

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 M/s Bishal Abasan India Limited

In respect of:

S.No.	Name of the Entity	PAN	DIN
1.	Shri Sujit Acharjee	ASZPA9649Q	05185173
2.	Shri Prabir Chowdhury	AIPPC9212K	05194455

Background of the case:

1. Securities and Exchange Board of India (“SEBI”) received a complaint on September 08, 2014, against Bishal Abasan India Limited (hereinafter referred to as “BAIL/Company”). Vide the aforesaid complaint, the complainant therein *inter alia* alleged illegal mobilization of funds by BAIL.
2. SEBI had examined the records available on *MCA21 Portal* and noted that BAIL had issued and allotted *Redeemable Preference Shares (hereinafter referred to as “RPS”)* and *Non-Convertible Debentures (hereinafter referred to as “NCDs”)*. During the financial year 2011-2012, BAIL had allotted RPS to 293 allottees and raised an amount of Rs. 2.75 crore and in the financial years 2012-2013 and 2013-2014, BAIL issued and allotted NCDs and raised a total amount of Rs. 0.89 crores. These issuances determined to be an offer made to the public in terms of Section 67(3) of the Companies Act, 1956 (hereinafter referred to as “Companies Act”). The Details are as follows:

A. ALLOTMENT DETAILS OF REDEEMABLE PREFERENCE SHARES –

FINANCIAL YEAR	NO. OF ALLOTTEES	VALUE OF ALLOTMENT (₹)
2011-2012	293	2,75,76,000

B. ALLOTMENT DETAILS OF NON CONVERTIBLE DEBENTURES –

FINANCIAL YEAR	NO. OF ALLOTTEES	VALUE OF ALLOTMENT (₹)
2012-2013	Not Available	87,88,000
2013-2014	Not Available	1,70,000

3. Pursuant to the examination, it was observed that BAIL and its Directors were found to have violated the following provisions of law –

- a. Section 56, Section 60 read with Section 2(36) and Section 73 of the Companies Act;
- b. Regulations 4(2)(a)–(d), 4(4), 5(2)(b), 6–9, 12, 14, 15, 17, 19 and 26 of the SEBI (Issue and Listing of Debt Securities), Regulations, 2008.

4. Accordingly, SEBI vide an Order dated May 16, 2016 (“**Final Order**”), *inter alia* directed BAIL and its Directors –

- a. *To jointly and severally refund the money collected by the Company through the issuance of Redeemable Preference Shares and Non-Convertible Debentures (which have been found to be issued in contravention of the public issue norms stipulated under the Companies Act and SEBI regulations), to the investors including the money collected from investors, till date, pending allotment of securities, if any, with an interest of 15% per annum compounded at half yearly intervals, from the date when the repayments became due (in terms of Section 73(2) of the Companies Act) to the investors till the date of actual payment.*
- b. *Not to, directly or indirectly, access the capital 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 years from the date of completion of refunds to investors as directed above.*

5. It is noted that prior to the Final Order, SEBI had issued an *Ex Parte Interim Order* on May 06, 2015 (“**Interim Order dated May 06, 2015**”), against BAIL and its Director(s).

6. During the course of the quasi-judicial proceedings conducted prior to the passing of the Final Order, it came to light that Ms. Priti Rani Chowdhury, Shri Prabir Chowdhury, Shri Sujit Acharjee, Shri Ajoy Paul and Shri Litan Saha were/is the Directors of the company,

who were not covered in the interim order dated May 06, 2015. Further, it was observed that Shri Litan Saha was/is one of the present directors, having been re-appointed on April 27, 2015. These Director(s) allegedly were responsible to comply with Section 73(2) of the Companies Act, in making refunds to the investors. Since the refunds were not made, SEBI was advised examine in this regard and initiate appropriate action against them, in accordance with law. The list of Director(s) and their period of directorship is shown below –

	NAME OF THE ENTITY	CAPACITY	DATE OF APPT.	DATE OF CESSATION
1.	PRITI RANI CHOWDHURY	DIRECTOR	1.05.2008	19.12.2012
2.	PRABIR CHOWDHURY	DIRECTOR	1.06.2012	19.12.2012
3.	SUJIT ACHARJEE	DIRECTOR	1.06.2012	10.10.2013
4.	AJOY PAUL	DIRECTOR	9.10.2013	26.03.2014
5.	LITAN SAHA [#]	DIRECTOR	18.02.2014	26.03.2014
[#] LITAN SAHA IS AT PRESENT A DIRECTOR IN BISHAL ABASAN HAVING BEEN RE-APPOINTED ON APRIL 27, 2015.				

7. On examination by SEBI, it was prima facie found that the aforementioned entities are responsible for the offer and allotment of RPS and NCDs made by BAIL in violation of the Public Issue requirements. As per the Interim order dated October 10, 2018, the aforementioned entities are liable for refund of money to investors to whom such offer and allotment of Redeemable Preference Shares (entity at sr. no. 1 of the above table only) and Non-Convertible Debentures (entities at sr. nos. 1–5) was made by BAIL.
8. Therefore, SEBI passed an *Interim order cum Show Cause Notice* dated October 10, 2018, (hereinafter referred to as '**Interim Order**') *inter alia*, in respect of the Director(s) of BAIL, Ms. Priti Rani Chowdhury, Shri Prabir Chowdhury, Shri Sujit Acharjee, Shri Ajoy Paul and Shri Litan Saha
9. SEBI vide said Interim Order, recorded that BAIL had issued and allotted RPS during the financial years 2011-2012 to 293 allottees and raised an amount of Rs. 2.75 crore and issued and allotted NCDs during the financial years 2012-2013 and 2013-2014 and had raised a total amount of Rs. 0.89 crores as an offer made to the public in terms of Section

67(3) of the Companies Act.

