

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

FINAL ORDER

Under Sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992

In the matter of ROOFERS CAPITAL MANAGEMENT LIMITED

In respect of:

1. ROOFERS CAPITAL MANAGEMENT LIMITED (PAN: AAECR6116M)
2. SHRI SAUROVEMOY GHOSH (PAN: AIDPG1944N; DIN: 03580554).
3. SHRI SUKUMAR BHATTACHARYA (PAN: AHNPB5569M; DIN: 03580554).
4. SHRI SUDHIR CHANDRA BERA (PAN: AXAPB8554D; DIN: 06500319).
5. SHRI KHUDIRAM SOUNTH (PAN: AKEPS8245D; DIN: 01642426).
6. SHRI HIRAK NATH SOUNTH (PAN: APKPS6248B; DIN: 01642164).
7. SMT JAYANTI SOUNTH (PAN: AZGPS4138J; DIN: 01642127).
8. SHRI BHADRESHWAR PAL (PAN: ANZPP6080B; DIN: 01557670).
9. SHRI ANJAN BANDYOPADHYAY (PAN: ADYPB3215H; DIN: 02599213).
10. SHRI ANIRUDDHA GHOSAL (PAN: AHEPG6300N; DIN: 03398215).
11. SHRI SUKUMAR CHATTERJEE (PAN: ACFPC4630F; DIN: 03576773).
12. SHRI AJOY SANKAR SANYAL (PAN: DUGPS0846K; DIN: 06548210).
13. SHRI SUBHASH GHORAI (PAN: BEQPG4679L; DIN: 06777536).
14. SHRI TARAK NATH SOUNTH (PAN: AZJPS2963G).
15. SHRI RABINDRA NATH SOUNTH (PAN: BDLPS1922A).
16. SHRI SUJIT KUMAR PAUL (PAN: BGBPP6436M).
17. SMT KABITA RANI PAL (Address: Village and Post office Changul, Police Station – Kharagpur (Local), District – Midnapore, West Bengal – 721301

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1. Roofers Capital Management Limited (hereinafter referred to as “RCML”/ “the Company”) is a Public company incorporated on December 17, 2009 and registered with Registrar of Companies–Kolkata with CIN: U74140WB2009PLC140331. Its registered office is at 103A, C.I.T. ROAD, 2nd Floor, Kolkata - 700014.
 2. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) received a
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Order in the matter of M/s Roofers Capital Management Limited

letter/complaint against RCML in respect of issue of Redeemable Preference Shares (“RPS”) and undertook an enquiry to ascertain whether RCML had made any public issue of securities without complying with the provisions of the Companies Act, 1956; Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) and the Rules and Regulations framed thereunder.

3. On enquiry by SEBI, it was observed that RCML had made an offer of RPS in the financial years 2009-2010 and 2010-2011 (hereinafter referred to as “**Offer of RPS**”) and raised an amount of Rs. 1,15,510/- from 11,551 allottees.
4. As the above said *Offer of RPS* was found *prima facie* in violation of respective provisions of the SEBI Act, 1992 and the Companies Act, 1956. SEBI passed an interim order dated July 07, 2016 (hereinafter referred to as “**interim order**”) and issued directions mentioned therein against RCML and its Directors and promoters, viz. Roofers Capital Management Limited, Shri Saurovemoy Ghosh, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera, Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay, Shri Aniruddha Ghosal, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal Shri Subhash Ghorai , Shri Tarak Nath Sounth, Shri Rabindra Nath Sounth, Shri Sujit Kumar Paul and Smt Kabita Rani Pal (hereinafter collectively referred to as “**Notices**”).
5. *Prima facie findings/allegations*: An Investigating Authority (“**IA**”) was appointed for investigating possible violations by RCML of the SEBI Act, 1992 (“**SEBI Act**”); Securities Contracts (Regulations) Act, 1956 (“**SCRA**”); the provisions specified in Section 55A of the Companies Act, 1956 or the Rules or Regulations made or directions issued by SEBI thereunder. Summons dated January 9, 2015, were issued by the IA to RCML and all its Directors (past and present) for production of documents and to appear in person before her under Section 11C(3) & 11C(5) of the SEBI Act on January 21, 2015. RCML, Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Aniruddha Ghosal, Shri Saurovemoy Ghosh, Shri Sudhir Chandra Bera, Shri Sukumar Bhattacharya and Shri Subhash Ghorai sought repeated adjournments on January 20,

2015, February 5, 2015 and February 27, 2015. In view of such deliberate non-cooperation from the aforementioned Noticees and in light of the fact that several extensions were granted by SEBI, no further extension was granted. Shri Bhadreshwar Pal, Shri Sukumar Chatterjee and Shri Ajoy Sankar Sanyal appeared in person before the IA and made submissions. Summons issued to Shri Anjan Bandyopadhyay was returned undelivered. Investigation Report was submitted on completion of the investigation.

6. In the said interim order, the following *prima facie* findings were recorded. RCML had made an *Offer of RPS* during the financial years 2009-2010 and 2010-2011 and raised an amount of Rs. 1,15,510/- as shown below:

Year of Issue	Security Issued	Amount raised (Rs.)	Number of allottees
2009-2010	RPS	1,880.00	188
2010-2011		113,630.00	11363
Total		1,15,510.00	11551

On a perusal of the Balance Sheet for the year ended March 31, 2010, the IA observed that one entry of 188 number of preference shares of Rs. 10 each amounting to Rs. 1,880 was appearing in the Balance Sheet. This did not match with the Balance Sheet for the year ended March 31, 2010 submitted earlier by RCML. Again, when the Balance Sheets for the year ended March 31, 2011 and March 31, 2012 were examined, the IA observed that no details with respect to preference shares were accounted for in said Balance Sheets. Hence, the IA observed that certain anomalies were present in the filings made by RCML with the ROC. Thereafter, the IA observed that RCML had filed Form 2 with the ROC. The Table above is based on the Form 2 available on record.

7. The above *Offer of RPS* and pursuant allotment were deemed public issue of securities under the first proviso to section 67(3) of the Companies Act, 1956. Accordingly, the resultant requirement under section 60 read with section 2(36), section 56, sections 73(1), 73(2) and 73(3) read with section 27(2) of the SEBI Act were not complied with by RCML in respect of the *Offer of RPS*.
8. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated July 07, 2016 with immediate effect.
- i. “RCML (PAN: AAECR6116M) shall forthwith cease to mobilize fresh funds from

investors through the Offer of RPS 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. RCML and its present/past Directors and, Promoters, viz. Shri Saurovemoy Ghosh (PAN: AIDPG1944N; DIN: 03580554), Shri Sukumar Bhattacharya (PAN: AHNPB5569M; DIN: 03580554), Shri Sudhir Chandra Bera (PAN: AXAPB8554D; DIN: 06500319), Shri Khudiram Sounth (PAN: AKEPS8245D; DIN: 01642426), Shri Hirak Nath Sounth (PAN: APKPS6248B; DIN: 01642164), Smt Jayanti Sounth (PAN: AZGPS4138J; DIN: 01642127), Shri Bhadreshwar Pal (PAN: ANZPP6080B; ; DIN: 01557670), Shri Anjan Bandyopadhyay (PAN: ADYPB3215H; DIN: 02599213), Shri Aniruddha Ghosal (PAN: AHEPG6300N; DIN: 03398215), Shri Sukumar Chatterjee (PAN: ACFPC4630F; DIN: 03576773), Shri Ajoy Sankar Sanyal (PAN: DUGPS0846K; DIN: 06548210), Shri Subhash Ghorai (PAN: BEQPG4679L; DIN: 06777536), Shri Tarak Nath Sounth (PAN: AZJPS2963G; DIN:), Shri Rabindra Nath Sounth (PAN: BDLPS1922A; DIN:), Shri Sujit Kumar Paul (PAN: BGBPP6436M; DIN: 06777536) and Smt Kabita Rani Pal (PAN: ; DIN:), 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. RCML and its abovementioned past and present Directors and Promoters, 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. RCML shall provide a full inventory of all its assets and properties;
- v. RCML's abovementioned past and present Directors and Promoters, shall provide a full inventory of all their assets and properties;

- vi. RCML and its abovementioned present Directors and Promoters, shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company, without prior permission from SEBI;
 - vii. RCML and its abovementioned present Directors and Promoters, shall not divert any funds raised from public at large through the *Offer of RPS*, which are kept in bank account(s) and/or in the custody of RCML;
 - viii. RCML and its abovementioned past and present Directors and Promoters, shall co-operate with SEBI and shall furnish all information/documents sought vide letters dated September 30, 2014;
9. The interim order also directed the RCML and its Directors/promoters to show cause as to why suitable directions/prohibitions under sections 11(1), 11(4), 11A and 11B of the SEBI Act, and section 73(2) of the Companies Act, 1956 read with section 27(2) of the SEBI Act should not be passed against them:
- i. Directing them jointly and severally to refund money collected through the *Offer of RPS* along with interest, if any, promised to investors therein;
 - ii. Directing them not to issue 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, for an appropriate period;
 - iii. Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
10. Vide the said interim order, RCML, its abovementioned Directors/promoters were given the opportunity to file their replies, within 21 days from the date of receipt of the said interim order. The order further stated the concerned persons may also indicate whether

they desired to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.

