

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 Angel Rural Development Limited

In respect of:

1. Angel Rural Development Limited (CIN: U45201MP2011PLC027236)
2. Shri Hasibul Haque (PAN: ABMPH3009D; DIN: 02968546).
3. Shri Sunirmal Goswami (PAN: ARMPG3713B; DIN: 03614972).
4. Shri Basudev Ghosh (PAN: AVAPG0570A; DIN: 06533516).
5. Shri Sekh Nazibulla (PAN: CJOPS3256B; DIN: 03109435).
6. Ms. Nabina Jahan (PAN: AOAPJ7650M; DIN: 03359199).
7. Shri Sheikh Abdul Robial (PAN: AGKPR7880B; DIN: 06371624).
8. Debenture Trustee, viz. Ms. Rojina Begam (DIN: 03624149).

1. Angel Rural Development Limited (hereinafter referred to as “**ARDL**”/ “**the Company**”) is a Public company incorporated on December 02, 2012 and registered with Registrar of Companies–Gwalior, MP with CIN: U45201MP2011PLC027236. Its registered office is at Bardadeeh Chowk, Mukhtiyar Gang, Rama Krishana Aasram, Satna (Madhya Pradesh) - 485001.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received reference and complaints against ARDL in respect of issue of Secured Redeemable Non-Convertible Debentures (hereinafter referred to as “**NCDs**”) and undertook an enquiry to ascertain whether ARDL 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 including the Securities and Exchange Board of India (Issue and Listing of



9/23

Debt Securities), Regulations, 2008 (hereinafter referred to as “ILDS Regulations”).

3. On enquiry by SEBI, it was observed that ARDL had made an Offer of NCDs to at least 96 investors from the issue that opened on December 12, 2011(hereinafter referred to as “Offer of NCDs”). The number of allottees and funds mobilized has been collated from the documents submitted with the complaints received by SEBI. Therefore, it was concluded that the actual number of allottees could be more than the above indicated figure. It was also observed that ARDL created a charge for an amount of Rs. 100.00 crores on December 12, 2011 and appointed *Ms. Rojina Begam* as Debenture Trustee for the Offer of NCDs by that company.
4. As the above said *Offer of NCDs* was found *prima facie* in violation of respective provisions of the SEBI Act, 1992, the Companies Act, 1956, and the ILDS Regulations, SEBI passed an interim order dated November 21, 2014 (hereinafter referred to as “interim order”) and issued directions mentioned therein against ARDL and its Directors viz. Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial and its Debenture Trustee, *Ms. Rojina Begam*. (hereinafter collectively referred to as “Noticees”).
5. *Prima facie findings/allegations*: In the said interim order, the following *prima facie* findings were recorded. ARDL had made an *Offer of NCDs* to at least 96 investors from the issue that opened on December 12, 2011.
6. Further, ARDL created a charge for an amount of Rs. 100 crores on December 12, 2011 and appointed *Ms. Rojina Begam* as Debenture Trustee for the Offer of NCDs by the company. *Ms. Rojina Begam* was not registered as debenture trustee for the offer of NCDs by that company.
7. The above *Offer of NCDs* 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) and sections 117B and 117C of the Companies Act, 1956 and the relevant provisions of the ILDS Regulations were not complied with by ARDL in respect of the *Offer of NCDs*. Further, the Debenture Trustee viz. *Ms. Rojina Begam* has prima facie violated section 12(1) of the SEBI Act and regulation 7 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (hereinafter referred to as "**Debenture Trustees Regulations**").

8. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated November 21, 2014 with immediate effect.

- i. "ARDL shall not mobilize any fresh funds from investors through the Offer of NCDs 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. ARDL and its present/past Directors, viz. Shri Hasibul Haque (PAN: ABMPH3009D; DIN: 02968546), Shri Sunirmal Goswami (PAN: ARMPG3713B; DIN: 03614972), Shri Basudev Ghosh (PAN: AVAPG0570A; DIN: 06533516), Shri Sekh Nazibulla (PAN: CJOPS3256B; DIN: 03109435), Ms. Nabina Jahan (PAN: AOAPJ7650M; DIN: 03359199), Shri Sheikh Abdul Robial (PAN: AGKPR7880B; DIN: 06371624), 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. ARDL 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. ARDL shall provide a full inventory of all its assets and properties;
- v. ARDL's abovementioned Directors shall provide a full inventory of all their assets

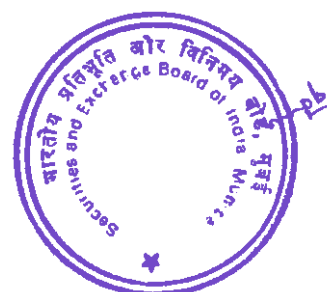


and properties;

- vi. ARDL and its abovementioned present 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 NCDs, without prior permission from SEBI;
- vii. ARDL and its abovementioned present Directors, shall not divert any funds raised from public at large through the *Offer of NCDs*, which are kept in bank account(s) and/or in the custody of ARDL;
- viii. ARDL shall furnish complete and relevant information (as sought by SEBI letters dated August 7, 2013 and November 7, 2013), within 21 days from the date of receipt of this Order.
- ix. The Debenture Trustee, viz. *Ms. Rojina Begam(DIN: 03624149)* , is prohibited from continuing with her present assignment as a debenture trustee in respect of the Offer of NCDs of ARDL and also from taking up any new assignment or involvement in any new issue of debentures, etc. in a similar capacity, from the date of this Order till further directions.”

9. Vide the said interim order, ARDL, its abovementioned Directors along with its Debenture Trustee 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.

