

Department: Investigation	Segment: All
Circular No: MSE/ID/9525/2020	Date : September 25, 2020

Subject: SEBI order in the matter of Rainbow Industries and Constructions Limited (RIACL)

To All Members,

This is with reference to Exchange circular no. MSE/ID/7027/2018 dated November 26, 2018, regarding SEBI order no. WTM/AB/DDHS/LO-Ranchi/02/2018-19 dated November 22, 2018 in the matter of Rainbow Industries and Constructions Limited (RIACL).

SEBI now vide order no. WTM/SM/ERO/ERO/9172/2020-21 dated September 25, 2020, has issued, the following directions for the below mentioned noticees:

Noticee No.	Name of the Noticees	PAN
1	Mr. Nand Lal Koiree	AREPK5807E
2	Mr. Ashok Saw	BLXPS0512A
3	Mr. Mukesh Singh	BNVPS8079L
4	Mr. Ganesh Thakur	AFOPT8328K
5	Mr. Barun Kumar Rawani	AFPPR5448M
6	Mr. Bisun Rawani	ANDPR8996C
7	Ms. Mohini Devi	NOT AVAILABLE

- a) Noticees no. 1 to 4 are directed to refund money jointly and severally collected by Rainbow from the public through the offer and allotment of RPS without complying with the prescribed public issue norms, with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment).
- b) Noticees no. 1 to 4 are directed to provide within a period of one (01) month, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of mutual funds/shares/securities, held in physical form and demat form. They are further prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above and deposit such sale proceeds in an Escrow Account opened with a nationalized Bank. The sale proceeds shall be utilized for the sole purpose of making refund/repayment to the investors/applicant till the full refund/repayment as directed above is made.

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- c) The repayments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments.
- d) After completing the aforesaid repayments to the investors, Noticees no.1 to 6 shall file a report of completion of repayment with SEBI by addressing their communication to the Division Chief, Division of Regulatory Action-4, Enforcement Department-1, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051, within a period of three (03) months from the date of this Order. The report of repayment shall be duly certified by two independent Chartered Accountants licensed by the Institute of Chartered Accountants of India (ICAI).
- e) Noticees no. 1 to 6 are restrained/prohibited from accessing the Securities Market by issue of Prospectus/Offer Document/advertisement or otherwise in any manner whatsoever, and are also refrained/prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four (04) years from the date of this Order or till the completion of refund to the investors of Rainbow, in terms of the Interim Order, whichever is later. During the aforesaid period of debarment or prohibition, the Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any other intermediary registered with SEBI in the capacity of Director/Promoter/Senior Management.
- f) Noticee no. 7 is restrained/prohibited from accessing the Securities Market by issue of Prospectus/Offer Document/advertisement or otherwise in any manner whatsoever, and are also refrained/prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four (04) years from the date of this Order.
- g) During the aforesaid period of debarment/restrain or prohibition, the Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in the capacity of Director/Promoter/Senior Management.
- h) It is clarified that during the period of restraint, the existing holding of securities of the Noticees including units of mutual funds, shall remain frozen and can be utilized only for the repayment to the investors as directed above.

Obligation of the aforesaid Noticees, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange (s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the aforesaid Noticees in the F&O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

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] and ensure compliance.

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

**Prachi Lendhe
Assistant Vice President**