



Market Operations - Investigation Department

Circular No.: MSEI/ID/3896/2016

February 29, 2016

**SEBI order in the matter of Pancard Clubs Limited (PCL) and its directors**

SEBI vide order no. WTM/PS/170/efd/FEB/2016 dated February 29, 2016 has issued the following directions:

- (a) Pancard Clubs Limited (PAN: AAACP9093R) and its directors Sudhir Shankar Morvekar (DIN: 00399938), Shoba Ratnakar Barde (DIN: 00177938), Usha Arun Tari (DIN: 00178078), Manish Kalidas Gandhi (DIN: 02606802), Chandrasen Ganpatrao Bhise (DIN: 02393535) and Ramachandran Ramakrishnan (DIN: 03510460), shall abstain from collecting any money from the investors or launch or carry out any Collective Investment Schemes including the scheme which have been identified as a Collective Investment Scheme in this order.
- (b) Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan shall wind up the existing Collective Investment Schemes and refund through 'Bank Demand Draft' or 'Pay Order', the money collected by the said company under the schemes with returns which are due to its investors as per the terms of offer within a period of three months from the date of this Order and thereafter within a period of fifteen days, submit a winding up and repayment report to SEBI in accordance with the SEBI (Collective Investment Schemes) Regulations, 1999, including the trail of funds claimed to be refunded, bank account statements indicating refund to the investors and receipt from the investors acknowledging such refunds.  
In case the Company has made refunds, it shall produce the proof for such repayment as directed above and also submit a certificate from Chartered Accountant as directed in sub-paragraph (d) below.
- (c) Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan, shall not alienate or dispose off or sell any of the assets of the Company, except for the purpose of making refunds to its investors as directed above.

The Hon'ble SAT, vide order dated December 14, 2015 (in Misc. Appln. No. 332/2015 in Appeal no. 254/2014) permitted the Company to sell off/dispose/create charge in respect of assets (specified in Exhibit 4 of the Misc. Appln.) subject to complying with the conditions made therein.

The above direction shall therefore be harmoniously read with the order of Hon'ble SAT.

- (d) After completing the aforesaid repayments in terms of sub-paragraph (b) above, the Company, Pancard Clubs Limited shall file a certificate of such completion with SEBI, within a period of 15 days, from two independent peer reviewed Chartered Accountants who are in the panel of any public authority or public institution. For the purpose of this order, a peer

reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ('ICAI').

- (e) Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan are also directed to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/ securities, if held in physical form.
- (f) Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan are restrained from accessing the securities market and are prohibited from buying, selling or otherwise dealing in securities market for a period of 4 years.
- (g) In the event of failure by Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan, to comply with the above directions, the following actions shall follow:
  - Pancard Clubs Limited and its directors Sudhir Shankar Morvekar, Shoba Ratnakar Barde, Usha Arun Tari, Manish Kalidas Gandhi, Chandrasen Ganpatrao Bhise and Ramachandran Ramakrishnan shall remain restrained from accessing the securities market and would further be prohibited from buying, selling or otherwise dealing in securities, even after the period of 4 years of restraint imposed in sub-paragraph (f) above, till all the Collective Investment Schemes of the Company are wound up and all the monies mobilized through such schemes are refunded to its investors with returns which are due to them.
  - SEBI would make a reference to the State Government/ Local Police to register a civil/ criminal case against the Company, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds;
  - SEBI would make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the Company.
  - SEBI would make a reference to the Ministry of Corporate Affairs to restrain above-mentioned noticee directors from being directors in other companies.
  - SEBI shall initiate attachment and recovery proceedings under the SEBI Act and rules and regulations framed thereunder against the Company and others responsible.

This order shall come into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [[www.sebi.gov.in](http://www.sebi.gov.in)] and ensure compliance.

For and on behalf of  
Metropolitan Stock Exchange of India Limited  
(Formerly known as MCX Stock Exchange Ltd)

A Sebastin  
Vice President

**Metropolitan Stock Exchange of India Limited**

(Formerly known as MCX Stock Exchange Ltd.)

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