10. *Service of interim order*: The copy of the said interim order was sent to the Noticees vide letter dated November 27, 2014 which were not delivered. Subsequently, vide notification dated August 12, 2016 published in newspaper *Times of India*, and



notification dated August 12, 2016 published in newspaper *Dainik Bhaskar*, the Noticees were notified by SEBI, that interim order was issued against them and they were given opportunity to submit their reply in the matter.

11. Vide notification dated June 10, 2017 published in newspaper *Times of India*, notification dated June 10, 2017 published in newspaper *Ananda Bazar Patrika* and notification dated June 10, 2017 published in newspaper *Dainik Bhaskar*, the Noticees were notified by SEBI that they will be given an opportunity of being heard on July 04, 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.

12. *Hearing and submissions*: Noticees did not avail the opportunity of hearing held on July 04, 2017. Shri S.K.Abdul Robial had replied vide letter dated December 10, 2014 and June 5, 2015. His submissions in brief are as under:

- a) Being an investor, he was involved with ARDL, at first. Thereafter, he became an agent for more than two years and later being satisfied with his performance, key person of Angel Agritech Group of company elevated his position and promoted him as a Director of ARDL and Angel Agritech Limited on 16.8.2012.
- b) After becoming a director, he found that no board meeting with the directors had been held in his presence. Being surprised with the function and activities of the chairman-cum-managing director, S.K.Hasibul Haque, he raised his voice and expressed dissatisfaction with regard to plan-programme and security of money of the investors. Further, he was not involved with any sort of debenture trustee with said Angel Agritech Ltd.
- c) He offered his resignation letter from the post of director of ARDL and Angel Agritech Ltd. before the Chairman cum Managing Director in the month of December 2012 within a period of four months. His resignation letters were accepted at the end of March 2013 and after completion of all formalities, ROC, West Bengal accepted his resignation letters on 1.4.2013 and since then he was



not connected with the acts of ARDL and Angel Agritech Ltd.

- d) First time as an agent he got only commission, thereafter he got salary for a period of four months as a director apart from that he did not take any type of advantage from Angel Agritech group of companies.
- e) He did not possess any property of the said company and he was not a signatory authority of the said company in any material point of time for this purpose he was ready to face any enquiry.
- f) On and from 1.4.2013 there was no relation between him and ARDL and as per the direction of S.K.Hasibul Haque, he has returned all papers related to the said company to S.K.Hasibul Haque before he received letter of resignation from him. Therefore, he is unable to provide any documents. He enclosed his resignation letter dated 1.4.2013 addressed to Angel Agritech Limited bearing ROC stamp (not for ARDL).

13. Shri Basudev Ghosh had replied vide letter dated September 6, 2013. His submissions in brief are as under:

- a) It is evident from SEBI letter that he had been made director of ARDL with effect from 1.4.2013. However, he had been appointed as an employee of Angel Agritech ltd. under the signature of M.D., S.K. Hasibul Haque and as per terms of employment he had to submit with the company, his bio data photograph and self attested photo copy of address proof.
- b) To his surprise, and having received SEBI's letter regarding ARDL in connection with SEBI Regulations to the company, he for the first time learnt that he had been one of the directors of the said company with effect from 1.4.2013.
- c) He submitted that he had not signed any consent letter so as to become a director in the said company. None of the correspondence with the respective ROC had ever been done attaching any DSC. He had never put his signature in any deposit receipts, certificates etc. on behalf of the company.
- d) He had never represented in any manner as the director of the company. He had



been fraudulently included as one of the directors and has no responsibility in the management of the company.

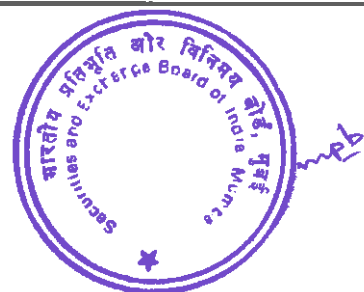
14. I have considered the allegations and materials available on record. On perusal of the same, the following issues arise for consideration. Each question is dealt with separately under different headings.

- (1) *Whether the company came out with the Offer of NCDs as stated in the interim order.*
- (2) *If so, whether the said issues are in violation of Section 56, Section 60 read with section 2(36), Section 73 and section 117C of the Companies Act, 1956 read with the ILDS Regulations.*
- (3) *Whether appointment of Ms. Rojina Begam as the Debenture Trustee by ARDL is in violation of Section 117B of the Companies Act, 1956 and whether Ms. Rojina Begam violated Section 12(1) of SEBI Act and regulation 7 of the Debenture Trustees Regulations*
- (4) *If the findings on Issue No.2 and 3 are found in the affirmative, who are liable for the violation committed?*

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

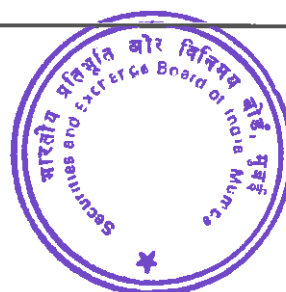
15. I have perused the interim order dated November 21, 2014 for the allegation of *Offer of NCDs*. I note that neither the company nor the directors have disputed the same.

16. I have also perused the documents/ information obtained from the 'MCA 21 Portal' and other documents available on records. It is noted, from the investors' complaints received by SEBI in the matter that ARDL has issued and allotted NCDs to at least 96 investors during the financial years, 2011-2012 and 2012-2013 and raised at least an amount of Rs. 34,51,500. Further, it is noted from copies of pass books issued to 23 investors in the regular deposits plans offered by the company for debentures that installments have been

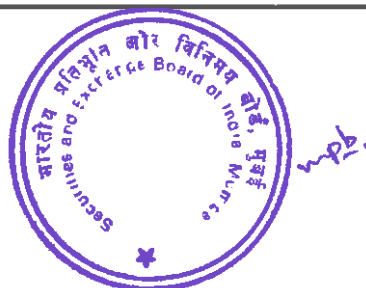


collected from the investors till August 28, 2013. Therefore, it is possible that the actual number of allottees and amount mobilized could be more than 96 allottees and Rs. 34,51,500 respectively. Details of the allottees and amount mobilized are given below:

Sl. No	Name of investor	Certificate number	Plan Number	Number of Months	Number Date of NCDS (each of Rs 100)	issue of NCD
1	Shampa Sebait	AB26234	DM-3	36-	2000	20/6/2012,
2	Pirupada Sebait	AB 19702	DM-3	36	400	30/05/2012
3	Padma Sebait	AD9950	DE	144	10	13/03/2012
4	Jhuma Sil	AD30256	DB	58	50	30/06/2012
5	Basanti Singha	AD10163	DB	58	50	16/03/2012
6	Bharoti Majhi	AD 17206	DF	174	20	21/05/2012
7	Subhrashu Mandal & Sampa Mandal	AB41512	DM-5-S2	60	300	21/05/2012
8	Sukumar Ruidas	AD41488	DF	174	100	21/05/2012
9	Nayan Ruidas	AD 17274	D-200	100	200	21/05/2012
10	Malati Ruidas	AB22439	DM-5-S2	60	100	06/06/2012
11	Dipak Pandit	AB22444	DM-5-S2	60	100	06/06/2012
12	Mahadeb Nandi	AB31938	DM-5-S2	60	3000	30/06/2012
13	Sukanta Manna	AB29877	DM-3	36	100	29/06/2012
14	Laxmi Mahadanda	AD1449	DF	174	20	31/03/2012
15	UrmilaMahadanda	AD17284	DF	174	10	21/05/2012
16	Babul Mahadanda	AD17280	DF	174	10	21/05/2012
17	Debraj Tangi	AD14166	DF	174	20	28/04/2012
18	Tapas Mondal	AB29601	DM-5-S2	60	400	29/06/2012
19	Ashoke Chowdhury	AB17275	DM-5-S2	60	100	21/05/2012
20	Tapasi Chowdhury	AD17279	DC	96	50	21/05/2012
21	Umapada Mandal	AB41457	DM-3	36	500	15/05/2012
22	Lakshmi Mandal	AB20034	DM-3	36	500	30/05/2012
23	Tribeni Patra	AB17349	DM-3	36	450	21/05/2012
24	Santi Nath Khan	AB41497	DM-3	36	500	17/05/2012



25	Durga Sou	AB15706	DM-5-S2	60	500	12/05/2012
26	Rabi Sau	AB15609	DM-5-S2	60	250	12/05/2012
27	Hiren Show	AB26520	DM-3	36	500	20/06/2012
28	Gagan Ruidas	AB15383	DM-5	60	4000	09/05/2012
29	Sukumar Pal	AB26942	DM-5-S2	60	1000	22/06/2012
30	Alok Ruidas	AB 16570	DM-5	60	1000	18/05/2012
31	Nadia Swarnkar	AB27076	DM-3	36	250	22/06/2012
32	Swapan Sardar	AB31991	DM-3	36	250	30/06/2012
33	Swapan Ruidas	AB15385	DM-5	60	500	09/05/2012
34	Santi Prasad Laha	AB30763	DM-5-S2	60	250	30/06/2012
35	Dulati Ghosh	AB31774	DM-3	36	250	30/06/2012
36	Swapan Bagdi	AB28699	DM-3	36	250	27/06/2012
37	Rabindranath Mahanta	AB28692	DM-3	36	250	25/06/2012
38	Rammohan Mukherjee	eAB25000	DM-3	36	250	16/06/2012
39	Sankar Prasad De	AB22639	DM-5-S2	60	500	07/06/2012
40	Bidyut Pal	AB28548	DM-3	36	250	27/06/2012
41	Joydev Kumar Pal	AB28541	DM-3	36	250	27/06/2012
42	Narayan Chandra Ghosh	AB30750	DM-3	36	250	30/06/2012
43	Manju Patra	AB17451	DM-5-S2	60	100	22/05/2012
44	Kalidas Lohar	AB23453	DM-3	36	300	11/06/2012
45	Asit Baran Konar	AB 18538	DM-3	36	500	26/05/2012
46	Tanusri Ray	AB28549	DM-3	36	1000	27/06/2012
		AB15819	DM-3	36	2000	14/05/2012
47	Murari Mohan Kundu	AB20829	DM-3	36	300	01/06/2012
48	Minati Kundu	AB20841	DM-3	36	2000	01/06/2012
		AB26301	DM-5-S2	60	5000	20/06/2012
49	Arul Ghosh	AB26226	DM-5-S2	60	250	20/06/2012
50	Shibani Chakrabarty	AB30972	DM-3	36	100	30/06/2012
51	Sushari Saren	AD23975	DA	36	20	13/06/2012
52	Rinku Mandal	AD23979	DB	58	50	13/06/2012
53	Pintu Mandal	AD11658	DC	96	150	31/03/2012
54	Sricharan Sing Sarder	AD10887	DC	144	20	26/03/2012
55	Saraswati Bauri	AD 10885	DE	144	50	26/03/2012



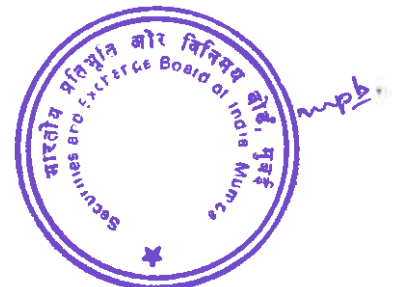
56	Aparna Mandal	AD 10884	DB	58	30	26/03/2012
57	Mukta Mandal	AD9749	DB	58	100	06/03/2012
58	Utpal Mandal	AD17368	D-200	200	50	21/05/2012
59	Nishapati Mondal	AD12505	DE	144	500	09/04/2012
60	Bhakti Mandal	AD10889	DB	58	50	26/03/2012
61	Jyotsna Mandal	AD12503	DE	144	250	09/04/2012
62	Sunil Mondal	AD9750	DD	120	100	06/03/2012
63	Pranab Murmu	AD19205	DB	58	30	28/05/2012
64	Chmapa Layek	AD26803	DD	120	70	22/06/2012
65	Minati Khan	AD16296	DE	144	10	17/05/2012
		AD 16295	DE	144	10	17/05/2012
66	Barun Samanta	AD11117	DB	58	100	28/03/2012
67	Mousumi Mandal	AD21003	D-200	200	100	31/05/2012
68	Bidhan Mandal	AD27338	DC	96	100	23/06/2012
		AD9837	DB	58	200	10/03/2012
69	Goal Gore	AD11659	DB	58	50	31/03/2012
70	Bishaka Bauri	AD32156	DC	96	30	30/06/2012
71	Shibaprasad Bauri	AD26055	DF	174	10	20/06/2012
72	Srimati SinG Sarder	AD25053	DE	144	10	16/06/2012
73	Swapan Sing Sarder	AD25057	DB	58	50	16/06/2012
74	Monika Bauri	AD24634	DE	144	10	15/06/2012
75	Sanjoy Sing Sarder	AD24638	D-200	200	50	15/06/2012
76	Madan Saw	AD11124	DF	174	100	28/03/2012
77	Balaram Singh	AD11123	DF	174	20	28/03/2012
78	Dilip Midya	AD11121	DF	174	20	28/03/2012
79	Purnima Midya	ADI 1112	DF	174	20	28/03/2012
80	Arati Dey	AD13135	DF	174	10	17/04/2012
81	Uttara Pandit	AD13134	DB	58	50	17/04/2012
82	Dilip Kar	AD23570	DC	96	100	11/06/2012
83	Kalpana Pandit	AD24899	DF	174	30	16/06/2012
84	Ramprasad Paramanik	AD10880	DF	174	50	26/03/2012
85	Syamal Ruidas	AD30377	DB	58	100	30/06/2012
86	Anup Bag	AD15720	DC	96	60	12/05/2012
87	Lakshmikanta Sardar	AD25112	DE	144	30	16/06/2012



88	Sanjay Maji	AD10316	DB	58	100	19/03/2012
89	Naba Kumar Bangdi	AD10710	DE	144	50	24/03/2012
90	Sarathi Das	AD11509	DC	96	20	31/03/2012
91	Sabita Mohanta	AD15823	DB	58	55	14/05/2012
92	Jhuma Ghosh	AD27477	DB	58	50	25/06/2012
93	Gita Das	AD14324	DE	144	100	30/04/2012
94	Kalpana Santra	AD28275	DB	58	20	26/06/2012
95	Subhadra Protihar	AD13753	DE	144	20	24/04/2012
96	Mongla Saren	AD24078	DF	174	20	13/06/2012

Table of 23 investors

S. No.	Name of investor	Account Number Plan		Date of plan	Date of acceptance of last installment
1	Tusar Kanti Laru	BNP 152DO0494	36M	30/06/2012	29/06/2013
2	Arun Bauri	152RD010061546	36M	31/08/2012	27/04/2013
3	Joy deb Sardar	BNP152DO0511	36M	09/07/2012	29/06/2013
4	Sikha Ghoshal	BNP 152DO0627	36M	30/07/2012	09/07/2013
5	Syama Dadadigar	152RD-610022343	36M	11/09/2012	09/07/2013
6	Kajal Dule	152RD-01002299	36M	11/09/2012	20/03/2013
7	Raju Ruidas	BNP 152DO0432	36M	27/06/2012	11/06/2013
8	Krittiraj Ghosh	BNP152DO0580	36M	21/07/2012	31/05/2013
9	Biswanath Baresh	BNP152DO0581	36M	21/07/2012	31/05/2013
10	Pirupada Sebait	BNP15201610	36M	27/06/2012	29/06/2013
11	Dipak Pandit	BNP15201458	60M	06/06/2012	28/08/2013



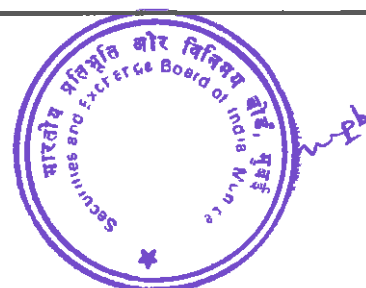
12	Sukumar Ruidas	BNP15201535D	24M	16/05/2012	26/08/2013
13	Danshla Majhi	BNP15201631	36M	23/06/2012	27/06/2013
14	Kalpana Maji	BNP1521632	36M	29/06/2012	26/08/2013
15	Milan Majhi	BNP 1521633	36M	29/06/2012	26/08/2013
16	Damu Maji	BNP152501692	24M	30/06/2012	26/06/2013
17	Durgarani Pandit	BNP152DO0614	36M	27/07/2012	26/08/2013
18	Parul Maji	BNP152DO0616	36M	27/07/2012	28/08/2013
19	Uttam Bagdi	BNP152DO0617	36M	27/07/2012	26/08/2013
20	Sanjib Medya	BNP 152DO0619	36M	27/07/2012	26/08/2013
21	Mahadeb Mahadanda	BNP 152DO0620	24M	27/07/2012	21/09/2012
22	Bharat Mallik	BNP 152DO0621	24M	27/07/2012	26/08/2013
23	Sukanta Manna	BNP152D01641	36M	29/06/2012	26/08/2013

17. I therefore conclude that ARDL came out with an offer of NCDs as outlined above.

ISSUE No. 2- If so, whether the said issues are in violation of Section 56, Section 60 read with section 2(36), Section 73 and section 117C of the Companies Act, 1956 read with the ILDS Regulations.

18. The provisions alleged to have been violated and mentioned in Issue No. 2 are applicable to the *Offer of NCDs* made to the public. Therefore the primary question that arises for consideration is whether the issue of NCDs 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)."

19. 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)



mpb.

(hereinafter referred to as the “*Sahara Case*”), while examining the scope of Section 67 of the Companies Act, 1956, are worth consideration:-

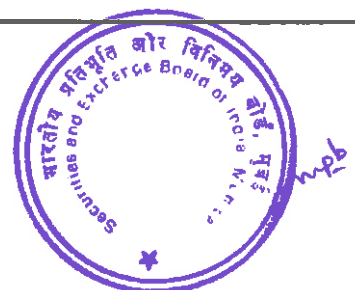
“Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 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.”



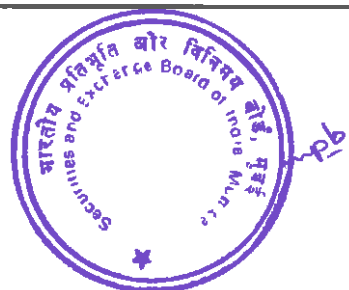
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20. Section 67(3) of Companies Act, 1956 provides for situations when an offer is not considered as offer to public. As per the said sub section, if the offer is one which is not calculated to result, directly or indirectly, in the shares or debentures 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*.
21. In the instant matter, I find that NCDs were issued by ARDL to at least 96 investors in the financial years, 2011-2012 and 2012-2013. However, this number is not conclusive as it is based on the documents collected from the documents / information obtained from the investor complaints and the actual number of investors could be more than 96. I find that ARDL has mobilized at least an amount of Rs. 34,51,500 over the financial years, 2011-2012 and 2012-2013 which is not a conclusive value as it is based on the documents / information obtained from the investor complaints. Further, it is noted from copies of pass books issued to 23 investors in the regular deposits plans offered by the company for debentures that installments have been collected from the investors till August 28, 2013. I also find that ARDL has created a charge of Rs. 100.00 crores on December 12, 2011. The above findings lead to a reasonable conclusion that the *Offer of NCDs* by ARDL was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.
22. Neither ARDL nor its directors have contended that the *Offer of NCDs* does not fall within the ambit of first proviso of section 67(3) of Companies Act, 1956.
23. I find that ARDL has not claimed it to be a Non-banking financial company or public



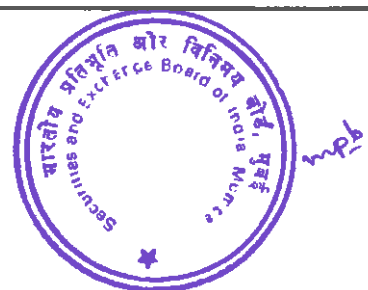
financial institution within the meaning of Section 4A of the Companies Act, 1956. In view of the aforesaid, I, therefore, find that there is no case that ARDL is covered under the second proviso to Section 67(3) of the Companies Act, 1956.

24. Even in cases where the allotments are considered separately, reference may be made to 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 those issuances, the directors have not placed any material that the allotment was in satisfaction of section 67(3)(a) or 67(3)(b) of 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 as private placement. Moreover, 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".
25. Therefore, in view of the material available on record, I find that the *Offer of NCDs* by ARDL falls within the first proviso of section 67(3) of Companies Act, 1956. Hence, the *Offer of NCDs* are deemed to be public issues and ARDL was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.
26. Further, since the offer of NCDs 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.

27. The allegations of non-compliance of the above provisions were not denied by ARDL 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 ARDL has contravened the said provisions. ARDL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that ARDL 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.
28. 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 NCDs was a deemed public issue of securities, ARDL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that ARDL has not submitted any record to indicate that it has registered a prospectus with the RoC, in respect of the offer of NCDs. I, therefore, find that ARDL has not complied with the provisions of section 60 of the Companies Act, 1956.
29. 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 ARDL nor its directors produced any record to show that it has issued Prospectus containing the disclosures mentioned in section 56(1) of the

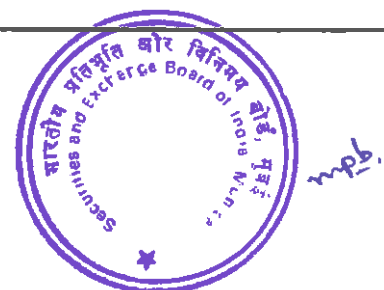


Companies Act, 1956, or issued application forms accompanying the abridged prospectus. Therefore, I find that, ARDL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.

30. As regards the allegation of section 117C of the Companies Act, 1956, it may be seen that the said provision mandates the company to create a debenture redemption reserve for the redemption of such debentures, to which every year, adequate amounts should be credited out of its profits, until such debentures are redeemed. None of the Noticees denied this allegation. There is no material on record to show that such debenture reserve was created. Therefore, I hold that the company has violated section 117C of the Companies Act, 1956.

31. ILDS Regulations are applicable to the public issue and listing of debt securities. Regulation 2(e) of the ILDS Regulations defines debt securities to mean non-convertible debt securities which create or acknowledge indebtedness, and include debentures. In view of the finding that ARDL has made a public issue of debt securities, the ILDS Regulations is also applicable to the instant offer of NCDs. Therefore, I find that the Company has violated the following provisions of the aforesaid ILDS Regulations, which contain *inter alia* conditions for public issue and listing of debt securities, viz.

- i. Regulation 4(2)(a) – Application for listing of debt securities
- ii. Regulation 4(2)(b) – In-principle approval for listing of debt securities
- iii. Regulation 4(2)(c) – Credit rating has been obtained
- iv. Regulation 4(2)(d) – Dematerialization of debt securities
- v. Regulation 4(4) – Appointment of Debenture Trustees
- vi. Regulation 5(2)(b) – Disclosure requirements in the Offer Document
- vii. Regulation 6 – Filing of draft Offer Document
- viii. Regulation 7 – Mode of disclosure of Offer Document
- ix. Regulation 8 – Advertisements for Public Issues
- x. Regulation 9 – Abridged Prospectus and application forms
- xi. Regulation 12 – Minimum subscription



xii. Regulation 14 – Prohibition of mis-statements in the Offer Document

xiii. Regulation 15 – Trust Deed

xiv. Regulation 17 – Creation of security

xv. Regulation 19 – Mandatory Listing

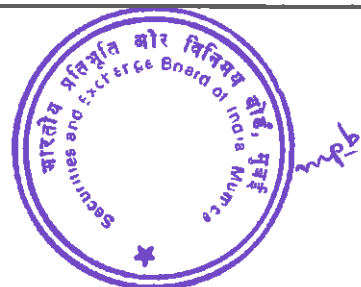
xvi. Regulation 26 – Obligations of the Issuer, etc.

32. 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"

33. 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..."

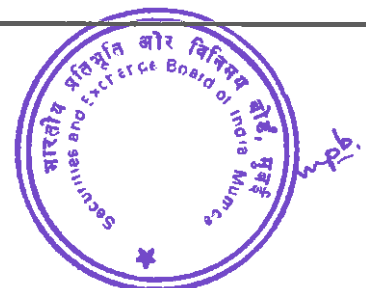
"...Listing of securities depends not upon one's volition, but on statutory mandate..."

"...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..."

34. In view of the above findings, I am of the view that ARDL was engaged in fund mobilizing activity from the public, through the offer of NCDs and has contravened the provisions of section 56(1), 56(3), 2(36) read with 60, 73(1), 73(2), 73(3), and 117C of the Companies Act, 1956, and above mentioned provisions pertaining to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

ISSUE No. 3-Whether appointment of Ms. Rojina Begam as the Debenture Trustee by ARDL is in violation of Section 117B of the Companies Act, 1956 and whether Ms. Rojina Begam has violated Section 12(1) of SEBI Act and regulation 7 of the Debenture Trustees Regulations?

35. I find that ARDL had created a charge of Rs. 100 crores for the Offer of NCDs by the Company. I further find that ARDL had appointed *Ms. Rojina Begam* as the debenture trustee.
36. Section 12(1) of the SEBI Act states that: *"No... trustee of trust deed ... shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act"*. Regulation 7 of the SEBI (Debenture Trustees) Regulations, 1993, states that

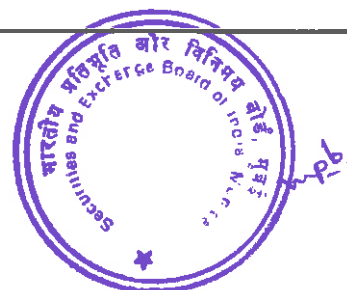


only a scheduled bank carrying on commercial activity or, a public financial institution within the meaning of section 4A of the Companies Act, 1956 or, an insurance company or, a body corporate alone are eligible to get a certificate of registration as Debenture Trustee.

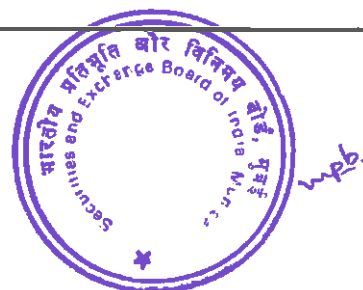
37. Debenture Trustee, *Ms. Rojina Begam* is not eligible to obtain a certificate of registration since it does not satisfy the eligibility criteria mentioned in Regulation 7 of the SEBI (Debenture Trustees) Regulations, 1993. None of the Noticees claimed that Debenture Trustee, *Ms. Rojina Begam* had received certificate of registration as per section 12(1) of the SEBI Act. In view of the above, I find that Debenture Trustee, *Ms. Rojina Begam* has dealt in the impugned Offer of NCDs as debenture trustee, without having a certificate of registration as Debenture Trustee in violation of Section 12(1) of the SEBI Act, 1992.
38. Under section 117B of the Companies Act, 1956 no company shall issue a prospectus or a letter of offer to the public for subscription of its debentures, unless the company has, before such issue, appointed one or more debenture trustees for such debentures and the company has, on the face of the prospectus or the letter of offer, stated that the debenture trustee or trustees have given their consent to the company to be so appointed. I find that ARDL has appointed *Ms. Rojina Begam* as Debenture Trustee who do not have a certificate of registration. Therefore, the appointment of the same is in violation of section 117B of the Companies Act, 1956. Further, since ARDL has not issued a prospectus with the relevant information and therefore, the requirement of stating the consent of the debenture trustee to be so appointed on the face of the prospectus has not been complied with.