10. The above Offer of RPS and NCDs allotment were deemed public issue of securities under the first proviso to section 67(3) of the Companies Act. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated October 10, 2018 with immediate effect.

- i. *The Directors of BAIL, viz. Ms. Priti Rani Chowdhury, Shri Prabir Chowdhury, Shri Sujit Acharjee, Shri Ajoy Paul and Shri Litan Saha, 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. *The abovenamed Directors of BAIL, shall neither dispose of, alienate or encumber any of their assets nor divert any funds raised from public through the offer and allotment of Redeemable Preference Shares and Non-Convertible Debentures;*
- iii. *The abovenamed Directors of BAIL shall co-operate with SEBI and shall furnish all information/documents in connection with the offer and allotment of Redeemable Preference Shares and Non-Convertible Debentures sought vide letters dated December 28, 2017.*

11. The interim order also directed the abovementioned Director(s) of BAIL 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 direction, viz. –

- i. *To jointly and severally refund the money collected through the offer and allotment of Redeemable Preference Shares and Non-Convertible Debentures, 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), supported by a Certificate of two independent Chartered Accountants to the satisfaction of SEBI (to be submitted to SEBI within 7 days of completion of the refund); and*
- ii. *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 read with the Final Order dated May 16, 2016.*

12. Vide the said interim order, abovementioned Directors of BAIL 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.

Service of Interim Order:

13. Copies of the aforesaid interim order were forwarded to the entities- Ms. Priti Rani Chowdhury, Shri Prabir Chowdhury, Shri Sujit Acharjee, Shri Ajoy Paul and Shri Litan Saha mentioned in the Interim Order vide letter dated October 11, 2018. The interim order sent to the entities were returned undelivered to SEBI. An attempt was made again vide letter dated November 06, 2018 to serve the interim order to the aforesaid entities. The interim order were served on Shri Ajoy Paul, Shri Sujit Acharjee and Shri Prabir Chowdhury. For the remaining entity, Ms Priti Rani Chowdhury, the interim order was served through affixture dated December 15, 2018 and attempt was made to serve Shri Litan Saha through affixture dated December 22, 2018, but the same was not allowed. Public notice was done through local newspaper publication dated February 08, 2019 in Times of India, Anand Bazar Patrika, Sanmarg having circulation in the areas of last known addresses of Ms Priti Rani Chowdhury and Shri Litan Saha.

Reply and Hearing:

14. In response to the interim order, Directors, Shri Sujit Acharjee (hereinafter referred to as “Sujit”) and Shri Prabir Chowdhury (hereinafter referred to as “Prabir”) filed their reply.

Reply by Sujit:

14.1. Vide letter dated December 27, 2018, Shri Arindam Ghosh, Advocate on behalf of Sujit made common submission in the matter of BAIL and Bishal Horticulture and Animal Projects Ltd, the contents are summarized below:

- 14.1.1. *From the interim order, it came to Sujit's knowledge that Sujit was a Director of Bishal Group of companies viz. Bishal Horticulture and Animal Projects Ltd (BHAPL) and BAIL having DIN – 05185173.*
- 14.1.2. *As per SEBI record, it was shown he was appointed as a director of BAIL on 01/06/2012 and resigned from the company on 10/10/2013.*
- 14.1.3. *He also came to know vide SEBI letter dated December 28, 2017, about his directorship and he was advised to provide some information and documents for investigation purpose.*
- 14.1.4. *He was appointed as a Project Manager of BHAPL on 31/03/2009 and the*

management of the company duly issued his appointment letter to that effect.

- 14.1.5. Sujit's father-in-law, Mr. Ratan Chowdhury was one of the directors of the Bishal Group of companies and under his reference, Sujit was appointed as a Project Manager of BHAPL and worked from the year 2009 to 2013.*
- 14.1.6. In the year 2013, a dispute regarding the business and management affairs of the Bishal Group of Companies had been cropped up between the directors and also with its investors. Due to such disputes his father-in-law, Shri Ratan Chowdhury who was a director of the company, was bound to leave his directorship under the pressure of other directors and he handed over all his charges and properties of the Bishal Group to its present directors. Thereafter, in the year 2015, due to some complaints made by some of the investors of the company, few directors of the company including his father-in-law were arrested by the Chakdah Police Station, in connection Chakdah P.S. case No. 51/ 15, under section- 420/406/506 of the Indian Penal Code. The police authority also arrested Sujit on the basis of the information that he was also a director of the Bishal Group of Companies. At the time of his arrest he came to know that he was appointed as a director of the Bishal Group of Companies. He had neither given his consent to act as a director of the Bishal Group of Companies at any point of time and he did not receive any benefits as directors of the Bishal Group.*
- 14.1.7. During the course of investigation the police authority and also the officers of the Economic Offence Wing (EOW), CID, West Bengal also asked Sujit and his father-in-law Shri Ratan Chowdhury regarding his appointment as directors of Bishal Group Companies.*
- 14.1.8. During the investigation, his father-in-law pleaded that Sujit was innocent and it was not within his knowledge, that he was appointed and further resigned as directors of the BAIL and also he came to know that his mother-in-law, Smt. Sima Chowdhury was also appointed as one of directors of the Bishal Group of Company, which was also not known to him. After being aware with the said fact, he had been made directors of the Bishal Group of Company and further, made him resigned from his post as directors of the above mentioned companies, without his knowledge and consent by the other unscrupulous directors of the Bishal Group, who were at that time engaged in the management affairs of the Bishal Group of Company.*
- 14.1.9. Sujit engaged a professional chartered accountant and obtained the certified copies of the documents from the Registrar of Companies (ROC) at Kolkata, his appointment and resignation as directors of the Bishal Horticulture. After perusing the documents, he was shocked to find his signature had been forged on the letter of consent to act as a director of the company as well as on the letter of resignation.*
- 14.1.10. Sujit informed the said fact of forgery of his signatures on the documents of the above mentioned companies to the concerned Jadavpur Police Station, Kolkata, where the registered office of the Bishal Group of Companies is situated and lodged a complaint against the board of management and directors of the Bishal Group of Companies, who were at that time responsible for the management affairs of the Bishal Group of Companies. He submitted that the Jadavpur Police Authority, at present has been taking necessary steps for investigating the matter.*
- 14.1.11. He has never acted as director of any company. He didn't sign in any papers or documents relating to the company affairs and directorship, not attended any annual general meeting, board of directors' meeting and/or any other meetings of the Bishal Group of Company regarding its business affairs. Furthermore, he did not take part to any business affairs of*

the Bishal Group of Company regarding offer and allotment of Redeemable Preference Shares and Non-Convertible Debentures and was also not involved in the affairs of raising fund of the above mentioned companies from the public.

14.1.12. That at present several writ petitions/public interest litigations have been filed against the Bishal Group of Companies as well as its directors by the depositors/investors of the company vide nos. i) W.P. 13162 (W) of 2015, ii) W.P. 18501 (W) of 2015 and iii) W.P. 29775 (W) of 2014 and the said matters are at present pending before the Hon'ble Division Bench of Hon'ble Justice Joymalya Bagchi and Hon'ble Justice Shekhar B. Saraf. In the above mentioned matters the Hon'ble Court directed the Learned Counsel Mr. Kamal Das appearing on behalf of the present directors of the company who were mainly involved in the allotment of Redeemable Preference Shares and Non-Convertible Debentures to the public at large, to make available all the original deeds concerning various properties of the Bishal Group of Companies to SEBI. In terms of the said direction of the Hon'ble High Court on March 06, 2017, the Learned Counsel Mr. Kamal Das appearing on behalf of the present directors of the Bishal Group of Companies, handed over 61 nos. of original deeds, which the present directors of the company were in custody, to the Learned Advocate of SEBI and the matter is still pending.

14.1.13. Requested for hearing at Kolkata, SEBI Office, due to financial crunch unable to attend Mumbai, SEBI Office.

14.2. Reply by Prabir :

14.2.1. Vide letter dated December 18, 2018, Prabir made the following submission:

14.2.2. The contravention raised against BAIL has been affected during the year 2011-12, 2012-13, 2013-2014 and he was appointed as director of the said company for the period between June 01, 2012 to December 19, 2012 and during his tenure no contravention of any kind had taken place and thus as per the rules of equity no liabilities should devote on him because he was no way involved with transaction.

14.2.3. He has been afflicted by paralysis and have lost ability to move around.

14.2.4. To mention that person only knows to put his signature and he has acted upon the instruction of Shri Partha Manna (Director of Finance) who have been by BAIL.

14.2.5. He has no objection if the asset of the company are sold to pay off the creditors of the company.

Entities neither filed reply nor availed the opportunity of personal hearing:

15. In case of other Director(s) named, Ms. Priti Rani Chowdhury, Shri Ajoy Paul and Shri Litan Saha, pursuant to interim order, the entities neither filed any response nor requested for opportunity of hearing. In this regard, the direction of interim order dated October 10, 2018 is reproduced below:

13. The Noticees may, within 21 days from the date of receipt of this Interim Order–cum–Show Cause Notice, file their respective replies. The Noticees 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 findings at paragraph 10 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 11 and 12, as applicable.

16. In view of the above, the directions stated in the interim order dated October 10, 2018 have already become final against Ms. Priti Rani Chowdhury, Shri Ajoy Paul and Shri Litan Saha.

17. The present proceeding shall deal with the submissions made by Sujit and Prabir and the material available on records.

18. In the present proceeding, before proceeding further in the matter, an opportunity of personal hearing was granted to Sujit and Prabir:

19. **Sujit :** Vide notice of hearing dated September 26, 2019, an opportunity of hearing was granted on October 15, 2019 for attending the hearing at SEBI, Head Office, Mumbai or attending the hearing through tele/video conference facility at Eastern Regional Office, Kolkata, SEBI (ERO). Shri Arindam Ghosh, Advocate on behalf of Sujit requested for adjournment of hearing for arranging the necessary documents required for production at the time of hearing.

19.1. Acceding to the above request and the interest of Natural Justice, vide notice dated November 21, 2019, Sujit was granted another opportunity of hearing on December 03, 2019. Sujit and Shri Arindam Ghosh, Advocate (hereinafter referred to as “**AR**”) had appeared for hearing scheduled on December 03, 2019 and made oral submissions:

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- (a) *AR reiterated the earlier submissions made by Mr. Sujit vide reply dated December 12, 2018.*
- (b) *In the year 2005, Shri Sujit had joined BHAPL as an employee. He was appointed as Project manager. In the year 2008 his service was terminated.*
- (c) *Again, in the year 2009, on 31/03/2009, he was re-appointed as Project Manager in BHAPL. He was involved in agriculture project.*
- (d) *He was not a director in BAIL. He was not involved in any Managerial capacity.*

- (e) *In the year 2015 when police arrested him, he came to know that his name was shown as one of the directors in the company. Thereafter, from MCA website he compiled / downloaded all the documents of the company and he found his signature were forged in documents (consent letter and resignation letter) in 3 companies namely, BHAPL, BAIL and UK fin service Limited. He had never signed any consent letter and resignation letter. He was falsely appointed as director in the company. He had also made Police Complaint.*
- (f) *All the directors are in custody since 2016 till date.*
- (g) *He is in a financial crunch and his PAN was frozen. He was not allowed to take any business due to the pendency of this proceedings. He is unemployed now.*
- (h) *He is the son-in – law of Mr. Ratan Chowdhury, who is one of the director of Bishal Group of Companies viz. BHAPL, BAIL. However, due to family issue he had conflict with Shri Ratan Chowdhury and did not have good relationship with Mr. Ratan Chowdhury. Sujit was not informed of his being the director of BAIL. He submitted that Mr. Ratan Chowdhury may be aware about the fact that Sujit was being the director of BAIL but Shri. Ratan Chowdhury never said to him anything about him being the director.*
- (i) *AR also submitted during the time of hearing a copy of complaint letter dated December 15, 2018 lodged at Jadavpur Police Station against Bishal Group for forgery and criminal breach of trust and misappropriation of funds and a copy of complaint letter dated October 21, 2019 addressed to the Registrar of Companies (RoC) to investigate serious fraudulent activity of the Directors of Bishal Group companies.*
- (j) *In reply dated December 27, 2018, Annexure 'B' of the appointment letter was not attached. AR was advised to submit the same. AR/ Sujit was granted time till December 10, 2019 to submit "Annexure B" of the appointment letter. It was stated that if he fails to submit the same within the said time limit, then the matter would be proceeded further on the basis of documents available on record.*

19.2. Pursuant to personal hearing, Sujit did not submit the requisite document sought during the time of personal hearing.

20. **Prabir** :Vide notice of hearing dated September 26, 2019, an opportunity of hearing was granted on October 15, 2019. Shri Pankaj Biswas, Advocate on behalf of Prabir requested for adjournment of hearing due to Prabir's health issue.

20.1. In view of the above and in the interest of Natural Justice, vide notice dated October 31, 2019, Prabir was granted another opportunity of hearing on November 19, 2019. Shri Prasenjit Santra and Shri Pankaj Biswas, Advocates (hereinafter referred to as

“AR”) appeared for hearing on the schedule date and made oral and written submissions:

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- (a) ARs reiterated the earlier submissions made by Prabir vide December 18, 2018
- (b) ARs submitted additional submissions dated November 19, 2019 on behalf of Prabir.
- (c) Since the year 1970 (26/7/1970), Prabir is physically handicapped (45%). He had already submitted the Medical submitted in this regard. He is not in condition to sit. He cannot move without anyone help. He is not in condition to attend board meeting and had never attended any board meeting. He never maintained any office.
- (d) Ms. Priti Rani Chowdhury is the mother of Shri Ratan Chodhury and Prabir. She was also director in the company.
- (e) Shri Ratan Chowdhury is the elder brother of Prabir. Prabir is not so educated and has studied till class 12. He completely trusted his elder brother Shri Ratan Chowdhury. He had signed document on advice of Shri Ratan Chowdhury. He had no knowledge what are the documents, which he had signed.
- (f) He was appointed as director in BAIL from 1/06/2012 to 19/12/2012. When the wife of Prabir came to know about his directorship in BAIL, she approached and question Shri Ratan Chowdhury about the same. Later she came to know that Shri Ratan Chowdhury had made Prabir to put signature in the document.
- (g) It is submitted that Prabir had signed the documents of directorship mislead by Shri Ratan Chowdhury.
- (h) ARs were advised to submit whether any order is passed by High Court against Bishal Group of companies and its directors.
- (i) ARs were granted time till November 29, 2019 to submit additional written submission, if any, along with details of any order passed by High Court against Bishal Group of companies and its directors. If ARs fails to submit the same within the said time limit, then the matter would be proceeded further on the basis of documents available on record.
- (j) Accordingly, hearing in respect of Prabir was concluded.

20.2. Written submission made during the time of personal hearing, which are broadly summarized below:

- 20.2.1. That he is 45% handicapped person, his percentage of disability has been stated in his handicapped certificate issued by orthopedic surgeon district hospital, Nadia. At present he is paralyzed and unable to move.
- 20.2.2. Has studied till class VIII. He has no capability to justify right or wrong. At this situation he is to trust everyone.
- 20.2.3. Shri Ratan Chowdhury is his elder brother and CMD of Bishal Group of Company and Priti Rani Chowdhury is his mother and Director of Bishal Group of Company. Shri Ratan Chowdhury took signature of his on some documents stating that it was required for his treatment and having trust on him

signed the documents without verifying it.

20.2.4. *After receipt of the interim order from SEBI Ranchi Office came to his notice that he was appointed as Director of BAIL . After his wife approached, Shri Ratan Chowdhury, he came to know on the instruction of Shri Ratan Chowdhury, one Shri Partha Manna, Finance Officer, made signatures of Prabir on some documents.*

20.2.5. *Did not attend any office nor attended any board meetings of Bishal Group of Company. He never accepted any offer of letter of directorship or maintained any office. Due to his physical condition, he is unable to move anywhere.*

20.2.6. *No transactions were made through his supervision. If any transactions were made by his signature then it is fraudulent.*

20.2.7. *He has no contribution in Bishal Group of Company nor to the creditors of the company any dues.*

20.3. Pursuant to personal hearing, AR did not make any additional submission.

Findings and Considerations:

21. I have perused the interim order, oral and written submissions and other materials available on record. I note that Sujit and Prabir have responded to the interim order and availed the opportunity of hearing. On perusal of the same, the following issues arise for consideration.

Issue No. 1: *Whether the company came out with the offer of RPS and NCDs in violation of Section 73 of the Companies Act?*

Issue No. 2: *Whether Sujit and Prabir are liable for the offer of RPS and NCDs made by BAIL to public in violation of deemed public issue norms and the extent of their liability, if any.*

22. Issue No. 1: *Whether the company came out with the offer of RPS and NCDs Section 73 of the Companies Act?*

22.1. I note that the final order dated May 16, 2016, had held that BAIL has issued and allotted RPS to 293 investors during the financial year 2011-2012 and raised an amount of Rs. 2.75 crores and also BAIL had allotted NCDs and raised an amount of Rs. 0.89 crores during the financial years 2012-2013 and 2013-2014. Sujit and Prabir have not denied the allegations of deemed public issue (offer of RPS and NCDs) as mentioned in the interim order. Further, Sujit and Prabir have not submitted any case or further evidence challenging the findings of the deemed public issue (offer of RPS and NCDs)

mentioned in the interim order. Therefore, I find the BAIL had offered and allotted RPS to 293 investors and collected an amount to the tune of Rs. 2.75 crore and through NCDs collected an amount of Rs. 0.89 crores. The RPS issues were made to more than 49 investors. In respect of issuance of NCDs to number of investors, the observation is made in the final order dated May 16, 2016, *“though the number of investors are not available, for the offer of NCDs is not available for the aforesaid financial years, nonetheless, the quantum of funds mobilized under the offer of NCDs during the aforesaid financial years 2012-2013 and 2013-2014 when viewed in light of the amount mobilized under the offer of RPS during the financial year 2011-2012 along with the number of investors therein, would prima facie lead to the reasonable conclusion that such offer was also a public issue of securities, as prescribed under the first proviso to Section 67(3) of the Companies Act”*. In view of the said, the issuance of RPS and NCDs falls within the definition of first provision mentioned in Section 67(3) of Companies Act.

22.2. Further, since the offer of RPS and 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, As per Sections 73(1) and 73(2) of the Companies Act, 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.

22.3. The allegations of non-compliance of the above provisions were not denied by Sujit and Prabir. 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 BAIL has contravened the provisions of Sections 73(1) and 73(2) of the Companies Act. BAIL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that BAIL 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.

22.4. In view of the said deemed public issue BAIL had contravened the provisions of Section 73 the Companies Act.

22.5. I therefore conclude that BAIL came out with an offer of RPS and NCDs as outlined in the previous paragraphs. The same has already been found in the final order. The other provisions of Companies Act violated by the Company/its directors have already determined in the final order.

23. Issue No. 2: *Whether Sujit and Prabir are liable for the offer of RPS and NCDs made by BAIL to public in violation of deemed public issue norms and the extent of their liability, if any.*

23.1. Interim Order has prima facie found that Sujit was appointed as Director on June 01, 2012 and ceased to be Director on October 10, 2013 and Prabir was appointed as Director on June 01, 2012 and ceased to be Director on December 19, 2012. As per the prima facie findings in interim order dated October 10, 2018, Sujit and Prabir, who were Directors post fund mobilization of RPS and during the period of money mobilization by the company through NCDs have since resigned. Before dealing with the above issue, it would be appropriate to deal with the submissions of Sujit and Prabir.

23.2. Sujit :

23.2.1. Sujit has contended that he is son-in-law of Shri Ratan Chowdhury, according to him, then Chairman cum Managing Director of Bishal Group of Company viz. BAIL, BHAPL. He also admitted that he had joined BHAPL in the year 2005 as an employee designated as Project Manager and in 2008 his service was terminated. As per him, in March 31, 2009, he was again re-appointed as Project Manager in BHAPL. However, he has not provided any documentary evidence in support of this claim.

23.2.2. I note from the submission made by Sujit that he was arrested by the police in the year 2015 for being the erstwhile Director of Bishal Group of Company viz. BAIL, BHAPL and during that time he came to know that he was the Director of the company.

23.2.3. I note that Sujit in his reply has disputed about his appointment and resignation as Director in BAIL as stated in MCA records. He has contended that his signature was

forged to submit his consent and resignation as Director of BAIL. To substantiate about the forgery, he has submitted a copy of complaint dated December 15, 2018, lodged in Police Station and letter dated October 21, 2019 to Registrar of Companies (RoC). Pursuant to his lodging of complaint to police and RoC, I find that he has not submitted the status of the police complaint filed by him and also steps taken pursuant to informing RoC.

23.2.4. From the above, firstly, I note that Sujit has not provided any document to show that he has made any complaint to the appropriate authorities about his false appointment as Director of BAIL immediately after his arrest in 2015. Secondly, I note that after he received letter from SEBI on December 28, 2017 to provide information and documents for investigation purpose and also after receipt of interim order dated October 10, 2018, he never lodged any complaint to the appropriate authorities about his role as Director in BAIL immediately. I note from the record that Sujit lodged his complaint to Police Station about forgery of his signature as Director in Bishal Group of Company viz. BAIL only on December 15, 2018 and to RoC on January 22, 2016 and October 21, 2019. I find that he has lodged his complaint to police almost after 3 years of his alleged knowledge of his Directorship in BAIL and I also observe inspite of his lodging the complaint to RoC/ MCA, no action has been taken by RoC/MCA since his name is till now shown as erstwhile Director of BAIL. In view of the same, I am constrained to accept the MCA records that he joined as a Director of the company on June 01, 2012 and ceased as Director on October 10, 2013.

23.3. Prabir:

23.3.1. Prabir as per his submission, contended that Shri Ratan Chowdhury, according to him, then Chairman and Managing Director of Bishal Group of Company is elder brother of Prabir.

23.3.2. Prabir has submitted copy of medical certificate, on perusal of the same, the medical certificate dated July 26, 1990, has mentioned that he is 45% disabled. Prabir has contended that he was not aware of his Directorship in BAIL and it came to his knowledge when he received copy of the interim order dated October 10, 2018, forwarded by SEBI, Local Office, Ranchi, on November 06, 2018.

23.4. I note that Prabir has disputed about his appointment and cessation as Director in BAIL. He has contended that his signature was forged to submit his consent and cessation as Director to BAIL by one Finance Officer, Shri Partha Manna, known to Shri Ratan Chowdhury. In support of the steps taken by him after the knowledge of forgery, he has not provided any documentary evidence about lodging complaint to appropriate competent authorities about his Directorship in BAIL. In view of the same, I am constrained to accept the MCA records that he joined as a Director of the company on June 01, 2012 and ceased as Director on December 19, 2012

23.5. In light of the claim made by Sujit and Prabir that their signature have been forged for their appointment and cessation of Directorship in the company. I note in cases where persons allege forgery, the burden of proof lies upon the person who alleges the same, in the instant case the obligation to prove the same lies upon the Noticees. The said principle has also been recognised by various Courts in a catena of cases. In this regard, I note the following observations of the Hon'ble Securities Appellate Tribunal in the matter of *Kalidas Dutta vs. SEBI* decided on January 23, 2018:

“...we are of the considered opinion that this appeal can be disposed of with a direction to the appellant to obtain appropriate documents/orders from the competent authority to the effect that he was fraudulently appointed as director of the company in question on 10th February, 2015. For this purpose, the appellant is granted time up to one year to do the needful and submit the same to SEBI. In the eventuality of appellant producing the documents to the satisfaction of SEBI that he was fraudulently inducted as one of the directors of the company, SEBI will pass appropriate orders as per law.”

23.6. Therefore, I am of the considered view that Sujit and Prabir may be granted 365 days time to obtain appropriate order from the competent authority with respect to their allegations of forgery. The said order, if any, shall reach SEBI within 365 days from the date of this order. Till that time the directions against Sujit and Prabir passed in this order shall not take effect. Pending such determination, I am constrained to accept the MCA records in respect of their tenure. This finding on the tenure will come into effect in respect of Sujit and Prabir on the expiry of 365 days of this order, if the order of the Competent Authority is not produced by Sujit and Prabir within

such 365 days, or, if produced within such period, and the same is not in favour of Sujit and Prabir, whichever is earlier.

24. As far as the liability for non-compliance of Section 73 of Companies Act 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, 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%.
25. As per Section 5 of Companies Act, “*officer who is in default*” means (a) the managing director/s; (b) the whole-time director/s; (c) the manager; (d) the secretary; (e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act; (f) any person charged by the Board with the responsibility of complying with that provision; (g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors.
26. In this regard, I note that Hon'ble Securities Appellate Tribunal (SAT) vide order dated February 14, 2019 in the matter of *Pritha Bag Vs. SEBI* stated that “.....*Unless and until a finding is given that the appellant is an officer in default, the mandate provided under Section 73(2) cannot be invoked against the appellant. In the instant case, the appellant has annexed documents to indicate that the company had a managing director, namely, Mr. Indranath Daw and, therefore, as per the provisions of Section 5 the managing director would be an officer in default. We also find that there is no finding given by the WTM that the appellant was the managing director or whole time director or was a person charged by the Board with the responsibility of compliance with the provisions*

of the Companies Act and, consequently, could not be made responsible for refunding the amount under Section 73(2).

27. *Reliance on the judgment of this Court by the respondent in the case of Manoj Agarwal vs. SEBI in Appeal No. 66 of 2016 decided on July 14, 2017 is not applicable and is distinguishable. The Tribunal in the case of Manoj Agarwal found that there was no material to show that any of the officers set out in clauses (a) to (c) of Section 5 or any specified director of the said company was entrusted to discharge the application contained in Section 73 of the Companies Act. In the instant case, there is sufficient material on record to show that there was a managing director and in the absence of any finding that the appellant was entrusted to discharge the application contained in Section 73 of the Companies Act, the direction to refund the amount alongwith interest from the appellant is wholly illegal....”*
28. In view of aforesaid Hon’ble SAT order and upon perusal of documents available on record and the details of the appointment and resignation of Director(s) of BAIL filed with MCA/RoC – Register of Directors, Managing Directors, Manager and Secretary, etc., I find that one Shri Chandan Shah, was appointed as Managing Director of BAIL on December 19, 2012 and ceased to be Director on June 10, 2014 and also from the e-digital signature filed with MCA/RoC for filing Annual Returns (Form 23AC- Form for filing balance sheet and other documents) for the financial year April 01, 2012 to March 31, 2013, he has been shown as Managing Director.
- 28.1. On perusal of the submission made by Sujit in his letter to SEBI dated January 22, 2016 and Prabir in his written submission have alleged that Shri Ratan Chowdhury was the Chairman and Managing Director of Bishal Group of Company. I find from the material available on record that one of the complainants had attached a brochure and company profile, wherein, it is observed that Shri Ratan Chowdhury was a Chairman and Managing Director of Bishal Group of Company. I find from the contents in the company profile - Desk of CMD by Shri Ratan Chowdhury, stated “*The Mission of our company is “Resource utilization” with the help of science and technology.....Bishal Group of Industries is forwarding towards economic development of the people and implementing different projects in West Bengal. In June 2010 Bishal Group stepped*

into IT business and we already got a stunning success by being one of the fastest Gold Certified partners of Microsoft. Our aim is to go Global with IT and we are slowly and steadily building our infrastructure accordingly.....". In the same company profile, Shri Ratan Chowdhury is shown as Chairman and Managing Director under the head "Administrative Protagonist". I also find from the same document attached under the head "recent achievement", Shri Ratan Chowdhury is recipient of award as Chairman of Bishal Group of company on February 11, 2011 from "All India Achievers Foundation". The copy of the said brochure also records the fact that he has been the founder Bishal group of companies. BAIL is one of the group companies of the Bishal group. The other record available from MCA/RoC (i) Form 32(Particulars of appointment of Managing Director, etc.,) has been verified and digitally signed by him as Managing Director, putting his Director identification number (DIN No- 00360241); (ii) The particulars Register of Directors, Managing Directors, Manager and Secretary, etc. shows him as Director -period May 01, 2008- February 18, 2014. Further, I observe that company was incorporated on May 01, 2008 and as per MCA Shri Ratan Chowdhury was also appointed as Director of the company during the period of May 01, 2008- February 18, 2014.

29. Due to above circumstances, namely, Shri Ratan Chowdhury being CMD has been the founder of the Bishal Group of company" which includes BAIL and as such has been given award as "Chairman of Bishal Group of company", his ownership in the Company as promoter and his association with the company right from the date of incorporation of the company as director, I find that the preponderance of probability is more in accepting that Shri Ratan Chowdhury was the Chairman and Managing Director of the company for the period of May 01, 2008- February 18, 2014. I also find that Shri Chandan Shah, was appointed as Managing Director for the duration of December 19, 2012 to June 10, 2014. I find that RPS was allotted during financial years 2011-2012, and NCDs were issued during 2012-2013 and 2013-2014. Therefore, in the present case in accordance with Section 5(a) of Companies Act., Shri Ratan Chowdhury and Shri Chandan Shah being the Managing Director of BAIL are officers in default and are liable to make refund jointly and severally with the company for the money collected during their respective period of directorship, along with interest at the rate of 15 % per annum, under section 73(2) of the

Companies Act, 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, Shri Ratan Chowdhury and Shri Chandan Shah are co-extensively responsible along with the Company for making refunds along with interest under section 73(2) of the Companies Act read with rule 4D of the Companies (Central Government's) General Rules and Forms, 1956. Therefore, I find that Shri Ratan Chowdhury and Shri Chandan Shah, 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.

30. I note that during some part of the the period of fund mobilization of NCDs, Shri Sujit Acharjee and Shri Prabir Chowdhury were directors in BAIL. However, following the reasoning as provided by Hon'ble SAT in the matter of *Prita Bag vs. SEBI*, I am of the view that Shri Sujit Acharjee and Shri Prabir Chowdhury are not liable for refund of money as there is documentary evidence available on record which indicate that BAIL had a Managing Director namely, Shri Ratan Chowdhury and Shri Chandan Shah (who are officers in default as per Section 5(a) of Companies Act) during the relevant time of fund mobilization of RPS and NCDs.

31. In respect of the liability of Sujit and Prabir, I observe that Sujit and Prabir have joined the company after the fund mobilization by the company through RPS. Since they have not exercised necessary diligence while taking charge of directorship in the company and they have not taken any step to remedy the violations committed by the company. They were also directors during the period of NCD issuance. The liability of the company and its directors to repay under Section 73(2) of the Companies Act, is a continuing liability and the same continues till all the repayments are made. Therefore, the persons who join the Company's Board pursuant to the offer and allotment of RPS shall also be liable for ensuring the repayment by the Company, if the company and the concerned Directors have failed to make refunds as mandated under law. Therefore, I find that though Sujit and Prabir are not personally liable to refund the money collected from the issuance of RPS but they are liable to ensure that the company refunded the money to its investors during their relevant period of directorship with the company. In this regard, appropriate directions are incorporated in this Order.

32. Further, with respect to the breach of law and duty by a director of a company, I refer to and rely on the following observations made by the Hon'ble High Court of Madras in *Madhavan Nambiar vs. Registrar of Companies* (2002 108 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. "

33. A person cannot assume the role of a Director in a company in a casual manner. The position of a 'Director' in a 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. Shri Ratan Chowdhury, Shri Chandan Shah, Shri Sujit Acharjee and Shri Prabir Chowdhury 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, I note that Shri Ratan Chowdhury, Shri Chandan Shah, Shri Sujit Acharjee and Shri Prabir Chowdhury are responsible for all the deeds/acts of the company during the period of their directorship and are obligated to ensure refund of the money collected by the company to the investors as per the provisions of Section 73 of Companies Act. In view of the failure to discharge the said liability of ensuring refund Shri Ratan Chowdhury, Shri Chandan Shah, Shri Sujit Acharjee and Shri Prabir Chowdhury are liable to be debarred for an appropriate period of time.

34. I note that there are writ petitions filed before the Hon'ble Calcutta High Court W.P. 13162

(W) of 2015 – Rumpa Biswas & ors. Vs Union of India with W.P.18501 (W) of 2015 Durga Prosad Bhattacharya & ors Vs. Union of India & ors. with W.P. 29775 (W) of 2014 Anukul Ranjan Sarkar & ors. Vs State of West Bengal & ors., in respect of Bishal Group of Companies. BAIL is one of the group companies of Bishal Group. Hon'ble Calcutta High Court vide order dated August 12, 2016 directed not to dispose of any of the movable or immovable properties till further direction of the Court. Further, the direction against the Director(s)/Partner(s) of the company not to dispose of or shall not create any encumbrances of their valuable movable or immovable properties (personal) till further order. In the instant case, Sujit was Director of company during the period June 01, 2012 to October 10, 2013 and Prabir was Director of company during the period June 01, 2012 to December 19, 2012, I note during their period of Director(s) there was no restriction on the company by the virtue of the aforesaid order not to refund the investors. Therefore, the Hon'ble Calcutta High Court Order does not come in the way of Sujit and Prabir ensuring the company's liability to repay during their tenure. Therefore, I find that Sujit and Prabir as Director(s) did not fulfill their duty and obligations to ensure refund by the company of the money to the investors during their tenure. Equally prior to the Hon'ble High court order dated August 12, 2016, there was no legal bar on discharging their personal liability to repay to the investors.

35. It is noted that parties in the present proceedings and the proceedings culminated in the final order dated May 16, 2016, are different. Therefore, the principle of res judicata will not bar the findings in the present proceedings.
36. 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 is to direct Shri Ratan Chowdhury and Shri Chandan Shah, to refund the money collected, with interest to such investors. As there is no evidence on record that the company has made refunds also in order to safeguard the interest of investors, to prevent further harm to investors and to ensure orderly development of securities market, Shri Ratan Chowdhury, Shri Chandan Shah, Shri Sujit Acharjee and Shri Prabir Chowdhury becomes liable to be debarred for an appropriate period of time.
37. In view of the findings above, appropriate action in accordance with law needs to be

initiated against viz. Shri Ratan Chowdhury, Shri Chandan Shah. Shri Sujit Acharjee and Shri Prabir Chowdhury.

ORDER

38. 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:

- i. Shri Chandan Shah and Shri Ratan Chowdhury, jointly and severally with the Company, shall forthwith refund the money collected by the Company, through the offer and issuance of RPS and NCDs including the application money collected from the 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.
- ii. 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” or through any other appropriate Banking channels, with clear identification of beneficiaries and supporting bank documents.
- iii. Shri Ratan Chowdhury, Shri Chandan Shah, in their personal capacity are directed to provide an updated full inventory of all their assets and properties and details of all bank accounts, demat accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form of their own.
- iv. Shri Sujit Acharjee and Shri Prabir 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 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. It is also clarified that the period of restraint already suffered by Shri Sujit Acharjee and Shri Prabir

Chowdhury shall be taken into account for calculating the period of restraint now imposed.

- v. Shri Ratan Chowdhury and Shri Chandan Shah 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 the 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.
- vi. Shri Ratan Chowdhury and Shri Chandan Shah on behalf of the company in their personal capacity 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.
- vii. After completing the aforesaid repayments, Shri Ratan Chowdhury, Shri Chandan Shah, 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 holding such certificate.
- viii. In case of failure of Shri Ratan Chowdhury and Shri Chandan Shah 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 38(i) of this Order, in accordance with Section 28A of the SEBI Act including such other provisions contained in securities laws.

39. Needless to say, in view of prohibition on sale of securities, it is clarified that during the

period of restraint, the existing holding, including units of mutual funds, of the Shri Sujit Acharjee and Shri Prabir Chowdhury shall remain frozen.

40. This order will come into effect with respect to Shri Sujit Acharjee and Shri Prabir Chowdhury on the expiry of three hundred and sixty fifth (365) days of this order, if the order of the Competent Authority is not produced by Shri Sujit Acharjee and Shri Prabir Chowdhury within such 365 days, or, if produced within such period, and the same is not in favour of Shri Sujit Acharjee and Shri Prabir Chowdhury, whichever is earlier. This direction shall not take effect if the order of the Competent Authority is produced within such period and the same is in favour of Shri Sujit Acharjee and Shri Prabir Chowdhury. Till the time, the interim directions against Shri Sujit Acharjee and Shri Prabir Chowdhury shall continue.
41. It is pertinent to mention that the Hon'ble Calcutta High Court has in W.P. 13162 (W) of 2015 – Rumpa Biswas & ors Vs Union of India with W.P.18501 (W) of 2015 Durga Prosad Bhattacharya & ors Vs. Union of India & ors. With W.P. 29775 (W) of 2014 Anukul Ranjan Sarkar & ors. Vs State of West Bengal & ors., in respect of Bishal Group has passed an order dated August 12, 2016. BAIL is one of the amongst the group company, was directed not to dispose of any of the movable or immovable properties till further direction of the Court. Further, there is direction against the Director(s)/Partner(s) of the company not to dispose of or shall not create any encumbrances of their valuable movable or immovable properties (personal) till further order. Therefore, the effect and implementation of the aforesaid directions stated above Paragraphs except paragraph 38(iv) which is subject to paragraph 40 of this order, shall be subject to the directions passed by the Hon'ble Calcutta High Court in its Order dated August 12, 2016 or any further orders passed therein.
42. The directions against Shri Ratan Chowdhury and Shri Chandan Shah are made contingent on SEBI serving this order to them. Therefore, this order will take effect as final order, subject to paragraph 41 of this order, against Shri Ratan Chowdhury and Shri Chandan Shah only on expiry of 60 days from the date of service of this order to Shri Ratan Chowdhury and Shri Chandan Shah, unless they file reply or written request for personal hearing receivable by SEBI within such period of 60 days from the date of

service of this order. If reply/request for personal hearing is filed by Shri Ratan Chowdhury and Shri Chandan Shah, the directions passed therein against Shri Ratan Chowdhury and Shri Chandan Shah, shall be made applicable subject to the determination on the objections/reply.

43. 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 BAIL and its Directors, in accordance with law
44. Copy of this Order shall be forwarded to Shri Ratan Chowdhury (PAN No. ADIPC9989M: DIN:00360241), Shri Chandan Shah (PAN No. AVNPS3170R; DIN:02093399), Shri Sujit Acharjee and Shri Prabir Chowdhury the recognized stock exchanges and depositories and registrar and transfer agents for information and necessary action.
45. 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.

Sd/-

DATE: February 05, 2020

MADHABI PURI BUCH

PLACE: Mumbai

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA