

**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 M/s Morningstar Ventures Limited (CIN: U70101OR2009PLC011132; PAN:AAGCM1706Q) and its directors/promoters namely Shri Chakrapani Sarangi (DIN:02034012; PAN:BDAPS1347A), Shri Bhabani Satapathy (DIN:02751714; PAN:BJMPS0012A), Shri Sujit Mohapatra (DIN: 02751710; PAN:ARZPM3090L), Shri Deepak Ranjan Samant(DIN:02751712; PAN:AMEPS2466G), Shri Himanshu Bhusan Nayak (DIN:02751708; PAN: AFYPN4410L); Shri Kumar Saheb Padma Bhusan Pradhan (PAN:ALZPP9660P) and Mrs. Swarna Lata Devi (DIN:02751719; PAN:AGAPD7484R)

1. Securities and Exchange Board of India ("SEBI") received a complaint dated June 18, 2012 wherein intervention of SEBI was requested against certain companies (including Morningstar Ventures Limited) which are alleged to be indulging in illegal mobilization of funds.
- 2.1 As a matter of preliminary inquiry, SEBI vide letter dated July 18, 2014 advised Morningstar Ventures Limited (MVL) to furnish *inter alia* the following information in respect of issuance of debentures /preference shares and schemes, viz. –
 - i. Copies of the Memorandum and Articles of Association of the company;
 - ii. Copies 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 Preference Shares/Debentures, 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 debentures/preference shares;
 - i. Copies of the minutes of Board/Committee meeting in which the resolution has been passed for allotment of debentures/preference shares;
 - j. Date of dispatch of debentures/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 debentures/preference shares;
 - vi. Other information in respect of schemes launched for raising funds.
- 2.2 The aforesaid letter sent to the registered address of MVL was returned undelivered by the postal authorities with the remark, "*Addressee moved without instruction*".
- 2.3 Thereafter, SEBI vide letters dated August 13, 2014 advised the seven Directors /Promoters of MVL to furnish the information sought vide letter dated July 18, 2014. The aforesaid letters to six of the Directors/Promoters were returned undelivered by the postal authorities with remarks, "*Left, Refused, Addressee Left, Door Lock*". The letter to one of the Directors/Promoters, viz. Shri Sujit Mohapatra has neither been returned undelivered nor has any reply been received from him.
- 2.4 SEBI vide letter dated July 18,2014 also sought information about MVL from Registrar of Companies ("RoC"), Cuttack. In response, RoC, Cuttack vide letter dated August 26, 2014 *inter alia* provided copies of Certificate of Incorporation, Memorandum of Association & Articles of Association, some copies of Form 32 ((Particulars of appointment of Directors, etc.), Form 2 (Return of Allotment), Form 23 AC (Form for filing Balance Sheet) and Form 23 ACA (Form for filing Profit & Loss Account).
3. I have perused the material available on record i.e. the complaint received by SEBI and documents contained therein, information/ documents provided by RoC, Cuttack 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. MVL was incorporated on September 11,2009, with CIN as U70101OR2009PLC011132 and having its registered office at Sai Bhawan, Plot No - 385, Near Koel Campus, Patia, Bhubaneswar-751031.
- b. The details of past and present Directors/Promoters of MVL are as follows:

Sr. No	Name of the person	PAN	DIN	Date of Appointment	Date of Cessation
1	Shri Chakrapani Sarangi	BDAPS1347A	02034012	11.09.2009	Continuing
2	Shri Bhabani Satapathy	BJMPS0012A	02751714	11.09.2009	Continuing
3	Shri Sujit Mohapatra	ARZPM3090L	02751710	11.09.2009	24.05.2012
4	Shri Deepak Ranjan Samant	AMEPS2466G	02751712	11.09.2009	Continuing
5	Shri Himanshu Bhusan Nayak,	AFYPN4410L	02751708	11.09.2009	07.08.2012
6	Mrs. Swarnalata Devi	AGAPD7484R	02751719	11.09.2009	Continuing
7	Shri Kumar Saheb Padma Bhusan Pradhan	ALZPP9660P	Was one of the subscribers during formation of MVL.		

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

Name	Court Name	Prosecution Section	Date Of Order	Status
Morningstar Ventures Limited	Additional Chief Judicial Magistrate(Special), Cuttack	162(1)	27/06/2013	Prosecution Initiated
Morningstar Ventures Limited	Additional Chief Judicial Magistrate(Special), Cuttack	220(3)	27/06/2013	Prosecution Initiated

- d. From the details of allotment (Form 2 - Form for filing Return of Allotment), which have been provided by RoC, Cuttack, it is *prima facie* noted that funds to the tune of ₹5,62,56,500/- were mobilized during the financial years 2009-10 to 2011-12 through issuance of 56,25,650 *Redeemable Preference Shares* of face value of ₹10/- to 1,224 investors. The relevant details with respect to the issuance of *Redeemable Preference Shares* by MVL are as under:

