

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 Tresty Securities Limited; its Directors, viz. Shri Dayanidhi Mohapatra (PAN:AOYPM2969Q,DIN:05150135), Shri Hari Arjuna Panda (PAN:ASPPB7876G,DIN:05237893), Shri Tarapada Giri (PAN:BNRPS9656K, DIN:06366970), Shri Ashok Kumar Rout (PAN:BYEPS0791M, DIN:06553757), Shri Biswajit Roul (PAN:AKXPB6749E, DIN:06571832), Shri Gouranga Charan Sahoo (PAN:AIZPB1052E, DIN:06571836) and its promoters viz. Shri Rasmiranjan Mohapatra (PAN:ALRPM3616J, DIN:05150143), Shri Apurba Ranjan Behera (PAN:AJPPB2660M, DIN:05150130), Shri Manoranjan Pahi (PAN :APOPP3117N, DIN:05150140), Shri Amit Kumar Gupta (PAN:AMLPG2674F, DIN:05150126), Shri Sisir Kumar Padhi (PAN:BTDP9403M, DIN:05150147) and Shri Sudhansu Sekhar Barik (PAN:AJWPB9126D, DIN:05150151).

1. Securities and Exchange Board of India ("SEBI") received several complaints in the months of July and August 2014 from investors alleging non-payment of their invested money in Redeemable Preference Shares ('RPS') issued by Tresty Securities Limited (herein after referred to as 'TSL' or 'the company'). The complainants also enclosed copies of brochure cum application forms and copies of Certificates of RPS issued by TSL.
2. As a part of preliminary inquiry, SEBI vide letter dated September 03, 2014 advised TSL to furnish *inter alia* the following information/documents 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. Names, 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 debentures/preference shares –

- a. Copy of Prospectus/Red Herring Prospectus/Statement in lieu of Prospectus/Information Memorandum filed with the 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 debentures/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 debentures/preference shares certificates;
 - k. Details of the total number of applicants for each of the company's schemes 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 debentures/preference shares.
3. SEBI vide letter dated September 03, 2014 also requested RoC, Cuttack to provide *inter alia* the similar information and copies of Form 2 (for Return of Allotment) filed by the company with RoC.
 4. The aforesaid letter to TSL dated September 03, 2014 was returned undelivered to SEBI by postal authorities. Thereafter, SEBI sent letters dated September 17, 2014 to the directors of TSL and advised them to provide the similar information. Letters to directors Shri Hari Arjuna Panda and Shri Tarapada Giri were returned undelivered by postal authorities. SEBI has not received any reply from any of the other directors of the company till date.
 5. RoC, Cuttack vide letter dated September 16, 2014 informed that TSL had not filed any prospectus, Form 2, Annual Return & Balance Sheet for the financial year 2013.

RoC, Cuttak however provided the documents available with them viz. Memorandum and Articles of Association of the company, copies of Form 32, Annual Return and Balance Sheet as on March 31, 2012.

6. Efforts were also made to obtain the relevant information/documents from Ministry of Corporate Affairs ('MCA') website i.e. MCA21 portal.
7. SEBI once again sought the relevant details in respect of the issuance of preference shares from TSL vide letter dated November 26, 2014 sent to its earlier Bhubaneswar address.
8. SEBI vide e-mail dated December 01, 2014 also sought information from the auditors of the company M/s Harichandan Karan & Associates with respect to the issuance of RPS by TSL. The auditors vide e-mail dated December 01, 2014 informed that they had audited the company only for the Financial Year 2011-12 and provided the copy of financial statement for the FY 2011-12.
9. The material available on record i.e. information/documents provided by RoC, Cuttack; information/documents obtained from the Ministry of Corporate Affairs' website i.e. 'MCA 21 Portal'; complaints received and the documents enclosed along with have been perused. On an examination of the same, it is observed that—
 - i TSL (CIN: U67120OR2012PLC014761) was incorporated on March 16, 2011 with the RoC, Jharkhand. TSL was initially having its registered office situated at DE-182, Baramunda, Baramunda Housing Board Colony, Bhubaneswar, Orissa, India-751003 and subsequently shifted its registered office to Plot No-357/3472, Jayadev Vihar, , Bhubaneswar, Orissa, India-751013.
 - ii The directors of TSL are Shri Dayanidhi Mohapatra, Shri Hari Arjuna Panda, Shri Tarapada Giri, Shri Ashok Kumar Rout, Shri Biswajit Roul and Shri Gouranga Charan Sahoo.
 - iii Shri Rasmiranjan Mohapatra, Shri Apurba Ranjan Behera, Shri Manoranjan Pahi, Shri Amit Kumar Gupta, Shri Sisir Kumar Padhi and Shri Sudhansu Sekhar Barik are stated to be the promoters of the company.

