National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/60936	**Date: February 29, 2024**
Circular Ref. No: 288/2024	

To All NSE Members,

Sub: **SEBI Order in the matter of Basil International Limited.**

This is with reference to in respect of SEBI Order No. QJA/GR/NRO/NRO/30066/2023-24 dated February 29, 2024, wherein SEBI has restrained following entities from 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 them 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 Entity	PAN/CIN/DIN
1	Basil International Limited	AACCB0938K
2	Mr. Susanta Kumar Jana	AGJPJ1097K
3	Mr. Jayanta Kumar Basu	AKSPB8412H
4	Mr. Mohammed Afaque	AJCPA6064F
5	Mr. Vivek Kumar	03524074
6	Mr. Pintu Roy	06395752
7	Mr. Santanu Chakraborty	02403146
8	Mr. Monami Basu	ADPKB3250C
9	Mr. Susanto Chatterjee	ADNPC9257F
10	Mr. Biplab Talukdar	AEQPT3738N
11	Mr. Nirmalendu Bhowmik	ASFPB6456J

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:

National Stock Exchange of India

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

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

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 Basil International Limited.

QJA/GR/NRO/NRO/30066/2023-24

BEFORE SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4), 11A and 11B OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

In respect of:

Noticee No.	Noticee's Name	PAN/DIN
1	Basil International Limited	AACCB0938K
2	Mr. Susanta Kumar Jana	AGJPJ1097K
3	Mr. Jayanta Kumar Basu	AKSPB8412H
4	Mr. Mohammed Afaque	AJCPA6064F
5	Mr. Vivek Kumar	03524074
6	Mr. Pintu Roy	06395752
7	Mr. Santanu Chakraborty	02403146
8	Mr. Monami Basu	ADPKB3250C
9	Mr. Susanto Chatterjee	ADNPC9257F
10	Mr. Biplab Talukdar	AEQPT3738N
11	Mr. Dinkar Sonaji Karkhele	AHJPK5871D
12	Mr. Nirmalendu Bhowmik	ASFPB6456J

In the matter of Basil International Limited.,

Background:

1. Securities and Exchange Board of India ("**SEBI**") had conducted an examination in to the fund - raising activities alleged against Basil International Limited (**BIL/Noticee No.1/ the Company**) in respect of issuing of *Redeemable Preference Shares* (herein after referred to as **"RPS"**) and undertook examination to ascertain as to whether BIL and its promoters and directors were engaged in the activities of raising money through offer and issue of RPS in contravention of provisions of Section 67 (1), (2) and (3) of Companies Act, 1956 including Sections 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc., of the Companies Act, 1956 and Regulation 16(1) of the SEBI (Issue

And Listing of Non-Convertible Redeemable Preference Shares) Regulations. 2013 (hereinafter referred to as "**NCRPS Regulations, 2013**").

2. During, the examination, it was observed that BIL had made an offer of *Redeemable Preference Shares* between the financial years 2006-07 and 2022-23 (hereinafter referred to as ***"Offer of RPS")***. In this regard, the number of allottees and funds mobilized was collated from documents obtained from MCA 21 portal i.e. FORM 2 (Return of allotment), wherein it was observed from the inventory of original certificates and other documents received by SEBI, that the company had made allotments to more than 49 persons for a period of 8 years and mobilized money. The details of which are as under;

Financial Year	**No. of investors**	**Amount mobilized (in Rs.) Approx.**
2006-07	558	0.67 crore
2007-08	813	0.97 crore
2008-09	1995	2.3 crore
2009-10	3266	5.2 crore
2010-11	1995	2.7 crore
2011-12	3087	5.1 crore
2012-13	3917	7.4 crore
2013-14	1263	1.95 core
2014-15	2	26500
2015-16	5	77000
2016-17	5	42000
2017-18	8	166000
2018-19	16	261000
2019-20	3	63000
2020-21	1	10000
2021-22	6	96000
2022-23	1	10000
Blank	19	481000

3. As the above said *Offer of RPS* was *prima facie* found to be in violation of provisions of the SEBI Act, 1992 and the Companies Act, 1956, SEBI passed an interim order dated May 16, 2013 (hereinafter referred to as **"interim order")** and issued directions mentioned therein against BIL and its directors and promoters for engaging in the business of taking deposits under the garb of redeemable preference shares from rural people promising them returns and utilizing such proceeds in paying huge commission to its agents, investing in its business assets, fixed deposits and siphoning off the funds as cash. Hence, SEBI vide the said order, had directed them not to collect any money from investors and also restrained BIL from viz. (i) disposing off its properties and assets without prior permission of SEBI and (ii) diverting the funds raised from public at large kept in its bank account and/or kept in its custody.

4. Subsequently, a final order No. WTM/PS/70/NRO/FEB/2015 dated February 6, 2015 was passed by SEBI against BIL and its promoters and directors u/s 11(1), 11(4), 11A and 11B of SEBI Act, 1992 for illegal mobilization of funds by way of issuance of RPS which have been found to be issued in contravention of the public issue norms stipulated under the Companies Act, 1956. In the said order, directions were issued against BIL and its promoters and directors to refund the money. Further directions were also issued against the promoters and directors of BIL restraining them from accessing the securities market as well as further prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly for a period of 4 years, etc.,

5. Thereafter, Adjudication proceedings were initiated against BIL and its promoters and directors both for the non-compliance of the Interim Order dated May 16, 2013 as well as the Final order dated February 06, 2015 and vide order dated May 16, 2019, imposed the penalty of Rs.10,00,000/- and Rs.1,00,00,000/- for the non-compliance of the Interim Order dated May 16, 2013 and Final order dated February 06, 2015 respectively. Apart from this, prosecution proceedings and recovery proceedings were also subsequently initiated, in the matter.

6. While passing the aforesaid final order dated February 6, 2015, WTM SEBI inter-alia directed to examine the roles of former directors namely, Mr. Shantanu Chakraborty, Mr. Pintu Roy and others, if any, in the matter and advised to take appropriate action against them, if warranted.

7. It is pertinent to mentioned that since, the allotments made by the company up to 31/03/2012 have already been taken into account by SEBI in its earlier order dated 06/02/2015, <u>the company's allotments made after March 31, 2012 was examined in details in the present matter.</u>

8. Accordingly, while examining the role of the aforesaid former directors and others, the inventory of original certificates and other documents received were examined to ascertain the number of allottees and amount mobilized by the Company during the FY 2012-13 and 2013- 14.

9. During the said examination, the list of Directors of BIL, as observed as per MCA 21 filings are as under;

Sl. No	Name	Designation	Appointment w.e.f.	Cessation w.e.f.
1	Biplab Talukdar (Noticee No.10)	Director	01.08.2011	21.03.2013
2	Jayanta Kumar Basu (Noticee No.3)	Director	01.08.2011	NA
3	Kaushik Chattopadhyay	Director	18.04.2011	19.04.2013
4	Mr. Manindra Kumar Basu (Deceased)	Director	31.08.2009	23.09.2013
5	Monami Basu (Noticee No.8)	Director	31.08.2009	11.06.2011
6	Pintu Roy (Noticee No.6)	Addl. Dir	26.10.2012	21.03.2013
7	Santanu Chakraborty (Noticee No.7)	Addl. Dir	20.03.2012	21.03.2013
8	Susanto Chatterjee (Noticee No.9)	Director	07.07.2009	21.03.2013
9	Susanto Kumar Jana (Noticee No.2)	Addl. Director	31.10.2011	NA
10	Md. Afaque Ahmed (Noticee No.4)	Addl. Dir	10.07.2013	27.05.2014

11	Vivek Kumar (Noticee No.5)	Director	15.09.2013	NA
12	Mr. Dinkar Sonaji Karkhele (Noticee No.11)	Director	27.07.2011	21.03.2013
13	Mr. Nirmaledu Bhowmik (Noticee No.12)	Managing Director	10.01.2014	NA

10. Further, in the course of the examination, upon perusal of the return of allotment (Form 2) as obtained from the 'MCA-21' portal maintained by Ministry of Corporate Affairs, it was observed that the Company had issued RPS during FYs 2012-13 and 2013-14, the details of which are as follows:

S.No.	Financial Year	No.of unique Persons	Total Issued Capital (Rs. crores)
1	2012-13	3917	7.40
2	2013-14	1263	1.95
	TOTAL	**5180**	**9.35**

11. From the above, it is observed that BIL had issued RPS and had mobilized funds to the tune of approximately of Rs.9.35 crores from 5180 allottees during FY 2012-13 and 2013- 14.

12. Since BIL issued RPS to more than 49 persons in FY 2012-13 and FY 2013-14 with varying redemption periods and indicative yields were considered to be deemed public issue of securities under the first proviso to Section 67(3) of the Companies Act, 1956, it was alleged that the company and its directors namely 1. Basil International Limited (Noticee No.1), 2. Mr. Susanta Kumar Jana (Noticee No.2), 3. Mr. Jayanta Kumar Basu (Noticee No.3), 4. Mr. Mohammed Afaque (Noticee No.4), 5. Mr. Vivek Kumar (Noticee No.5), 6. Mr. Pintu Roy (Noticee No.6), 7. Mr. Santanu Chakraborty (Noticee No.7), 8. Mr. Monami Basu (Noticee No.8), 9. Mr. Susanto Chatterjee (Noticee No.9), 10. Mr. Biplab Talukdar (Noticee No.10), 11. Mr. Dinkar Sonaji Karkhele (Noticee

No.11), 12. Mr. Nirmalendu Bhowmik (Noticee No.12), (hereinafter the aforesaid entities are individually referred to by their respective names/ Noticee numbers and collectively as "**Noticees**", unless the context specifies otherwise), had not complied with the resultant requirement under Section 67 (1), (2) and (3) of Companies Act, 1956 including Sections 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc. of the Companies Act, 1956 and Regulation 16(1) of the NCRPS Regulations, 2013.

13. Accordingly, a common Show Cause Notice (SCN) dated September 15, 2023, was issued to all the Noticees calling upon them to show cause as to why suitable directions should not be issued against them under Sections 11(1), 11(4), 11A and 11B of the SEBI Act for the alleged non-compliance of the provisions of Section 67 (1), (2) and (3) of Companies Act, 1956 including Sections 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc. of the Companies Act, 1956 and Regulation 16(1) of the NCRPS Regulations, 2013, including but not limited to restraining the Noticees from accessing the capital market for a period deemed appropriate.

Show Cause Notice, Reply and Hearing:

14. The said SCN No. SEBI/NRO/NRO/NRO/OW/P/2023/38890/1-14 dated September 15, 2023, was served to the Noticees vide through SPAD and through Newspaper publication, were duly delivered. The details of which are as under;

Noticee No.	**Entity**	**SCN mode of issuance**	**SPAD status**	**Details of Newspaper publication**	**Reply received (Date)**
1	Basil International Limited	SPAD	Undelivered	Newspaper publication on 16.11.2023*	No
2	Mr. Susanta Kumar Jana	SPAD	Undelivered	Newspaper publication on 16.11.2023*	No
3	Mr. Jayanta Kumar Basu	SPAD	Delivered on 22.9.2023	N.A.	Yes (12.10.2023)
4	Mr. Mohammed Afaque Ahmad	SPAD	Delivered	N.A.	No

5	Mr. Vivek Kumar	SPAD	Undelivered	Newspaper publication on 16.11.2023*	No
6	Mr. Pintu Roy	SPAD	Delivered on 25.9.2023	N.A.	No
7	Mr. Santanu Chakraborty	SPAD	Undelivered	Newspaper publication on 16.11.2023*	No
8	Mr. Monami Basu	SPAD	Delivered on 25.9.2023	N.A.	No
9	Mr. Susanto Chatterjee	SPAD	Delivered	N.A.	Yes (17.10.2023)
10	Mr. Biplab Talukdar	SPAD	Delivered on 23.9.2023	N.A.	No
11	Mr. Dinkar Sonaji Karkhele	SPAD	Delivered on 25.9.2023	N.A.	Yes (25.11.2023)
12	Mr. Nirmalendu Bhowmik	SPAD	Undelivered	Newspaper publication on 16.11.2023*	No

**Newspaper publication viz. on November 16, 2023 in Times of India, English Edition, New Delhi, Rashtriya Jagran, Hindi Edition, New Delhi, Bartman, Bengali Edition, Kolkata, Sanmarg Hindi Edition, Kolkata.*

15. Subsequently, personal hearing was scheduled in the matter, the details mode of delivery, attendance details, etc., are as under;

Noticee No.	**Entity**	**HN delivery**	**Hearing date**	**Hearing attended/did not attend**
1	Basil International Limited	Newspaper publication on 16.11.2023*	30.11.2023	Did not attend.
2	Mr. Susanta Kumar Jana	Newspaper publication on 16.11.2023*	30.11.2023	Did not attend.
3	Mr. Jayanta Kumar Basu	SPAD delivered on 20.11.23	30.11.2023	Did not attend.
4	Mr. Mohammed Afaque Ahmad	SPAD delivered on 20.11.23/ e-mail dated 06.02.2024	26.02.2024	Attended
5	Mr. Vivek Kumar	Newspaper publication on 16.11.2023*	30.11.2023	Did not attend.
6	Mr. Pintu Roy	Newspaper publication on 09.02.2024**	26.02.2024	Did not attend.
7	Mr. Santanu Chakraborty	Newspaper publication on 16.11.2023*	30.11.2023	Did not attend.

8	Mr. Monami Basu	Newspaper publication on 09.02.2024**	26.02.2024	Did not attend.
9	Mr. Susanto Chatterjee	SPAD delivered on 17.11.23	30.11.2023	Attended
10	Mr. Biplab Talukdar	Newspaper publication on 09.02.2024**	26.02.2024	Did not attend.
11	Mr. Dinkar Sonaji Karkhele	SPAD delivered on 18.11.23	30.11.2023	Attended
12	Mr. Nirmalendu Bhowmik	Newspaper publication on 16.11.2023*	30.11.2023	Did not attend.

**Newspaper publication on November 16, 2023 done in Times of India, English Edition, New Delhi, Rashtriya Jagran, Hindi Edition, New Delhi, Bartman, Bengali Edition, Kolkata, Sanmarg Hindi Edition, Kolkata*

** *Newspaper publication on February 09, 2024 done in Sanmarg Hindi Edition, Kolkata and Bartman, Bengali Edition, Kolkata.*

16. Personal hearing in the matter was concluded on November 21, 2023. From the above tables, it is observed that Noticee No. 4, 9 & 11 have attended the personal hearing while Noticee No. 3, 9 & 11 have submitted their replies in the matter.

17. In view of the above, I am of the view that principles of natural justice have been duly complied with, as SCN and hearing notice were duly served upon Noticee No.1, 2, 5 - 8, 10 & 12 and sufficient opportunity was also granted to them to reply to the SCN and appear for hearing. Thus, in the facts and circumstances of this case, I am of the view that they have nothing to submit and in terms of Rule 4(7) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and the matter can be proceeded ex-parte on the basis of material available on record. In the absence of any response from them to the SCN, I presume that Noticee No. 1, 2, 5 -8, 10 & 12, have admitted the charges levelled against them.

18. 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*".

19. 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..*."

20. 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..*."

21. 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 aforesaid Noticees ex-parte, based on the material available on record.

22. The summary of the replies with respect to the Noticee No. 3, 9 & 11 are as under;

Noticee No.3: Jayanta Kumar Basu

- The Noticee submitted that he was wrongly shown to be appointed as a director and did not sign the consent form/letter to Form 32 filed by BIL with ROC. Further he submitted that as his signature was fabricated, he had filed a civil suit, Appeal No. 176/2019, before the Ld. District judge at Alipore, West Bengal, which is pending. In support of the same, he stated that he would be submitting some documents.

- The Noticee submitted that he was a small time businessman with very little knowledge of Company law and Manindra Kumar Basu took advantage of the same. He also stated that the Form 32 relating to his appointment was digitally signed by Sarmishtra Sengupta Saika, Director of BIL. Thereafter, the Noticee also submitted that upon his insistence to not be shown as a director of BIL, he was made to sign a letter of resignation which he did in good faith, however, the same was not submitted to the ROC.
- Further, in this regard, the Noticee stated that he had made an advertisement dated 26.07.2014, in a leading newspaper and enclosed the copy of the same. It was also stated that the Noticee made a compliant at Belighata police Station against BIL, its directors and Company secretary but since they did not take any action, the Noticee filed an application in the court of Ld. Addl. Chief Judicial Magistrate, Copies of which was enclosed. Subsequent to that the Noticee also sent a letter dated 29.10.2014, to ROC, Delhi & Haryana with a copy marked to SEBI, a copy of the same was also enclosed. Later, the Noticee also filed a Writ Petition No. 7783(W) of 2015 in the High Court at Calcutta and enclosed a copy of the same.
- The Noticee stated that he had never held any shares in BIL nor did he receive any notice of or to attend any meeting of board of Director of BIL and never received any remuneration as a Director. Therefore, the Noticee states that he neither knows the new directors nor he does accept responsibility for the misgivings or illegal acts done by others and sought one month's time to submit additional reply in the matter along with a copy of the Court's order.
- The Noticee also submitted that the Hon'ble SAT dismissed his appeal with regard to the WTM order dated February 06, 2015.

Noticee No.9: Susanto Chatterjee

- Noticee No.9 stated that there was no documents to prove that payment made to the company as alleged.
- Noticee No.9 also stated that Mr. Prithi Pal Singh Sethi, Devinder Singh, Jagmohan Rawat, Sukesh Jain, Ravi Rastogi, Rakesh Kumar Singh, Kamal Sudhir Bajaj all are the promoter Directors of the Company. Mr. Prithi Pal Singh Sethi, being the Managing Director cum Chairman and Mr. Arun Madan were the main Key persons of the company, who decided on the issuance of shares of BIL, therefore, he did not have any control over BIL and did not have any knowledge over the statutory compliances of BIL, therefore Noticee No.9 did not have any role to play with regard to the issuance of Shares/Debentures Redeemable Preference Shares and/or illegal mobilization of public funds.
- He further stated that he joined in the company as an office assistant and during his tenure he has neither signed any consent letter for appointment as a Director, nor, participated in any Board meeting. Additionally, Noticee No.9 also does not possess any shares of BIL under his name or in the name of any of his family members. Then, he then stated that the management had inducted his name as a director of the company and compelled him to sign as directed by Priti Pal Singh who prepared DIN & DSC in the Name of the Noticee and kept it in his possession, using it whenever required.
- The submission of the Noticee also revealed that the Noticee resigned from BIL on January 17, 2013, upon realizing the mismanagement done by it, however, BIL deposited the Form -32 only on March 21, 2013 and he also did not accept any money from any depositor as alleged.

Noticee No.11: Dinkar Sonaji Karkhele

- The Noticee No.11 submitted that he was never been a director of BIL and also was never concerned with BIL in any manner.
- He further submitted that his DIN was misused by Mr. Prathomesh M Banarjee, director of BIL and he only got to know of the same upon receipt of SEBI's notices. Therefore, he has filed a complaint with the local police station.

Consideration of Issues and Findings:

23. I have carefully perused the submissions made by some of the Noticees, documents available on record and the following issue requires consideration:

Whether the acts of the Noticees as imputed in the SCN, have resulted in the violation of the provisions of Companies Act, 1956 and NCRPS Regulations, 2013?

24. Before I further proceed in the matter, it is pertinent to refer to the relevant provisions of the Companies Act, 1956 and NCRPS Regulations, 2013, alleged to have been violated by the Noticees, as per the SCN. The same are reproduced herein below:

Companies Act, 1956

2. Definitions

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.*

56. Matters to be stated and reports to be set out in prospectus

(1) of the Companies Act, 1956, requires every prospectus issued by or on behalf of a company, to state the matters specified in Part I and set out the reports specified in Part II of Schedule II. Further, as per section 56 (3) of the Companies Act, 1956, no one shall issue any form of application for shares or debentures of a company, unless the form is accompanied by abridged prospectus, contain disclosures as specified. The company has not complied with the said provisions and thus violated the provisions of Section 56(1) and 56 (3) of the Companies Act, 1956.

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.

(2) Every prospectus to which sub-section (1) applies shall, on the face of it, - (a) state that a copy has been delivered for registration as required by this section ; and

(b) specify any documents required by this section to be endorsed on or attached to the copy so delivered, or refer to statements included in the prospectus which specify those documents.

(3) The Registrar shall not register a prospectus unless the requirements of sections 55, 56, 57 and 58 and subsections (1) and (2) of this section have been complied with and the prospectus is accompanied by the consent in writing of the person, if any, named therein as the auditor, legal adviser, attorney, solicitor, banker or broker of the company or intended company, to act in that capacity. (4) No prospectus shall be issued more than ninety days after the date on which a copy thereof is delivered for registration ; and if a prospectus is so issued, it shall be deemed to be a prospectus a copy of which has not been delivered under this section to the Registrar.

(5) If a prospectus is issued without a copy thereof being delivered under this section to the Registrar or without the copy so delivered having endorsed thereon or attached thereto the required consent or documents, the company, and every person who is knowingly a party to the issue of the prospectus, shall be punishable with fine which may extend to 1 [fifty] thousand rupees. sign the prospectus depending on the circumstances of each case [Circular No. 5(59)-CLVI/65, dated 1st December, 1965].

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

"*(1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in* *this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.*

(2) Any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub- section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or

(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation. ***Provided*** *that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:*

Provided further *that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956).”*

69. Prohibition of allotment unless minimum subscription received.

(1) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the amount stated in the prospectus as the minimum amount which, in the opinion of the Board of directors, must be raised by the issue of share capital in order to provide for the matters specified in clause 5 of Schedule II has been subscribed, and the sum payable on application for the amount so stated has been paid to and received by the company, whether in cash or by a cheque or other instrument which has been paid.

(2) The amount so stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in money, and is in this Act referred to as "the minimum subscription".

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) All moneys received from applicants for shares shall be deposited and kept deposited in a Scheduled Bank- (a) until the certificate to commence business is obtained under section 149, or (b) where such certificate has already been obtained, until the entire amount payable on applications for shares in respect of the minimum

subscription has been received by the company, and where such amount has not been received by the company within the time on the expiry of which the moneys received from the applicants for shares are required to be repaid without interest under sub-section (5), all moneys received from applicants for shares shall be returned in accordance with the provisions of that sub-section. In the event of any contravention of the provisions of this sub-section, every promoter, director or other person who is knowingly responsible for such contravention shall be punishable with fine which may extend to 1 [fifty] thousand rupees.

(5) If the conditions aforesaid have not been complied with on the expiry of one hundred and twenty days after the first issue of the prospectus, all moneys received from applicants for shares shall be forthwith repaid to them without interest ; and if any such money is not so repaid within one hundred and thirty days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of six per cent per annum from the expiry of the one hundred and thirtieth day : Provided that a director shall not be so liable if he proves that the default in the repayment of the money was not due to any misconduct or negligence on his part.

(6) Any condition purporting to require or bind any applicant for shares to waive compliance with any requirement of this section shall be void.

(7) This section, except sub-section (3) thereof, shall not apply in relation to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

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 recognized stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.

(1A) …

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

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank 1 [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 sub- section (2)];"

…….

SEBI (NCRPS) Regulations, 2013:

16. Mandatory Listing

(1) An issuer desirous of making an offer of non-convertible redeemable preference shares to the public shall make an application for listing to one or more recognized stock exchanges in terms of sub-section (1) of section 73 of the Companies Act, 1956.

25. I now proceed to consider the matter on merits.

26. It is observed that vide Order dated 06.02.2015, the WTM SEBI inter-alia directed the following:

"*It is observed that Mr. Shantanu Chakraborty and Mr. Pintu Roy were the previous directors of the company. It may be required to ascertain whether they had any role or were liable in the illegal mobilization of public funds through issue of preference shares/securities by the company. Therefore, SEBI may examine the roles of these former directors and others, if any, in the matter and take appropriate action against them, if warranted*". (refer to Para 39 of SEBI Order)

27. Subsequently, while examining the role of Mr. Shantanu Chakraborty and Mr. Pintu Roy, in terms of para 39 of the aforesaid order of Whole Time Member, dated February 6, 2015, it was observed from the available record that SEBI was in receipt of a letter/ representation from Shri Saikat Ray Chowdhury, advocate, High Court of Calcutta, on behalf of his client Shri Nitya Gopal Halder in the matter of Basil International Limited. In the said letter, the advocate had stated that during the investigation, SEBI had not taken into consideration the relevant records in the matter relating to the funds raised to the tune of Rs.500 Crores, by issuing Redeemable Preference Shares and Non-

Convertible Secured and Unsecured Debentures which were siphoned off to its group companies. Accordingly, SEBI requested the Shri Saikat Ray Chowdhury/ Shri Nitya Gopal Halder to submit the documents as available with him with regard to the aforesaid alleged fund raising by Basil International Limited and subsequently siphoning off the same to its group companies.

28. Thereafter, inventory of original certificates and other documents received from Nitya Gopal Haldar were examined to ascertain the number of allottees and amount mobilised by the Company. After examination, it was found that BIL had issued RPS and had mobilised funds to the tune of approximately Rs.7.4 crore to a total of 3917 unique persons during the FY 2012-13 and during the FY 2013-14, allotted RPS of approximately Rs.1.95 crore to total 1263 unique persons. Thus, I am of the view that BIL had issued RPS to public with varying redemption periods and indicative yields during the FYs 2012-13 & 2013-14. I therefore conclude that BIL came out with an offer of RPS as outlined in Para 2 above.

29. In respect of the above, I have considered the documents available on record. However, the issue that arises for determination in the present case is whether the offer and issuance of RPS by BIL to more than 49 persons was a public issue. In this regard, it is observed that Section 67 of the Companies Act, 1956 dealt with the conditions and circumstances under which an offer of shares/debentures by a company would be construed as one made to the public.

30. At this juncture, reliance is placed upon the Order of the Hon'ble Supreme Court of India in **Sahara India Real Estate Corporation Limited & Ors. Vs. SEBI** (Civil Appeal No. 9813 and 9833 of 2011) that has examined the scope of Section 67 of the Companies Act, 1956. "*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.". Thus, an offer of shares or debentures to fifty or more persons would be deemed to be a public issue. It is therefore, in the present matter, I note that the Noticees have not disputed the number of allottees nor have they put forth any defence.

31. Further, I note that though the Companies Act, 1956, has been replaced by the Companies Act, 2013 and inter alia the maximum number of allottees has been increased from 49 to 200. However, 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. Accordingly, in the present matter, the limit of 50 persons as per Companies Act, 1956 is applicable.

32. Further, in this regard I also 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.

33. Thereafter, I note that, BIL is not a non-banking financial company or a public financial institution within the meaning of Section 4A of the Companies Act, 1956, it is not covered under the second proviso to Section 67(3) of the Companies Act, 1956. Thus, the offer of RPS to more than 49 persons in FY 2012-13 and FY 2013-14, amounts to public issue of securities as per the first proviso to Section 67(3) of the Companies Act, 1956.

34. In view of the above, it was obligatory on the part of BIL and its directors to comply with the provisions of Sections 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc., of the Companies Act, 1956 and Regulation 16(1) of the NCRPS Regulations, 2013.

35. 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. Similarly, as per Regulation 16 of NCRPS Regulations, any issuer desirous of making an offer of non-convertible redeemable preference shares to the public shall make an application for listing to one or more recognized stock exchanges in terms of sub-Section (1) of Section 73 of the Companies Act, 1956.

36. The allegations of non-compliance of the Section 73 of the Companies Act and Regulation 16 of NCRPS Regulations was not denied by BIL or its directors. I also find that no records have been submitted to indicate that the Noticees had made an application seeking listing permission from stock exchange or refunded the amounts on account of such failure. Therefore, I find that BIL has contravened the said provisions. Further, BIL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that BIL has also not complied with the provisions of Section 73(3) of the Companies Act, 1956 read with Regulation 16 of NCRPS Regulations which mandates that the amounts received from investors shall be kept in a separate bank account. Therefore, I find that Section 73 (1), (2) and (3) of the Companies Act, 1956 read with Regulation 16 of NCRPS Regulations has not been complied with.

37. Besides above, it is observed that in terms of Section 56(1) of the Companies Act, 1956, every prospectus issued by or on behalf of a company, shall state the matters specified in Part I and set out the reports specified in Part II of Schedule II of that Act. Further, as per Section 56(3) of the Companies Act, 1956, no one shall issue any form of application for shares in a company, unless the form is accompanied by abridged prospectus, containing disclosures as specified. Neither BIL nor its directors produced any record to show that they have 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, Sections 56(1) and 56(3) of the Companies Act, 1956, not complied with.

38. In this matter, since the allotment is made to fifty or more persons, it may be construed as public offer and having made an offer to fifty or more persons, the company should

have registered its prospectus with Registrar of Companies under Section 60 of the Companies Act, 1956. However, despite the directions of the Interim order dated May 16, 2013, wherein it was directed to not collect any money from the investors, BIL has issued the debentures to the public at large under the garb of private placement and it has also not filed its prospectus with the RoC. Therefore, by not filing the prospectus, Section 60 read with Section 2(36) of the Companies Act, 1956, has been violated.

39. In the instant case, neither has the company filed the prospectus with the RoC, nor any of its directors responded to the queries sought by SEBI. Therefore, a common letter dated May 30, 2023 was sent to BIL (Noticee No.1) and to its directors served during the periods 2012-13 and 2013-14 viz. Noticee No.2 to 10 & 12 asking for information with respect to the allotments made by BIL for the aforesaid period. While the letters sent to Noticee No.1, 7 & 8 have returned undelivered, the letters sent to Noticee No. 2, 4, 12, 6, 10 & 5 were duly delivered, however no response has been received from any of them till date.

40. In view of the above findings, I am therefore of the view that the Noticees were engaged in fund mobilizing activities from the public through the offer and issuance of RPS in contravention of the Sections 67, (1), (2) & (3), 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc., of the Companies Act, 1956 and Regulation 16(1) of the NCRPS Regulations, 2013

Role of Directors.

41. As regards to the role of the directors, it is noted that, Noticee No. 2 to 12, were the directors during the issuance of RPS in FYs 2012-13 and 2013-14 and during the illegal mobilization of public funds by the company. However, it is observed that Noticee No. 2, 3, 5 & 12 are currently the directors in BIL while Noticee No. 4, 6 -10 were past directors who resigned in in the years, 2011, 2013 & 2014.

42. Apart from the submission made by Noticee No.3,9 &11 which is summarised above, in response to the SCN, I note that during the examination, the following persons had made a submission which are as under:

i. **Mr. Kaushik Chattopadhyay (**Not a Noticee in this case**)**: Mr. Kaushik Chattopadhyay vide letter dated 10.06.2023, stated that as his appointment as director in the company was based on forged documents, he filed an FIR. He also stated that the Hon'ble Securities Appellate Tribunal (SAT) vide an Order dated 18.08.2017, had set aside the order of attachment passed by Recovery Officer. He further stated that as per the directions of WTM Order dated February 6, 2015, he was already restrained for accessing the securities market and prohibited from buying, selling or otherwise dealing in securities, directly or indirectly for a period of 4 years.

ii. **Shri. Susanto Chatterjee (Noticee No.9)**: In response to the SEBI letter, Noticee No.9 has replied vide his letter dated June 13, 2023 that he was under the employment of BIL and its other associated company. During his period of service, he deposited photocopy of his PAN and Voter ID with the company. Further he stated that he was not holding any shares in the company however, he was inducted as a director of the company without his knowledge and never consented for the same. It was also stated that as an employee, he was compelled to follow the direction of the then management of the Company i.e. Prithi Paul Singh Sethi, Arun Madan, who were the main key persons of the Company and one Bikash Chandra Roy Chaudhary was the organizer of the Company. Finally, subsequent to, one Manindra Kumar Basu, CA joined in the management of the Company, due to mismanagement in the Company, he left job on January 17, 2013 and tendered his resignation (Form 32 dated March 21, 2013) and stated that Mr. Prithi Paul Singh Sethi mischievously prepared DIN DSC in his name and kept the same under the custody. Further he claimed that he had never signed in any document of the company after March 21, 2013.

iii. **Jayanta Kumar Basu (Noticee No.3)**: Jayanta Kumar Basu replied to SEBI's letter vide his letter dated June 14, 2023 that he was appointed as a director of BIL w.e.f August 1, 2011, without his consent and the documents attached to Form 32 filed with ROC are also forged/fabricated one and therefore no way he was connected in any manner with the alleged activities of the persons as depicted in said SEBI's letter. Further he stated that he has already filed appropriate civil suit before Ld. District Judge at Alipore South 24- Parganas, west Bengal which is now pending as Title Appeal no. 176/2019 (Jayanta Kumar Basu Vs. ROC and others) in this regard.

43. After taking into consideration all the facts and circumstances of the case along with the submissions made during the examination as well as the contention of the Noticee No.3, 9 &11 in response to the SCN, I find that the the role played by Noticee No.3 & 9 as a director in mobilization of money, in the matter, cannot be ruled out.

a) **Jayanta Kumar Basu (Noticee No.3):**

i. With regard to the submissions of Noticee No.3, that he has very little knowledge of Company law, I note that it is a settled principle of law that ignorance of law is not an excuse and everyone is presumed to know the law of the land. A person cannot defend his illegal actions by stating the he was not aware that his actions were illegal, even if he honestly believed that he was not breaking the law.

ii. As regards to the Noticee's contention that he did not hold any shares of BIL, not received any notice to attend the Board meeting, not received remuneration as well as his submission of resignation, etc., I note from the MCA 21 filings as well as the Noticee's response, that the Noticee was the director of BIL since August 01, 2011 and also continues to be remain as a director of BIL as on date. Further, the Noticee has also not submitted any proof or supporting document on the aforesaid submission as true. It was also noted that in the appeal memo submitted to SAT, the Hon'ble tribunal vide its order dated August 08, 2107, has dismissed the Noticee's appeal stating that "The *records reproduced in paragraph 4 above clearly shows that the basic arguments of the* *appellant that he was never a Director of the company and his signature as forged by someone else to show him as a Director of the company is a statement far away from truth. Therefore, the appellant has been submitting false statements and declarations before this Appellate Tribunal. Since the aforesaid letters addressed by the appellant conclusively establish that the appellant was a Director of the Company, decision of the WTM of SEBI that the appellant, jointly and severally with other Directors and the Company are liable to refund the amount collected from the investors cannot be faulted*."

iii. As regards to the contention on the complaint made at Belighata Police Station which was filed on October 20, 2014, letter sent to ROC Delhi & Haryana on October 29, 2014 and order dated December 03, 2015, of the Ld. Dist. Magistrate, directing police to conduct investigation into the matter, I note that apart from the said claims, the Noticee has not submitted the status on the same and also not produced any new documents in support of the same even after completion of one month's time sought by him.

iv. In view of the above, I note from the chronology of events, the facts presented and non-availability of the resignation letter, it appears that the Noticee has created a paper trail subsequent to receiving Interim order. Therefore, I find no merit in the submissions of the Noticee in this regard. Further, SAT vide its order dated August 08, 2017 has also taken a similar view. However, since, Noticee No.3 has not submitted any documentary evidence in support of his claim, the role played by him as a director in mobilization of money, in the matter, cannot be ruled out.

b) **Shri. Susanto Chatterjee (Noticee No.9)**:

With regard to the submissions of Noticee No.9, I note from the MCA website that he was the former director of BIL between July 07, 2009 and March 21, 2013, therefore his tenure as director overlapped with almost one year of the violation period i.e. April 01, 2012 to March 21, 2013. As regards Noticee No.9's resignation, I note from the BoD of BIL which had resolved to accept the resignation of certain directors with effect from March 21, 2013 and Noticee No.9 was authorized to file Form -32 before RoC. In view of the above, the resignation date of Noticee No.9 can be taken as March 21, 2013. However, considering the fact that RPS was issued and monies were mobilized till March 2013, Noticee No.9 cannot deny the fact that he was a director in the company and as a director, he will be liable for the contravention of the company till March 21, 2013. However, since, Noticee No. 9 has not submitted any documentary evidence in support of his claim that he was appointed as director without his knowledge, the role played by him in mobilization of money, in the matter, cannot be ruled out.

c) **Shri. Dinkar Sonaji (Noticee No.11)**:

With regard to the submissions of Noticee No.11, I note from the documents available on record that he is neither a current director in BIL, nor has he been a director of BIL in the past. Accordingly, the submissions of the Noticee No. 11 in this regard are accepted.

44. I also note that no one can assume the role of director in a company in a casual manner. The position of 'Director' comes along with several responsibilities including compliances under law associated with such position, which have to be fulfilled by such director or face consequences for violation of default thereof. Thus, a director being a part of a company's board shall be responsible and liable for all acts carried out by that company. 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 BIL was entrusted to discharge the obligation contained in Section 73 of the Companies Act, 1956. 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."* Since the said Noticees have not submitted their replies in the matter, I presume that they, have admitted the charges levelled against them.

45. I have carefully considered the facts and evidences available on record against the Noticee No. 1-10 & 12, the circumstances surrounding the violations committed by them and the submissions advanced by them as well as following the principles of preponderance of probabilities, I hold that the charges relating to violation of the provisions of the Companies Act, 1956 and NCRPS Regulations as brought out in detail in this order are found to have been substantially established. As regards Noticee No.11, namely, Shri Dinkar Sonaji Karkhele, the current proceedings initiated vide SCN No. SEBI/NRO/NRO/NRO/OW/P/2023/38890/1-14 dated September 15, 2023, stands disposed of.

46. In light of the above facts, I am therefore of the view that the Noticee No. 1-10 & 12 were engaged in fund mobilizing activities from the public through the offer and issuance of RPS in contravention of the Sections 67, (1), (2) & (3), 56, 60 r/w Section 2 (36), 69, 73 (1), (2), (3), etc., of the Companies Act, 1956 and Regulation 16(1) of the NCRPS Regulations, 2013. Thus, I find that this is a fit case to issue directions under Sections 11(1), 11(4), 11 A and 11 B of the SEBI Act, 1992 against them.

47. In view of the above discussions, I hereby find the Noticee No. 1-10 & 12 are liable for the violation of Sections 56, 60 r/w 2(36), 67 (1), (2) & (3) and 73 (1), (2) & (3) of the Companies Act, 1956 and Regulation 16 (1) of NCRPS Regulations, 2013, committed by them with respect to their offer and issue of RPS. The above mentioned Noticees shall also be jointly and severally liable for making refunds along with interest of 15% p.a. on the amounts that are due to be repaid to the investors as provided under Section 73(2) of the Companies Act, 1956.

Directions:

48. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Section 19 of the SEBI Act, 1992 read with Sections 11(1),11(4), 11A, and 11B of the SEBI Act, 1992, hereby issue the following directions:

   a. Noticee No. 1- 10 & 12 shall forthwith refund the money, collected by the Company, through the issuance of RPS in FYs 2012-13 & 2013-14 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 Noticee No. 1- 10 & 12 accounts lie, are directed that no debit shall be made, without permission of SEBI except for the purposes of compliance of this order.

   d. Noticee No. 1 - 10 & 12 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. Noticee No. 1 - 10 & 12, being the company and the directors at the time of issuance of RPS, 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, Noticee No. 1 - 10 & 12 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 Noticee No. 1 - 10 & 12 to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order, may recover such amounts, from the company and the directors liable to refund as specified in paragraph 48(a) of this Order, in accordance with Section 28A of the SEBI Act including such other provisions contained in securities laws.

h. Noticee No.1 - 10 & 12 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.

49. 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.

50. 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 29, 2023 **G RAMAR**

CHIEF GENERAL MANAGER

Place: Mumbai **SECURITIES AND EXCHANGE BOARD OF INDIA**