

SECURITIES AND EXCHANGE BOARD OF INDIA

INTERIM ORDER CUM SHOW CAUSE NOTICE

UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992, IN THE MATTER OF PDS AGRO INDUSTRIES LIMITED –

	NOTICEES	DIN/CIN	PAN
COMPANY –			
1.	PDS AGRO INDUSTRIES LIMITED	U01400WB2010PLC145618	AAFCP5598N
DIRECTORS CUM PROMOTERS –			
2.	SUNIL KUMAR DUTTA	2967060	AGPPD9686C
3.	SUMANA GHOSH ROY	2967095	AJMPG6892M
4.	PRABIR ROY	2967071	AHTPR0896P
DIRECTORS			
5.	DIPAK KUMAR GOSWAMI	3133897	AHUPG4012D
6.	SUPRITI ROY	3384849	ALOPR8083P
7.	ALOK KUMAR MAHATO	6380051	AZOPM8385R
8.	DIPAK BHATTACHARYA	6590441	AKJPB1601K
9.	ASHISH ROY	6617538	ASHPR3446E
10.	ABHIJIT RAY	6639486	AVPPR3966E
11.	SANJIB ADAK	6639474	ANBPA9097M
12.	SOMENATH SINHA	6639469	BXUPS4353J
13.	MALAY RAJKUMAR DAS	6734539	BJGPD1179M
14.	SUDIP KUMAR MAHATO	6736402	BZZPM7606M
15.	SANTA CHATTERJEE	6734541	AHGPC9443E
16.	PRABIR KUMAR CHANDRA	6734540	AKXPC6069Q
17.	LAKSHMI KANTA MAHATO	6734538	BCRPM1454J
PROMOTERS –			
18.	SUDIPTA COOMAR CHANDA	NOT AVAILABLE	NOT AVAILABLE
19.	PRASANTA KUMAR BANERJEE	NOT AVAILABLE	ALPPB2056B
20.	DIPAK KUMAR DAS	NOT AVAILABLE	NOT AVAILABLE

- Securities and Exchange Board of India (“**SEBI**”) received an investor complaint on December 24, 2015 against PDS Agro Industries Limited (“**PAIL**”). Vide the aforesaid

complaint, the complainant, while submitting a copy of *Redeemable Preference Share Certificate inter alia* alleged non–repayment of investment amount by PAIL.

2.1 As a matter of preliminary inquiry, vide separate letters dated February 13, 2017, SEBI sought the following information from PAIL and its Directors, –

- i. Copy of Audited Balance Sheet and Annual Returns of the company for the last 3 years.
- ii. Name, addresses, PAN and occupation of all the Promoters/Directors and Key Managerial Personnel of the company.
- iii. Nature of business and PAN of the company.
- iv. Other Information in respect of issue of Shares/Debentures:
 - a. Copy of Prospectus/Red Herring Prospectus/Statement in lieu of prospectus/Information Memorandum filed with RoC for issuance of Shares/Debentures.
 - b. Date of opening and closing of the subscription list for the said Shares/Debentures.
 - c. Details regarding the number of application forms circulated inviting subscription for Shares/Debentures and number of applications received.
 - d. Details of allottees in the format given below (in hard copy as well as soft copy).

Sr. No.	DATE OF ALLOTMENT (DD/MM/YYYY)	FINANCIAL YEAR	NAME OF ALLOTTEE	ADDRESS OF ALLOTTEE/ CONTACT DETAILS	AMOUNT OF SHARES / DEBENTURES ALLOTTED (₹)
TOTAL					

- e. Copies of the minutes of Board/committee meeting in which the resolution has been passed for raising such additional capital and also for allotment of Shares/Debentures.
- f. Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of Shares/Debentures.
- g. Terms and conditions of the issue of Shares/Debentures.
- h. Whether the company has applied for listing of its securities with any of the Stock Exchanges.
- i. Copies of Form 2 and Form 10 filed with the RoC.

- j. Details of debenture trustee viz. name, address, board resolution authorizing their appointment, etc.