ISSUE No. 4- If the findings on Issue No.2 and 3 are found in the affirmative, who are liable for the violation committed?

39. Before proceeding to discuss Issue No. 4, it would be appropriate to consider and deal with the replies by the Noticees. Shri S.K.Abdul Robial in his reply has submitted, *inter-*

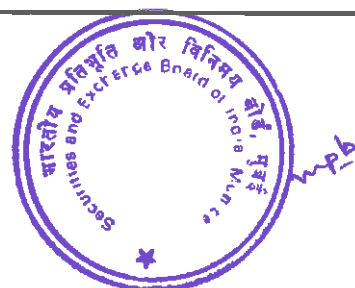


alia, that he became a director of ARDL on 16.8.2012 and after becoming a director, he found that no board meeting with the directors had been held in his presence and he also raised his voice and expressed dissatisfaction with regard to plan-programme and security of money of the investors. He offered his resignation letter from the post of director of ARDL and Angel Agritech Ltd. before the Chairman cum Managing Director in the month of December 2012 within a period of four months and his resignation letters were accepted at the end of March 2013 and after completion of all formalities, ROC, West Bengal accepted his resignation letters on 1.4.2013 and since then he was not connected with the acts of ARDL and Angel Agritech Ltd. Though, Shri S.K.Abdul Robial states that he had offered his resignation letter from the post of ARDL in December 2012, no proof for the same has been provided by him. He has only provided a copy of his resignation letter dated 1.4.2013 addressed to Angel Agritech Limited bearing ROC stamp (not for ARDL). He was also requested vide letter dated August 17, 2017 to provide evidence in support of his reply, however, Shri S.K.Abdul Robial has not provided any documents thereafter. As per the MCA records, Shri S.K.Abdul Robial had joined as a director of the Company on August 16, 2012 and resigned on 1.4.2013. Therefore, on the basis of material available on record, I am not able to accept his submissions and I find that Shri S.K.Abdul Robial was a director during the issue of NCDs. Further, even if his submissions are accepted hypothetically, as per his own admission, he was a director during the issue of NCDs for those four months. Shri S.K.Abdul Robial also submitted that he did not take any type of advantage from Angel Agritech group of companies, did not possess any property of the said company and he was not a signatory authority of the said company in any material point of time and on and from 1.4.2013 there was no relation between him and ARDL. I do not find Shri S.K.Abdul Robial's aforesaid submissions tenable as he was a director during the issuance of the NCDs and after accepting the position of director, he cannot wriggle out of his responsibility as director. Hon'ble Securities Appellate Tribunal (SAT) vide its order dated July 14, 2017 in the matter of Manoj Agarwal vs. SEBI, has considered similar contentions like merely lending name to be a director and non-involvement in the



day to day affairs of the Company and has held that this would not absolve the directors from their obligation to refund the amount to investors in view of specific provisions of the Companies Act.

40. Shri Basudev Ghosh in his reply has submitted, *inter-alia*, that he had been appointed as an employee of Angel Agritech ltd. and as per terms of employment he had to submit with the company, his bio data photograph and self attested photo copy of address proof and to his surprise, and having received SEBI's letter regarding ARDL in connection with SEBI Regulations to the company, he for the first time learnt that he had been one of the directors of the said company with effect from 1.4.2013. He further submitted that he had not signed any consent letter so as to become a director in the said company and none of the correspondence with the respective ROC had ever been done attaching any DSC and he had never put his signature in any deposit receipts, certificates etc. on behalf of the company. Further, that he had never represented in any manner as the director of the company and had been fraudulently included as one of the directors and has no responsibility in the management of the company. Though, Shri Basudev Ghosh has submitted that he was fraudulently included as a director of ARDL, he has not submitted documentary evidence in support of the same. He was also requested vide letter dated August 17, 2017 to provide evidence in support of his reply, however, Shri Basudev Ghosh has not provided any documents thereafter. He has not provided any letter of appointment as employee. Neither had he stated on which date he was appointed as the employee of the company. Further he has not provided any proof of steps taken to resign from the company even after his purported knowledge after the SEBI letter dated August 7, 2013. In view of the same, I am not able to accept his submissions and as per the MCA records, I find that he joined as director of the Company on April 1, 2013 and is still continuing as the director. It is noted from copies of pass books issued to 23 investors in the regular deposits plans offered by the company for debentures that installments have been collected from the investors at least till August 28, 2013. Hon'ble Securities Appellate Tribunal (SAT) vide its order dated July 14, 2017 in the matter of



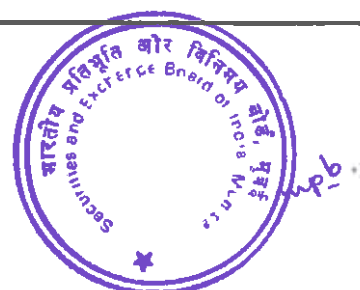
Manoj Agarwal vs. SEBI, has opined that a director during the time when amounts were collected by the company in contravention of public issue norms would be an “officer in default.” Therefore, I find that find that Shri Basudev Ghosh was a director during the time of collection of amount in regards the issuance of NCDs.

