

IN THE COURT OF CHIEF METROPOLITAN MAGISTRATE, TIS
HAZARI COURTS, DELHI.

CC NO. 42/2003
12/10/03 15/11/03 195/03

SECURITIES AND EXCHANGE BOARD
OF INDIA, (a statutory body established
under the provisions of Securities and
Exchange Board of India Act, 1992),
Having its Regional Office at Rajendra
Place, New Delhi represented by its Asst.
General Manager, Mr. JYOTI JINDGAR.

...COMPLAINANT

VERSUS

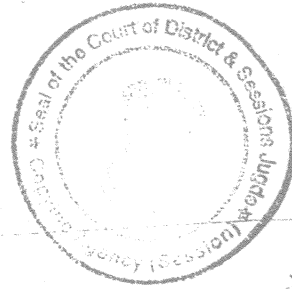
1. M/s Grow Well Plantations India Ltd.
Having its Regd Office at
Near Upwan Hotel
Niyamat Chak,
Alinagar (North),
Gorakhpur-273 09.
2. Sh. Vijay Kumar Singh
(Director/Promoter)
S/o Sh. Kailash Narain Singh,
582, Ramnagar Colony,
Buxipur, Gorakhpur.
3. Sh. Awadhesh Kumar Giri
(Director/Promoter)
S/o Sh. Parasnath Giri,
VPO Badarwar,
Distt. Kushinagar
4. Mr. Ashok Kumar Panday
(Director/Promoter)
S/o Sh. Sh. Raj Narain Pandey,
197, Vishnu Nagar,
PO Basarathpur
Gorakhpur
5. Sh. Pankaj Kumar Upadhyay
(Director/Promoter)
S/o Sh. Chander Prakash Upadhyay
Shivala Road, Mohaddipur,
Gorakhpur
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6. Shri. Purushottam Singh
(Director/Promoter)
S/o Sh. Yadubansh Singh,
Vill. Maharaji,
PO Kushumahi Bazar,
Gorakhpur

.....ACCUSED

ATTESTED

Examiner

Date Copying Agency (Sessions)
3/3/08



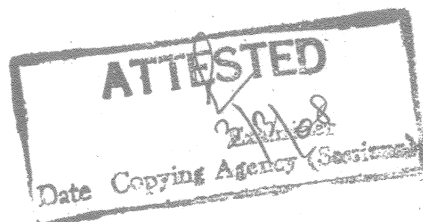
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7. Sh. Ambujeshwar Nath Pandey
(Director/Promoter)
S/o Late Sh. S.N. Pandey,
930, Near Bobina Hotel,
Alinagar (North),
Gorakhpur.

-8. Sh. Anil Kumar Singh
(Director/Promoter)
S/o Late Sh. K.D.S. Singh
At & PO Bank Rohtas, Bihar

**COMPLAINT UNDER SECTION 200 OF THE CODE OF CRIMINAL
PROCEDURE, 1973 READ WITH SEC. 24 (1) & 27 OF
SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992**

MAY IT PLEASE YOUR HONOUR:-



24.3.2007

Present: None for the SEBI.

Counsel for the accused alongwith accused no.2 and 8.

Vide separate order the accused no.2 Vijay Kumar Singh, accused no.8 Anil Kumar Singh and the accused company M/s Grow Well Plantations Ltd. are sentenced to fine of Rs.5000/- each in default of payment of the fine the accused no.2 Vijay Kumar Singh and accused no.8 Anil Kumar Singh shall undergo SI for two months each. They are directed to submit the winding up and repayment report in format within one month ² to the SEBI.

On payment of fine the personal bond and surety bond of accused no.2 Vijay Kumar Singh and accused no.8 Anil Kumar Singh shall be cancelled and their sureties discharged.

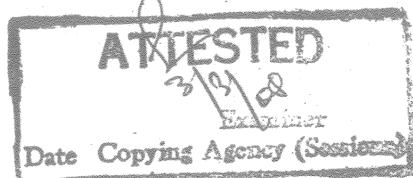
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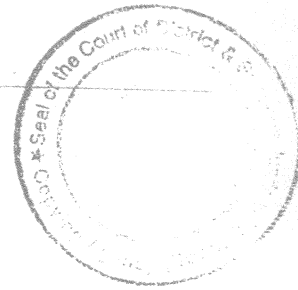
Announced in the Open Court

Dated: 24.3.07.

Asha Menon
(ASHA MENON)

Addl. Sessions Judge: Delhi.





IN THE COURT OF SMT.ASHIA MENON:ASJ:DELHI

CC 195/05

SECURITIES AND EXCHANGE BOARD OF INDIA, (a statutory body established under the provisions of Securities and Exchange Board of India Act, 1992). having its Regional Office at Rajendra Place, New Delhi represented by its Asst. General Manager Ms. Jyoti Jindgar.

..... Complainant.

Versus

1.M/S GROW WELL PLANTATIONS LTD.

having its Regd Office at
near Upwan Hotel, Niyamat Chak,
Alinagar (North),
Gorakhpur-273 09.

2.SH.VIJAY KUMAR SINGH

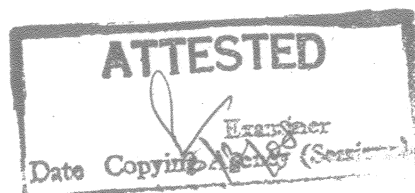
(Director/Promoter)

S/o Sh. Kailash Narain Singh,
582, Ramnagar Colony,
Buxipur. Gorakhpur.

3.SH. AWADESH KUMAR GIRI

(Director/Promoter)

S/o Sh. Raj Narain Pandey
197, Vishnu Nagar,





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PO Basrathpur,

Gorakhpur,

4.SH. ASHOK KUMAR PANDAY

(Director/Promoter)

S/o Sh. Raj Narain Pandey

197, Vishnu Nagar,

PO Basrathpur,

Gorakhpur.

5.SH.PANKAJ KUMAR UPADHYAY

S/o Sh. Chander Prakash Upadhyay

Shivala Road, Mohaddipur,

Gorakhpur

6.SH.PURUSHOTTAM SINGH

(Director/Promoter)

S/o Sh. Yadubansh Singh,

Vill. Maharaji,

PO Kushumahi Bazar,

Gorakhpur

7.SH. AMBUJESHWAR NATII PANDEY

(Director/Promoter)

S/o Late Sh. S.N. Pandey

930, Near Bobina Hotel,

Alinagar (north),

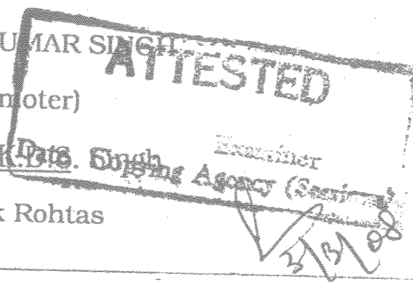
Gorakhpur

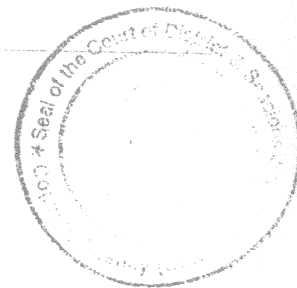
8.SH. ANIL KUMAR SINGH

(Director/Promoter)

S/o Late Sh. K. Singh

At & PO Bank Rohtas





Bihar.

..... Accused

JUDGEMENT

1. The complaint has been filed by the SEBI against the aforesaid accused being the company and its directors for violations of the SEBI Act 1992 and the SEBI (Collective Investment Schemes Regulations) 1999.

2. The brief background as is necessary for the disposal of the case may be stated. The Government of India passed the Securities and Exchange Board of India Act in 1992 and established the Securities and Exchange Board under the said Act (hereinafter referred to as SEBI) with the aim of providing protection of the interests of investors in securities and promote the development of and regulate the securities markets . S.11(1) of the Act provides for the duties of the Board. It was noticed by the Government that a large number of private entrepreneurs were undertaking plantation activities, raising the funds from ordinary investors from the capital market, themselves investing only frugal amounts in such ventures. It was also noticed that in order to entice investors, these schemes promised very high returns. What was of greater concern was the fact that the initial success of such schemes led to the mushrooming of such activities all over the country.

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3. It was in this background that the Government of India decided that it had become necessary to regulate the activities of all those entities which were floating Agro and Plantation Bonds. By means of a Press release on 18.11.97, the Government first notified its intention to regulate this market by informing all those involved in such activities that





schemes relating to Agro and Plantation Bonds would henceforth be treated as Collective Investment Schemes as defined under the SEBI Act 1992. This meant that all such schemes were to be governed by the provisions of S.12 (1) B of the Act. The entities were put on notice that regulations were to be issued for the running of such collective investment schemes and those entities who desired to take the benefit of the interim arrangement as provided under S.12(1B) of the Act should furnish to the SEBI all details of the company, its schemes and its promoters and directors.

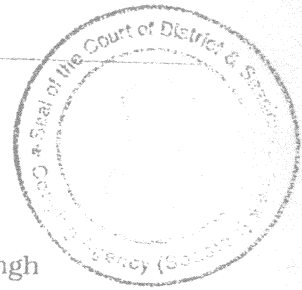
4. Thereafter, the Regulations were brought into force on 15.10.99. Under the Regulations, stiff conditions have been prescribed for obtaining registration without which no collective investment scheme could be carried out. The Regulations also provided that entities who were not seeking registration had to circulate information memorandum to its investors and repay the investors and wind up the schemes and submit a repayment and winding up report to the SEBI to its satisfaction. Violation of these regulations has been made punishable under S.24 read with S.27 of the SEBI Act 1992.

COMPLAINT

5. According to the averments in the complaint, in response to the first press release, the accused of the present complaint had submitted details which included the names of the directors of the company and the amount mobilized by the company under various schemes. A sum of Rs.4,84,920 were stated to have been mobilized by the company M/s Grow Well Plantations Limited and the accused Sh. Vijay Kumar Singh, Sh. Awadesh Kumar Giri, Sh. Ashok Kumar Pandey, Sh. Parkash Kumar Bhadhyay, Sh. Purshottam Singh,

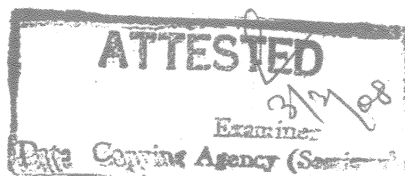
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Sh.Ambujeshwar Nath Pandey and Sh.Anil Kumar Singh were named as Directors.

6. It is alleged that after the coming into force of the Regulations in 1999, the SEBI had sent registered letters in December 1999 at the address of the company. Public notice was also issued, in order to inform the accused of the obligations that existed under the Regulations, calling upon them to comply with the same. Apart from asking the company to circulate information memorandum to all investors, the SEBI directed the entities to register the schemes with the SEBI. The time for doing so was extended upto 31 March 2000.
7. It is alleged in the complaint that the accused failed to register with the SEBI. Therefore, under the Regulations, 73 & 74, the accused were directed to wind up operations and repay the investors. On 7.12.2000 the SEBI Chairman directed the accused Company to refund the money collected from investors to the investors within a period of one month from the date of these directions. Since the company failed to comply with these directions and had also not sought registration with the SEBI, the complaint has been filed for violation of Regulations 5 (1), 68 (1), 68 (2), 73 & 74 of the SEBI (CIS) Regulations 1999 punishable under S.24 r/w S.27 of the SEBI Act 1992.
8. Vide orders dated 15.12.2003, the accused were summoned to face trial. The notice of allegations was served to the accused under S.251 CrPC on 24.2.2006, to which the accused pleaded not guilty. The complainant has examined only one witness Ms.Versha Aggarwal. Thereafter the statements of the accused were recorded under S.313 CrPC. The accused have examined two witnesses in

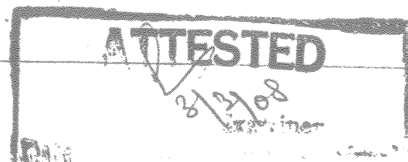


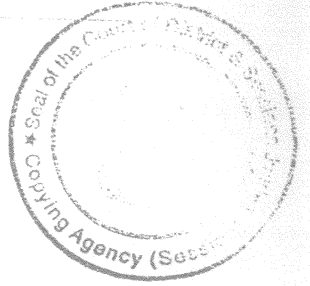


defence.

EVIDENCE

9. As CW1 Ms. Versha Aggarwal has deposed that she was working as Manager with the SEBI and has been authorized to file and continue the complaint on behalf of the SEBI. She has deposed to the issuance of the press release on 18.11.97, by the Government of India directing that bonds which were in the nature of Agro and Plantation bonds issued by the companies would be treated as Collective Investment Schemes as stipulated under S11 of the SEBI Act, 1992. She deposed to the second press release dated 26.11.97 and to the public notice dated 18.12.97 issued by the SEBI directing the companies which were running collective investment schemes to file information with the SEBI regarding their schemes such as details of funds mobilized, names of directors / promoters etc, in case they were desirous of obtaining benefits under S12(1B) of the Act.
10. The CW1 deposed that pursuant to this the company filed information with the SEBI vide letter Ex.CW1/1 dated 12.1.98. As per this letter dated 12.1.98, the accused company had mobilized Rs.4,84,920 under its CIS. The letter also stated that the accused 2-8 were the directors/promoters of the company.
11. The witness deposed further that subsequently the Regulations were notified on 15.10.99. Intimation about the notification was given by a public notice issued on 20.10.99 and by specific letter dated 21.10.99 sent to the company by registered post. The witness deposed that the letter returned undelivered with the report that the company had left

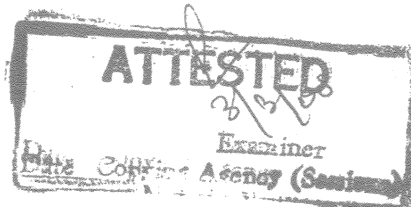




without address. She deposed that in terms of Regulations 73 and 74 the company was required to apply for registration or wind up its schemes. It was also required to circulate information memorandum to its investors and to repay them. The accused was also required to submit the winding up and repayment report within five and a half months to the SEBI. The witness stated that these regulatory obligations had been communicated to the accused company vide specific letters dated 10.12.99 and 29.12.99. Once again these letters returned undelivered to the SEBI. These requirements were also communicated vide public notice dated 10.12.99, Ex.CW1/8.

12. CW1 Ms.Versha Aggarwal deposed further that since the accused company had neither applied for registration nor had submitted the winding up report, show cause dated 12.5.2000 had been issued to it. The letter returned undelivered. Vide letter dated 31.7.2000 the SEBI forwarded the format of the winding up and repayment report in which the companies were required to furnish information regarding winding up of the schemes and repayments done. The letter returned undelivered. The witness deposed that the Chairman SEBI then issued directions on 7.12.2000 directing the accused to repay the investors as per original offer within one month of the issuance of the order. The copy of the order was communicated to the company vide letter dated 18.12.2000 which was returned with the same report. The witness deposed that the name of the accused appeared at serial no.190 in the public notice Ex.CW1/15. The witness deposed that the accused had not filed the winding up and repayment report till that date.

13. The witness was cross examined by the

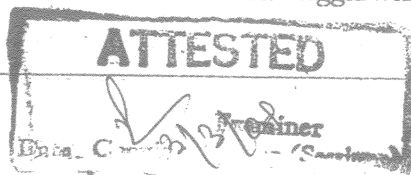




Sh.S.Chaturvedi Ld. Counsel for the accused 3-7. During her cross examination the witness stated that they had acted on the basis of the information provided vide Ex.CW1/1 and it had been on that basis that the accused had been arrayed as the accused. She stated that without proof she was unable to say whether the accused 3-7 were not the directors/promoters of the company at the relevant time and so were not responsible for the conduct of the company's affairs. She admitted that the SEBI accepted the certificates issued by the ROC and that as per Ex.CW1/DA the accused no.3 had resigned from the Board of Directors on 13.5.98 and that as per Ex.CW1/DB the accused no.4 had resigned on 7.1.98. She stated that there was no duty placed on the SEBI to independently verify the information furnished by the accused to the SEBI prior to the launch of prosecutions against them. She stated that a company that was not desirous of continuing with their CIS was not required to apply for registration but had to wind up their business and inform the SEBI. She admitted that the Ex.CW1/15 was not a verbatim reproduction of Ex.CW1/12, ie the letter dated 31.7.2000.

14. The witness denied that there had been no duty cast upon the accused company, as it had repaid its investors and was not continuing with their schemes, to comply with the requirements communicated by the SEBI. She admitted that there was nothing in her records to reflect any complaint by any investor of the accused company regarding repayment. She denied that the complaint had been filed in a mechanical manner without verifying the facts.

15. The CW1 Ms.Versha Aggarwal was also cross-





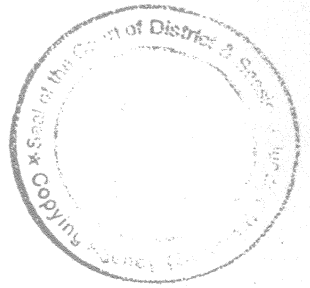
examined by Sh. Satish Kumar, counsel on behalf of accused no.1,2,& 8. During this cross-examination, the witness deposed that the last date for compliance was 14.12.99. She deposed that the SEBI had not received any letter from the accused company dated 22.12.98 to the effect that the accused company was not collecting further investment and that it was in the process of repayment and that it was no longer interested in any CIS. She denied that she was suppressing such a letter. She stated that she had no knowledge about the accused company having repaid all its investors by March 1999 or whether Rs.3 lacs received as investment had been returned to the investors. She did not know if the balance amount of RS.1,25,000 had been raised by the Directors themselves. She denied the suggestion that the accused had complied with the requirements of the SEBI. She denied the suggestion that by sending the letter dated 22.12.98 the accused had complied with the directions issued by the SEBI in the year 1997 and that by March 1999 the company had paid the amount. She denied that the case had been frivolously been filed against the accused 1,2&8.

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16. The statements of the accused were recorded. Accused Vijay Kumar Singh has stated that the funds had been returned to the investors and the SEBI informed in the year 1998 itself. Accused Avdhesh Giri stated that he had resigned in the year 1998 but was aware that Rs.4,84,000/- had been collected by the company out of which Rs.1,25,000/- had been invested by the directors. He claimed that he had invested Rs.25,000/- which had been returned to him at the time of his resignation. Accused Ashok Kumar Pandey stated that he was not aware of the affairs of the company and had resigned from the Board of

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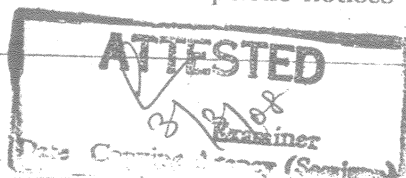


Directors on 7.1.98. Accused Pankaj Kumar Upadhyay stated that he had never visited the company's office often and had invested Rs.25,000/- which has been returned to him. Accused Purshottam Singh stated that he had been told that he was not required to be concerned with the running of the company and that the sum of Rs.25,000/- which had been invested by him had been returned to him. Accused Ambhujeshwar Nath Pandey stated that he had been a subscriber and had never a concern with the running of the company. Accused Anil Kumar Singh while admitting that he had been a director of the company stated that he had not been able to involve himself in the affairs of the company due to cerebral palsy.

17. The accused examined two witnesses in defence. DW1 is Sh.Suman Kumar from the ROC Kanpur. He produced the records relating to the company particularly reflecting the membership of the Board of Directors. He brought the details on record as Ex.DW1/1. In cross-examination the witness stated that no resolutions of the Board of Directors had been filed with the documents filed on 18.5.99. DW2 is Sh.Pawan Kumar Singh who had worked with the company as part time accountant. He deposed that the company had accepted money till 31.3.98 and by 31.3.99 all deposits had been returned to the investors. He brought the vouchers on record as Ex.DW1/A.

CONTENTIONS:

18. Sh. V.K. Singh has submitted on behalf of the SEBI that the SEBI had given information to all the entities running Collective Investment Schemes to submit applications for registration or to submit winding up and repayment reports if they were not applying for registration with the SEBI. Even public notices had been issued in this



19. Sh. S. Chaturvedi, Ld. Counsel for the accused no.3-7 submitted that these accused had to be exonerated as these accused had nothing to do with the functioning of the company. He submitted that even the witness of the SEBI had conceded during her cross-examination that accused no.3 had resigned on 13.5.98 while the accused no.4 had resigned on 7.1.98. Ld. Counsel submitted that the SEBI had not been able to place anything on record to connect the other accused with the affairs of the company. Ld. Counsel submitted that with the constitution of a Board of Directors for the company, under law the liability of the promoters came to an end. Ld. Counsel submitted that the complaint had been filed without ascertaining true facts and was liable to be dismissed as against accused no.3-7. Ld. Counsel also submitted that in any case in the absence of information with the accused about the requirements under the Regulations, there could be no violation and since there was nothing to show that any letter had been addressed to any of the accused 3-7 there was no occasion for them to have violated any Regulation.

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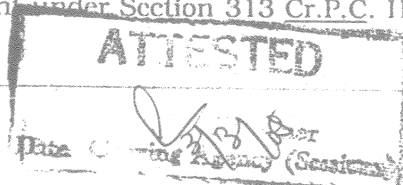
duly complied with by the accused. Therefore, he has also prayed for an acquittal.

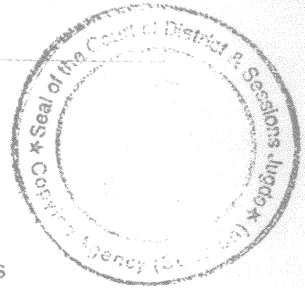
FINDINGS:

21. There is no controversy about the accused no.1 having collected Rs.4,84,920/- from its Collective Investment Schemes. The only question that are to be answered relate to whether any violations have occurred who should be held responsible for the violations. Whereas the accused no.3-7 have contended that they were not responsible for the affairs of the company and so were not to be held responsible for any violation of the Regulations, if it has in fact occurred, the accused company and accused no.2 have submitted that since all investors had been repaid their money and the SEBI informed about it even before the Regulations had been notified in October, 1999, no violation had occurred.

22. The SEBI could rely only on information provided to it by and on behalf of the company as to who were its directors. The accused no.2,3 and 4 have signed Ext.CW1/1 and the accompanying documents as Managing Director and Directors. All the accused, it may be noted have admitted to have promoted the company.

23. Thus none is a stranger. It may be mentioned here that the defence witness has placed on record several documents including a document relating to the consent of the directors duly signed by Ashok Kumar Pandey. The same signatures appear in the communication to the SEBI Ext.CW1/1 and its document and its accompanying documents yet it is to be recorded that with an ill motive the accused no.4 Ashok Kumar Pandey has signed duly in the Court records relating to the notice of allegations the statement under Section 313 Cr.P.C. However, this mala fide

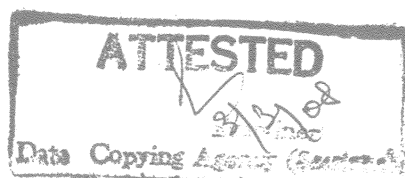


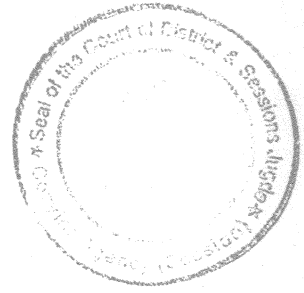


is not being used against the accused at this juncture. It is only noted as an condemnable act.

24. Reverting to the evidence it has to be noticed that Articles of Association lists the accused no.2 Sh. Vijay Kumar Singh, the accused no.3 Sh. Awadesh Kumar Giri and accused no.4 Ashok Kumar Panday as the company's first directors. As per the records brought by the DW1 and placed on the record as Ext.dW1 collectively the accused no.3 Sh. Awdesh Kumar Giri had seized to be a director which bears my signature at point A i.e.f. 13.5.98. The Ext.DW1/DA is the certified copy of form 32 reflecting this fact. The documents collectively Ext.DW1/1 also shows that Anil Kumar Singh accused no.8 had been appointed as new director on 22.4.1998. The documents also refer to the appointment of Ashwani Kumar Singh and Rajesh Kumar Singh as additional directors in the Board of Directors on 16.3.1998. The documents collectively exhibit as DW1/1 alongwith the certified copy of form 32 Ext.DW1/DB reflects the fact that the accused no.4 Ashok Kumar Panday has resigned from the post of directors w.e.f. 3.1.1998.

25. It would be thus seen that out of the first directors namely Sh.Vijay Singh, Awdesh Kumar Giri and Ashok Kumar Panday, only Sh. Vijay Kumar Singh continued from the Board of Directors while Awdesh Kumar Giri and Ashok Kumar Pandey resigned well before the notification of the Regulations. Thus accused were substituted by accused no.8 Anil Kumar Singh and accused no.2 additional directors Rajesh Singh and Ashwani Kumar Singh. As regards the remaining accused namely Pankaj Kumar Upadhyay, Purushottam Singh and Ambujeshwar Nath Panday, they are nothing more than promoters of the company. No doubt the orders of the Chairman bind the



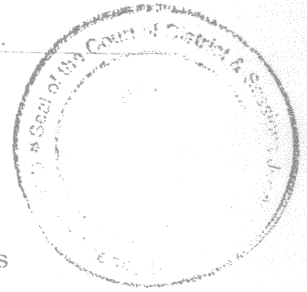


promoters to ensure compliance of the Regulations. However, considering the fact that not only a Board of Directors had taken charge of the affairs of the company but there was also managing director at this stage liable of the premises may be excused.

26. As regards the accused no.1 that is company, its managing directors accused no.2 Vijay Kumar Singh and its director accused no.8 Anil Kumar Singh. The only conclusion that can be arrived that is that they were liable to comply with the regulations of the SEBI, being incharge of the affairs of the company. Having thus answered the question as to who could be held responsible for non-compliance of the Regulations we may now advert to other question as to whether there has in fact agreed a violation of Regulations. DW2 has brought on record violators and bonds which had been issued by the company in respect of the investigation received by them. Ext.DW1/B relate to bonds while Ext.DW1/A are violators. DW2 Sh. Pawan Kumar Singh was the accountant of the accused company and he deposed that there were two schemes under which deposits have been received. One was a lump sum deposit scheme and other was a recurring deposit scheme. The bonds were issued in respect of the recurring deposits received by the company. He explained that all investors have been returned their deposits by 31.3.99. This witness had prepared the vouchers and bonds and deposed that signatures received on revenue as well as on the vouchers for prematurity repayment and bonds had been also received back from the investors on which the investors signed in token of having received the bond amount. The vouchers collectively Ext.DW1/A reflect repayments having been made in the year 1999 upto March, 1999. However as rightly pointed out by

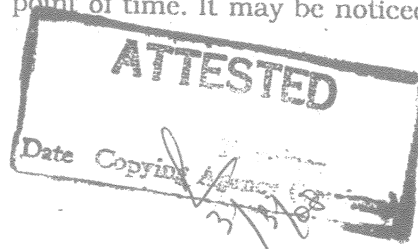
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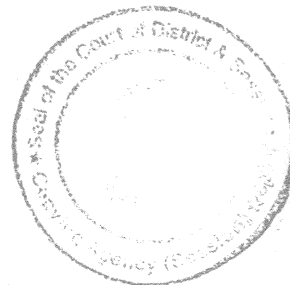




the learned counsel for the SEBI the receipts on the bonds are not dated, therefore, there is no mean of ascertaining whether the repayments had in fact been completely by March, 1999 to all investors. The Regulations no doubt were notified in October, 1999 but the Regulations were applicable to all existing entities who were running Collective Investment Scheme. Had the accused proved the fact that all payments had been completed by March, 1999 it would have been possible to accept their contention that the regulations were not applicable tropical agency to the accused company. However, the explanation to Regulations 68 will come in the way of the accused in the present case. As per the explanation the expressions "operating the Collective Investment Scheme" shall included carrying out the obligations undertaken in the various documents entered into with the investors who have subscribed to the scheme. Repayments on bonds would clearly be the carrying out of the obligations by the accused company on documents entered into with the investors. Without proof of when the repayments were made on the bonds no conclusion can be drawn that all obligations have been fulfilled before the notification of Regulations in October, 1999. No such presumption in favour of the accused is called for or would be justified.

27. The accused have claimed that they had duly informed the SEBI vide letter dated 22.12.1998 about the repayments. However, the dispatch of this letter has not been properly proved. The carbon copy of the letter bears the signatures of Vijay Kumar Singh accused no.2 has no doubt had been placed on the record but it does not prove that such a letter has been dispatched to the SEBI or have been received by the SEBI at any point of time. It may be noticed



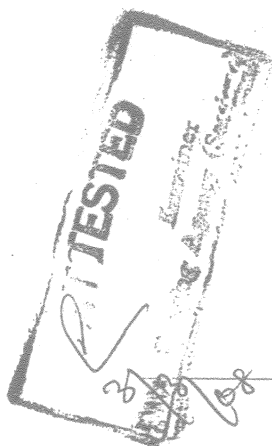


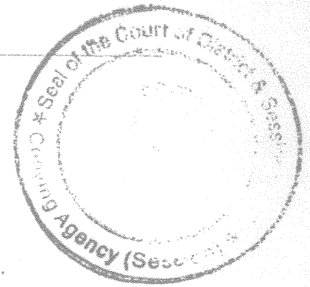
here that though the vouchers Ext.DW1/A reflect repayments upto March, 1999 and the bonds Ext.DW1/3 taken no date. This letter dated 22.12.98 refers to the commencement of purchasers of bonds prior to March, 1998. The discrepancies has not been explained. Be that as it may, had the accused completed the repayment by the date of notification i.e. 15.10.99 the publication of the name amongst the defaults in January, 2001 ought to have promoted the accused to had informed the SEBI of the repayments detailing the dates of repayments. The accused had first communicated with the SEBI vide Ext.CW1/1 in response to a public notice issued in Dainik Jagran. It cannot be presumed that subsequent to public notice issued by the SEBI would have ever come to the notice of any of the accused in January, 2001.

28. Thus upon the evidence on record, it has to be concluded that the Regulations have not been complied with by the accused company and violations punishable under the SEBI Act, 1992 have agreed.

CONCLUSION

29. In the light of the foregoing discussions I hold that the accused no.1 company M/s Grow Well Plantation Limited, its managing directors accused no.2 Vijay Kumar Singh and its director accused no.8 Sh. Anil Kumar Singh are liable for the default and hold them guilty accordingly in the non-compliance of the violations of the Regulations 73.74 read with Regulations 5.68 (1&2), of the SEBI (CIS) Regulations 1999 punishable under S.24/27 SEBI Act 1992. However, in the light of the resignation of the accused no.3 Awdesh Kumar Giri and accused no.4 Ashok Kumar Panday from the Board of Directors much before the Regulations





were notified, they are acquitted of the charges against them. The accused no.5 Pankaj Kumar, accused no.6 Purushottam Singh, accused no.7 Ambujeshwar Nath who were promoters of the company have themselves claimed to have repaid their investments. Purushottam Singh received his investment in May, 1998 and accused no.5 Pankaj Kumar in March, 1999, accused no.7 Ambujeshwar Sath has not mentioned when he had been repaid but all three are given the benefit of doubt as to whether they were at all involved in the affairs of the company particularly after commencement of repayment by the Board of Directors. Thus, these three accused are also acquitted.

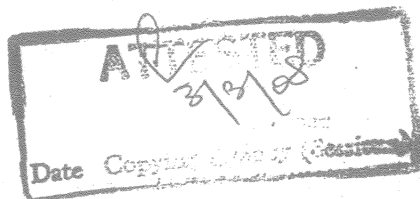
30. The accused company M/s Grow Well Plantations Ltd and accused no.2 Vijay Kumar Singh and accused no.8 Anil Kumar Singh are entitled to be heard on quantum of punishment.

ANNOUNCED IN OPEN COURT ON *Ashankhon.*
(ASHA MENON)

Dated: 23.3.2007.

Addl. Sessions Judge: Delhi.

*Copy given to accused
in open court at p.c.
24/3/07*



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*24/3/07
Anil Kumar
24/03/07*

IN THE COURT OF MS. ASHA MENON: ASJ: DELHI.

CC NO. 195/2005

SEBI VS.

M/s Grow Well Plantations LTD. & ORS.

ORDER ON SENTENCE:

I have heard the submissions of the learned counsel for the accused. The learned counsel has prayed for taking a lenient view in the matter. It has to be noticed that the accused in this case had begun repayments in the year 1998 as per the vouchers. Though the SEBI would have necessarily to verify repayments and satisfy itself about it, upon a prima-facie view it appears that most of the money received from investors have been repaid by the accused. Thus, the non-compliance of the Regulations appears technical in that the accused company had failed to place before the SEBI the details of repayments made in the prescribed format. Therefore, a sentence commensurate with the violation is called for. Hence there is no reason to sentence the accused to any term of imprisonment. A heavy penalty is also not called for in the circumstances of the present case and the facts as discussed above.

I accordingly, sentence the accused no.2 Vijay Kumar Singh, accused no.8 Anil Kumar Singh and the accused company M/s Grow Well Plantations Ltd. to fine of Rs.5000/- each in default of payment of the fine the accused no.2 Vijay Kumar Singh and accused no.8 Anil Kumar Singh shall undergo SI for two months each. They are directed to submit the winding up and repayment report in format within one month.

On payment of fine the personal bond and surety bond of accused no.2 Vijay Kumar Singh and accused no.8 Anil Kumar Singh shall be cancelled and their sureties discharged.

File be consigned to the records.

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Announced in the Open Court

Dated: 24.3.07.

*Copy given to accused
in open court at loc.
R
24/3/07*

Asha Menon
(ASHA MENON)

Addl. Sessions Judge: Delhi.

