

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 Hahneemann Herbal Limited

In respect of:

1. Hahneemann Herbal Limited (PAN: AABCH1425N)
2. Dr. Goutam Banerjee (PAN: AJHPB0531D; DIN: 01203466).
3. Shri Santi Rajan Banerjee (PAN: AJNPB1075C; DIN: 01886977).
4. Shri Bidhan Chandra Ray (PAN: BAIPR3996K; DIN: 06669435).
5. Shri Pijush Gupta (DIN: 02575284) R/o P179B, Unique Park, Calcutta-700034.
6. Shri Nihar Ranjan Khuntia (DIN: 02578512) R/o Koutan, P.O. Arilo, Dist-Cuttack, 754130.
7. Shri Balaram Chatterjee (DIN: 01544695) R/o 144/C, S.P. Mukherjee Road, Calcutta, 700026.
8. Shri Asit Roy (PAN: AMAPR0018H; DIN: 03577815).
9. Shri Subodh Kumar Dutta (PAN: AGWPD8963F; DIN: 06602943).
10. Shri Pradip Sarkar (PAN: BXVPS6758Q; DIN: 03601138).
11. Shri Raja Banerjee (DIN: 00447119) r/O 703e, Diamond Harbour Road, Block 'P', New Alipore, Kolkata:700 053.
12. Shri Pradip Bose R/o Madhaba Lane, Calcutta-700025.
13. Shri A K Goswami R/o 33A, S.P. Mukherjee Road, Calcutta, 700026.
14. Shri Ashok Chowdhury R/o 22, Post Office Road, Calcutta-700093.

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1. Hahneemann Herbal Limited (hereinafter referred to as “HHL”/ “the Company”) is a Public company incorporated on August 02, 2000 and registered with Registrar of Companies–Cuttack with CIN:U24239OR2000PLC006297. Its registered office was earlier at Andarpurkalyani Nagar, Cuttack–753013, Odhisa, India and subsequently, was shifted to Bhaskar Ganj–B, Sahadev Kunta, Premises No: 79, 1st Floor, Balasore–
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Order in the matter of M/s Hahneemann Herbal Limited

756001, Odhisa, India.

2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received a letter/complaint from some persons against HHL in respect of issue of Redeemable Preference Shares (“RPS”) and undertook an enquiry to ascertain whether HHL 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 SEBI (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as “**DIP Guidelines**”) read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as “**ICDR Regulations**”)
3. On enquiry by SEBI, it was observed that HHL had made an offer of RPS in the financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013 (hereinafter referred to as “**Offer of RPS**”) and raised an amount of Rs. 23.18 Crores from 25,231 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 December 30, 2015 (hereinafter referred to as “**interim order**”) and issued directions mentioned therein against HHL and its Directors and promoters, viz. Dr. Goutam Banerjee, Shri Santi Rajan Banerjee, Shri Bidhan Chandra Ray, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Balaram Chatterjee, Shri Asit Roy, Shri Subodh Kumar Dutta, Shri Pradip Sarkar, Shri Raja Banerjee, Shri Pradip Bose Shri A K Goswami , Shri Ashok Chowdhury and (hereinafter collectively referred to as “**Noticees**”)
5. *Prima facie findings/allegations*: In the said interim order, the following *prima facie* findings were recorded. HHL had made an *Offer of RPS* during the financial years 2008-2009 , 2009-2010 , 2010-2011 , 2011-2012 , 2012-2013 and raised an amount of Rs. 23.18 Crores as shown below:

Year of Issue	Security Issued	Amount raised (Rs.) (in Cr.)	Number of allottees
2008-2009	RPS	0.10	154
2009-2010		9.64	9,038
2010-2011		5.95	7,930
2011-2012		4.59	5,156
2012-2013		2.90	2,953
Total		23.18	25,231

6. 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 HHL in respect of the *Offer of RPS*.
7. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated December 30, 2015 with immediate effect.
- “HHL shall not mobilize any fresh funds from investors through the Offer of Redeemable Preference Shares or through the issuance of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions;*
 - HHL and its present Directors, viz. Dr. Goutam Banerjee (DIN: 1203466; PAN: AJHPB0531D), Shri Santi Rajan Banerjee (DIN: 1886977; PAN: AJNPB1075C) and Shri Bidhan Chandra Ray (DIN: 6669435; PAN: BAIPR3996K), 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. The past Directors of HHL, viz. Shri Pijush Gupta (DIN: 2575284), Shri Nihar Ranjan Khuntia (DIN: 2578512), Shri Balaram Chatterjee (DIN: 1544695), Shri Asit Roy (DIN: 3577815; PAN: AMAPR0018H), Shri Subodh Kumar Dutta (DIN: 6602943; PAN: AGWPD8963F), Shri Pradip Sarkar (DIN: 3601138; PAN: BXVPS6758Q), Shri Raja Banerjee (DIN: 447119), Shri Pradip Bose, Shri A K Goswami and Shri Ashok Chowdhury, 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;*
 - iv. HHL and its abovementioned past and present 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;*
 - v. HHL shall provide a full inventory of all its assets and properties;*
 - vi. HHL's abovementioned past and present Directors shall provide a full inventory of all their assets and properties;*
 - vii. HHL 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 Redeemable Preference Shares, without prior permission from SEBI;*
 - viii. HHL and its abovementioned present Directors shall not divert any funds raised from public at large through the Offer of Redeemable Preference Shares, which are kept in bank account(s) and/or in the custody of HHL;*
 - ix. HHL and its abovementioned past and present Directors shall furnish complete and relevant information (as sought by SEBI letter dated April 15, 2015), within 14 days from the date of receipt of this Order.”*

8. The interim order also directed the HHL 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 Redeemable Preference Shares alongwith 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.”*
9. Vide the said interim order, HHL, 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.
10. *Service of interim order:* The copy of the said interim order was sent to the Noticees vide letter dated December 31, 2015. The letter sent to the Company and Directors viz., Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Balaram Chatterjee, Shri Asit Roy Shri Pradip Bose, Shri A. K. Goswami, Shri Ashok Chowdhury, Shri Santi Rajan Banerjee were returned undelivered. Dr. Goutam Banerjee and Shri Pradip Sarkar acknowledged the receipt of the letter. No proof of delivery received for Shri Bidhan Chandra Ray, Shri Subodh Kumar Dutta and Shri Raja Banerjee. Subsequently, SEBI vide another letter dated June 10, 2016 sent the copy of the interim order to Shri Bidhan Chandra Ray, Shri Raja Banerjee, Shri A.K.Goswami, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee. The same has been received by Shri Santi Rajan Banerjee, Dr.

Goutam Banerjee and Shri Raja Banerjee. The letter addressed to Shri A.K.Goswami and Shri Bidhan Chandra Ray returned undelivered. As regards the Company and Shri Nihar Ranjan Khuntia the interim order was served through affixture. Subsequently, vide notification dated November 09, 2016 published in newspaper *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 December 30, 2015 was issued against them and they were given a final opportunity to submit their reply in the matter. It is also noted that as regards Shri Subodh Kumar Dutta SEBI published the notification of the interim order in the newspaper *Times of India*, Uttar Pradesh edition. Further, as regards the Company and Shri Nihar Ranjan Khuntia SEBI published notification of the interim order in the newspapers viz., ‘*Times of India*, Odisha edition’ dated November 26, 2016 and ‘*The Samaja*,’ Odisha Daily dated November 26, 2016.

11. *Replies*: Shri Goutham Banerjee vide letter dated nil received on June 30, 2016 denied the allegations and sought time to reply due to lock out of the Company and also due to his health issues. Shri Subodh Kumar Dutta vide letters dated February 01, 2016 and November 30, 2016 submitted the following:

11.1 *“I had joined the Company as an additional Director (Non-Executive) on June 22, 2013 and was regularized as a Director (Non- Director) on September 30, 2013. Further, a Non –executive Director never participates in all the matters of the Company.*

11.2 *I had resigned from the Company on August 11, 2014 (MCA records enclosed)*

11.3 *At the time of issue of Redeemable Preference Shares during the years 2008-09, 2009-10, 2010-11, 2011- 12 and 2012-13. I was not even a member of the Board of Directors of the Company. So, the act done prior to my appointment in the Company was not in my knowledge and in any case I must not be held liable for anything done by the Company prior to my appointment as a Director of the Company...”*

12. Vide notification dated June 10, 2017 published in newspaper *Times of India* and *Dharitri, Bhubaneshwar* edition, the Noticees were notified by SEBI that they will be

given the final opportunity of being heard on July 25, 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 25, 2017. Shri Arindam Gosh, Authorised Representative (“AR”) for the Company and its present Directors viz., Dr. Goutam Banerjee, Shri Santi Rajan Banerjee and Shri Bidhan Chandra Ray vide letter dated July 06, 2017 sought an adjournment of the hearing and the same was granted and another opportunity of hearing was granted on September 14, 2017 through video conference at SEBI’s Eastern Regional Office, Kolkata. However, the AR failed to appear before me on September 14, 2017. The AR vide letter dated September 15, 2017 requested to condone the absence for the said hearing due to unavoidable circumstances and sought further opportunity of hearing in the matter. Considering the same, another opportunity of hearing was granted to the Company and its present Directors on November 15, 2017. The AR appeared before me for the hearing and made the following oral submissions:

- i. A Writ Petition bearing no. W.P. 13159 (W) of 2015 has been filed by some of the investors of the company before the Hon’ble High Court of Calcutta.
- ii. The petitioners of the said writ petition have made various Government Departments including SEBI as Respondents.
- iii. The Company and its present directors appeared before the Hon’ble Court and expressed their intention to repay the depositors.
- iv. The Hon’ble Court transferred the matter to the Committee of Hon’ble Justice Sailendra Prasad Talukdar (“**Talukdar Committee**”).
- v. They have filed a scheme of repayment to the depositors and the same is under consideration of the Hon’ble Committee.
- vi. The Hon’ble Committee was pleased to direct them to deposit Rs. 1 Crore within the month of October 2017. The Committee has also directed them to proceed for

the valuation of the assets of the Company.

vii. The Company and its present Directors have already submitted the details of repayments made to the depositors by them to the Committee.

viii. The payments made by them to the Depositors are mostly cash payments. At present the office of the Company is closed due to public agitation.

13.1 The AR was advised to submit a copy of minutes of the Hon'ble Talukdar Committee and information with respect to other Directors of the Company viz., Shri Pradip Bose, Shri Balaram Chatterjee, Shri A.K Goswami and Shri Ashok Chowdhury by November 22, 2017.

13.2 The AR vide letter dated December 12, 2017 submitted a copy of minutes of the Hon'ble Talukdar Committee. Vide the said letter the AR also submitted that Shri Pradip Bose, Shri Balaram Chatterjee, Shri A.K Goswami and Shri Ashok Chowdhury were shareholders of the company and Shri Pradip Bose, Shri Balaram Chatterjee expired and copies of their death certificates were enclosed.

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 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.

15. I have perused the interim order dated December 30, 2015 for the allegation of *Offer of RPS*. I note that the company has not disputed the same. Though Dr. Goutham Banerjee

has denied all the allegation baldly, I note that he has not submitted any documentary evidence to substantiate the contention.

16. I have also perused the documents/ information obtained from the 'MCA 21 Portal' other documents available on records. It is noted that HHL has issued and allotted RPS to 25,231 investors during the financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013 and raised an amount of Rs. 23.18 Crores.

17. *I therefore conclude that HHL 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.

18. 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).”

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) (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.”

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 RPS were issued by HHL to 25,231 investors in the financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013. The above findings lead to the conclusion that the *Offer of RPS* by HHL was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.
22. I find that HHL 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 HHL is covered under the second proviso to Section 67(3) of the Companies Act, 1956.
23. Neither HHL nor its directors have contended that the *Offer of RPS* does not fall within the ambit of first proviso of section 67(3) of 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 RPS* by HHL 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 HHL was mandated to comply with the

'public issue' norms as prescribed under the Companies Act, 1956.

26. 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.
27. The allegations of non-compliance of the above provisions were not denied by HHL or its directors. Though Dr. Goutham Banerjee baldly denied all the allegations, I note that he has not submitted any documentary evidence to substantiate the contention. I also find that no records have been submitted to indicate that it has made an application seeking listing permission from stock exchange. HHL vide their written submissions dated December 12, 2017 submitted that they have made certain repayments to the investors mostly in cash. HHL sought time to produce proof of the same as the Company is closed. Further, it is also stated that they have already submitted details of payments to Talukdar Committee. It is noted from the minutes of the Talukdar Committee that the Company has failed to deposit Rs. 1 Crore as directed by the Committee within stipulated time and the Committee has made reference of non-cooperation of HHL in the minutes. Even assuming that HHL has made refunds to a few investors, I note that the same has not been made in accordance with the provisions of Section 73(2) of the Companies Act, 1956. Therefore, I find that HHL has contravened the provisions of Sections 73 (1) and (2) of the Companies Act, 1956. HHL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that HHL 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 RPS was a deemed public issue of securities, HHL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that HHL 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 HHL 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 HHL 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, HHL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.
30. The Company was also required to comply with the following provisions of the DIP Guidelines read with regulation 111 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the ICDR Regulations”) in respect of the offer and allotments made during FY 2008–09:

Clause 2.1.1. – (Filing of offer document);

a. Clause 2.1.4 – (Application for listing);

b. Clause 2.1.5 – (Issue of securities in dematerialized form),

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

31. As per Regulation 111(1) of the ICDR Regulations, the DIP Guidelines "*shall stand rescinded*". However, Regulation 111(2) of the ICDR Regulations, provides that:

"(2) Notwithstanding the repeal under sub-section (1) of the repealed enactments,—

(a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or

investigation commenced or show cause notice issued in respect of the said Guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) any offer document, whether draft or otherwise, filed or application made to the Board under the said Guidelines and pending before it shall be deemed to have been filed or made under the corresponding provisions of these regulations."

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 HHL 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 and above mentioned provisions pertaining to the SEBI DIP Guidelines read with SEBI ICDR Regulations.

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

35. Shri Subodh Kumar Dutta vide letters dated February 01, 2016 and November 30, 2016 submitted that he had joined the Company as an Additional Director on June 22, 2013 and he never participated in the affairs of the Company and resigned from the Company on August 11, 2014. It is also stated that he was not a Director during the period of issuance of RPS. I have perused the MCA records and I note that Shri Subodh Kumar Dutta was Director of the Company during the period June 22, 2013 to August 11, 2014. Considering the same, I am inclined to accept the submission of Shri Subodh Kumar Dutta that he was not involved in the fund mobilization of the Company through issuance of RPS. . In view of the same, following the reasoning as provided in the matter

of Manoj Agarwal vs. SEBI, I am of the view that Shri Subodh Kumar Dutta is not liable for refund of money as he was not a director during the relevant time of fund mobilization.

35.1 It is noted from the interim order that Shri Balaram Chatterjee was a Director of the Company since inception. However, it is noted from the submissions of the Company that Shri Balaram Chatterjee expired on May 12, 2006 i.e. before the period of issuance of RPS. In view of the same, following the reasoning as provided in the matter of *Manoj Agarwal vs. SEBI*, I am of the view that Shri Balaram Chatterjee is not liable for refund of money as he was not a director during the relevant time of fund mobilization.

35.2 Shri Pradip Bose, Shri A K Goswami and Shri Ashok Chowdhury were mentioned as past Directors of the Company in the interim order. I have considered the MCA records, examination report of SEBI and the submissions of the Company. As per the examination report of SEBI, Shri Pradip Bose, Shri A K Goswami and Shri Ashok Chowdhury are/were promoters of the Company. Further, the names of Shri Pradip Bose, Shri A K Goswami and Shri Ashok Chowdhury are not reflected in the list of Directors in the MCA records. As per the information provided by the Company and its present directors pursuant to the personal hearing, it is noted that they were mere shareholders of the Company. All things considered, I am of the view that they are not liable to refund the money collected by the Company.

36. From the documents available on record, I find that the present Directors in HHL are Dr. Goutam Banerjee, Shri Santi Rajan Banerjee and Shri Bidhan Chandra Ray. I also note that Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Subodh Kumar Dutta, Shri Pradip Sarkar and Shri Raja Banerjee, who were earlier Directors in HHL, 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
Dr. Goutam Banerjee	August 02, 2000	Continuing
Shri Santi Rajan Banerjee	December 15, 2008	Continuing
Shri Bidhan Chandra Ray	August 04, 2014	Continuing
Shri Pijush Gupta	August 02, 2000	December 16, 2008
Shri Nihar Ranjan Khuntia	August 02, 2000	December 16, 2008
Shri Balaram Chatterjee	August 02, 2000	May 12, 2006*
Shri Asit Roy	March 18, 2013	June 22, 2013
Shri Subodh Kumar Dutta	June 22, 2013	August 11, 2014
Shri Pradip Sarkar	August 17, 2013	August 11, 2014
Shri Raja Banerjee	December 15, 2008	March 18, 2013

* Since information as regards date of cessation not available, the date mentioned in the death certificate has been taken into record.

37. I find that Dr. Goutam Banerjee, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Balaram Chatterjee are/were also promoters of the Company. Shri Pradip Bose, Shri A K Goswami and Shri Ashok Chowdhury are/were promoters of HHL.
38. 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, HHL and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the

Companies Act, 1956.

39. 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%.
40. From the material available on record and the details of the appointment and resignation of the directors of HHL as reproduced in paragraph 36 of this Order, it is noted that Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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 HHL 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 HHL, 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. None of the Noticees disputed this legal liability by way of any written or oral submissions. 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 HHL and its Directors, viz., Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.

41. I note that during the financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013 , HHL through Offer of RPS, had collected an amount of Rs. 23.18 Crores from various allottees. I note that Dr. Goutam Banerjee has been director of HHL since financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 till present date. I note that Shri Santi Rajan Banerjee has been director of HHL since financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 till present date. I note that Shri Pijush Gupta was director of HHL during financial years 2008-2009. I note that Shri Nihar Ranjan Khuntia was director of HHL during financial years 2008-2009. I note that Shri Asit Roy was director of HHL during financial year 2012-2013. I note that Shri Raja Banerjee was director of HHL during financial years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013. 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 HHL and other directors are limited to the extent of amount collected during his/her tenure as director of HHL.
42. In this regard, I note that Shri Subodh Kumar Dutta and Shri Bidhan Chandra Ray were appointed as directors of HHL after the period of issuance of RPS i.e. June 22, 2013 and August 04, 2014 respectively. Therefore, following the reasoning as provided in the matter of *Manoj Agarwal vs. SEBI*, I am of the view that Shri Subodh Kumar Dutta and Shri Bidhan Chandra Ray are not liable for refund of money as they were not directors

during the relevant time of fund mobilization. I note that the company has continuing liability to refund the money collected from the public through issuance of RPS pursuant to its failure to comply with public issue norms for said issuance. Though Shri Subodh Kumar Dutta contented that he was not aware of the issuance of RPS as he was not a director during the period I am of the view that Shri Subodh Kumar Dutta failed to make any effort to ensure that HHL makes refund of money to its investors during his directorship. Further, Shri Bidhan Chandra Ray is present and continuing director of HHL and he 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 directors 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 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. "

43. 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 Subodh Kumar Dutta and Shri Bidhan Chandra Ray were also be responsible for all the deeds/acts of the Company during the period of their directorship

and 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 Subodh Kumar Dutta and Shri Bidhan Chandra Ray are liable to be debarred for an appropriate period of time.

44. I find that Dr. Goutam Banerjee, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Balaram Chatterjee, Shri Pradip Bose, Shri A K Goswami, Shri Ashok Chowdhury are/were promoters of HHL and therefore, are liable as promoters for the *Offer of RPS* against the norms of deemed public issue. It is noted from the submissions of the Company that Shri Balaram Chatterjee expired on May 12, 2006 and Shri Pradip Bose expired on December 11, 2012. I have perused the copies of Death Certificate issued by the Kolkata Municipal Corporation and considering the same I am inclined to hold that the proceedings against Shri Balaram Chatterjee and Shri Pradip Bose stand abated. It is also stated that there is no refund liability on them before the abatement. The other 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, they are liable to be debarred in the capacity of promoters for an appropriate period of time.

45. 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 HHL and its Directors, viz., Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.

46. I also note that, vide the interim order dated December 30, 2015, HHL was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, the Directors/promoters of HHL 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 HHL or the other Noticees despite the notifications of information of issuance of the interim order through newspaper publications as stated in paragraph 10 of this Order.
47. In view of the discussion above, appropriate action in accordance with law needs to be initiated against HHL and its Directors and promoters, viz. Dr. Goutam Banerjee, Shri Santi Rajan Banerjee, Shri Bidhan Chandra Ray, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Subodh Kumar Dutta, Shri Pradip Sarkar, Shri Raja Banerjee, Shri A K Goswami and Shri Ashok Chowdhury.
48. 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. HHL, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee shall forthwith refund the money collected by the Company, during their respective period of directorship through the issuance of RPS 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. If HHL and any of the directors liable to repay had repaid some of their investors as

submitted in its reply as per section 73(2) of the Companies Act, the above directions in (a) and (b) shall be applicable as modified herein, for the amounts claimed to have been returned to the investors:

- i. Such prior repayments should have been made by the Company as per the requirements laid down in paragraph 48(b) above and the same shall be certified by peer reviewed Chartered Accountants, as directed in paragraph 48(i) below, or
 - ii. The Company and the directors who have repaid the investors, shall produce a peer reviewed Chartered Accountant's certificate, for the repayments claimed to have been made by the company, certifying repayment on verification of the originals of the application form for RPS bearing signature of the RPS holder, certificate of RPS issued by the company to RPS holder and returned to the Company on redemption, payment receipt/voucher issued by the Company to the RPS holders bearing the signature of the RPS holders, (in the absence of payment receipt/voucher an Affidavit of receipt of payment with full description of RPS holders' identity, address and amount received by them) and corresponding proof of debit from the Bank Account of the Company with an original document of proof of identity, address and signature issued by the State/Central Government to the RPS holders bearing their signature and a statement in Chartered Accountant's certificate to the effect that he has made the above said verification enclosing copies of verified documents.
- d. Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee 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.
- e. HHL and Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.

- f. HHL, Shri Bidhan Chandra Ray, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.
- g. HHL, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.
- h. HHL and on its behalf the present director Shri Bidhan Chandra Ray who joined subsequent to the issues and Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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.
- i. After completing the aforesaid repayments, HHL and on its behalf the present director Shri Bidhan Chandra Ray who joined subsequent to the issues and Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee

and Shri Santi Rajan Banerjee 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") holding such certificate.

- j. In case of failure of HHL, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order may recover such amounts, from the company and the directors liable to refund as specified in paragraph 48(a) of this Order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.
- k. HHL, Shri Pijush Gupta, Shri Nihar Ranjan Khuntia, Shri Asit Roy, Shri Raja Banerjee, Dr. Goutam Banerjee and Shri Santi Rajan Banerjee 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 Subodh Kumar Dutta, Shri Pradip Sarkar, Shri Bidhan Chandra Ray, Shri A K Goswami, Shri Ashok Chowdhury 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 directions issued against Shri Balaram Chatterjee and Shri Pradip Bose are hereby revoked.

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

49. The Hon'ble Calcutta High Court has passed an Order dated April 25, 2017 in W.P. No. 13151 (W) of 2015 in the matter of Md. Jakariya Hossain & Ors. Vs. Union of India and Ors. in respect of the Company and its Directors. Therefore, the effect and implementation of the aforesaid directions except directions mentioned in paragraph 48(k) and (l) shall be subject to the directions passed by the Hon'ble High Court in its Order dated August 04, 2016. It is further noted that the said order of the Hon'ble High Court covers only the Company and its assets. The assets of the directors were not expressly covered therein. In view of this, it would be open for the Recovery Officer to proceed against the directors who fail to repay as stipulated.

50. Copy of this Order shall be forwarded to the recognized stock exchanges and depositories and registrar and transfer agents for information and necessary action.

51. 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: January 19, 2018

PLACE: Mumbai

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