11. *Service of interim order:* The copy of the said interim order was sent to the Noticees vide letter dated July 12, 2016 which were not delivered to the Noticees except Shri Ajoy Sankar Sanyal, Shri Bhadreswar Pal and Shri Sukumar Chatterjee. Subsequently, vide notification dated November 09, 2016 published in newspaper *The Times of India*, and notification dated November 08, 2016 published in newspaper *Anand Bazar Patrika*, all the Noticees were notified by SEBI, that interim order dated July 07, 2016 was issued against them and they were given a final opportunity to submit their reply in the matter.
12. Vide notification dated June 10, 2017 published in newspaper *The Times of India* and notification dated June 10, 2017 published in newspaper *Anand Bazar Patrika*, the Noticees were notified by SEBI that they will be given a final opportunity of being heard on July 27, 2017 at the time and the venue mentioned therein. The Noticees were advised that in case they failed to appear for the personal hearing before SEBI on the aforesaid date, then the matter would be proceeded *ex-parte* on the basis of material available on record.
13. *Hearing and submissions:* Noticees did not avail the opportunity of hearing held on July 27, 2017. I have noted from the material on record that Shri Ajoy Sankar Sanyal has filed a reply dated September 2, 2016, Shri Sukumar Chatterjee has filed a reply dated July 22, 2017 and Shri Bhadreswar Pal has filed a reply dated July 30, 2017.
14. Shri Ajoy Sankar Sanyal vide his reply dated September 2, 2016, has submitted *inter alia*, that
 - i. He was representing Roofers Infrastructure India Private Limited which was managed by Shri Hirak Nath Sounth, Chairman-cum-Managing Director, in certain civil cases started in different courts. Therefore, he was associated with the Company in a professional capacity. On March 15, 2013, he gave his consent to act as an Additional Director in Roofers Capital Management Limited and such

appointment was made with no right to sign any document of the Company and without any remuneration. He was not connected in the day to day business of the Company.

- ii. Company did not hold any Annual General Meeting after the proposal of his name as Additional Director, for the approval of the said appointment as per section 161 of the Companies Act, 2013.
- iii. He tendered his resignation on July 16, 2013 to the Company and a copy of the Form 32 along with his letter of resignation was enclosed.
- iv. He is not responsible for refund under section 73(2) of the Companies Act, 1956 as he was not holding the position of director.
- v. He has no property in his name and is residing in a rental flat in Kolkata.

15. Shri Sukumar Chatterjee, vide his reply dated July 22, 2016, has stated *inter alia* that

- i. He was not connected with the issue of RPS by the Company and that he resigned from his directorship before the Company started collecting/mobilizing money from the outsiders. He has also submitted a copy of his letter of resignation and the Form 32 filed by the Company in that respect.
- ii. He was only responsible for holding land documents and had no access to any documents, papers, prospectus etc. of the Company.

16. Shri Bhadreswar Pal, vide his reply dated July 30, 2016 submitted *inter alia* that,

- i. Shri Hirak Nath Sounth had offered him an opportunity of employment in a Cement Plant in Midnapore, for a salary of Rs. 5000 per month. He had signed some documents forwarded by him in the belief of the genuineness of this offer. Later it came to his knowledge, upon non-receipt of any appointment letter, that the papers so signed by him were utilized for appointing him as a director of RCML.
- ii. He had requested Shri Hirak Nath Sounth to relieve him from directorship, which was carried out in January, 2011.

- iii. He was not involved in the internal affairs, management, books of accounts or activities of the said Company.
17. Vide letter dated August 17, 2017, SEBI gave an opportunity to the Noticees to submit supplementary documentary evidence. Thereafter, vide letter dated September 2, 2017, Shri Bhadreswar Pal *inter alia* made the following additional submissions along with supplementary documentary evidence:
- i. The Company had fraudulently appointed him as a director of RCML on a back date, with effect from September 10, 2010 and filed the relevant documents on December 8, 2010. Copy of the RoC Form was provided.
 - ii. Upon the knowledge of such act, he had immediately told the Board of Directors to disassociate him from the Company. The Board accepted the resignation and filed relevant documents on January 27, 2011, with effect from January 25, 2011.
18. I have considered the allegations and materials available on record. On perusal of the same, the following issues arise for consideration. Each question is dealt with separately under different headings.
- (1) *Whether the company came out with the Offer of RPS as stated in the interim order.*
 - (2) *If so, whether the said issues are in violation of Section 56, Section 60 and Section 73 of Companies Act 1956.*
 - (3) *If the findings on Issue No.2 are found in the affirmative, who are liable for the violation committed?*

ISSUE No. 1- Whether the company came out with the Offer of RPS as stated in the interim order.

19. I have perused the interim order dated July 07, 2016 for the allegation of *Offer of RPS*. I note that neither the company nor the directors filed any reply disputing the same.
20. I have also perused the documents/ information obtained from the 'MCA 21 Portal' and other documents available on record. I note that RCML has issued and allotted RPS to

11551 investors during the financial years 2009-2010 and 2010-2011 and raised an amount of Rs. 1,15,510/-.

21. I therefore conclude that RCML came out with an offer of RPS as outlined above.

ISSUE No. 2- If so, whether the said issues are in violation of Section 56, Section 60 and Section 73 of Companies Act 1956.

22. The provisions alleged to have been violated and mentioned in Issue No. 2 are applicable to the *Offer of RPS* made to the public. Therefore the primary question that arises for consideration is whether the issue of RPS is 'public issue'. At this juncture, reference may be made to sections 67(1) and 67(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).”

23. The following observations of the Hon'ble Supreme Court of India in *Sahara India Real Estate Corporation Limited & Ors. v. SEBI (Civil Appeal no. 9813 and 9833 of 2011)* (hereinafter referred to as the “**Sahara Case**”), while examining the scope of Section 67 of the Companies Act, 1956, are worth consideration:-

“Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 67(1) and (2) is on the “section of the public”. Section 67(3) states that no offer or invitation shall be treated as made to the public, by virtue of subsections (1) and (2), that is to any section of the public, if the offer or invitation is 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 otherwise as being a domestic concern of the persons making and receiving the offer or invitations. Section 67(3) is, therefore, an exception to Sections 67(1) and (2). If the circumstances mentioned in clauses (1) and (b) of Section 67(3) are satisfied, then the offer/invitation would not be treated as being made to the public.

The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. ... Resultantly, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving the offer or invitation.”

24. Section 67(3) of Companies Act, 1956 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) of Companies Act, 1956 exempts NBFCs and Public Financial Institutions from the applicability of the *first proviso*.
25. In the instant matter, I find that RPS were issued by RCML to 11551 investors in the financial years 2009-2010 and 2010-2011. Further, I find that RCML has mobilized an amount of Rs. 1,15,510/- over the financial years 2009-2010 and 2010-2011. The number of allottees for each financial year as given in paragraph 6 lead to the conclusion that the

Offer of RPS by RCML was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.

26. Reference may be made to the *Sahara Case*, wherein it was held that under Section 67(3) of the Companies Act, 1956, the "*Burden of proof is entirely on Saharas to show that the investors are/were their employees/workers or associated with them in any other capacity which they have not discharged.*" In respect of the present issuances, the Noticees have not placed any material showing that the allotment was in satisfaction of section 67(3)(a) or section 67(3)(b) of the Companies Act, 1956 i.e., it was made to the known associated persons or domestic concern. Therefore, I find that the said issuance cannot be considered to have been covered by the provisions of sections 67(3)(a) or 67(3)(b) of the Companies Act, 1956.
27. I also note that the offer of RPS was made to more than 50 people, and the same has not been controverted by the Noticees. Therefore, I find that the *Offer of RPS* falls within the first proviso to section 67(3) of the Companies Act, 1956.
28. Even in cases where the issue is made in tranches, reference may be made to the order dated April 28, 2017 of Hon'ble Securities Appellate Tribunal in *Neesa Technologies Limited vs. SEBI* (Appeal No. 311 of 2016) which lays down that "*In terms of Section 67(3) of the Companies Act any issue to “50 persons or more” is a public issue and all public issues have to comply with the provisions of Section 56 of Companies Act and ILDS Regulations. Accordingly, in the instant matter the appellant have violated these provisions and their argument that they have issued the NCDs in multiple tranches and no tranche has exceeded 49 people has no meaning*".
29. I find that RCML has not claimed it 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, therefore, find that there is no case that RCML is covered under the second proviso to Section 67(3) of the Companies Act, 1956.
30. Therefore, in view of the material available on record, I find that the *Offer of RPS* by

RCML falls within the first proviso of section 67(3) of Companies Act, 1956. Hence, the *Offer of RPS* are deemed to be public issues and RCML was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.

31. Further, since the offer of RPS 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 section 73(1) and (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.
32. The allegations of non-compliance of the above provisions were not denied by RCML 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 RCML has contravened the said provisions. RCML has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that RCML 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. Therefore, I find, that section 73(2) of the Companies Act, 1956 has not been complied with.
33. Section 2(36) of the Companies Act read with section 60 thereof, mandates a company to register its 'prospectus' with the 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 RPS was a deemed public issue of securities, RCML was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that RCML has not submitted any record to indicate that it has registered a prospectus with the RoC,

in respect of the offer of RPS. I, therefore, find that RCML has not complied with the provisions of section 60 of the Companies Act, 1956.

34. 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 RCML 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, RCML has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.
35. Further, I note that the jurisdiction of SEBI over various provisions of the Companies Act, 1956 including the above mentioned, 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 observed that:

"We, therefore, hold that, so far as 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."

"SEBI can exercise its jurisdiction under Sections 11(1), 11(4), 11A(1)(b) and 11B of SEBI Act and Regulation 107 of ICDR 2009 over public companies who have issued shares or debentures to fifty or more, but not complied with the provisions of Section 73(1) by not listing its securities on a recognized stock exchange"

36. 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...”

37. In view of the above findings, I am of the view that RCML was engaged in fund mobilizing activity from the public, through the offer of RPS and has contravened the provisions of section 56(1), 56(3), 2(36) read with 60, 73(1), 73(2), 73(3) of the Companies Act, 1956,

ISSUE No. 3- If the findings on Issue No.2 are found in the affirmative, who are liable for the violation committed?

38. From the documents available on record, I find that the present Directors in RCML are Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai. I also note that Shri Saurovemoy Ghosh, Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Sukumar Chatterjee, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay, Shri Aniruddha Ghosal, and Shri Ajoy Sankar Sanyal, who were earlier Directors in RCML, have since resigned. The details of the appointment and resignation

of the directors are as following:

Name of the directors	Date of appointment	Date of cessation
Shri Saurovemoy Ghosh	August 6, 2011	January 01, 2014
Shri Sukumar Bhattacharya	March 15, 2013	Continuing
Shri Sudhir Chandra Bera	February 12, 2013	Continuing
Shri Khudiram Sounth	December 17, 2009	September 20, 2010
Shri Hirak Nath Sounth	December 17, 2009	January 31, 2013
Smt Jayanti Sounth	December 17, 2009	September 20, 2010
Shri Sukumar Chatterjee	August 6, 2011	March 14, 2013
Shri Ajoy Sankar Sanyal	March 15, 2013	July 16, 2013
Shri Subhash Ghorai	January 01, 2014	Continuing
Shri Bhadreshwar Pal	September 10, 2010	January 25, 2011
Shri Anjan Bandyopadhyay	September 10, 2010	January 31, 2013
Shri Aniruddha Ghosal	December 28, 2010	January 31, 2013

39. I find that Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay, Shri Aniruddha Ghosal, Shri Tarak Nath Sounth, Shri Rabindra Nath Sounth, Shri Sujit Kumar Paul and Smt Kabita Rani Pal are promoters of RCML.

40. Section 56(1) and 56(3) read with section 56(4) of the Companies Act, 1956 imposes the liability on the company, every director, and other persons responsible for the prospectus for the 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, RCML and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the Companies Act, 1956.
41. 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 Governments) General Rules and Forms, 1956, the rate of interest prescribed in this regard is 15%.
42. From the material available on record and the details of the appointment and resignation of the directors of RCML as reproduced in paragraph 38 of this Order, it is noted that Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal were directors at the time of the issuance of RPS. Since these persons were acting as directors during the period of issuance of RPS, they are officers in default as per Section 5(g) of Companies Act, 1956. Further, in the present case, no material is brought on record to show that any of the officers set out in clauses (a) to (c) of Section 5 of Companies Act, 1956 or any specified director of RCML was entrusted to discharge the obligation contained in Section 73 of the Companies Act, 1956. Therefore, as per Section 5(g) of the Companies Act, 1956 all the past and

present directors of RCML, as officers in default, are liable to make refund, jointly and severally, along with interest at the rate of 15 % per annum, under section 73(2) of the Companies Act, 1956 for the non-compliance of the above mentioned provisions.

43. I note that Shri Bhadreswar Pal disputed his liability as a director, stating that the papers he signed for the purpose of securing an employment at a Cement plant to be started by Shri Hirak Nath Sounth, were utilized for the purpose of appointing him as a director of the Company. It is submitted that upon his knowledge he requested the Board of Directors to remove his name from the directorship which was done on January 25, 2011. Relevant RoC filings have also been provided for perusal in this respect showing that the filing by the Company appointing him as a director was only on December 8, 2010. Therefore, Shri Bhadreswar Pal has submitted that he was a director in the Company only for one and a half months. I have considered the above submission along with the material brought on record. I find from the RoC filings made by the Company that the Noticee was indeed appointed as a Director from September 10, 2010 although the date of filing was only on December 8, 2010. I find from the RoC filings made by the Company that the Noticee was removed from his directorship on January 27, 2011 with effect from January 25, 2011. I note that the Shri Bhadreswar Pal has not explained to the satisfaction of the Board the circumstances in which he came to know of his Directorship in RCML. Further, he has also not demonstrated his bona fide intent in securing an employment with the Cement Plant, as he has not provided any documentary evidence of communication with Shri Hirak Nath Sounth for the said purpose, after his non-receipt of any appointment letter. Nor has the Noticee produced the nature of documents that he had signed as documentary evidence to show his bona fide intent to secure only employment in the Company. Further, it is not the Noticee's contention that his signature was forged on the documents purportedly utilized for the purpose of appointment of Director. Therefore, I am of the view that Shri Bhadreswar Pal had knowledge of the nature of the documents that he was signing and had consciously allowed his name to be used for the Directorship of RCML. I have also perused the submissions made by Shri Bhadreswar Pal, on January 20, 2015 wherein he

has stated that he was told by Shri Hirak Nath Sounth, that “till the time the plant starts production [he] shall get Rs. 5,000/- per month for attending the Company which is supposed to be the owner of the plant...” However, in his reply dated July 30, 2016 he has submitted that he was told that “till the time the plant starts production, [he] shall get Rs. 5,000/- per month for attending the proposed site of the Cement Factory of the Company ...” I therefore, am of the view that the submissions made by Shri Bhadreswar Pal have discrepancies and that he has not satisfied the Board with his submission that he was not aware that he was a director of the Company. Therefore, I find that the submission made by the Noticee that he did not know that he was a director during the said financial year, has no merit for the purpose of assigning liability for the violation of public issue norms by the Company.

44. Further, I find no merit in the submission of Shri Bhadreswar Pal that he was a director of RCML only for one and half months, as I am satisfied by the RoC filings on record that he was shown to be a director since September 10, 2010 and there is no illegality in filing the appointment of a director at a date later than the date of appointment. Therefore, I find that he was a director of the Company from September 10, 2010 till January 25, 2011. He has also submitted that he was not involved in the internal affairs, management or activities of the Company. In this regard I would also like to refer to the decision of Hon’ble SAT in *Manoj Agarwal vs. SEBI* wherein it was observed that lending name to be a director of the company and not being involved in the day today affairs of the company would not absolve any director from his obligation to refund the amount to the investors.
45. Since, the liability of the company to repay under section 73(2) is continuing and such liability continues till all the repayments are made, the above said directors 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 section 27(2) of the SEBI Act. Therefore, I find that RCML and its Directors, viz. Shri Khudiram Sounth, Shri Hirak

Nath Sounth, Smt Jayanti Sounth, Shri Bhadreswar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal 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.

46. I note that during the financial years 2009-2010 and 2010-2011 RCML through Offer of RPS, had collected at least an amount of Rs. 1,15,510/- from various allottees. I note that Shri Hirak Nath Sounth was a director of RCML during financial years 2009-2010, 2010-2011, 2011-2012 and 2012-2013. I note that Shri Khudiram Sounth and Smt Jayanti Sounth were directors of RCML during financial years 2009-2010 and 2010-2011. I note that Shri Bhadreswar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Pal have been directors of RCML during the financial year 2010-2011. I note that Shri Saurovemoy Ghosh was director of RCML during financial years 2011-2012 to 2013-2014. I note that Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai have been directors of RCML since financial years 2012-2013 and are continuing till date. I note that Shri Sukumar Chatterjee was director of RCML during financial years 2011-2012 and 2012-2013. I note that Shri Ajoy Sankar Sanyal was director of RCML during financial years 2012-2013 and 2013-2014. Therefore, in view of Hon'ble Securities Appellate Tribunal (SAT) Order dated July 14, 2017 in the matter of *Manoj Agarwal vs. SEBI*, I am of the view that the obligation of the director to refund the amount with interest jointly and severally with RCML and other directors are limited to the extent of amount collected during his/her tenure as director of RCML.

47. In this regard, I note that Shri Saurovemoy Ghosh, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai were appointed as directors of RCML only after the period of issuance of RPS. Therefore, following the reasoning as provided in the matter of *Manoj Agarwal vs. SEBI*, I am of the view that Shri Saurovemoy Ghosh, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai are not liable for refund of money as they were not directors during the relevant time of

fund mobilization. I find from the replies filed, that Shri Ajoy Sankar Sanyal has submitted that he was only proposed as an Additional Director and the proposal was not approved by way of an Annual General Meeting as per section 161 of the Companies Act, 2013. However, I find that there is no merit in this submission as there is no legal requirement to hold an Annual General Meeting for the approval of appointment of Additional Director under section 161 of the Companies Act, 2013. The said provision mandates that the tenure of the Additional Director is till the date of the next Annual General Meeting or the last date when the annual general meeting should have been held. Further, as section 161 of the Companies Act, 2013 was notified only on September 12, 2013, the relevant provision should be section 260 of the Companies Act, 1956 which only provides that the tenure of the Additional Director would be only up to the date of the next annual general meeting. Further, section 166 of the Companies Act, 1956 states that not more than fifteen months should elapse between the date of one annual general meeting of a company and that of the next. I observe that the Noticee was appointed as a Director on March 15, 2013 and he resigned on July 16, 2013. In the absence of the date of the last annual general meeting of the Company, brought on record by the Noticee, I find no merit in his submissions. Therefore, his tenure was not over within the said period till his resignation. Therefore, I find from the records, that the said Noticee was appointed as an Additional Director of the Company. I further find that Shri Ajoy Sankar Sanyal has tendered his resignation from such directorship on July 16, 2013 and he has submitted that he was not part of the day to day business of the Company. Similarly, I find that Shri Sukumar Chatterjee has submitted that he tendered his resignation from his directorship of the Company and the same is corroborated from the RoC filings. Shri Sukumar Chatterjee also denied having any knowledge of the issuance of RPS and submitted that he did not take part in any decision making of the Company. However, no documentary evidence in this regard has been provided despite opportunities being granted by SEBI. I therefore, find no merit in his submissions. The rest of the Noticees, viz. Shri Saurovemoy Ghosh, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai have not denied knowledge/connivance/consent in the act/omission which constitutes violation of the

provisions of the public issue. I have perused of the submissions and the material on record. I find that public interest requires that the persons who had such knowledge/connivance/consent be made accountable to the investors. The Noticees had the responsibility of ensuring that refund of money was made to the investors as prescribed in law. With respect to the breach of law and duty by a director of a company, I refer to and rely on the following observations made by the Hon'ble High Court of Madras in *Madhavan Nambiar vs. Registrar of Companies* (2002 108 Comp Cas 1 Mad):

“13. A director either full time or part time, either elected or appointed or nominated is bound to discharge the functions of a director and should have taken all the diligent steps and taken care in the affairs of the company.

14. In the matter of proceedings for negligence, default, breach of duty, misfeasance or breach of trust or violation of the statutory provisions of the Act and the rules, there is no difference or distinction between the whole-time or part time director or nominated or co-opted director and the liability for such acts or commission or omission is equal. So also the treatment for such violations as stipulated in the Companies Act, 1956.”

48. A person cannot assume the role of a director in a company in a casual manner. The position of a ‘director’ in a public company/listed company comes along with responsibilities and compliances under law associated with such position, which have to be fulfilled by such director or face the consequences for any violation or default thereof. The Noticees cannot therefore wriggle out from liability. A director who is part of a company’s board shall be responsible and liable for all acts carried out by a company. Accordingly, Shri Saurovemoy Ghosh, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai were also responsible for all the deeds/acts of the Company during the period of his directorship and was obligated to ensure refund of the money collected by the company to the investors as per the provisions of Section 73 of Companies Act, 1956. In view of the

failure to discharge the said liability of ensuring refund, Shri Saurovemoy Ghosh, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai are liable to be debarred for an appropriate period of time.

49. I find that Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay, Shri Aniruddha Ghosal, Shri Tarak Nath Sounth, Shri Rabindra Nath Sounth, Shri Sujit Kumar Paul and Smt Kabita Rani Pal are promoters of RCML and therefore, are liable as promoters for the *Offer of RPS* against the norms of deemed public issue. The said Noticees have not denied knowledge/connivance/consent in the act/omission which constitutes violation of the provisions of the public issue and public interest requires that the persons who had such knowledge/connivance/consent be made accountable to the investors. Therefore, the said Noticees are liable to be debarred for an appropriate period of time.
50. 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 RCML and its Directors, viz. to refund the monies collected, with interest to such investors. Further, in view of the violations committed by the Company and its Directors and promoters, to safeguard the interest of the investors who had subscribed to such RPS 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.
51. I also note that, vide the interim order dated July 07, 2016, RCML was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, the Directors/promoters of RCML 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. However, I find that no such inventory has been provided either by RCML or the other Noticees despite the notifications of information of issuance of the interim order through newspaper publications as stated in paragraph 11 of this

Order.

52. In view of the discussion above, appropriate action in accordance with law needs to be initiated against RCML and its Directors and promoters , viz. Shri Saurovemoy Ghosh, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera, Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay, Shri Aniruddha Ghosal, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Subhash Ghorai, Shri Tarak Nath Sounth, Shri Rabindra Nath Sounth, Shri Sujit Kumar Paul and Smt Kabita Rani Pal.
53. In view of the aforesaid observations and findings, I, in exercise of the powers conferred under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions:
- a. RCML and its Directors, viz. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, shall forthwith refund the money collected by the Company through the issuance of RPS including the money collected from investors, till date, pending allotment of securities, if any, with an interest of 15% per annum, from the eighth day of collection of funds, 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. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal are directed to provide a full inventory of all of their assets and properties and details of all the bank accounts, demat accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form,
 - d. RCML and on behalf of the Company, its present directors, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai, are directed to provide a full inventory of all assets and properties and details of all the bank accounts, demat

accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form, of the Company.

e. RCML and on behalf of the Company, its present directors, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai, 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. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.

f. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreswar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, are 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 the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.

g. RCML and on its behalf the present directors who joined subsequent to the issues, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai and past Directors, viz. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreswar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, in their personal capacity to make refund, shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily 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.

h. After completing the aforesaid repayments, RCML and on its behalf the present directors who joined subsequent to the issues, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai and its past Directors, viz. Shri Khudiram Sounth,

Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, 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").

i. In case of failure of aforesaid present directors, who joined subsequent to the issues namely, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order, 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.

j. In case of failure of RCML and its Directors, viz. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order:

- i. may recover such amounts, from the company and the directors liable to refund as specified in paragraph 53(a) of this Order, 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;

k. RCML and its Directors, viz. Shri Khudiram Sounth, Shri Hirak Nath Sounth, Smt Jayanti Sounth, Shri Bhadreshwar Pal, Shri Anjan Bandyopadhyay and Shri Aniruddha Ghosal, 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 4 (four) 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 4 (four) years from the date of completion of refunds to investors.

l. Shri Saurovemoy Ghosh, Shri Sukumar Chatterjee, Shri Ajoy Sankar Sanyal, Shri Sukumar Bhattacharya, Shri Sudhir Chandra Bera and Shri Subhash Ghorai, Shri Tarak Nath Sounth, Shri Rabindra Nath Sounth, Shri Sujit Kumar Paul and Smt Kabita Rani Pal 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 for a period of 4 (four) years from the date of this Order. The above said persons 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 for a period of 4 (four) years from the date of this Order.

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

54. This Order is without prejudice to any action that SEBI may initiate under securities laws, as deemed appropriate in respect of the above violations committed by RCML and its directors and other key persons.

55. Copy of this Order shall be forwarded to the recognised stock exchanges, registrar and transfer agents and depositories for information and necessary action.
56. 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: October 10, 2017

PLACE: Mumbai

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