Sr. No	Date of Allotment	No. of Allotees	No of Redeemable Preference Shares Allotted	Value of Allotment (₹)
1	11-Nov-2009	2	60000	600000
2	18-Nov-2009	1	10000	100000
3	11-Dec-2009	6	26900	269000
4	22-Dec-2009	29	95200	952000
5	05-Feb-2010	27	214500	2145000
6	22-Mar-2010	63	338900	3389000
7	20-May-2010	113	403500	4035000
8	02-Aug-2010	40	183500	1835000
9	14-Aug-2010	40	213300	2133000
10	16-Aug-2010	33	98850	988500
11	18-Oct-2010	40	157300	1573000
12	20-Oct-2010	40	198300	1983000
13	22-Oct-2010	35	148000	1480000
14	18-Dec-2010	40	133800	1338000
15	20-Dec-2010	40	108500	1085000
16	22-Dec-2010	28	264500	2645000
17	27-Jan-2011	40	214400	2144000
18	29-Jan-2011	40	121300	1213000
19	31-Jan-2011	40	204600	2046000
20	02-Feb-2011	40	233500	2335000
21	04-Feb-2011	13	40,300	403000
22	09-Mar-2011	39	171500	1715000
23	10-Apr-2011	40	173350	1733500
24	11-Apr-2011	40	113150	1131500
25	12-Apr-2011	40	115500	1155000
26	13-Apr-2011	40	135500	1355000
27	14-Apr-2011	36	170650	1706500
28	20-Jun-2011	40	177000	1770000
29	22-Jun-2011	19	115200	1152000
30	06-Sep-2011	40	113500	1135000
31	09-Sep-2011	40	131150	1311500
32	12-Sep-2011	20	138500	1385000
33	14-Sep-2011	40	333000	3330000
34	28-Sep-2011	40	268500	2685000
Total		1,224	56,25,650	5,62,56,500

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

S No.	Year	No. of allottees	No. of Redeemable Preference Shares Allotted	Amount (₹)
1	2009 -10	128	7,45,500	74,55,000
2	2010 -11	661	28,95,150	2,89,51,500
3	2011 -12	435	19,85,000	1,98,50,000
Total		1,224	56,25,650	5,62,56,500

As per the details of allotment mentioned above, MVL had issued and allotted *Redeemable Preference Shares* ("*Offer of RPS*") in a series of allotments to 1,224 investors and raised a total amount of ₹5,62,56,500/- during the financial years 2009-10, 2010-11 and 2011-12.

- 4.1 In the context of the abovementioned details, the issue for determination in the instant matter is whether the mobilization of funds by MVL 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 provided by RoC, Cuttack, that MVL issued and allotted *Redeemable Preference Shares* in a series of allotments and raised an amount of approximately ₹.5.63 Crores from 1,224 investors during the financial years 2009-10, 2010-11 and 2011-12. It is pertinent to mention that the number of investors to whom the *Offer of RPS* was made by MVL in the three financial years was much beyond the prescribed limit of forty-nine persons (128 investors in the financial year 2009-10, 661 investors in the financial year 2010-11 and 435 investors in the financial year 2011-12). On a couple of instances i.e. on March 22, 2010 and May 20, 2010, the number of investors was above the limit of 49 persons. It is also pertinent to mention that under the *Offer of RPS* there were multiple allotments in several months (viz. three in August / October/December 2010, three in January 2011, two each in February and June 2011, five in April 2011, five in September 2011, etc.) The frequency of allotments and the manner in which the allotments were made by MVL clearly indicate that these multiple allotments were possibly made only to camouflage the issuance of RPS as a private placement.

In view of the above stated facts, the *Offer of RPS* by MVL *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, MVL 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 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 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 MVL 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, MVL 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 MVL. In view of the same, I find that MVL 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 MVL 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 MVL 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 *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 MVL and no investors are defrauded. This is especially so as MVL has failed to reply to the letters issued by SEBI. The letters issued by SEBI to MVL and its Directors/Promoters were returned undelivered by the postal authorities with the remarks, "*Addressee moved without instruction, Left, Refused, Addressee Left*". Further, it is also noted that various regulatory actions have also been initiated against MVL by RoC. 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 MVL and its Directors/Promoters, 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. MVL 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. MVL (CIN: U70101OR2009PLC011132; PAN:AAGCM1706Q) and its directors/promoters namely Shri Chakrapani Sarangi (DIN:02034012; PAN:BDAPS1347A), Shri Bhabani Satapathy (DIN:02751714; PAN:BJMPS0012A), Shri Sujit Mohapatra (DIN: 02751710; PAN:ARZPM3090L), Shri Deepak Ranjan Samant(DIN:02751712; PAN:AMEPS2466G), Shri Himanshu Bhusan Nayak (DIN:02751708; PAN: AFYPN4410L); Shri Kumar Saheb Padma Bhusan Pradhan (PAN:ALZPP9660P) and Mrs. Swarna Lata Devi (DIN:02751719; PAN:AGAPD7484R) 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. MVL and its abovementioned Directors/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. MVL shall provide a full inventory of all its assets and properties;
 - v. The Directors/Promoters of MVL shall provide a full inventory of all their assets and properties;
 - vi. MVL and its abovementioned Directors/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. MVL and its abovementioned Directors/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 MVL;
 - viii. MVL and its abovementioned Directors/Promoters 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/ documents provided by RoC, Cuttack and information obtained from the Ministry of Corporate Affairs' website i.e. '*MCA21 Portal*'. In this context, MVL and its abovementioned Directors/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. Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
9. MVL and its abovementioned Directors/Promoters, 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 MVL and its abovementioned Directors/Promoters, in accordance with law.

Place: Mumbai
Date: March 30, 2015

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