National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/60888	**Date: February 27, 2024**
Circular Ref. No: 284/2024	

To All NSE Members,

Sub: SEBI Order in the matter of Sandhya Projects Limited.

This is with reference to in respect of SEBI Order No. QJA/GR/ERO/ERO/30050/2023-24 dated February 27, 2024, wherein SEBI had restrained and prohibited following entities 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 1 (one) year.

Noticee No.	Name of the Entity	PAN/CIN/DIN
1.	Sandhya Projects Ltd.	CIN U45400W B2008PLC124935
2.	Rajib Kumar Saha	DIN 01534716
3.	Dilip Saha	DIN 01944168
4.	Subindu Pramanik	DIN 01925354

The order comes into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

National Stock Exchange of India

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SEBI Order in the matter of Sandhya Projects Limited.

QJA/GR/ERO/ERO/30050/2023-24

THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER UNDER SECTIONS 11, 11(4), 11A AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF SANDHYA PROJECTS LIMITED

In respect of:

Noticee No.	Name of the Entity	PAN/CIN/DIN
1.	**Sandhya Projects Ltd.**	**CIN U45400W B2008PLC124935**
2.	**Rajib Kumar Saha**	**DIN 01534716**
3.	**Dilip Saha**	**DIN 01944168**
4.	**Subindu Pramanik**	**DIN 01925354**

(The aforesaid entities are referred to by their corresponding names/numbers and collectively referred to as "Noticees")'

Background

1. Sandhya Project Ltd. (hereinafter referred to as **"SPL"/ "the Company"**) is public company incorporated on 12/04/2008 and registered with Registrar of Companies – Kolkata bearing CIN: U45400WB2008PLC124935 and its registered office at 2nd Floor, Great Super Market Jhaljhalia, Malda, West Bengal – 732102.

2. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) received complaints against SPL, alleging non-receipt of amounts due to the investors in respect of issue of Redeemable Preference Shares (hereinafter referred to as **"RPSs"**) and undertook an enquiry to ascertain as to whether SPL had made any public issue of securities without complying with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **"SEBI Act"**) and the Rules and Regulations framed thereunder.

3. Accordingly, SEBI conducted an examination into the issuance of Redeemable Preference Shares (RPS) by Sandhya Projects Ltd and observed that SPL had launched R.P.S (fixed return) and M.R.S. (monthly return) schemes. Details of the scheme are as under:

Plan - B						
Redemption Period	2 yrs.	3 yrs.	5 yrs.	8 yrs.	12 yrs.	15 yrs.
Issue Price (Minimum 10 RPS)	1000	1000	1000	1000	1000	1000
Redemption Premium	300	500	1250	3000	9000	13000
Redemption Value	1300	1500	2250	4000	10000	14000
Dividend Rate (Approx.)	14%	14.50%	17.60%	18.90%	19.25%	19.50%

Plan - C				
Redemption Period	2 yrs.	3 yrs.	5 yrs.	10 yrs.
Issue Price of Minimum 100 R.P.S (Rs.)	10000	10000	10000	10000
Redemption Value	10000	10000	10000	10000
Dividend (Per Month)	125	150	175	200

4. Further, letter dated December 06, 2022 was sent to the registered address of SPL vide courier and also vide Speed Post on December 30, 2022. Information w.r.t. the company including details of issuance of equity shares/convertible instruments/preference shares etc. were sought vide the aforesaid letters. The letters returned undelivered in both the cases. Subsequently, the details were sought and received from RoC – Kolkata. The following is the list of directors of SPL:

Sl. No.	**Name**	**DIN**	**Designation**	**Date of appointment**	**Date of cessation**
1.	Rajib Kumar Saha	1534716	Director	12.04.2008	21.03.2013
				28.03.2013	05.04.2013
				11.07.2016	30.07.2016
2.	Subindu Pramanik	1925354	Director	12.04.2008	-
3.	Dilip Saha	1944168	Director	12.04.2008	21.03.2013

4.	Nabin Das	3137432	Wholetime Director	19.03.2013	-
5.	Bhairu Ratan Ojha	6536310	Wholetime Director	19.03.2013	21.12.2016
6.	Pintu Debnath	6613246	Additional Director	22.07.2016	-

5. Subsequently, letters were also written to the above directors seeking details of issuance of securities by the company, however five of them were returned undelivered and one director did not reply in spite of delivery. The status of the same is provided below:

Sl. No.	**Name of entity/director**	**Date of Letter**	**Status/ Date of Delivery**	**Reply received by SEBI**
1.	Sandhya Projects Ltd.	06.12.2022	Returned with remarks – Insufficient Address	No
2.	Rajib Kumar Saha	26.12.2022	Returned with remarks – Insufficient Address	No
3.	Subindu Pramanik	27.12.2022	Returned with remarks – Refused	No
4.	Dilip Saha	27.12.2022	Returned with remarks – Insufficient address.	No
5.	Nabin Das	27.12.2022	-	No
6.	Bhairu Ratan Ojha	27.12.2022	-	No
7.	Pintu Debnath	27.12.2022	Returned with remarks – Refused	No

6. Finally, the filings made by the company on the MCA website were accessed and perused. The following points were observed from the filings:

   a) The company had filed a detailed list of allottees of Redeemable Preference Shares (RPS) allotted by the company on various dates in FY 2008-09, FY 2010-11 & FY 2011-12.

   The details of RPS issued by the company is as under:

FY	Date of allotment	No. of allottees	No. of shares allotted	Nominal amount per share (in Rs.)	Amount Mobilized (in Rs.)
2008-09	24/07/2008	2	60	100	6000*
	08/09/2008	2	60	100	6000*
	03/02/2009	7	210	100	21000
	Total	11			**33,000**
2010-11	21/04/2010	3	4090	100	4,09,000
	Total				
2011-12	06/07/2011	46	**6780**	**100**	6,78,000*
	21/09/2011	54	**3795**	**100**	3,79,500
	07/11/2011	121	**10005**	**100**	10,00,500
	Total	**221**			**20,58,000**

** Nominal amount has not been mentioned as 100 in the document uploaded by company, however it is considered as 100 as per the documents uploaded by the company for other allotments.*

   b) It was observed that the company had issued RPS to 221 persons in the year FY 2011-2012 raising an amount of Rs.20,58,000/-.

SPL made allotments to more than 49 persons in FY 2011-12. The summary of financial year wise allotments of RPS made by the company is given in the table below:

FY	No. of allottees	Amount mobilized (Rs.)
2008-09	11	33,000
2010-11	3	4,09,000
2011-12	221	20,58,000
2012-13*	~1	~13000
Total	236	25,13,000

**One complainant for the said FY and no filings available on MCA.*

7. From the above details, it was observed that SPL had made an offer of RPSs in the financial years 2008-2009, 2010-2011 and 2011-2012 (hereinafter referred to as "Offer of RPSs") and raised an amount of Rs.20.58 Lacs from 221 allottees in FY 2011-12. The number of allottees and funds mobilized was collated on the basis of filings made by the company on the MCA website.

8. Since SPL issued RPS to more than 49 persons in FY 2011-12, it amounts to public issue of securities as per the first proviso to Section 67(3) of the Companies Act, 1956. The Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014 revised this limit upwards to 200 persons in a financial year. However, since the allotments were made before this limit of 200 came into effect, the limit of 50 persons as per Companies Act, 1956 is applicable in the instant case.

9. Upon completion of examination by SEBI on the Offer of RPS by SPL, following was observed-

    i. RPS was issued to more than 49 persons in financial year 2011-2012 by inviting applications from the general public;
    ii. SPL did not file any prospectus in connection with the issue of securities;
    iii. SPL did not get the securities listed with the Stock Exchange, and
    iv. SPL did not refund the money collected from investors.

As the above said Offer of RPSs was found to be a deemed public issue, the company and its directors who were engaged in the fund mobilising activity were thereby alleged to have violated the respective provisions of the SEBI Act, 1992, the Companies Act, 1956, and the ILDS Regulations.

10. On the basis of aforesaid observation, it was alleged that:

   i. Noticees No. 1 & 2 have violated provisions of Section 56, Section 60 read with Section 2(36), Section 67(3) and Section 73(1), (2) & (3) of the Companies Act, 1956 read with Section 465(2) of Companies Act, 2013;

   ii. Noticees No. 3 & 4 who were directors of the company during money mobilization have violated provisions of Section 56, Section 60 read with 2(36), Section 67(3) and Section 73(1) & 73(3) of the Companies Act, 1956 read with Section 465(2) of Companies Act, 2013.

Management of SPL

11. As per the details received from RoC – Kolkata, the following is the list of directors of SPL:

Sl. No.	Name	DIN	Designation	Date of appointment	Date of cessation
1.	Rajib Kumar Saha (Noticee No.2)	1534716	Director	12.04.2008	21.03.2013
				28.03.2013	05.04.2013
				11.07.2016	30.07.2016
2.	Subindu Pramanik (Noticee No.4)	1925354	Director	12.04.2008	-
3.	Dilip Saha (Noticee No. 3)	1944168	Director	12.04.2008	21.03.2013
4.	Nabin Das	3137432	Wholetime Director	19.03.2013	-
5.	Bhairu Ratan Ojha	6536310	Wholetime Director	19.03.2013	21.12.2016
6.	Pintu Debnath	6613246	Additional Director	22.07.2016	-

Show Cause Notice, Reply and Personal Hearing

12. Pursuant to the investigation, Show Cause Notice dated August 09, 2023 (hereinafter referred to as "**SCN**") was issued to the Noticees for the alleged violations stated above. The said SCN was served to the Noticees vide Speed Post Acknowledgement Due (SPAD), however the same returned undelivered. Subsequent to which an attempt was made to serve the same through hand delivery and the same were hand delivered to Noticee No. 2, 3 and 4. For Noticee No.1, after exhausting other modes of service (SPAD and Affixture), the SCN was served through Newspaper Publication and the same was published on January 24, 2024 through which the Noticee No.1 was also provided an opportunity of personal hearing on February 05, 2024.

13. Vide notifications dated January 24, 2024 published in newspaper, The Times of India, Sanmarg and Anand Bazar Patrika, Noticee No.1 was notified by SEBI that it will be given the final opportunity of being heard on February 05, 2024 at the time and the venue mentioned therein. The Noticee was advised that in case it fails to appear for the personal hearing before SEBI on the aforesaid date, the matter would be proceeded ex-parte on the basis of material available on record.

14. Pursuant to service of SCN to Noticee No. 2, 3 and 4, an opportunity of personal hearing was provided vide Hearing Notices dated February 06, 2024 (**'HN'**) and the said Noticees were advised to appear before the undersigned for personal hearing on February 14, 2024. The HNs were attempted to be served through hand delivery and was hand delivered to Noticee No. 4. However, HN sent to Noticee No. 2 and 3 returned undelivered with remarks that '*refused to receive the Hearing Notice',* subsequent to which the same was affixed at their residential address.

15. Noticee No. 3 and Noticee No. 4, vide emails dated February 13, 2024 and February 15, 2024 respectively, requested for adjournment of the hearing which was acceded to and accordingly hearing in the matter was rescheduled to February 23, 2024. Respective Authorised Representatives (ARs) of both the Noticees appeared in the said hearing separately and made their submissions.

16. Noticee No. 1 and 2 did not avail the opportunity of personal hearing held on February 05, 2024 (Noticee No.1) and February 14, 2024 (Noticee No. 2) and the said Noticees (Noticee No. 1 and 2) did not file any reply to the SCN. The said Noticees were advised that in case they fail 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.

17. Regarding the refusal to receive the hearing notices by Noticee No 2, I note that the law creates a presumption where the service of post is refused and the same shall be deemed to be properly served, unless rebutted. Hon'ble Securities Appellate Tribunal ("**SAT**") vide order dated February 07, 2023 in Appeal No. 466 of 2021 has also held that,

> *"… 5. Having heard the learned counsel for the parties and having perused a record, we find that when the order which is sent by post is refused then there is a deemed presumption of sufficient service upon the appellants."*

18. Summary of reply of SCN submitted by Noticee No. 3:
    a) *SCN was received by Mr. Dilip Saha on November 11, 2023 through hand delivery and the Hearing Notice dated February 06, 2024 was pasted at a conspicuous place of the outer walls of the residential building where Mr. Dilip Saha resides.*
    b) *The company, SPL, was incorporated by Mr. Rajib Kumar Saha (brother of Noticee) in the year 2008 without any consent or approval of the Noticee. On insistence of his brother, the Noticee signed some papers unknowingly. The Noticee was not even aware about their directorship in SPL.*
    c) *The Noticee is unaware about the issuance of 221 shares by SPL in FY 2011-12 and about any realisation of proceeds received from the selling of those shares. His brother, Mr. Rajib Kumar Saha, forged most of the signature of Noticee on the company documents.*
    d) *Mr. Rajib Kumar Saha has been missing and could not be traced and a missing complaint has been lodged with the local police station for the same in the year 2014.*
    e) *Noticee has denied all the allegations stating that Mr. Rajib Saha was the managing director of the SPL and he never signed or approved any prospectus. No amount has travelled from company's account to the Noticee's account.*

19. Summary of reply of SCN submitted by Noticee No. 4:

a) *Subindu Pramanik on the request of Rajib Saha joined as the director of "Sandhya Project Limited".*

b) *After few days, Subindu Pramanik came to know that the company was not working in proper manner and according to the law of land.*

c) *Subindu Pramanik repeatedly requested to the said Rajib Saha to strike out his name from the said company as director. Rajib Saha also signed in a paper where he stated that Subindu Pramanik was no more director of the company and being an illiterate person said Subindu Pramanik believed the word of the said Rajib Saha and even did not know the actual procedure of retirement from the company.*

d) *Subindu Pramanik since 9 to 10 years also facing some untoward incident to the said company.*

20. Considering the aforesaid, I am of the view that the principles of natural justice have been adhered to, as the SCN and the Hearing Notices were duly served upon the Noticees, which is on record and sufficient opportunity was granted to them to reply to the SCN and appear for the personal hearing.

21. Considering the fact that Noticee No. 1 and 2 have neither filed any reply nor has availed the opportunity of personal hearing despite service of notices, I am of the view that they have nothing to submit and the matter is being proceeded *ex-parte* on the basis of material available on record. As the said Noticees did not file any reply to the SCN, it can be presumed that they have admitted the charges levelled against them.

22. In this regard, it is pertinent to note that the Hon'ble Securities Appellate Tribunal (SAT) in the matter of ***Classic Credit Ltd. vs. SEBI*** (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter alia, observed that, *"......the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".*

23. Further, the Hon'ble SAT in the matter of ***Sanjay Kumar Tayal & Others vs SEBI*** (Appeal No. 68 of 2013 decided on February 11, 2014), has also, inter alia, observed that*: "........... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and,*

therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..."

24. Additionally, the same position has been reiterated by the Hon'ble SAT in the matter of ***Dave Harihar Kirtibhai vs SEBI*** (Appeal No. 181 of 214 dated December 19, 2014), wherein the Hon'ble SAT observed as under*: "...further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non- receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal..."*

25. In view of the observations made by the Hon'ble SAT, I find no reason to take a different view and accordingly, I deem it appropriate to proceed against the Noticee No. 1 and 2 *ex-parte*, based on the material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

26. Based on the material available on record, following issues arise for consideration:

    (1) Whether the company came out with the Offer of RPS in violation of Section 56, 60, 67(3) and Section 73(1), (2) and (3) of Companies Act 1956 read with Section 465(2) of Companies Act, 2013?

    (2) If the findings on Issue No.1 are found in the affirmative, who shall be liable for the violation committed?

27. The relevant provisions of the Companies Act, 1956 alleged to have been violated by the Noticees are as follows:

I. Companies Act, 1956:

“56. MATTERS TO BE STATED AND REPORTS TO BE SET OUT IN PROSPECTUS

(1) Every prospectus issued -

*(a) by or **on** behalf of a company, or*

(b) by or on behalf of any person who is or has been engaged or interested in the formation of a company, shall state the matters specified in Part I of Schedule II and set out the reports specified in Part II of that Schedule; and the said Parts I and II shall have effect subject to the provisions contained in Part III of that Schedule.

(2) ……………

(3) No one shall issue any form of application for shares or debentures of a company, unless the form is accompanied by a prcontaining such salient features of a prospectus as may be prescribed] which complies with the requirements of this section:”

[Provided that a copy of the prospectus shall, on a request being made by any person before the closing of the subscription list, be furnished to him:]

Provided [further] that this sub-section shall not apply if it is shown that the form of application was issued either - (a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures ; or (b) in relation to shares or debentures which were not offered to the public. If any person acts in contravention of the provisions of this sub-section, he shall be punishable with fine which may extend to [fifty] thousand rupees.

“60. *REGISTRATION* OF PROSPECTUS

(1) No prospectus shall be issued by or on behalf of a company or in relation to an intended company unless, on or before the date of its publication, there has been delivered to the Registrar for registration a copy thereof signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, and having endorsed thereon or attached thereto -

(a) any consent to the issue of the prospectus required by section 58 from any person as an expert; and

(b) in the case of a prospectus issued generally, also –

(i) a copy of every contract required by clause 16 of Schedule II to be specified in the prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; and

(ii) where the persons making any report required by Part II of that Schedule have made therein, or have, without giving the reasons, indicated therein, any such adjustments as are mentioned in clause 32 of that Schedule, a written statement signed by those persons setting out the adjustments and giving the reasons therefor……."

*"**Section 2(36) of the Companies Act, 1956***

(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."

67. Construction of References to Offering Shares or Debentures to the Public, etc.

(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 the non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956).*

73. ALLOTMENT OF SHARES AND DEBENTURES TO BE DEALT IN ON STOCK EXCHANGE

(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)] Where a prospectus, whether issued generally or not, states that an [application under sub-section (1) has been] made for permission for the shares or debentures offered thereby to be dealt in one or more recognised stock exchanges, such prospectus shall state the name of the stock exchange or, as the case may be, each such stock exchange, and any allotment made on an application in pursuance of such prospectus shall, whenever made, be void, if the permission has not been granted by the stock exchange or each such stock exchange, as the case may be, before the expiry of ten weeks from the date of the closing of the subscription lists :

Provided that where an appeal against the decision of any recognised stock exchange refusing permission for the shares or debentures to be dealt in on that stock exchange has been preferred under section 22 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), such allotment shall not be void until the dismissal of the appeal.

(2) Where the permission has not been applied [under sub-section (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.

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank until the permission has been granted, or where an appeal has been preferred against the refusal to grant such permission,

until the disposal of the appeal, and the money standing in such separate account shall, where the permission has not been applied for as aforesaid or has not been granted, be repaid within the time and in the manner specified in subsection (2) ; and if default is made in complying with this sub-section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees.

II. Companies Act, 2013

475. REPEAL OF CERTAIN ENACTMENTS AND SAVINGS

(1)…

(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 any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act;

(b) subject to the provisions of clause (a), any order, rule, notification, regulation, appointment, conveyance, mortgage, deed, document or agreement made, fee directed, resolution passed, direction given, proceeding taken, instrument executed or issued, or thing done under or in pursuance of any repealed enactment shall, if in force at the commencement of this Act, continue to be in force, and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of this Act;

(c) any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure or existing usage, custom, privilege, restriction or exemption shall not be affected, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in, or from, the repealed enactments;

(d) any person appointed to any office under or by virtue of any repealed enactment

shall be deemed to have been appointed to that office under or by virtue of this Act;

(e) any jurisdiction, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not in existence or in force shall not be revised or restored;

(f) the offices existing on the commencement of this Act for the registration of companies shall continue as if they have been established under the provisions of this Act;

(g) the incorporation of companies registered under the repealed enactments shall continue to be valid and the provisions of this Act shall apply to such companies as if they were registered under this Act;

(h) all registers and all funds constituted and established under the repealed enactments shall be deemed to be registers and funds constituted or established under the corresponding provisions of this Act;

(i) any prosecution instituted under the repealed enactments and pending immediately before the commencement of this Act before any Court shall, subject to the provisions of this Act, continue to be heard and disposed of by the said Court;

(j) any inspection, investigation or inquiry ordered to be done under the Companies Act, 1956 (1 of 1956) shall continue to be proceeded with as if such inspection, investigation or inquiry has been ordered under the corresponding provisions of this Act; and

(k) any matter filed with the Registrar, Regional Director or the Central Government under the Companies Act, 1956 (1 of 1956) before the commencement of this Act and not fully addressed at that time shall be concluded by the Registrar, Regional Director or the Central Government, as the case may be, in terms of that Act, despite its repeal.

Issue: 1 - Whether the company came out with the Offer of RPS in violation of Section 56, 60, 67(3) and Section 73 (1), (2) and (3) of Companies Act 1956 read with Section 465(2) of Companies Act, 2013?

28. Before proceeding with the examination of issue, I note that the Companies Act, 1956 empowers SEBI to take action in matters related to issue and transfer of securities. Section 55A of the said Act states:

> ***"55A. POWERS OF SECURITIES AND EXCHANGE BOARD OF INDIA***
> *The provisions contained in sections 55 to 58, 59 to 81 (including sections 68A, 77A and 80A), 108, 109, 110, 112, 113, 116, 117, 118, 119, 120, 121, 122, 206, 206A and 207, so far as they relate to issue and transfer of securities and non-payment of dividend shall, - (a) in case of listed public companies ;*
> *(b) in case of those public companies which intend to get their securities listed on any recognised stock exchange in India, be administered by the Securities and Exchange Board of India ; and*
> *(c) in any other case, be administered by the Central Government.*
>
> *Explanation. - For the removal of doubts, it is hereby declared that all powers relating to all other matters including the matters relating to prospectus, statement in lieu of prospectus, return of allotment, issue of shares and redemption of irredeemable preference shares shall be exercised by the Central Government, the Tribunal or the Registrar of Companies, as the case may be."*

29. Addressing the instant issue, I note from SCN that during examination the filings made by the company on the MCA website were accessed and perused. The following points w observed from the said filings:

- The company has filed a detailed list of allottees of Redeemable Preference shares (RPS) allotted by the company on various dates in FY 2008-09, FY 2010-11 & FY 2011-12.

- The details of RPS issued by the company are as under:

FY	Date of allotment	No. of allottees	No. of shares allotted	Nominal amount per share (in Rs.)	Amount Mobilized (in Rs.)
2008-09	24/07/2008	2	60	100	6000*
	08/09/2008	2	60	100	6000*
	03/02/2009	7	210	100	21000
	Total	11			**33,000**
2010-11	21/04/2010	3	4090	100	4,09,000
	Total				
2011-12	06/07/2011	46	**6780**	**100**	6,78,000*
	21/09/2011	54	**3795**	**100**	3,79,500
	07/11/2011	121	**10005**	**100**	10,00,500
	Total	**221**			**20,58,000**

** Nominal amount has not been mentioned as 100 in the document uploaded by company, however it is considered as 100 as per the documents uploaded by the company for other allotments.*

30. From the above, I note that the company had issued RPS to 221 persons in the year FY 2011-2012 raising an amount of Rs.20,58,000/-.

31. With regard to the aforesaid allotment, the following was observed: -

i. The summary of financial year wise allotments of RPS made by the company is given in the table below, wherein it can be observed that SPL made allotments to more than 49 persons in FY 2011-12.

FY	No. of allottees	Amount mobilized (Rs.)
2008-09	11	33,000
2010-11	3	4,09,000
2011-12	221	20,58,000
2012-13*	~1	~13000
Total	**236**	**25,13,000**

**One complainant for the said FY and no filings available on MCA*

ii. Since SPL issued RPS to more than 49 persons in FY 2011-12, it amounts to public issue of securities as per the first proviso to Section 67(3) of the Companies Act, 1956. This limit is now revised and it is now set at 200 in a financial year as per Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014. However, since the allotments were made before this limit of 200 came into effect, the limit of 50 persons in terms of Companies Act, 1956 is applicable in the instant case.

iii. Though the Companies Act, 1956, has been repealed by the Companies Act, 2013, anything done or any action taken or purported to have been done or taken under the Companies Act, 1956, is deemed to have been done or taken under the corresponding provisions of the Companies Act, 2013, by virtue of Section 465(2) of the Companies Act, 2013, and is therefore saved regardless of the repeal of the Companies Act, 1956.

32. The provisions alleged to have been violated 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 subsections (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)." (emphasis supplied)

33. 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."

34. In this regard I note that, 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*.

35. In the instant matter, I find that RPS were issued by SPL to 221 investors in the financial year 2011-2012 raising Rs.20.58 lakhs. The above findings lead to a reasonable conclusion that the *Offer of RPS* by SPL was a "*public issue*" within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.

36. I find from the material available that SPL is not 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 find that there is no case that SPL is covered under the second proviso to Section 67(3) of the Companies Act, 1956 and not eligible for the exception.

37. Even in cases where the allotments are considered separately, reference may be made to ***Sahara Case*** *(supra)*, 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." Therefore, I find that the said issuances cannot be considered as private placement. Moreover, reference may also be made to the order of Hon'ble SAT dated April 28, 2017 in the matter of ***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'.*

38. Therefore, in view of the material available on record, I find that the *Offer of RPS* by SPL falls within the first proviso of section 67(3) of Companies Act, 1956. Hence, the *Offers of RPS* mentioned above are deemed to be public issues and SPL was mandated to comply with the *'public issue'* norms as prescribed under the Companies Act, 1956.

39. 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.

40. I note that no records have been submitted to indicate that SPL had made an application seeking listing permission from stock exchange or refunded the amounts on account of such failure. Therefore, I find that SPL has contravened the said provisions. Further, SPL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that SPL 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.

41. 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, SPL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that SPL 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 SPL has not complied with the provisions of section 60 of the Companies Act, 1956.

42. 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. There is no material to show that SPL 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, SPL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.

43. 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*** *(supra)*, 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"

44. 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*** *(supra)* 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…"

45. In view of the above findings, I am of the view that SPL engaged in fund mobilizing activity from the public, through the offer of RPS and has contravened the provisions of Section 56(1), 56(3), Section 60 read with Section 2(36), Section 67(3) and Section 73(1), (2) & (3) of the Companies Act, 1956 read with Section 465(2) of Companies Act, 2013;

<u>ISSUE No. 2</u>- If the findings on Issue No.1 are found in the affirmative, who shall be liable for the violation committed?

46. From the documents available on MCA portal, I find that the Directors in SPL during FY 2011-12 were Shri Rajib Kumar Saha (Noticee No.2), Shri Dilip Saha (Noticee No. 3) and Shri Subindu Pramanik (Noticee No. 4). The details of the appointment and resignation of the directors are as following:

Name of the Directors	Date of appointment	Date of cessation
Rajib Kumar Saha	12.04.2008	30.07.2016
Subindu Pramanik	12.04.2008	Continuing
Dilip Saha	12.04.2008	21.03.2013

47. I find from the documents on record that, Shri Rajib Kumar Saha, Shri Subindu Pramanik, and Shri Dilip Saha are also promoters of SPL as they had subscribed to the Memorandum of Association (MoA) of SPL. I note from the letter dated December 30, 2010 addressed to the Board of SPL that Shri Rajib Kumar Saha submitted his consent to accept the post of Chairman and Managing Director of SPL. I also note from the extract of the Minutes of Board Meeting of Sandhya Projects Ltd. held on August 23, 2011, that by way of Special Resolution, Mr. Rajib Kumar Saha, being Managing Director of the company, was authorised to submit necessary returns to the Registrar of Companies (RoC) on behalf of SPL.

48. With regard to the liability of directors of SPL, Noticee No. 3 in his reply has contended that he never signed or approved any prospectus issued by SPL. Further, he also contended that none of the proceeds from the said issuance was transferred to the said Noticee and he was only acting under the instructions of his brother, Mr. Rajib Kumar Saha (Noticee No. 2), who was the managing director of SPL and forged his signatures on many documents related to SPL.

49. In similar lines, Noticee No. 4 has also contended that he joined SPL on request of Noticee No. 2 and on knowing the wrong working manner of the company, requested Noticee No. 2 to remove him as director of the company to which he was informed by Noticee No. 2 signing in a paper that he was no more a director.

50. I note from the submission of Noticee No. 3 and 4 that they have not denied being the director of SPL during the time of issuance of RPS by SPL i.e. during FY 2011-12. Further, Noticee No. 3 has also accepted signing documents on the direction of his brother, Noticee No.2. Regarding the forging of signature of Noticee No. 3 by Noticee No.2,

Noticee No. 3 has failed to demonstrate any action taken by him against Noticee No.2 for the said act and also failed to produce any supporting documents with regards to the same. Similarly, with regards to the submission of Noticee No. 4 that he requested Noticee No. 2 to remove him as Director and that Noticee No. 2 signed a paper stating he is no more a director, no supporting documents were produced to substantiate the same. These merely appears to be an afterthought devised by Noticee No. 3 and 4. Hence, I find no merit in the submissions made by Noticee No. 3 and 4.

51. Here, I would also like to quote the observations of the Hon'ble Supreme Court of India in the matter of ***Shri N. Narayanan vs. SEBI*** [(2013) 12 SCC 152] decided on 26.04.2013, wherein it was observed that - *"... Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence."*

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

53. 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%.

54. From the material available on record and the details of the appointment and resignation of the directors of SPL as reproduced in the paragraphs above of this Order, it is noted that Noticee No. 2, 3 and 4 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 SPL 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 said directors of SPL (Noticee No. 2, 3 and 4), as officers in default, are liable to make refund, jointly and severally, along with interest at the rate of 15 % per annum, under section 73(2) of the Companies Act, 1956 for the non-compliance of the above mentioned provisions. Since, the liability of the company to repay under section 73(2) is continuing and such liability continues till all the repayments are made, the above said directors are co-extensively responsible 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 SPL and its Directors, viz. Rajib Kumar Saha, Subindu Pramanik and Dilip Saha 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.

55. The directors of SPL had the responsibility of ensuring that refund of money was made to the investors as prescribed in law. With respect to the breach of law and duty by a director of a company, I refer to and rely on the following observations made by the Hon'ble High Court of Madras in ***Madhavan Nambiar vs. Registrar of Companies*** (2002 108 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. "

56. 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 said Noticees therefore cannot 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.

57. 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 SPL and its Directors, viz. Rajib Kumar Saha, Dilip Saha and Subindu Pramanik 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.

58. In view of the discussion above, appropriate action in accordance with law needs to be initiated against SPL and its Directors and promoters, viz. Rajib Kumar Saha, Dilip Saha and Subindu Pramanik. However, it also needs to be considered that substantial amount of time has been passed since the issuance of impugned RPS by SPL.

59. 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 thereof, hereby issue the following directions:

    a. SPL (Noticee No. 1), Mr. Rajib Kumar Saha (Noticee No. 2), Mr. Dilip Saha (Noticee No. 3) and Mr. Subindu Pramanik (Noticee No. 4) shall forthwith refund the money, jointly and severally, collected by the Company through the issuance of RPS in FY 2011-12 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. The Banks, with whom the Noticees' accounts lie, are directed that no debit shall be made, without permission of SEBI except for the purposes of compliance of this order.

d. The Noticees 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.

e. SPL and the directors of SPL at the time of issuance of RPS *viz.* Mr. Rajib Kumar Saha, Mr. Dilip Saha and Mr. Subindu Pramanik 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.

f. After completing the aforesaid repayments, SPL and the directors of SPL at the time of issuance of RPS *viz.* Mr. Rajib Kumar Saha, Mr. Dilip Saha and Mr. Subindu Pramanik 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.

g. In case of failure of SPL, Mr. Rajib Kumar Saha, Mr. Dilip Saha and Mr. Subindu Pramanik 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 59(a) of this Order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.

h. SPL, Mr. Rajib Kumar Saha, Mr. Dilip Saha and Mr. Subindu Pramanik 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 **1 (one) year**. 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 **1 (one) year**.

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

60. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for information and compliances.

61. 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: February 27, 2024
PLACE: Mumbai

G. RAMAR
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA