Audited Balance Sheet and Profit & Loss Account of the company for the last 3 years;
 - iv. Name, addresses and occupation of all the promoters/directors of the company;
 - v. Names and details of the Key Managerial Personnel of the company;
 - vi. Other information in respect of every series of debentures/Preferences Shares issued by the company, viz. –

- a. Date of opening and closing of the subscription list for the said debentures/preference shares;
- b. Details regarding the number of application forms circulated inviting subscription for debentures/preference shares;
- c. Details regarding the number of applications received;
- d. Details regarding the number of allottees and list of such allottees;
- e. Number of debentures/preference 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/preference 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/preference shares certificates etc.;
- j. Details of the total number of applicants for each of its scheme besides the list of final allottees;
- k. Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of debentures/preference shares;
- l. Terms and conditions of the issue of debentures/preference shares;
- vii. Other information in respect of schemes launched for raising funds.

2.2 SEBI, vide letters dated December 01, 2014 also advised three Directors of AWVL, viz. Shri Bijaya Kumar Rout, Shri Ganeswar Mahanta and Shri Gangadhar Nayak to furnish the aforesaid information.

2.3 The aforesaid letter to AWVL and two of the Directors were returned undelivered by the postal authorities with remarks, "*Absent, Addressee Left, Absent - Return to Sender*". Thereafter, a SEBI official visited the office of Odisha Police Economics Offences Wing (EoW) and obtained some more information about AWVL.

2.4 SEBI, vide letter dated December 01, 2014 also sought information/documents from RoC, Cuttack, with regard to AWVL. In response, RoC vide letter dated January 21, 2015 submitted some documents and also informed that no pamphlets/information memorandum regarding prospectus/ red herring prospects/statement in lieu of prospectus is available with them as no such relevant documents have been filed with them.

3. I have perused the material available on record i.e. the complaint received by SEBI and documents contained therein, information obtained from EoW and information obtained from the Ministry of Corporate Affairs' website i.e. 'MCA21 Portal'. On an examination of the same, it is observed that –

a. AWVL was incorporated on September 03, 2010, with CIN as U67120OR2010PLC012414 and having its registered office at Plot No.504/2310, Kanan Vihar, Phase-II, Bhubaneswar, Orissa 751031.

b. The details of past and present Directors of AWVL are as follows:

No.	Name of the person	PAN	DIN
1	BIJAYA KUMAR ROUT	AJAPR7516B	02728049
2	GANGADHAR NAYAK	AFYPN4413K	03335449
3	GANESWAR MAHANTA	BAVPM4368K	05164202
4	DIPAK KUMAR MOHANTY	AKOPM1988P	02727987
5	RAMAKANTA MAHAKUL	BFLPM3736C	NA
6	ANIL SINGH	BAMPS0082D	03138348
7	CHOUDHURY NIRANJAN PRADHAN	AIAPP3677Q	03141451
8	BIBHUTI BHUSAN NANDA	AENPN4881R	NA

c. The details of Prosecution initiated against AWAL, as obtained from 'MCA 21 Portal', are as follows:

Name	Court Name	Prosecution Section	Date Of Order	Status
ADARSH WEALTH VENTURES LIMITED	Additional Chief Judicial Magistrate(Special), Cuttack	162(1)	27/06/2013	Prosecution Initiated
ADARSH WEALTH VENTURES LIMITED	Additional Chief Judicial Magistrate(Special), Cuttack	220(3)	27/06/2013	Prosecution Initiated

ADARSH WEALTH VENTURES LIMITED	Additional Chief Judicial Magistrate(Special), Cuttack	162(1)	26/05/2014	Prosecution Initiated
ADARSH WEALTH VENTURES LIMITED	Additional Chief Judicial Magistrate(Special), Cuttack	220(3)	26/05/2014	Prosecution Initiated

- d. From the details of allotment (Form PAS-3 - Form for filing Return of Allotment), which have been obtained from 'MCA21 Portal', it is *prima facie* noted that funds to the tune of ₹14,28,90,600/- were mobilized during the financial years 2010-11 to 2012-13 through issuance of 14,28,906 *Cumulative Redeemable Preference Shares* of face value of ₹100/- and with a coupon rate of 27% p.a. to 4268 investors. The relevant details with respect to the issuance of 27% *Cumulative Redeemable Preference Shares* by AWVL are as under:

Sr. No.	Date of Allotment	No. of Preference Shares	Total Nominal Value (₹)	No. of Allottees
1	08/10/2010	5,000	5,00,000.00	5
2	31/12/2010	44,760	44,76,000.00	197
3	28/02/2011	73,388	73,38,800.00	277
4	30/03/2011	85,990	85,99,000.00	360
5	30/04/2011	31,453	31,45,300.00	164
6	30/05/2011	43,880	43,88,000.00	182
7	15/07/2011	62,480	62,48,000.00	213
8	15/08/2011	21,416	21,41,600.00	71
9	16/08/2011	54,180	54,18,000.00	221
10	31/08/2011	63,014	63,01,400.00	180
11	15/09/2011	8,080	8,08,000.00	40
12	30/09/2011	71,280	71,28,000.00	195
13	15/10/2011	18,320	18,32,000.00	39
14	17/10/2011	20,180	20,18,000.00	49
15	24/10/2011	17,560	17,56,000.00	49
16	27/10/2011	10,305	10,30,500.00	49
17	31/10/2011	6,590	6,59,000.00	28
18	14/11/2011	13,920	13,92,000.00	42

19	15/11/2011	5,100	5,10,000.00	12
20	21/11/2011	11,410	11,41,000.00	49
21	23/11/2011	14,990	14,99,000.00	49
22	25/11/2011	47,310	47,31,000.00	49
23	28/11/2011	17,350	17,35,000.00	49
24	29/11/2011	14,710	14,71,000.00	49
25	30/11/2011	8,510	8,51,000.00	29
26	14/12/2011	10,670	10,67,000.00	49
27	19/12/2011	6,160	6,16,000.00	19
28	20/12/2011	16,730	16,73,000.00	49
29	27/12/2011	21,770	21,77,000.00	49
30	28/12/2011	31,480	31,48,000.00	46
31	30/12/2011	16,320	16,32,000.00	49
32	31/12/2011	17,820	17,82,000.00	49
33	12/01/2012	22,980	22,98,000.00	48
34	18/01/2012	16,810	16,81,000.00	49
35	25/01/2012	16,210	16,21,000.00	51
36	30/01/2012	7,180	7,18,000.00	31
37	31/01/2012	14,980	14,98,000.00	47
38	14/02/2012	22,010	22,01,000.00	45
39	20/02/2012	14,950	14,95,000.00	45
40	20/02/2012	16,180	16,18,000.00	49
41	24/02/2012	21,700	21,70,000.00	45
42	28/02/2012	21,990	21,99,000.00	29
43	29/02/2012	15,870	15,87,000.00	49
44	12/03/2012	23,250	23,25,000.00	49
45	26/03/2012	18,680	18,68,000.00	49
46	29/03/2012	29,570	29,57,000.00	49
47	30/03/2012	15,550	15,55,000.00	49
48	31/03/2012	18,750	18,75,000.00	49
49	09/04/2012	17,000	17,00,000.00	49
50	14/04/2012	18,830	18,83,000.00	49
51	16/04/2012	24,200	24,20,000.00	49
52	20/04/2012	17,010	17,01,000.00	49
53	29/04/2012	23,380	23,38,000.00	49

54	30/04/2012	17,960	17,96,000.00	28
55	15/05/2012	17,740	17,74,000.00	49
56	31/05/2012	32,515	32,51,500.00	49
57	15/06/2012	18,130	18,13,000.00	49
58	29/06/2012	16,300	16,30,000.00	49
59	30/06/2012	7,870	7,87,000.00	19
60	15/07/2012	19,490	19,49,000.00	49
61	31/07/2012	9,695	9,69,500.00	41
Total		14,28,906	14,28,90,600.00	4,268

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

Sr.No.	Year	No. of Allottees	No. of Redeemable Preference Shares	Amount (₹)
1	2010-11	839	209,138	2,09,13,800.00
2	2011-12	2,851	979,648	9,79,64,800.00
3	2012-13	578	240,120	2,40,12,000.00
	Total	4,268	1,428,906	14,28,90,600.00

As per the details of allotment mentioned above, AWVL had issued and allotted 27% *Cumulative Redeemable Preference Shares* ("*Offer of RPS*") in a series of allotments to 4268 investors and raised an amount of ₹14,28,90,600/- during the financial years 2010-11, 2011-12 and 2012-13.

- 4.1 In the context of the abovementioned details, the issue for determination in the instant matter is whether the mobilization of funds by AWVL 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. (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

...

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, it is observed from the details of allotment obtained from 'MCA 21 Portal', that AWVL issued and allotted *Cumulative Redeemable Preference Shares* in a series of allotments and raised an amount of approximately ₹.14.29 Crores from 4268 investors during the financial years 2010-11, 2011-12 and 2012-13. It is

pertinent to mention that the number of investors to whom the *Offer of RPS* was made by AWVL in the three financial years was much beyond the prescribed limit of forty-nine persons (839 investors in the financial year 2010-11, 2851 investors in the financial year 2011-12 and 578 investors in the financial year 2012-13). On several occasions, *Redeemable Preference Shares* were issued to more than fifty people in the same allotment (viz. on 31/12/2010, 28/02/2011, 30/03/2011, 30/04/2011, 30/05/2011, 15/07/2011, 15/08/2011, 16/08/2011, 31/08/2011, 30/09/2011 and 25/01/2012). It is also pertinent to mention that under the *Offer of RPS* there were multiple allotments in several months (viz. three in August 2011, five in October 2011, eight in November 2011, seven in December 2011, five in January 2012, six in February 2012, five in March 2012, six in April 2012, three in June 2012, etc.) The frequency of allotments and the manner in which the allotments were made by AWVL clearly indicate that these multiple allotments were made only to camouflage the issuance of RPS as a private placement. In view of the above stated facts, the *Offer of RPS* by AWVL *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, AWVL 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 para, 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 Section 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 subsection (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 recognized 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.

...

*... Section 73(2) says that every company and every director of the company who is an officer in default, shall 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. The scope of the above mentioned provisions came up for consideration before this Court in *Raymond Synthetics Ltd. & Ors. V. Union of India* (supra), wherein the Court held that in a case where the company has not applied for listing on a stock exchange, the consequences will flow from the company's disobedience of the law, the liability to pay interest arises as from the date of receipt of the amounts, for the company ought not to have received any such amount in response to the prospectus. I am, therefore, of the view that since *Saharas* had violated the listing provisions and collected huge amounts from the public in disobedience of law, SEBI is justified in directing refund of the amount with interest."*

- iii. Having regard to the abovementioned observations of the Hon'ble Supreme Court of India, since the *Offer of RPS* is *prima facie* a public issue in accordance with the provisions of the Companies Act, 1956, 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 and also compliance with provisions of Sections 73(2) and 73(3) of that Act.

- iv. In the facts of the instant case, it *prima facie* appears that AWVL has violated the provisions of Section 73 of the Companies Act, 1956, in respect of the *Offer of RPS*.
- 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, AWVL 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 AWVL. In view of the same, I find that AWVL 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 AWVL 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 AWVL 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).
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 *Cumulative Redeemable Preference Shares* to fifty persons or more, but do not comply with the applicable provisions of the aforesaid Companies Act. Steps therefore, have to be taken in the instant matter to ensure that only legitimate fund raising activities are carried on by AWVL 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 to an interim action against AWVL 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. AWVL shall forthwith cease to mobilize any fresh 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 directions;
 - ii. AWVL (CIN: U67120OR2010PLC012414) and its Directors viz., Shri Bijaya Kumar Rout (PAN:AJAPR7516B); (DIN:02728049), Shri Gangadhar Nayak (PAN:AFYPN4413K); (DIN:03335449), Shri Ganeswar Mahanta (PAN:BAVPM4368K); (DIN:05164202), Shri Dipak Kumar Mohanty (PAN:AKOPM1988P);(DIN:02727987), Shri Ramakanta Mahakul (PAN:BFLPM3736C); Shri Anil Singh (PAN:BAMPS0082D); (DIN:03138348), Shri Choudhury Niranjana Pradhan (PAN:AIAPP3677Q); (DIN:03141451) and Shri Bibhuti Bhusan Nanda (PAN:AENPN4881R) 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. AWVL 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. AWVL shall provide a full inventory of all its assets and properties;
 - v. The Directors of AWVL shall provide a full inventory of all their assets and properties;

- vi. AWVL 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. AWVL 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 AWVL;
 - viii. AWVL 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 by SEBI.
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 and documents contained therein, information obtained from EoW and information obtained from the Ministry of Corporate Affairs' website i.e. '*MCA21 Portal*'. In this context, AWVL and its abovementioned Directors are advised to show cause as to why suitable directions/prohibitions under Sections 11(1), 11(4), 11A and 11B of the SEBI Act including the following, should not be taken/imposed against them:
- i. Directing them jointly and severally to refund money collected through the *Offer of Cumulative Redeemable Preference Shares* along with interest, if any, promised to investors therein;
 - ii. Directing them to not 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;
 - iii. Directions restraining them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
9. AWVL and its abovementioned Directors, may, within 21 days from the date of receipt of this Order, file their replies, if any, to this Order and may also indicate whether they

wish to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.

10. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against AWVL and its abovementioned Directors, in accordance with law.

Place: Mumbai
Date: March 19, 2015

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