- iv It is observed from the copies of brochure cum application forms provided by complainants that the company issued RPS with face value of Rs. 10/- each under the following terms and conditions:

PLAN	A	B	C	D	E
<i>Issue Price Minimum 100 Redeemable Preference Shares</i>	1000/-	1000/-	1000/-	1000/-	1000/-
<i>Redemption Period</i>	3 Years	4.6 Years	6.6 Years	10 Years	12 Years
<i>Redemption Premium</i>	750/-	1,000/-	2,000/-	5,000/-	9,000/-
<i>Redemption Amount</i>	1,750/-	2,000/-	3,000/-	6,000/-	10,000/-

- v It is observed from the copies of Certificates of RPS provided by the complainants that TSL allotted RPS during FY 2012-13 and 2013-14 to at least 65 allottees. The details of the same are summarised as follows:

Financial Year	No. of Allottees	No. of RPS Allotted	Face Value per RPS (in Rs.)	Amount Mobilised (in Rs.)
2012-13	54	120250	10	12,02,500
2013-14	11	24100	10	2,41,000
Total	65	1,44,350	10	14,43,500

10. In the context of the abovementioned details, the issue for determination in the instant matter is whether the mobilization of funds by TSL through the *offer of RPS*, is in accordance with the provisions of the SEBI Act, 1992 ("**SEBI Act**") read with SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**Issue and Listing of Non-Convertible Redeemable Preference Shares Regulations**") and the Companies Act, 1956.
11. 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 time 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 :

"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."

12. 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 invitations 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 other 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 *Sabara Case* observed :

"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, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving 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 is in the nature of a public issue in accordance with Section 67 of the Companies Act, 1956, the number of subscribers is of utmost importance.
- a. In the instant case, it is observed from the copies of the certificates of RPS issued by TSL provided by complainants that TSL issued RPS of face value of Rs.10/- each to atleast 65 allottees and mobilised Rs. 14,43,500/- during

FY 2012-13 and 2013-14. In the FY 2012-13 alone, the company has allotted RPS to at least 54 persons. Thus, the number of persons to whom the RPS were issued by TSL was beyond the prescribed limit of forty-nine persons under the provisions of Section 67(3) of the Companies Act, 1956. Based on the facts available in this case, including in particular the number of persons to whom the RPS have been issued by TSL, the only conclusion can be that this issue was nothing but a public issue of securities in terms of provisions of Section 67(3) of the Companies Act, 1956.

- iv. TSL 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) of Companies Act, 1956.
13. It is pertinent to note that by virtue of Section 55A of the Companies Act 1956, Section 67 of that Act, so far as it relates to issue and transfer of securities, shall also be administered by SEBI.
14. 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 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 :

"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 Sabharwal 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 TSL has violated the provisions of Section 73 of the Companies Act, 1956, in respect of the *Offer of RPS*.
15. 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. 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, TSL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. In the instant case, RoC, Cuttack vide letter dated September 16, 2014 informed that TSL has not filed

any prospectus with their office. In view of the same, I find that *prima facie*, TSL has not complied with the provisions of Section 60 of Companies Act, 1956.

16. 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 TSL has not complied with the provisions of Section 56(1) and 56(3) of the Companies Act, 1956 and therefore *prima facie*, has violated the aforesaid provisions.
17. In addition to the above, reference may be made to the Issue and Listing of Non-Convertible Redeemable Preference Shares Regulations, which were framed by SEBI in exercise of its powers under Section 30 of the SEBI Act, 1992 and are *applicable to the public issue and listing of Non-Convertible Redeemable Preference Shares*. It may be relevant to note that under the aforesaid Regulations, '*non-convertible redeemable preference share*' has been defined as '*a preference share which is redeemable in accordance with the provisions of Companies Act, 1956 and does not include a preference share which is convertible into or exchangeable with equity shares of the issuer...*'. It is observed from the copies of certificates of RPS that TSL allotted RPS on June 15, 2013. In this context, I find that TSL, through the *Offer of Redeemable Preference Shares*, which is a public issue of securities, has *prima facie* violated the following provisions of the aforesaid Regulations, which contain *inter alia* conditions for public issue and listing of non – convertible redeemable preference shares, viz.
 - i. Regulation 4(2)(a) – Application for listing of securities
 - ii. Regulation 4(2)(b) – In-principle approval for listing of securities
 - iii. Regulation 4(2)(c) – Credit rating has been obtained
 - iv. Regulation 4(2)(d) – Dematerialization of securities
 - v. Regulation 4(2)(e) – Minimum tenure
 - vi. Regulation 4(3) – Capital Redemption Reserve
 - vii. Regulation 4(5) – Appointment of Merchant Banker
 - viii. Regulation 5 – Disclosures in the offer document
 - ix. Regulation 6 – Filing of draft offer document
 - x. Regulation 7 – Mode of disclosure of offer document

- xi. Regulation 8 – Advertisements for Public Issues
 - xii. Regulation 9 – Abridged Prospectus and application forms
 - xiii. Regulation 13 – Minimum subscription
 - xiv. Regulation 15 – Prohibition of mis-statements in the offer document
 - xv. Regulation 16 – Mandatory Listing
 - xvi. Regulation 22 – Obligations of the Issuer, etc.
18. Upon a consideration of the aforementioned paragraphs, I am of the view that TSL 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) read with the Issue and Listing of Non-Convertible Redeemable Preference Shares Regulations.
19. 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 thinks 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. Steps therefore, have to be taken in the instant matter to ensure only legitimate fund raising activities are carried on by TSL and no investors are defrauded. This is especially so as TSL and its directors failed to submit the relevant information sought by SEBI despite being given opportunities to do so. In light of the same, I find there is no other alternative but to take recourse through an interim action against TSL, its Directors and promoters for preventing that company from further carrying on with its fund mobilising activity under the *offer of RPS*.
20. 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 read with the Issue and Listing of Non-Convertible Redeemable Preference Shares Regulations, hereby issue the following directions –

- i. TSL shall forthwith cease to mobilize any fresh funds from investors through the *offer of RPS* or through the issuance of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions;
 - ii. TSL; its Directors, viz. Shri Dayanidhi Mohapatra (PAN:AOYPM2969Q, DIN:05150135), Shri Hari Arjuna Panda (PAN:ASPPB7876G, DIN:05237893), Shri Tarapada Giri (PAN:BNRPS9656K, DIN:06366970), Shri Ashok Kumar Rout (PAN:BYEPS0791M, DIN:06553757), Shri Biswajit Roul (PAN:AKXPB6749E, DIN:06571832), Shri Gouranga Charan Sahoo (PAN:AIZPB1052E, DIN:06571836) and its promoters viz. Shri Rasmiranjan Mohapatra (PAN:ALRPM3616J, DIN:05150143), Shri Apurba Ranjan Behera (PAN:AJPPB2660M, DIN:05150130), Shri Manoranjan Pahi (PAN :APOPP3117N, DIN:05150140), Shri Amit Kumar Gupta (PAN:AMLPG2674F, DIN:05150126), Shri Sisir Kumar Padhi (PAN:BTDPP9403M, DIN:05150147) and Shri Sudhansu Sekhar Barik (PAN:AJWPB9126D, DIN:05150151) 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. TSL, its abovementioned Directors and Promoters 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. TSL shall provide a full inventory of all its assets and properties;
 - v. TSL 's abovementioned Directors and Promoters shall provide a full inventory of all their assets and properties;
 - vi. TSL, its abovementioned Directors and Promoters 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. TSL, its abovementioned Directors and Promoters 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 TSL;
 - viii. TSL, its abovementioned Directors and Promoters shall furnish complete and relevant information within 21 days from the date of receipt of this Order.
21. The above directions shall take effect immediately and shall be in force until further orders.

22. The *prima facie* observations contained in this Order are made on the basis of the material available on record i.e. information/documents provided by RoC, Cuttack; information/documents obtained from the Ministry of Corporate Affairs' website i.e. 'MCA 21 Portal'; complaints received and the documents enclosed along with. In this context, TSL and its abovementioned Directors and Promoters 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 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.
23. TSL and its abovementioned Directors and Promoters, 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.
24. This interim order cum show cause notice is without prejudice to the right of SEBI to take any other action that may be initiated against TSL, its abovementioned Directors and Promoters in accordance with law.

Place: Mumbai
Date: March 20, 2015

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