41. From the documents available on record, I find that the present Directors in ARDL are Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh. I also note that, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, who were earlier Directors in ARDL, 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 Hasibul Haque	December 02, 2011	Continuing
Shri Sunirmal Goswami	February 01, 2013	Continuing
Shri Basudev Ghosh	April 01, 2013	Continuing
Shri Sekh Nazibulla	December 02, 2011	January 01, 2013
Ms. Nabina Jahan	December 02, 2011	February 01, 2013
Shri Sheikh Abdul Robial	August 16, 2012	April 01, 2013

42. 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, ARDL and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the Companies Act, 1956.

43. 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%.

44. From the material available on record and the details of the appointment and resignation of the directors of ARDL as reproduced in paragraph 41 of this Order, it is noted that Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial were directors at the time of the issuance of NCDs and collection of subscription pursuant thereto and Shri Basudev Ghosh was a director during the time of collection of subscription amount in regards the issuance of NCDs. Since these persons were acting as directors during the period of issuance of NCDs and/or collection of subscription amounts in regards the issuance of NCDs, 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 ARDL 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 ARDL, 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. 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



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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 ARDL and its Directors, viz., Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Basudev Ghosh 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.

45. I note that during the financial years 2011-2012, 2012-2013, ARDL through Offer of NCDs, had collected at least an amount of Rs. 34,51,500 from various allottees. Further, it is noted from copies of pass books issued to 23 investors in the regular deposits plans offered by the company for debentures that installments have been collected from the investors till August 28, 2013. I note that Shri Hasibul Haque has been director of ARDL since financial years, 2011-2012, 2012-2013 till present date. I note that Shri Sunirmal Goswami has been director of ARDL since financial year, 2012-2013 till present date. I note that Shri Sekh Nazibulla was director of ARDL during financial years, 2011-2012, 2012-2013. I note that Ms. Nabina Jahan was director of ARDL during financial years, 2011-2012, 2012-2013. I note that Shri Sheikh Abdul Robial was director of ARDL during financial year, 2012-2013. I note that Shri Basudev Ghosh was director of ARDL during financial year, 2013-2014 till present date. 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 ARDL and other directors are limited to the extent of amount collected during his/her tenure as director of ARDL.
46. As far as the liability under sections 117B and 117C of the Companies Act, 1956, is concerned, the liability is on the company to comply with the said provisions. Therefore, ARDL is liable for the violation of sections 117B and 117C of the SEBI Act. In respect of the liability under section 12(1) of the SEBI Act, the liability is on the Trustee who act as the debenture trustee without the Certificate of Registration from SEBI as



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debenture trustee. In view of the above, I find that the Debenture trustee, viz. *Ms. Rojina Begam* is liable for the violation of section 12(1) of the SEBI Act read with regulation 7 of the Debenture Trustee Regulations.

47. With respect to the provisions of the respective regulations of the ILDS Regulations enumerated on paragraph 31 of this order, the liability is on the Company to comply with the requirements therein.
48. 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 ARDL and its Directors, viz., Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Basudev Ghosh 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 NCDs 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.
49. I also note that, vide the interim order dated November 21, 2014, ARDL was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, the Directors of ARDL 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 up to date inventory has not been provided either by ARDL or the other Noticees despite the notifications of issuance of the interim order through newspaper publications as stated in paragraph 10 of this Order.
50. In view of the discussion above, appropriate action in accordance with law needs to be initiated against ARDL and its Directors and debenture trustee, viz. Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial and Ms. Rojina Begam.



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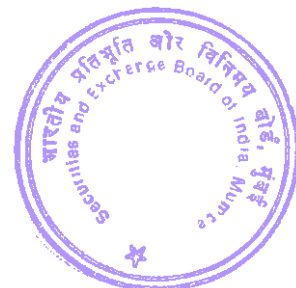
51. In view of the aforesaid observations and findings, I, in exercise of the powers conferred under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions:

- (a) ARDL, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla , Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Basudev Ghosh shall forthwith refund the money collected by the Company, during their respective period of directorship through the issuance of NCDs including the application money collected from investors during their respective period of directorship, 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 Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial 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 mutual funds/shares/securities, if held in physical form and demat form.
- (d) ARDL and Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh are directed to provide a full inventory of all the 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 and their own.
- (e) ARDL, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh 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.



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- (f) ARDL, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Basudev Ghosh 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) ARDL and Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Basudev Ghosh 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, ARDL, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh in their personal capacity 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 ARDL, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order:



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- i) may recover such amounts, from the company and the directors liable to refund as specified in paragraph 51(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;
- (j) ARDL, Shri Sekh Nazibulla, Ms. Nabina Jahan, Shri Sheikh Abdul Robial, Shri Hasibul Haque, Shri Sunirmal Goswami, Shri Basudev Ghosh 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.
- (k) Debenture Trustee, Ms. Rojina Begam is restrained from accessing the securities market and are further restrained from buying, selling or dealing in securities, in any manner whatsoever, for a period of 4 (four) years from the date of this order.
- (l) I find that Interim order dated November 21, 2014 has not provided for the directions listed herein. In view of this, this order will take effect as final order against each Noticee on the expiry of 30 days from the date of service of this order against the respective Noticee, unless any of the Noticees, within such period of 30 days from the



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date of service of this order files his objections. If no objections are filed, the interim directions vide Interim order dated November 21, 2014 shall continue against the Noticees till the time of said thirty days period, after which this order will come into effect. If objections are filed by any of the Noticees, the interim directions vide Interim order dated November 21, 2014 shall continue qua that Noticee till disposal of the said objections qua that Noticee and the directions passed herein against that Noticee shall be made applicable subject to the determination on the objections.

52. 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 Noticees and other key persons.
53. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories and registrar and transfer agents for information and necessary action.
54. 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 31st, 2017
PLACE: Mumbai



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MADHABI PURI BUCH
WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA