

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

ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with Regulations 65 of the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999 in respect of USK India Ltd. (CIN: U70101MP2009PLC022207) and its Directors, *viz.* Mr. Sanjay Verma (DIN-02497975), Mr. Shiv Ram Singh Tomar (DIN- 02396212), and Mr. Umesh Narwariya (DIN-02423080).

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received a complaint on June 26, 2014, alleging fund mobilization by USK India Ltd. (hereinafter referred to as “**USK India**” / *the company*) from public. It was alleged that the funds were mobilized through agents and high rates of commission were being paid to them. The complainant also provided copies of brochures, certificates, circular/ letter issued by the company.
2. As a matter of preliminary examination into the alleged fund mobilization by USK India, SEBI examined the details of the company available on MCA website. Based on the information available on the website, including the details regarding the registered office of the company and details of its directors/promoters/share holders, SEBI vide letter dated July 03, 2014, *inter alia* sought the following information from USK India, in relation to their business activities;
 - a. Memorandum and Articles of Associations (MoA and AoA) of the Company,
 - b. Details of the past and present directors of the company. Details should contain name, address, PAN and contact details (Email/fax/phone number) of the directors,
 - c. Brochures pertaining to the schemes/plans which were made available to the public,

- d. Copies of applications forms that are required to be submitted by investors to participate in the schemes,
 - e. Sample copies of the registration letter and allotment letter issued to the investors who subscribed to the schemes,
 - f. Sample copies of the agreement letter/contract required to be entered into by investor under the schemes,
 - g. Details of the scheme wise amount mobilized by the company till date along with the number of investors under the schemes,
 - h. Name and address of all investors who put in their money with the company,
 - i. List of all branches with their address,
 - j. The details were sought about the commission structure for the agents,
 - k. It was also sought to know whether agents are paid directly by the company or they deduct their commission from money mobilized and deposit net amount to the company on behalf of investors,
 - l. List of all the properties acquired by the company from the money of investors held in the name of the company or in name of any other person,
 - m. Certified copies of audited financial statement for the FY 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14. Copy of detailed trial balance from April 2014 till date,
 - n. Copy of Income Tax Return filed by the company for financial year 2009-10 till date.
3. The letters sent to the company at its two addresses (Dhar and Indore) were acknowledged and letters sent to all the directors except Mr. Sanjay Varma were delivered. The letter sent to Mr. Sanjay Varma was returned undelivered by postal authorities. The company and the remaining directors, *viz.*, Mr. Shiv Ram Singh Tomar and Mr. Umesh Narwariya did not respond to the letters sent by SEBI, even though the letters were delivered to them.
4. In view of non-receipt of any reply from the company and its Directors, another letter dated July 17, 2014 was sent to them. The copies of all the documents furnished by the complainants to SEBI (mentioned in Paragraph No. 1, above) were

also forwarded to the company and its Directors. In response, SEBI received a letter dated July 25, 2014 from the company wherein it denied all the allegations. However, it sought additional time to furnish the desired information.

5. Subsequently, SEBI vide letter dated July 30, 2014 allowed time till August 06, 2014 to the company and its Directors to submit the desired information. However, on August 06, 2014, SEBI received another letter seeking additional time to furnish the desired information on the ground that dealing official of the company was unwell. A medical certificate was also enclosed with the letter. After considering the request, a final opportunity was given to the company vide letter dated August 07, 2014 to furnish the desired information by August 14, 2014. It was also communicated to the company that information is called under Section 11(2)(i) of SEBI Act, 1992 and in case of non-compliance of the provisions of SEBI Act, appropriate enforcement action shall be considered.
6. A letter dated August 14, 2014 was received from the company wherein they reiterated that since their director was not well additional one month be allowed to furnish the reply. After considering the submission, SEBI vide letter dated August 20, 2014 informed that Mr. Sanjay Verma is just one of three directors of the company and that there is no merit in company's contention for non-submission of information on the ground that Mr. Sanjay Verma is unwell. Vide the said letter, SEBI also stated that from the records it was apparent that the company was adopting dilatory approach to submit the desired information which hampered the preliminary inquiry conducted by SEBI. The company was allowed to submit entire records latest by August 27, 2014. It was also mentioned that non-compliance would tantamount to violation of Section 11(2)(i) of the SEBI Act, 1992 and appropriate enforcement action should be initiated.
7. SEBI received a letter dated August 27, 2014 from the company giving partial reply to the information sought. The company provided the following information:-
 - (a) Copies of balance sheets upto March 2012,

- (b) Copies of filings made with RoC,
- (c) List of customers upto March 31, 2014,
- (d) List of properties purchased by the company along with sales deeds,
- (e) List of sales deeds executed in favour of 13 customers,
- (f) Valuation report of properties of the company,
- (g) Sample copy of "*Agreement for Sale*",
- (h) Sample copies of "*Application Form for Provisional Allotment of a Plot*", "*Allotment Letter*" and "*Possession Letter*".

7.1 It was stated that the remaining information/documents shall be submitted in next 15 days. However, the same has not been provided till date.

8. Subsequent to this, SEBI received another complaint dated September 16, 2014 alleging fund mobilization by USK India. The complainant also forwarded copies of "*certificates*" issued by USK India to some investors along with the complaint.
9. The company and its directors are not providing complete documents/information sought by SEBI, despite having received the letters of SEBI. It is, hence clear that the company and its Directors are not cooperating with SEBI. In view of the same, I am proceeding on the basis of the documents/material/information available on record, such as the complaints received by SEBI along with the documents contained therein, correspondence exchanged between SEBI and USK India along with the documents contained therein; the submissions made by USK India; other information/material received by SEBI, such as "*Brochure*", copy of "*Agreement*", "*Registration Certificate*", etc. of the company. The issue for determination in the instant matter is whether the mobilization of funds by USK India is a '*collective investment scheme*' in accordance with Section 11AA of the SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**").

9.1 On an examination of the aforesaid material available on record, it is *prima facie* observed that:

- i. M/s USK India Ltd. (CIN: U70101MP2009PLC022207) was incorporated on July 29, 2009. The registered office of the company is at : F-8/1, Daulat Nagar, Mandu Road, Dhar, Madhya Pradesh- 454001. The Directors of the company are:
- (a) Mr. Shiv Ram Singh Tomar, residing at H. No. 88, Kharag Pura, Post Kolua Tehsil: Ambah, Morena (M.P.)-476554
- (b) Mr. Sanjay Verma, residing at Mahakal Marg, Ujjain, M.P.-456006
- (c) Mr. Umesh Narwariya, residing at New Ram Bihar Colony, Deep Shikha Convent School, Pinto Park, Morar, Gwalior, M.P.-456006
- ii. As per the MoA, the object of the company is to carry on the business as builders, executers, construction agent, real estate developers etc. and doing this business on joint venture basis also.
- iii. It is noted from the copy of the application form and the brochure that the company is inviting applications for allotment and subsequent transfer of property/ land unit(s) and development and maintenance of the same under its various plans. The plans are broadly divided into,
- **“Single Payment Plan”** and,
 - **“Instalment Payment Plan”** [IPP No. A-6 (for 6 year), IPP No. A-7 (for 6 1/4years), IPP No. A-8 (for 8 years), IPP No. A-3 (for 5 years), IPP No. A-4 (for 5 years), IPP No. A-5 (for 5 1/2 years)]

A sample table of "Single Payment Plan" from the brochure is reproduced below:-

Refund cost of P.C. Unit

Sl. No.	Participation Amount	5 years plan B-2	5 years 3months plan B-3	6 years plan B-4	6years 3months plan B-5	8years plan B-6	10 years plan B-7	Accidental help
1	5000	9010	9290	10250	10500	15250	19500	5000
2	10000	18020	18580	20500	21000	30500	39000	10000
3	15000	27030	27870	30750	31500	45750	58500	15000
4	20000	36040	37160	41000	42000	61000	78000	20000
5	25000	45050	46450	51250	52500	76250	97500	25000
10	50000	90100	92900	102500	105000	152500	195000	50000

- iv. The “*customers*”/investors who are interested in the aforesaid scheme of “*Purchase, development and maintenance of land*” offered by USK India are made to file an “*Application Form*” with USK India. The application form contains basic details of the customer (like name, address etc.), plan details (giving plan number, number of land units, terms of plan, total consideration, single payment, instalment payment plan, mode of payment), expected realizable value. etc.
- v. The customer service centres (CSCs) of the company are situated at Indore, Meher, Itarsi, Manawar, Shahdol, Balaghat, Kannod, Bhopal (in Madhya Pradesh), at Alwar, Gangapur, Jaipur, Kota (in Rajasthan), Faridabad, Nuh, Rohtak (in Haryana), Rajnandgaon (in Chhatisgarh), Howrah (West Bengal), Siwan (Bihar). It is mentioned that 18 more CSC are proposed to be opened in Madhya Pradesh, Chattishgarh, Rajasthan, Haryana and Uttar Pradesh.
- vi. USK India issues a “*Certificate*” to the “*customer*”/investor acknowledging the receipt of the payment (lumpsum or instalment) as per the plan opted by him/her. The “*Certificate*” (furnished by the complainant), contains the following details:
- Details of the customer name/address and other details,
 - Registration No. and date of commencement and Plan No. and term,
 - Consideration/Cost of the product,
 - Periodicity and Mode of payment,
 - Details of “*expected sum payable*” at the end of term,
 - Date of last instalment,
 - Date of expiry of term,
 - Amount of instalment.
- vii. Apart from the above, the certificate states, “.....*the company shall pay in Indian Currency at its customer service centre through Head Office, the amount due under this certificate in accordance with the terms of schedule to the person to whom the same is herein expressed at be payable.....*”

viii. The details of the plan as seen from the copies of certificates provided by the complainants are as under:-

Name of Investor	Date of commencement of Plan	Plan No.	Consideration	Date of Expiry of Plan	Expected sum payable
Mr. Rajesh Narwale	July 31, 2012	IPP A-3, 5 Years (monthly instalment of Rs. 1000/-)	Rs. 72,000/-	July 31, 2017	Rs. 1,03,944/-
Mr. Meena Bai	June 18, 2012	IPP A-3, 5 Years (monthly instalment of Rs. 1000/-)	Rs. 60,000/-	June 18, 2017	Rs. 86,620/-
Mr. Vijay Singh	May 20, 2015	Lump Sum plan B-6, 8 years	Rs. 50000/-	May 20, 2022	Rs. 1,52,500/-
Mr. Rahul Patel	September 4, 2014	Lump Sum plan S-2, 6 years	Rs. 10,000	September 04, 2020	Rs. 20,400

(a) It is observed that names of Mr. Rajesh Narwale and Mrs. Meena Bai were not mentioned in the list of customers provided by the company, which contains the data upto March 31, 2014. The company, however has not denied the aforesaid certificates (issued to Mr. Rajesh Narwale and Mrs. Meena Bai) indicating fund mobilization from public, which were forwarded to them vide SEBI's letter dated July 17, 2014.

ix. From the financials of the company, following are observed:-

(a) The "*Advance from customers*" (shown as "*Other Current Liabilities*") in the balance sheet as on March 2012 is Rs. 3,90,29,447/-

(b) As per the "*Schedule forming part of the balance sheet*" as on March 2012, under the head "*Other Current Liabilities*", it is observed as under:

Advance from customers (2009-2010)	63,37,676
Advance from customers for (2010-2011)	1,12,19,812
Advance from customers (2011-2012)	2,14,71,959
Total	3,90,29,447

(c) The status of opening and closing stock of land during 2011-12 is as under:-

Other Expenses (in rupees)	
Opening stock of land	2,69,600
Add:- Purchase of land	95,69,219
Add:- Work in progress	1,62,83,283
Add:- Purchase of Stock in trade	1,65,52,883
Less:- Closing Stock of land	95,69,218
	1,65,52,883

(d) During 2011-12, the company also made following important payments:-

- Accidental death claim- Rs.11,100/-
- Natural death claim- Rs.1,19,500/-
- Maturity Refund- Rs.12,16,624/-
- Pre-maturity refund- Rs.3,28,600/-

(e) From the circulars of the company provided by the complainant, it is observed that the company is making large amount as commission to their agents. It is however, noted that there is no head under which payment of commission/ incentives to agents are being reflected in the financials for 2011-12.

x. On an examination of the data/information provided by the company, vide their letter dated August 27, 2014, following are observed:-

(a) The details of the "*List of customers* " of the company upto March 31, 2014, as furnished by the company are as below:-

Year	Number of Customers (State wise)	Amount received (in Rs.)			Location of plot allotted	Whether registration done for any customer
		Initial Amount	Renewal Amount	Total amount received		
2009-10	Rajasthan- 4 Uttar Pradesh- 1 Madhya Pradesh- 5 (Villagers-9) 10	51,99,509	11,38,167	63,37,676	(a) Dist. Alwar Rajasthan, (b) Bannikhurd, Dewas, M.P.	No

2010-11	Rajasthan- 10 Chhattisgarh- 2 Madhya Pradesh- 19 West Bengal - 1 32 (Villagers-25)	56,57,000	55,62,812	1,12,19,812	(a) Dist. Alwar Rajasthan, (b) Bannikhurd, Dewas, M.P. (c) Rajod, Dhar, M.P.	No
2011-12	Rajasthan- 40 Uttar Pradesh- 1 Madhya Pradesh- 30 Haryana - 3 Bihar- 2 76 (Villagers-50)	80,41,723	45,60,961	1,26,02,684	(a) Dist. Alwar Rajasthan, (b) Bannikhurd, Dewas, M.P. (c) Rajod, Dhar, M.P.	No
2012-13	Rajasthan- 3 Haryana- 1 Madhya Pradesh- 12 Not Available 1 17 (Villagers-7)	36,64,857	4,65,794	41,30,651	(a) Dist. Alwar Rajasthan, (b) Bannikhurd, Dewas, M.P. (c) Rajod, Dhar, M.P.	No
2013-14	Rajasthan- 3 Haryana- 1 Madhya Pradesh- 24 Not Available 1 28 (Villagers-19)	49,34,587	7,10,330	56,44,917	(a) Dist. Alwar Rajasthan, (b) Bannikhurd, Dewas, M.P. (c) Rajod, Dhar, M.P.	13 registration done on 17/7/2014, 25/7/2014 & 26/7/2014 for Bannikhurd, Dewas, M.P.
	Total customers- 163 (Villagers-110)	2,74,97,676	1,24,38,064	3,99,35,740		

- (b) The application forms, agreements and sample certificates indicate that some investors were allotted the plots opted by them. The data of customers furnished by the company also mentions the specific location of plots allotted to them. As per the above list however, out of the total 163 customers of USK India, registration has been done only for 13 customers, who have joined the scheme during 2013-2014. It is relevant to note that all the 13 registrations were made after the commencement of enquiry by SEBI on July 3, 2014.

- (c) The data furnished by the company vide letter their dated August 27, 2014 indicates that "*advances collected from customers*" as on March 31, 2012 was Rs.1,26,02,684/-. However, the balance sheet of the company mentions this figure as Rs.2,14,71,959/-. This can only mean that there are inconsistencies in the data furnished by the company.
- (d) The details of the land parcels purchased by the company as observed from the documents furnished by the company vide letter dated August 27, 2014, are as under:-

Sl. No.	Location of property	Area hect.)	Date of Registration	Purchase Price (Rs.)
1	Village Sherpur, Tehsil, Ramgarh, District Alwar, Rajasthan	3.58	20/4/2011	84,22,696
2	Rajod, District Dhar, M.P.	2.613	27/3/2012	6,25,000
3	Rohlupliya, Sonkach, District Dewas, M.P.	1.63	14/9/2012	28,45,000
4	Bamnikhurd, District Dewas, M.P.	2.02	19/9/2012	8,87,000
5	Morardwaj, District Rajnandgaon, Chattisgarh	1.179	15/5/2014	43,65,000
	Total purchase price			1,71,44,696

- (e) It is admitted by the company that funds were being raised from the public since 2009. It is however, observed from the aforesaid details of land purchased by the company that the first land parcel was purchased in April 2011 at District Alwar, Rajasthan and three land parcels were purchased subsequently by the company in 2012.

10. The details of the '*Scheme*' of "*Purchase, development and maintenance of plot/ land*" offered by USK India have to be considered in light of Section 11AA of the SEBI Act. The said Section 11AA, which provides for the conditions to determine whether a scheme or arrangement is a '*collective investment scheme*', reads as follows:

"(1) Any scheme or arrangement which satisfies the conditions referred to in subsection (2) or [subsection (2A)] shall be a collective investment scheme.

[Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under the exemptions from CIS sub-section (3), involving a corpus amount of one hundred Crore rupees or more shall be deemed to be a collective investment scheme.]

(2) Any scheme or arrangement made or offered by any person under which,

- (i) the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement;*
- (ii) the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement;*
- (iii) the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;*
- (iv) the investors do not have day to day control over the management and operation of the scheme or arrangement.”*

10.1 In the context of the abovementioned Section 11AA of the SEBI Act, the “*Scheme*” offered by the company is examined as under:

(i) The contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement.

It is apparent from the scheme offered by USK India as noted from the "*brochure*", "*Application Form*", and the "*Certificate*" that the company is collecting funds from general public towards its scheme for the "*sale/purchase, development and maintenance of land*" through various plans as detailed in Paragraph No.9.1 (iii) above. Even though the "*Application Form*" mentions that funds are being collected for allotment and subsequent transfer of land units, there is no specific mention of the location of the plot and none of the aforesaid documents of the company specify any time period within which the land/plot is to be transferred to the "*customer*"/investor by way of a sale deed. As has been noted in Paragraph No.9.1(ix)(b), the Balance Sheet for 2011-12 provided by the company indicate that funds collected are pooled by the company and shown in the Balance Sheet under the head "*Advances from customers*".

Therefore, it is clear that the payments or the contributions collected from the "*customer*"/investor are pooled and utilized by USK India for the purpose of

scheme. The instant '*scheme*', therefore satisfies the first condition of "*pooling of contribution or payments*", stipulated in Section 11AA(2)(i) of the SEBI Act.

(ii) The contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement.

The "*Certificate*" issued to the "*customer*"/investors indicate an "*expected sum payable*"/return/profit at the end of the term. From a copy of the "*Certificate*" issued by the company (furnished by the complainants), it is noted that an investor opting for "*Plan A-3*" for a period of 5 years (Instalment Plan), the "*Participation amount*" is mentioned as ₹72,000/- and monthly instalment is Rs. 1200/-. After the term period of 5 years, the investor is entitled to an "*expected sum payable*" of ₹1,03,944/- i.e. he/she is entitled to an amount of ₹31,944/- as profit/return. It is also relevant to note that the aforesaid certificate also states "..... *the company shall pay in Indian Currency at its customer service centre through Head Office, the amount due under this certificate in accordance with the terms of schedule to the person to whom the same is herein expressed to be payable*". In view of this, it is apparent that contributions of the "*customers*"/investors (whether by instalments or lump sum payment) are made to such scheme or arrangement with a view to receive the profit/return in the form of "*expected sum payable*". I therefore, find that the instant '*scheme*' also satisfies the second condition stipulated in Section 11AA(2)(ii) of the SEBI Act.

(iii) The property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors.

(iv) The investors do not have day-to-day control over the management and operation of the scheme or arrangement.

It is apparent from the brochure, application form and the certificate that contributions by "*customer*"/investor (whether by instalment or lump sum payment) are given to the company who in turn manage these funds on behalf of investors during agreed term of plan. There is no clause in the brochure which

indicates any manner of participation by investors in the management of the company. The investors are merely assured of payment of an expected sum at the end of term.

In the facts and circumstances as mentioned above, the only reasonable conclusion that can be drawn is that contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed by USK India, on behalf of the investors and the investors do not have day-to-day control over the management and operation of the scheme or arrangement. In view of the above, I find that the instant '*Scheme*' satisfies the third and fourth conditions stipulated in Section 11AA(2) (iii) and (iv) of the SEBI Act, 1992.

11. The Hon'ble Supreme Court of India in *P.G.F Limited & Ors. vs. UOI & Anr.* (MANU/SC/0247/2013) (hereinafter referred to as "*PGFL Case*"), while analyzing the scope of sub-section (2) of Section 11AA, held that: "*..sub-section (2) of Section 11 AA, which defines a collective investment scheme disclose that it is not restricted to any particular commercial activity such as in a shop or any other commercial establishment or even agricultural operation or transportation or shipping or entertainment industry etc. The definition only seeks to ascertain and identify any scheme or arrangement, irrespective of the nature of business, which attracts investors to invest their funds at the instance of someone else who comes forward to promote such scheme or arrangement in any field and such scheme or arrangement provides for the various consequences to result there from.*"

12. I find that the *scheme* offered by USK India in the name of real estate business is nothing but a smokescreen for its fund mobilizing activity with a resultant promise of returns, which *prima facie* satisfies all four conditions of Section 11AA of the SEBI Act. I, therefore, find that the USK India is engaged in fund mobilizing activity from public through such '*collective investment schemes*' as defined in Section 11AA of the SEBI Act.

13. In terms of section 12(1B) of the SEBI Act, "*no person shall sponsor or cause to be sponsored or cause to be carried on a 'collective investment scheme' unless he obtains a certificate of registration from the Board in accordance with the regulations*". Regulation 3 of the SEBI

(Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as "CIS Regulations") provides that no person other than a Collective Investment Management Company which has obtained a certificate under the said regulations shall carry on or sponsor or launch a '*collective investment scheme*'. Therefore, a person can launch or sponsor or cause to sponsor a '*collective investment scheme*' only if it is registered with SEBI as a Collective Investment Management Company. The launching/ floating/ sponsoring/ causing to sponsor any '*collective investment scheme*' by any 'person' without obtaining the certificate of registration in terms of the provisions of the CIS Regulations is in contravention of Section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations. In the instant case, since USK India has launched '*collective investment scheme*' without obtaining certificate of registration from SEBI, it has contravened provisions of Section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations.

14. The activity of illegal mobilization of funds by sponsoring or causing to be sponsored or carrying on or causing to be carried on any collective investment scheme by any person is in violation of Regulation 4(2)(t) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities Market), 2003. Mr. Sanjay Verma, Mr. Shiv Ram Singh Tomar and Mr. Umesh Narwariya are the Directors of USK India. Considering the fact that no prior registration was obtained by USK India in respect of the aforesaid activities in the nature of collective investment scheme, I am of the view that USK India is illegally mobilizing funds from the public, which *prima facie* amounts to a fraudulent practice in terms of Regulation 4(2) (t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice Relating to Securities Market) Regulations, 2003.

15. Protecting the interests of investors is the first and foremost mandate for SEBI. Under the circumstances, SEBI has to take immediate steps to prevent activities of companies or entities defrauding investors and damaging the orderly development of the securities market. In order to ensure that USK India and its promoters/directors do not collect further funds under its schemes and to safeguard the assets/property acquired by USK India and its promoters/directors from the funds of the investing

public until full facts and materials are brought and final decision is taken in the matter, it becomes necessary for SEBI to take urgent preventive action by way of an interim measure. In the light of the same, I find no other alternative but to take recourse through an interim measure against USK India and its promoters/directors.

16. In view of the above, I, in exercise of the powers conferred upon me under Section 11(4) and 11B of the SEBI Act, 1992 and Regulation 65 of CIS Regulations, hereby direct M/s USK India Limited (CIN: U70101MP2009PLC022207) and its Directors *viz.* Mr. Sanjay Verma (DIN- 02497975), Mr. Shiv Ram Singh Tomar (DIN- 02396212) and Mr. Umesh Narwariya (DIN-02423080)

- a. not to collect any fresh moneys from investors from its existing scheme;*
- b. not to launch any new scheme/plan or float any new companies/firm to raise fresh moneys;*
- c. not to dispose of any of the properties or alienate the assets of the existing scheme;*
- d. not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of the company;*
- e. to immediately submit the full inventory of the assets owned by USK India out of the amounts collected from the "customers"/investors under its existing schemes;*
- f. to furnish all the information sought by SEBI vide letters dated July 3, 2014, July 17, 2014, etc. including,*
 - i. copies of the all the documents pertaining to the scheme offered by the company, including application form filed by an investor, agreement executed with an investor, certificate, allotment letter etc. issued by the company to an investor,*
 - ii. the details of amount mobilized and refunded till date,*
 - iii. Scheme wise list of investors and their contact numbers and addresses, including,*
 - the list of all the investors to whom land has been allotted and got registered, and*
 - list of investors who have been repaid.*
 - iv. Comments in respect of the documents forwarded to USK India vide letter dated July 17, 2014,*
 - v. audited financial statement for the FY 2013-14 and 2014-2015,*
 - vi. Income Tax Returns filed by the company for financial year 2009-10 till date,*

vii. PAN nos. of the company and its past and present Directors.

17. The above directions shall take effect immediately and shall be in force until further orders.
18. This Order shall also be treated as a show cause notice. USK India and its abovementioned Promoters/Directors may show cause as to why appropriate directions under the SEBI Act and CIS Regulations including directions for winding up of such plans/schemes in terms of Regulations 65 and 73 of the CIS Regulations should not be issued against them.
19. USK India and its abovementioned Directors shall, within 21 days from the date of receipt of this Order, file their reply, if any, to the prima facie observations made herein. They may also indicate, in such reply, whether they wish to avail an opportunity of personal hearing in the matter.

Place: Mumbai
Date: May 07, 2015

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