

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER
ORDER

Under Sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act,

1992, in the matter of Ramel Pharma Limited and its Directors –

Shri Remendra Mohan Sarkar (DIN: 01753154, PAN: AUIPS3363G),

Shri Rameswar Podder (DIN: 01753196, PAN: AFVPP4292B),

Shri Sukanta Deb (DIN: 01753238, PAN: AJIPD0118R)

Background

1. Securities and Exchange Board of India ("**SEBI**") had conducted an examination into the fund-raising activity of Ramel Pharma Limited ("RPL") in respect of issue of Redeemable Preference Shares and to ascertain whether RPL had made any public issue of securities without complying with the provisions of the Companies Act, 1956 ("Companies Act"); SEBI Act, 1992 ("**SEBI Act**") and the Rules and Regulations framed thereunder.
2. Letters dated October 9, 2015, addressed to RPL and its directors, seeking information in this regard were returned undelivered. Thereafter information regarding RPL was obtained from the website of Ministry of Corporate Affairs, *MCA 21 Portal*.
3. From the material available on record it was observed that RPL issued "Redeemable Preference Shares" ("*Offer of Redeemable Preference Shares*") to investors which was *prima facie* in violation of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), the Companies Act, 1956 read with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("**DIP Guidelines**") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"). SEBI passed an interim order dated December

2, 2015, against RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb.

4. *Prima facie findings/allegations:* In the said interim order, the following *prima facie* findings/allegation were recorded.
5. Under the *Offer of Redeemable Preference Shares*, it is observed that during the Financial Year 2007–2008, RPL allotted *Redeemable preference shares* to a total of 4984 individuals/investors.
6. The above *Offer of Redeemable Preference Shares* and pursuant allotment was a deemed public issue of securities under the first proviso to Section 67(3) of the Companies Act, 1956. RPL is not stated to be a Non-banking financial company or public financial institution within the meaning of Section 4A of the Companies Act, 1956. Accordingly, the resultant requirements under Section 60, Section 56(1) and 56(3), Sections 73(1), 73(2) and 73(3) of the Companies Act, 1956 and the relevant provisions of the DIP Guidelines read with ICDR Regulations were not complied with by RPL in respect of the *Offer of Redeemable Preference Shares*.
7. RPL allotted Redeemable Preference Shares to the public during the Financial Year 2007–2008. The directors of RPL are Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb. It is alleged that the aforementioned directors being the *persons in-charge of and responsible to the Company for the conduct of business*, are responsible under Section 73(2) of the Companies Act, 1956, read with Section 27(2) of the SEBI Act, for the *prima facie* contraventions committed by RPL through the *Offer of Redeemable Preference Shares*.
8. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated December 2, 2015 with immediate effect:
 - i. “RPL shall not mobilize any fresh funds from investors through the *Offer of Redeemable Preference Shares* or through the issuance of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions.

- ii. RPL and its Directors, viz. Shri Remendra Mohan Sarkar (DIN: 01753154), Shri Rameswar Podder (DIN: 01753196) and Shri Sukanta Deb (DIN: 01753238), 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. RPL and its abovementioned Directors, 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. RPL shall provide a full inventory of all its assets and properties.
 - v. RPL's abovementioned Directors shall provide a full inventory of all their assets and properties;
 - vi. RPL and its abovementioned Directors 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 Redeemable Preference Shares*, without prior permission from SEBI;
 - vii. RPL and its abovementioned Directors shall not divert any funds raised from public at large through the *Offer of Redeemable Preference Shares*, which are kept in bank account(s) and/or in the custody of RPL;
 - viii. RPL and its abovementioned Directors shall furnish complete and relevant information in respect of the *Offer of Redeemable Preference Shares* (as sought by SEBI letter dated October 9, 2015), within 14 days from the date of receipt of this Order.”
9. Vide the aforesaid interim order, RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb were afforded 21 days from the date of

receipt of the interim order, to file their replies, if any and to seek an opportunity of personal hearing, if they so desired.

10. *Service of interim order and hearing notice:* The interim order dated December 2, 2015 was sought to be served on RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb, vide letters dated December 15, 2015. However, the same could not be served on the entities. Thereafter, it was served through substituted service upon the entities by way of notifications dated November 8 and 9, 2016, published in the newspapers *The Times of India* and *Ananda Bazar Patrika*. Vide notification dated June 10, 2017, published in the newspapers *The Times of India* and *Ananda Bazar Patrika*, RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb were notified by SEBI, that they would be granted an opportunity of personal hearing on July 5, 2017 at the time and venue mentioned therein.

11. *Hearing and submissions:* RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb did not avail the opportunity of personal hearing granted on July 5, 2017. No reply has been filed by the Noticees in the matter as on date.

12. I have considered the allegations, and materials on record. On perusal of the materials on record, the following issues arise for consideration. Each question is dealt with separately under different headings:

- i. Whether RPL came out with an *Offer of Redeemable Preference Shares* as stated in the interim order.
- ii. If so, whether the said issues are in violation of sections 56(1), 56(3), 2(36) read with 60, 73(1), 73(2), 73(3), and certain provisions mentioned in the interim order pertaining DIP Guidelines read with ICDR Regulations.
- iii. If the findings on Issue No. 2 are found in the affirmative, who are liable for the violation committed?

13. *Whether RPL came out with an Offer of Redeemable Preference Shares as stated in the interim order:* I have perused the interim order dated December 2, 2015 for the allegation

of *Offer of Redeemable Preference Shares*. I note from the material available on record that RPL offered and allotted Redeemable Preference Shares in the financial year 2007-2008 on the following instances:

Date of allotment	Share Capital (in `)	No. of investors
30/09/2007	1,25,79,000	1764
31/10/2007	49,68,000	693
30/11/2007	57,65,000	737
31/12/2007	40,35,000	680
31/01/2008	41,53,000	430
Total	3,15,00,000	4304

14. I note that the total number of investors is mentioned as 4984 in the interim order dated December 2, 2015. However, on perusal of respective Form 2 as obtained from the website of MCA for the above said allotments, I find that the total number of investors is 4304 and `3,15,00,000/- has been collected by issuance of Redeemable Preference Shares. Neither the company nor the directors filed any reply disputing the figures mentioned in Form 2 as uploaded in the MCA Portal. From the above, I find that RPL has raised an amount of `3,15,00,000/- from 4304 investors.

15. *If so, whether the said issues of Redeemable Preference Shares are in violation of sections 56(1), 56(3), 2(36) read with sections 60, 73(1), 73(2), 73(3), and certain provisions mentioned in the interim order pertaining to the DIP Guidelines read with ICDR Regulations:* The provisions alleged to have been violated and mentioned in Issue No. 2 are applicable to an *Offer of Redeemable Preference Shares* made to the public. Therefore the primary question that arises for consideration is whether the issue of Redeemable Preference Shares is ‘public issues’. At this juncture, reference may be made to section 67(1) & (3) of the Companies Act, 1956:

“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 invitations 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 other 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).”

16. Section 67(3) provides for situations when an offer is not considered as offer to public. As per the said sub section, if the offer is one which is not 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, if the offer is the domestic concern of the persons making and receiving the offer, the same are not considered as

public offer. Under such circumstances, they are considered as private placement of shares and debentures. It is noted that as per the first proviso to Section 67(3) Companies Act, 1956, the public offer and listing requirements contained in that Act would become automatically applicable to a company making the offer to fifty or more persons. However, the second proviso to Section 67(3) exempts NBFCs and Public Financial Institutions from the applicability of the first proviso.

17. In the instant matter, I find that Redeemable Preference Shares were issued to 4304 investors in the financial year 2007-2008, which indicates that the *Offer of Redeemable Preference Shares* was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956. Neither RPL nor its directors have filed any reply contending that the *Offer of Redeemable Preference Shares* does not fall within the ambit of first proviso of section 67(3) of Companies Act, 1956. Therefore, in view of the material available on record, I am of the opinion that the *Offer of Redeemable Preference Shares* by RPL falls within the first proviso of section 67(3) of Companies Act, 1956. Hence, the *Offer of Redeemable Preference Shares* are deemed to be public issues and RPL was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.
18. I also find that RPL is not stated to be a Non-banking financial company or public financial institution within the meaning of Section 4A of the Companies Act, 1956. In view of the aforesaid, I find that RPL is not covered under the second provisoto Section 67(3) of the Companies Act, 1956.
19. Further, since the *Offer of Redeemable Preference Shares* 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. As per sections 73(1) and 73(2) of the Companies Act, 1956, a company is required to make an application to one or more recognized stock exchanges for permission for the shares or debentures to be offered to be dealt with in the stock exchange and if permission has not been applied for or not granted, the company is required to forthwith repay with interest all moneys received from the applicants.

20. The allegations of non-compliance of the above provisions were not denied by RPL or its directors. I also find that no records have been submitted to indicate that it has made an application seeking listing permission from stock exchange or refunded the amounts on account of such failure. Therefore, I find that RPL has contravened the provisions of sections 73(1) and 73(2) of the Companies Act, 1956. RPL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that RPL has also not complied with the provisions of section 73(3) which mandates that the amounts received from investors shall be kept in a separate bank account.
21. Section 2(36) of the Companies Act read with section 60 thereof, mandates a company to register its 'prospectus' with the Registrar of Companies (RoC), before making a public offer/ issuing the 'prospectus'. 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 the *Offer of Redeemable Preference Shares* was a deemed public issue of securities, RPL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that RPL has not submitted any record to indicate that it has registered a prospectus with the RoC, in respect of the *Offer of Redeemable Preference Shares*. I, therefore, find that RPL has not complied with the provisions of section 60 of the Companies Act, 1956.
22. In terms of 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 a company, unless the form is accompanied by abridged prospectus, containing disclosures as specified. Neither RPL nor its directors produced any record to show that it has issued Prospectus containing the disclosures mentioned in section 56(1) of the Companies Act, 1956, or issued application forms accompanying the abridged prospectus. Therefore, I find that, RPL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.

23. RPL was also mandated to comply with the provisions of DIP Guidelines, while issuing the Redeemable Preference Shares. The interim order dated December 2, 2015 has stated that RPL has failed to comply with the following provisions of the DIP Guidelines, in respect of its *Offer of Redeemable Preference Shares*,

- a. Clause 2.1.1. – (Filing of offer document);*
- b. Clause 2.1.4 – (Application for listing);*
- c. Clause 2.1.5 – (Issue of securities in dematerialized form),*
- d. Clause 2.8 – (Means of finance),*
- e. Clause 4.1 – (Promoters contribution in a public issue by unlisted companies),*
- f. Clause 4.11 – (Lock-in of minimum specified promoters contribution in public issues),*
- g. Clause 4.14 – (Lock-In of pre-issue share capital of an unlisted company)*
- h. Clause 5.3.1 – (Memorandum of understanding),*
- i. Clause 5.3.3 – (Due Diligence Certificate)*
- j. Clause 5.3.5 – (Undertaking),*
- k. Clause 5.3.6 – (List Of Promoters Group And Other Details),*
- l. Clause 5.4 – (Appointment of intermediaries),*
- m. Clause 5.6 – (Offer document to be made public),*
- n. Clause 5.6A – (Pre-issue Advertisement),*
- o. Clause 5.7 – (Despatch of issue material),*
- p. Clause 5.8 – (No complaints certificate),*
- q. Clause 5.9 – [Mandatory collection centres including Clause 5.9.1 (Minimum number of collection centres)],*
- r. Clause 5.10 – (Authorised Collection Agents),*
- s. Clause 5.12.1 – (Appointment of compliance officer),*
- t. Clause 5.13 – (Abridged prospectus),*
- u. Clause 6.0 – (Contents of offer documents),*
- v. Clause 8.3 – (Rule 19(2)(b) of SC(R) Rules, 1957),*
- w. Clause 8.8.1 – (Opening & closing date of subscription of securities),*
- x. Clause 9 – (Guidelines on advertisements by Issuer Company),*
- y. Clause 10.1 – (Requirement of credit rating),*
- z. Clause 10.5 – (Redemption).*

24. As per Regulation 111(1) of the ICDR Regulations, the DIP Guidelines "*shall stand rescinded*". However, Regulation 111(2) of the ICDR Regulations, provides that: "*(2)Notwithstanding the repeal under sub-section (1) of the repealed enactments,— (a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or investigation commenced or show cause notice issued in respect of the said Guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations; (b) any offer document, whether draft or otherwise, filed or application made to the Board under the said Guidelines and pending before it shall be deemed to have been filed or made under the corresponding provisions of these regulations.*"

25. I note that the jurisdiction of SEBI with respect to the aforesaid provisions of the Companies Act, 1956, in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flows from the provisions of Section 55A of the Companies Act, 1956. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in *Sahara Case*, had held that with respect to 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.*"

26. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, 1956, SEBI has to administer Section 67 of that Act, so far as it relates to issue and transfer of securities, in the case of companies who intend to get their securities listed. While interpreting the phrase "intend to get listed" in the context of deemed public issue the Hon'ble Supreme Court in *Sahara Case* observed-

"...But then, there is also one simple fundamental of law, i.e. that no-one can be presumed or deemed to be intending something, which is contrary to law. Obviously therefore, "intent" has its limitations also, confining it within the confines of lawfulness..."

“...Listing of securities depends not upon one’s volition, but on statutory mandate...”

“...The appellant-companies must be deemed to have “intended” to get their securities listed on a recognized stock exchange, because they could only then be considered to have proceeded legally. That being the mandate of law, it cannot be presumed that the appellant companies could have “intended”, what was contrary to the mandatory requirement of law...”

27. In view of the above findings, I am of the view that RPL was engaged in fund mobilizing activity from the public, through the *Offer of Redeemable Preference Shares* and has contravened the provisions of section 56(1), 56(3), 2(36) read with 60, 73(1), 73(2), 73(3), and the relevant provisions of the DIP Guidelines read with the ICDR Regulations.
28. *If the findings on question No.2 are found in the affirmative, who are liable for the violation committed?:* Sections 56(1) and 56(3) read with section 56(4) of the Companies Act, 1956 impose the liability on the company, every director, and other persons responsible for the prospectus to be issued in compliance of the said provisions. The liability for non-compliance of Section 60 of the Companies Act, 1956 is on the company, and every person who is a party to the non-compliance of issuing the prospectus as per the said provision. Therefore, RPL and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the Companies Act, 1956.
29. With respect to the provisions of the respective provisions of the DIP Guidelines enumerated on paragraph 23 of this order, the liability is on the Company and the directors to comply with the requirements therein.
30. As far as the liability for non-compliance of section 73 of Companies Act, 1956 is concerned, as stipulated in section 73(2) of the said Act, the company and every director of the company who is an officer in default shall, from the eighth day when the company becomes liable to repay, 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 if the money is not repaid forthwith. With regard to liability to pay interest, I note that as per section 73 (2) of the Companies Act, 1956, the company and every director of the company who is an officer in default is jointly and severally liable, to repay all the money with interest at

prescribed rate. In this regard, I note that in terms of rule 4D of the Companies (Central Government's) General Rules and Forms, 1956 read with rule 3(c) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the rate of interest prescribed in this regard is 15%. Therefore, I find that RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb are jointly and severally liable to refund the amounts collected from the investors with interest at the rate of 15 % per annum, for the non-compliance of the above mentioned provisions.

31. From the material available on record, I find the following details of tenure with respect to the directors of RPL:

Name of the directors	Date of appointment	Date of cessation
Shri Remendra Mohan Sarkar	26/07/2006	-
Shri Rameswar Podder	26/07/2006	-
Shri Sukanta Deb	26/07/2006	-

32. From the above table it is noted that Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb are still continuing as directors of RPL and all of them were directors at the time of the *Offer of Redeemable Preference Shares*. Since, the above said directors were directors at the time of issuance of Redeemable Preference Shares, all the aforesaid directors are officers in default and are liable to make the refund along with the Company. They are co-extensively responsible along with the Company for making refunds along with interest under section 73(2) of the Companies Act, 1956 read with rule 4D of the Companies (Central Government's) General Rules and Forms, 1956 and rule 3(c) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and section 27(2) of the SEBI Act.

33. In view of the foregoing, the natural consequence of not adhering to the norms governing the issue of securities to the public and making repayments as directed under section 73(2) of the Companies Act, 1956, is to direct RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb, to refund the monies

collected, with interest to such investors. Further, in view of the violations committed by the Company and its directors, to safeguard the interest of the investors who had subscribed to such Redeemable Preference Shares issued by the Company, to safeguard their investments, and to further ensure orderly development of securities market, it also becomes necessary for SEBI to issue appropriate directions against the Company and the other noticees.

34. I also note that, vide the interim order dated December 2, 2015, RPL was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, the directors of RPL were also directed to provide an inventory of assets and properties belonging to them. The above inventories were required to be filed within 21 days of the receipt of the order. Further, RPL and its directors were required to furnish the complete and relevant information in respect of the *Offer of Redeemable Preference Shares* as sought for by SEBI vide letter dated October 9, 2015. Such information was required to be filed within 14 days of the receipt of the order. However, I find that neither any such inventory nor the relevant information of the *Offer of Redeemable Preference Shares* has been provided by RPL or its directors despite the notifications of issuance of the interim order through newspaper publications as stated in paragraph 10 of this order.

35. In view of the discussion above, appropriate action in accordance with law needs to be initiated against RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameswar Podder and Shri Sukanta Deb.

36. In view of the aforesaid observations and findings, I, in exercise of the powers conferred under section 19 read with sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, hereby issue the following directions:

a. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb shall forthwith refund the money collected by RPL through the issuance of Redeemable Preference Shares, including the money collected from investors, till date, pending allotment of securities, if any, with an interest of 15% per annum, from the date when the repayments became due (in terms of Section 73(2) of the Companies Act, 1956) to the investors till the date of actual payment.

- b. The repayments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as “Non-Transferable”.
- c. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb, are 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.
- d. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb, are directed to provide the complete information with respect to the *Offer of Redeemable Preference Shares* as sought for by SEBI vide order dated October 9, 2015.
- e. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb, are permitted to sell the assets of the Company for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank.
- f. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb, shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily (in Bengali) with wide circulation, detailing the modalities for refund, including the details of contact persons such as names, addresses and contact details, within 15 days of this Order coming into effect.
- g. After completing the aforesaid repayments, RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb shall file a report of such completion with SEBI, within a period of three months from the date of this order, certified by 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").

h. In case of failure of RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb, to comply with the aforesaid directions, SEBI, on the expiry of three months period from the date of this Order:

- i. may recover such amounts in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.
- ii. may initiate appropriate action against the Company, its promoters/directors and the persons/officers who are in default, including adjudication proceedings against them, in accordance with law.
- iii. 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; and
- iv. would also make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the Company

i. RPL and its directors, Shri Remendra Mohan Sarkar, Shri Rameshwar Podder and Shri Sukanta Deb are directed not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of four (4) years from the date of completion of refunds to investors as directed above. The above said directors are also restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI from the date of this Order till the expiry of four (4) years from the date of completion of refunds to investors.

j. The above directions shall come into force with immediate effect.

37. This Order is without prejudice to any action, including adjudication and prosecution proceedings that might be taken by SEBI in respect of the above violations committed by RPL and its promoters, directors and other key persons.

38. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories for information and necessary action.

39. A copy of this Order shall also be forwarded to the Ministry of Corporate Affairs/ concerned Registrar of Companies, for their information and necessary action with respect to the directions/ restraint imposed above against the Company and the individuals.

DATE: July 20, 2017

PLACE: Mumbai

**MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**