2.2 The status of service of the above-mentioned letters dated February 13, 2017 and the subsequent letters to PAIL and its Directors dated June 27, 2017 including reply received by SEBI are provided as under –

TABLE I

	NAME	LETTER STATUS (RETURNED/ DELIVERED)	REMINDER LETTER DATE	LETTER STATUS (RETURNED/ DELIVERED)
1.	PAIL	ADDRESSEE MOVED	27.06.2017	ADDRESSEE MOVED
2.	SUNIL KUMAR DUTTA	NO AD CARD RECEIVED BACK	27.06.2017	DELIVERED
3.	SUMANA GHOSH ROY	REPLIED <i>VIDE</i> LETTER DATED 22.02.2017	NA	
4.	PRABIR ROY	DELIVERED	27.06.2017	NO AD CARD
5.	DIPAK KUMAR GOSWAMI	UNDELIVERED WITH REMARK “LEFT”	27.06.2017	LEFT
6.	SUPRITI ROY	RETURNED WITH REMARK “RETURN TO KMPSTO”	27.06.2017	NO AD CARD
7.	DIPAK BHATTACHARYA	DELIVERED	27.06.2017	NO AD CARD
8.	ASHISH ROY	NO AD CARD RECEIVED BACK	27.06.2017	DELIVERED
9.	ABHIJIT RAY	DELIVERED	27.06.2017	NO AD CARD
10.	SANJIB ADAK	DELIVERED	27.06.2017	DELIVERED
11.	SOMENATH SINHA	NO AD CARD RECEIVED BACK	27.06.2017	INCOMPLETE ADDRESS
12.	SUDIP KUMAR MAHATO	NO AD CARD RECEIVED	27.06.2017	NO AD CARD
13.	SANTA CHATTERJEE	DELIVERED	27.06.2017	DELIVERED
14.	PRABIR KUMAR CHANDRA	INSUFFICIENT ADDRESS	27.06.2017	NOT UNDER POST OFFICE
15.	MALAY RAJKUMAR DAS	DELIVERED	27.06.2017	NO AD CARD
16.	LAKSHMI KANTA MAHATO	DELIVERED	27.06.2017	NO AD CARD
17.	ALOK KUMAR MAHATO	DELIVERED	27.06.2017	DELIVERED

2.3 Of the 17 entities to whom letters were issued by SEBI, reply was received from only 1 entity (Past Director) i.e. Sumana Ghosh Roy, vide letter dated February 22, 2017. The aforementioned entity stated that the company was incorporated on April 20, 2010 and that she had resigned on July 30, 2010; thus, she had no documents to provide to SEBI. In this regard, as per the details available on MCA portal, I note that PAIL was incorporated on April 20, 2010 and that Sumana Ghosh Roy did indeed resign on July 30,

2010. However, she was a signatory to the Memorandum of Association of PAIL, having subscribed to 4000 shares.

2.4 A physical verification of the Registered Office address of PAIL i.e. 13B, Santoshpur Avenue, Kolkata, West Bengal–700075, India, was earlier conducted by SEBI, by a site visit, on August 7, 2016. However, PAIL could not be located at the aforesaid address.

3.1 During the intervening period, details pertaining to PAIL were sought to be procured by SEBI from the Ministry of Corporate Affairs’ website i.e. *MCA 21 Portal*. The following relevant information was taken note of –

- i. **DATE OF INCORPORATION:** APRIL 20, 2010.
- ii. **TYPE OF COMPANY:** PUBLIC AND UNLISTED.
- iii. **CORPORATE IDENTITY NUMBER (CIN):** U01400WB2010PLC145618.
- iv. **PAN:** NOT AVAILABLE.
- v. **REGISTERED OFFICE ADDRESS:** 13B, SANTOSH PUR AVENUE, KOLKATA, WEST BENGAL–700075, INDIA.
- vi. **DATE OF FILING OF LAST ANNUAL ACCOUNTS AND ANNUAL REPORTS –** MARCH 31, 2014.
- vii. **DATE OF BOARD RESOLUTION –** MAY 20, 2010.

3.2 From a perusal of the records available on *MCA21 Portal*, it was apparent that PAIL issued and allotted *Redeemable Preference Shares* to raise a sum of ₹52,82,500. Details regarding the aforesaid as available on *MCA21 Portal* and other relevant material on record are reproduced as under –

A. ALLOTMENT DETAILS OF REDEEMABLE PREFERENCE SHARES [AS PER FORM 2] –

TABLE II – DETAILS OF REDEEMABLE PREFERENCE SHARES ISSUED

FINANCIAL YEAR	NO. OF ALLOTTEES	VALUE OF ALLOTMENT (₹)
2010–11	821	50,29,300
2011–12	29	2,53,200
TOTAL	850	52,82,500

ISSUE FOR DETERMINATION –

- 3.3 The issue for determination in the instant matter is whether the mobilization of funds by PAIL through the *offer and allotment of Redeemable Preference Shares*, as detailed at paragraph 3.2, is in accordance with the provisions of the SEBI Act, 1992 (“**SEBI Act**”) and the Companies Act, 1956 (“**Companies Act**”)?

RELEVANT PROVISIONS OF LAW AND *PRIMA FACIE* FINDINGS –

- 3.4 Section 67 of the Companies Act deals with the conditions or circumstances under which an offer of shares/debentures by a company would be construed as one made to the public. Extracts of the relevant provisions of Section 67 of the Companies Act, dealing with offer of shares or debentures to the public, are reproduced as under:

“Construction of reference to offering shares or debentures to the public, etc.

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 (1 of 1956).”*

- 3.5 For ascertaining whether the *offer and allotment of Redeemable Preference Shares* by PAIL will fall within the scope of Section 67 of the Companies Act, the number of persons to whom such offers were made by PAIL is crucial. In terms of the *first proviso* to Section 67(3), *an offer of shares or debentures made to fifty persons or more would constitute an offer to the public*. Further, the Hon'ble Supreme Court of India in *Sabara India Real Estate Corporation Limited vs. SEBI (Civil Appeal no. 9813 and 9833 of 2011)* examined the scope of Section 67 of the Companies Act. At paragraph 86 of the judgment, the Hon'ble Supreme Court observed: "... *if an offer of securities is made to fifty or more persons, it would be deemed to be a public issue, even if it is of domestic concern or proved that the shares or debentures are not available for subscription or purchase by persons other than those received the offer or invitation.*"
- 3.6 In this context, the following is noted from the information obtained from the *MCA21 Portal* and other relevant material available on record –
- A. ***Offer and allotment of Redeemable Preference Shares –***
- i. PAIL offered and allotted *redeemable preference shares* to 821 persons during the Financial Year 2010–11. PAIL mobilized approximately ₹50.29 Lakhs through such issuance.
 - ii. As detailed in the preceding paragraphs, PAIL and its Directors did not provide any information to SEBI.
 - iii. In view of the above, the *offer and allotment of Redeemable Preference Shares* by PAIL *prima facie* qualifies to be construed as an offer made to the public in terms of Section 67(3) of the Companies Act.
- 3.7 It is also observed that PAIL is not a Non-banking financial company or a public financial institution within the meaning of Section 4A of the Companies Act, and thus, is not covered under the exceptions provided in the *second proviso* to Section 67(3) of the Companies Act.
- 3.8 From the above, it will follow that such public issue makes it imperative for PAIL to comply with the mandate of Section 73 of the Companies Act. Relevant extract of Section 73 of the Companies Act is reproduced as under:

“Allotment of shares and debentures to be dealt in on stock exchange.

73. (1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.

(1A)...

(2) Where the permission has not been applied under subsection (1) or such permission having been applied for, has not been granted as aforesaid, the company shall forthwith repay without interest all moneys received from applicants in pursuance of the prospectus, and, if any such money is not repaid within eight days after the company becomes liable to repay it, **the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, 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, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money (Emphasis supplied) ...”**

- 3.9 As the offer and allotment of Redeemable Preference Shares by PAIL is *prima facie* a public issue in accordance with the provisions of the Companies Act, the same will attract the requirement for such shares/debentures to be dealt on a recognized stock exchange in terms of Section 73 of the Companies Act, as stated above. I find that PAIL is *prima facie* in breach of the provisions of Section 73 as well.
- 3.10 Further, in connection with a public issue, Section 56 of the Companies Act mandates that the prospectus issued by a company shall state the matters specified thereunder and Section 60 of the Companies Act mandates registration of such prospectus with the ROC. I find that there is no evidence on record to indicate that PAIL has complied with the provisions of Sections 56 and 60 of Companies Act, in respect of the offer and allotment of Redeemable Preference Shares by PAIL. In view of the same, I find that PAIL is *prima facie* in breach of the provisions of Sections 56 and 60 of the Companies Act in connection with the aforesaid offer and allotment of Redeemable Preference Shares.
- 3.11 In terms of Section 73(2), the Company and every director who is an officer in default is jointly and severally liable for repayment of the money raised in breach of provisions of Section 73(1). Further, in terms of Section 62 of the Companies Act, every person who *inter alia* is a director of the company at the time of the issue of the prospectus and every

person who is a Promoter of the company, are liable to pay compensation to every person who subscribes for any shares or debentures on the faith of the prospectus for any loss or damage he may have sustained by reason of any untrue statement included therein.

- 3.12 As per the information available on the *MCA21 Portal*, the details of the present and past Directors and Promoters of PAIL, including the dates of appointment/cessation as Directors, are as under:

TABLE III - DETAILS OF THE PRESENT AND PAST DIRECTORS AND PROMOTERS OF PAIL

	NAME OF THE PERSON	CAPACITY	DIN	PAN	RESIDENTIAL ADDRESS	DATE OF APPT.	DATE OF CESSATION
1.	SUNIL KUMAR DUTTA	DIRECTOR	2967060	AGPPD9686C	PO AND VILL GOGHAT, DIST HOOGLY, HOOGLY, W.B. - 712614, INDIA	20.04.2010	24.01.2011
2.	SUMANA GHOSH ROY	DIRECTOR	2967095	AJMPG6892M	SARASWATI MANDIR LANE, BALLAVPUR, MIDNAPORE, W.B. - 721101, INDIA	20.04.2010	30.07.2010
3.	PRABIR ROY	MANAGING DIRECTOR	2967071	AHTPR0896P	VILL SRIPUR, PS GOGHAT, PS GOGHAT, PO SRIPUR, HOOGHLY, W.B. - 712612, INDIA	20.04.2010	12.06.2013
4.	DIPAK KUMAR GOSWAMI	DIRECTOR	3133897	AHUPG4012D	E.41, GR FLOOR, PODDER NAGAR 2, JADAVPUR, NR KALUSAHA RICKSHAW STAND, KOLKATA, W.B. - 700032, INDIA	30.07.2010	08.05.2013
5.	SUPRITI ROY	ADDL. DIRECTOR	3384849	ALOPR8083P	SHRIPUR (J. L. NO. - 81) GARDEN DASPARA, UP TO A. D. O. OFFICE, KAMARPUKUR, GOGHAT, HOOGHLY, W.B. - 712612, INDIA	24.01.2011	10.09.2012
6.	ALOK KUMAR MAHATO	DIRECTOR	6380051	AZOPM8385R	VILL. POST. DAPANG, P.S. HURA, PURALIA, W.B. - 723148, INDIA	20.04.2010	24.01.2011
7.	DIPAK BHATTACHARYA	DIRECTOR	6590441	AKJPB1601K	SATBERIA, GOGHAT, HOOGHLY, W.B. - 712612, INDIA	08.05.2013	07.12.2013
8.	ASHISH ROY	MANAGING DIRECTOR	6617538	ASHPR3446E	BETBONI, MANDARAN, GOGHAT, HOOGHLY, W.B. - 712612, INDIA	12.06.2013	12.11.2013
9.	ABHIJIT RAY	ADDL. DIRECTOR	6639486	AVPPR3966E	RASIKCHAK, NIMDANGI, PURSHURA, HOOGHLY, W.B. - 712414, INDIA	01.07.2013	17.12.2013

10.	SANJIB ADAK	ADDL. DIRECTOR	6639474	ANBPA9097M	PURBANARAYANPUR, PURBAPARA, JEJUR, HARIPAL, HOOGHLY, W.B. - 712405, INDIA	01.07.2013	17.12.2013
11.	SOMENATH SINHA	ADDL. DIRECTOR	6639469	BxUPS4353j	KUNUSTORIA COLLIARY, TAPASI, JAMURIA, BURDWAN, W.B. - 713362, INDIA	01.07.2013	07.12.2013
12.	MALAY RAJKUMAR DAS	ADDL. DIRECTOR	6734539	BjGPD1179M	MAUJA-ANANDAPUR P.J.LNO212 MAYNA MAYNA, MAYNA PURBA, MEDINIPUR, W.B. - 721629, INDIA	12.11.2013	31.03.2014
13.	SUDIP KUMAR MAHATO	ADDL. DIRECTOR	6736402	BzzPM7606M	MAJUA BAMANI- MAJHIHIRA, MANBAZAR, PURULIA, W.B. - 723131, INDIA	12.11.2013	–
14.	SANTA CHATTERJEE	ADDL. DIRECTOR	6734541	AHGPC9443E	MAUJA- CHHATRATHAND, J.L.NO -130 , DIGHALGRAM INDAS, BANKURA, W.B. - 722201, INDIA	12.11.2013	–
15.	PRABIR KUMAR CHANDRA	ADDL. DIRECTOR	6734540	AKXPC6069Q	AREA COVERED BY THE PRECEDING SECTION-3, RAGHUNATHPUR, PURULIA, W.B. - 723133, INDIA	12.11.2013	–
16.	LAKSHMI KANTA MAHATO	MANAGING DIRECTOR	6734538	BCRPM1454j	N 0010 DAPANG, J.L.NO 48. KESHARGAR, HURA, PURULIA, W.B. - 732148, INDIA	12.11.2013	–
17.	SUDIPTA COOMAR CHANDA	PROMOTER	–	–	B – 2 – 115/4, V. K. NAGAR, DURGAPUR – 713210, BURDWAN.	–	–
18.	PRASANTA KUMAR BANERJEE	PROMOTER	–	ALPPB2056B	ARAMBAGH, KAZI – PARA (BACKSIDE OF LIC BUILDING) GOURHATIMORE, WARD NO. 13, HOOGHLY – 712601.	–	–
19.	DIPAK KUMAR DAS	PROMOTER	–	–	VIDYA SAGAR PALLY, P.O. MIDNAPORE, PASCHIM MEDINIPUR – 721101.	–	–

3.13 I note that the persons at serial nos. 1–6 of Table III were the Directors during the period of money mobilization and hence, are responsible for the *offer and allotment of Redeemable Preference Shares* in violation of the Public Issue requirements and are also liable for refund of money. The persons at serial nos. 7–12 of Table III are past Directors, subsequent to the period of money mobilization. The persons at serial nos. 13–16 of Table III are present

Directors post the period of money mobilization. The persons/entities at serial nos. 17–19 of Table III are the Promoters of PAIL. Hence, the aforementioned persons liable for the alleged contraventions by PAIL.

ORDER –

- 4.1 From the information obtained from *MCA21 Portal*, it can be reasonably inferred that the money mobilization on the part of PAIL is potentially placing investors at risk by not following the requirements of law applicable to a public issue. In the light of the facts in the instant matter, I find this to be a fit case to pass interim directions against PAIL and the abovenamed Directors and Promoters.
- 4.2 In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B of the SEBI Act hereby issue, with immediate effect, the following directions, which shall remain in force until further orders:-
- i. PAIL and its Directors and Promoters, viz. Sunil Kumar Dutta, Sumana Ghosh Roy, Prabir Roy, Dipak Kumar Goswami, Supriti Roy, Alok Kumar Mahato, Dipak Bhattacharya, Ashish Roy, Abhijit Ray, Sanjib Adak, Somenath Sinha, Malay Rajkumar Das, Sudip Kumar Mahato, Santa Chatterjee, Prabir Kumar Chandra, Lakshmi Kanta Mahato, Sudipta Coomar Chanda, Prasanta Kumar Banerjee and Dipak Kumar Das, shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly, or associate themselves with any listed company or company intending to raise money from the public;
 - ii. PAIL and its Directors, viz. Sunil Kumar Dutta, Sumana Ghosh Roy, Prabir Roy, Dipak Kumar Goswami, Supriti Roy and Alok Kumar Mahato, shall neither dispose of, alienate or encumber any of its/their assets nor divert any funds raised from public through the *offer and allotment of Redeemable Preference Shares*;
 - iii. PAIL and the above named Directors and Promoters shall co-operate with SEBI and shall furnish all information/documents in connection with the *offer and allotment of Redeemable Preference Shares* sought vide letters dated February 13, 2017.
- 4.3 The preliminary findings contained in paragraphs 3.6–3.13 of this Order are made on the basis of the information obtained from *MCA21 Portal* and other relevant material on

record. PAIL and the abovenamed Directors/Promoters i.e. Sunil Kumar Dutta, Sumana Ghosh Roy, Prabir Roy, Dipak Kumar Goswami, Supriti Roy, Alok Kumar Mahato, Dipak Bhattacharya, Ashish Roy, Abhijit Ray, Sanjib Adak, Somenath Sinha, Malay Rajkumar Das, Sudip Kumar Mahato, Santa Chatterjee, Prabir Kumar Chandra, Lakshmi Kanta Mahato, Sudipta Coomar Chanda, Prasanta Kumar Banerjee and Dipak Kumar Das (Collectively referred to as “**Noticees**”), are hereby called upon to show cause as to why suitable directions/prohibitions under Sections 11, 11(4), and 11B of the SEBI Act should not be issued/imposed, including the following directions, viz. –

- i. PAIL and its Directors, viz. Sunil Kumar Dutta, Sumana Ghosh Roy, Prabir Roy, Dipak Kumar Goswami, Supriti Roy and Alok Kumar Mahato, to jointly and severally refund the money collected through the *offer and allotment of Redeemable Preference Shares*, with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act till the date of actual payment) within a period of 180 days from the date of receipt of this Order, supported by a Certificate of two independent Chartered Accountants to the satisfaction of SEBI; and
- ii. The Noticees to be restrained/prohibited from accessing the securities market and buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of effecting the refund as directed above.

4.4 The Noticees may, within 21 days from the date of receipt of this *Interim Order–cum–Show Cause Notice*, file their respective replies. PAIL and the abovenamed Directors/Promoters are directed to furnish an inventory of their assets in their reply. In the event the Noticees intend to avail an opportunity of personal hearing, they may do so by seeking a confirmation in writing from SEBI for the same within 90 days from the date of receipt of this Order. In the event of the respective Noticees failing to file replies or requesting for an opportunity of personal hearing within the said 90 days, the preliminary findings at paragraphs 3.6–3.13 of this Order shall become final and absolute against the respective Noticees automatically, without any further orders. Consequently, the Noticees shall automatically be bound by the directions contained in paragraphs 4.2 and 4.3, as applicable.

- 4.5 In case of failure by the respective Noticees to comply with the aforesaid directions within a period of 180 days from the date of receipt of this Order, SEBI may initiate appropriate enforcement action under SEBI Act including Recovery proceedings, Adjudication or Prosecution in addition to making a suitable reference to State Government/Local Police.
- 4.6 I also note that there has been a Writ Petition filed against the Noticees before the Hon'ble High Court of Calcutta i.e. Writ Petition No. 626 (W) of 2016, *inter alia* alleging illegal money mobilisation. Vide Orders dated March 14, 2017 and April 20, 2017, the Hon'ble High Court restrained the Noticees from dealing with the properties of the company as well as personal properties of its Directors in any manner whatsoever so as to create third party interest without the leave of the Court. Thereafter, vide an Order dated September 15, 2017, the Hon'ble High Court directed that the affairs of the Noticee Company be referred to the Justice Sailendra Prasad Talukdar Committee for the purpose of ascertaining the asset position of the respective companies and claims against them. Subsequently, vide an Order dated December 18, 2017, the Hon'ble High Court noted: *"We are informed by Mr. Chakraborty, learned counsel appearing for the petitioners that the Committee is in seisin over the companies and persons involved in this writ petition."* Since the matter relating to repayment of investors of PAIL has been taken over by the Committee appointed by the Hon'ble High Court of Calcutta, the directions at paragraphs 4.2 and 4.3 of this Order shall be subject to the directions of that Hon'ble High Court.
- 4.7 Copy of this Order shall be forwarded to the recognized Stock Exchanges and Depositories for information and necessary action. A copy of this Order may also be forwarded to MCA/concerned RoC for their information and necessary action with respect to the directions imposed on PAIL and the abovenamed Directors/Promoters.

Place: Mumbai

Date: April 26, 2018

**G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**