BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: PRASHANT SARAN, WHOLE TIME MEMBER

ORDER

Under sections 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992

In the matter of Adorable Agrotech Limited

In respect of -

1. **Adorable Agrotech Limited (CIN-U01400WB2010PLC151762 ; PAN-AAICA8064D) and its Directors**
2. **Mr. Biswajit Biswas (DIN-02856091; PAN-AEGPB3449C),**
3. **Mr. Dilip Shaw (DIN-02861398; PAN-AKTPS7602P),**
4. **Mr. Bana Bihari Biswas (DIN-02861437; PAN- ADVPB9506E),**
5. **Mr. Dhiraj Kumar Shrivastava (DIN-03078199; PAN-CJJPS8909L),**
6. **Mr. Basant Kumar Singh (DIN- 02857646;PAN- BAXPS9686L);**
7. **Mr. Prashanta Ghosh(DIN-02861411;PAN-AJSPG1087A),**
8. **Ms. Moumita Biswas (DIN- 02856110; PAN- AIOPB5379D);**
9. **Mr. Binod Majumder (DIN- 02991620; PAN- AWLPM7082P)**

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1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), vide an ex-parte interim Order dated December 15, 2014 (hereinafter referred to as "the **interim order**") had observed that the company, **Adorable Agrotech Limited** (hereinafter referred to as "**AAL**" or "the **Company**") was *prima facie* engaged in fund mobilizing activity from the public, by making offer and issuing Redeemable Preference Shares (hereinafter referred to as "**RPS**s") and had allegedly violated the provisions of sections 56, 60 read with section 2(36), 73 of the Companies Act, 1956 read with Section 465 of the Companies Act, 2013. In order to protect the investors who have subscribed to the impugned offer and issue of RPS and to ensure that the Company and its directors are restrained from carrying on with their fund mobilizing activity, SEBI had issued the following directions:

"……..

18. In view of the foregoing, I, in exercise of powers conferred upon me under Sections 11(1), 11 (4), 11A and 11B of the SEBI Act, hereby issue the following directions:

a) AAL shall not mobilize any further funds from investors through the issue of RPS or through the issue of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further orders;

b) AAL and its Directors viz., Shri Biswajit Biswas (DIN-02856091; PAN-AEGPB3449C), Shri Dilip Shaw (DIN-02861398; PAN-AKTPS7602P), Shri Bana Bihari Biswas (DIN-02861437; PAN-ADVPB9506E), Shri Dhiraj Kumar Shrivastava (DIN-03078199; PAN-CJJPS8909L), Shri Basant Kumar Singh (DIN- 02857646;PAN- BAXPS9686L); Shri Prashanta Ghosh(DIN-02861411;PAN-AJSPG1087A), Ms.Moumita Biswas (DIN- 02856110; PAN- AIOPB5379D); Shri Binod Majumder (DIN- 02991620; PAN- AWLPM7082P) are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;

c) AAL and its abovementioned Directors, are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions;

d) AAL and its abovementioned Directors shall provide a full inventory of all its assets and properties;

e) AAL and its Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the issue of RPS, without prior permission from SEBI;

f) AAL and its Directors shall not divert any funds raised from the public at large through the issue of RPS, which are kept in bank account(s) and/or in the custody of AAL;

19. The above directions shall take effect immediately and shall be in force until further orders."

2. The interim order was issued without prejudice to the right of SEBI to take any other action that may be initiated against the Company and its directors in accordance with law. The interim order observed that the *prima facie* observations made therein were on the basis of the complaint received by SEBI, the correspondences exchanged between SEBI and Company along with the documents contained therein; information obtained from the *'MCA 21 Portal'* and advised the Company and its directors that

they may file their response within a period of 21 days and to inform whether they desire an opportunity of personal hearing in the matter.

3. The interim order was forwarded to the Company and its directors, Mr. Biswajit Biswas, Mr. Dilip Shaw, Mr. Bana Bihari Biswas, Mr. Dhiraj Kumar Shrivastava, Mr. Basant Kumar Singh, Mr. Prashanta Ghosh, Ms. Moumita Biswas , Mr. Binod Majumder (collectively hereinafter referred to as "the **noticees**" and individually by their respective names) vide SEBI letters dated December 16, 2014. The interim order was delivered to Mr. Prashanta Ghosh. However, as regards the service on the other noticees is concerned, the SEBI letter enclosing the interim order had returned undelivered with a remark 'left'.

4. In view of the above, SEBI issued public notices dated April 14, 2015 and April 15, 2015 in *Ananda Bazar Patrika* and *Times of India* respectively, informing the concerned noticees of the instant proceeding and advising them to appear in a personal hearing scheduled on April 22, 2015. It was also informed that in case of failure of the noticees to appear on the said date, SEBI shall proceed ex-parte on the basis of the material available on record.

5. On April 22, 2015, noticee-Mr. Prashanta Ghosh appeared in person and made oral submissions. He furnished copy of Form-32 in support of his contention that he resigned from the Company on May 10, 2011. He also furnished copies of resignation letter dated May 10, 2011 and the minutes of the meeting of the Board of Directors dated May 10, 2011. The other noticees failed to appear. The opportunity of personal hearing was accordingly closed and the matter was taken up for consideration on merits on the basis of material available on record.

6. It is also noted that one Subhasis Chakraborty, Advocate vide letter dated April 22, 2015 has *inter alia* stated that –

(a) He represents the investors and agents of Adorable Group of Companies.

(b) The Chairman, directors and other executives of the Company have 'minted' money by raising funds illegally through Ponzi schemes and have cheated the public.

(c) There are many companies under the Adorable Group of Companies as can be seen from the website of the RoC and such companies are collecting money since 2010 and collected several crores of deposits from investors.

(d) The companies and their directors own several properties and the details of the same are stated to be enclosed.

(e) The management of the said companies had approached the investors assuring them of high interest and that the investors believing such assurances and gaining confidence had invested their money. The total liability is Rs.157 crores.

(f) SEBI was requested to undertake investigation and action in this respect.

7. I have considered the interim order, the submissions made by Mr. Prashanta Ghosh and the material available on record. Except for the above said noticee, the other noticees did not file their replies nor appeared for personal hearing despite a public notice in the newspaper.

8. While considering the charges, it is relevant to note the following observations made in the interim order ;

a) "*AAL was incorporated on July 28, 2010 with the RoC, Kolkata, West Bengal, and was originally named as M/s Adorable Agrotech Private Limited.*

b) The Company changed its name to M/s Adorable Agrotech Limited on November 11, 2010, (CIN U01400WB2010PLC151762), having its registered office at 195, Rashbehari Avenue, 3rd Floor, Kolkata, West Bengal 700019.

c) The present Directors of AAL are Shri Biswajit Biswas (DIN-02856091; PAN- AEGPB3449C), Shri Dilip Shaw (DIN-02861398; PAN- AKTPS7602P), Shri Bana Bihari Biswas (DIN-02861437; PAN- ADVPB9506E) and Shri Dhiraj Kumar Shrivastava (DIN-03078199; PAN-CJJPS8909L).

d) *Details obtained from 'MCA 21 Portal' indicate that Shri Basant Kumar Singh (DIN- 02857646; PAN-BAXPS9686L); Shri Prashanta Ghosh (DIN-02861411; PAN-AJSPG1087A), Ms.Moumita Biswas (DIN- 02856110; PAN-AIOPB5379D); Shri Binod Majumder (DIN-02991620; PAN- AWLPM7082P), who were earlier Directors of AAL have since resigned.*

e) As per AAL's brochure, the details of plan launched by AAL in respect of the RPS are as under –

Adorable Redeemable Preference Share

(AMI)

Deposit Term	Total Deposit	Monthly Instalment	Bonus	Bonus Amt. on Maturity	Total of Monthly Ins.	At time of Maturity	Total Benefit
18 Months (1.6 yrs)	10,000/-	80	1%	100	1,440/-	10,100/-	11,540/-
36 Months (3 yrs)	10,000/-	125	2%	200	4,500/-	10,200/-	14,700/-
60 Months (5 yrs)	10,000/	150	5%	500	9,000/-	10,500/-	19,500/-
90 Months (7.5 yrs)	10,000/	200	8%	800	18,000/-	10,800/-	28,800/-
120 Months (10 yrs)	10,000/	250	12%	1200	30,000/-	11,200/-	41,200/-

(AFR)

Fixed Deposit Scheme (F.D.) (AFR)	Customer Benefit	
Deposit Term	**Min Deposit (Rs.)**	**Total Maturity (Rs.)**
1 Year	1000/-	1150/-
2 Year	1000/	1335/-
3 Year	1000/	1,500/-
5 Year	1000/	2,000/-
7.5 Year	1000/	3,500/-
10 Year	1000/-	6,000/-
12 Year	1000/	10,000/-
14 Year	1000/	12,000/-

Under general instructions in the brochure, it is, *inter alia i*ndicated:

"Who can invest - Individuals, Trusts, Corporate Bodies, Minors through guardians, Financial Institutions, HUF's and Co-operative Bodies can invest through this issue"

f) As per the Balance Sheet of AAL and Schedules forming part of the Balance Sheet for the year 2011-2012 submitted by AAL to SEBI, it is observed as follows:

i. *AAL has accepted Share Application Money Pending Allotment for an amount of Rs. 5,77,67,056/-.*

ii. *The disclosure in the notes to accounts states that:*

"The company has collected share application money from various parties numbering more than fortynine for private placement in Non-Convertible Redeemable Preference Shares during the year. The Company has allotted 5,19,317 Redeemable Preference Shares of `100/- each to M/s Adorable Agency Pvt. Ltd. for consideration other than cash as per agreement entered between them for future liability if any towards M/s. Adorable Marketing Services Pvt. Ltd."

iii. *The auditor in their report have certified that ".....the company has accepted Share Application Money from more than 49 applicants during the year for allotment of Non-Convertible Redeemable Preference Shares on private placement basis. The company has also collected funds for product bookings by sundry parties during the year. The Company claims that it does not amount to Public Deposit."*

g) *As per Form-2 (Form for Return of Allotment) submitted by AAL to SEBI, the details of allotment made by issue of RPS* ***("issue of RPS")*** *such as date of allotment, the amount raised and the number of allottees against these date of allotment obtained from 'MCA 21 Portal' are tabulated as under:*

2011-12			2012-13		
Date of Allotment	**No. of Allottees**	**Amount (`)**	**Date of Allotment**	**No. of Allottees**	**Amount (`)**
15/09/2011	1470	2,84,36,000.00	10/04/2012	Not clear	#9,24,34,700.00
15/09/2011	1431	#3,00,00,000.00	15/06/2012	1324	2,83,00,000.00
14/10/2011	541	#45,10,000.00	01/08/2012	Not clear	1,69,79,100.00
15/10/2011	135	13,73,500.00			
15/12/2011	530	1,47,59,000.00			
16/01/2012	945	3,32,18,000.00			
Total	**5052**	**11,22,96,500.00**	**Total**	*** at least 1324**	**13,77,13,800.00**
Grand Total		*** at least 6376**			****`25,00,10,300.00**

 # allotment of RPS also for consideration other than cash
** Details in respect of certain allotments under the Issue of RPS for the Financial Year 2012–13, are not clear. Therefore, the number of allottees has been tentatively indicated as at least on account of available information.*
*** amount for consideration payable in cash*

h) *Further, from the information submitted by AAL to SEBI, it is observed that AAL had also allotted RPS to 169 persons and raised an amount of `20,30,500/- during the financial year 2010-11.*

i) *As per the details indicated above, AAL had allotted RPS to approximately* ***6545*** *persons and raised an amount of approximately* ***` 25,20,40,800****/- during the financial years 2010-11, 2011-12 and 2012-13.*

j) *It is apparent from the aforesaid details that AAL had allotted RPS to more than 49 persons during the financial years 2010-11, 2011-12 and 2012-13. Further, this has been admitted by AAL as can be seen in the auditor's report for the financial year 2011-2012, wherein it is stated that " As per information and*

explanations obtained, the company has accepted Share Application Money from more than 49 applicants during the year for allotment of Non-Convertible Redeemable Preference Shares on private placement basis. The company has also collected funds for product bookings by sundry parties during the year. The Company claims that it does not amount to Public Deposit."

……..

11. For ascertaining whether the issuance of RPS is a public issue or an issue on private placement basis in accordance with Section 67 of the Companies Act, 1956, the number of subscribers is of utmost importance.

a) Under the issue of RPS, AAL had allotted RPS to approximately 6545 persons and raised an amount of approximately ` 25,20,40,800/- during the financial years 2010-11, 2011-12 and 2012 -13. It is noted that in each year, the numbers of allottees were more than 49 as stated by AAL.

b) Further, it is observed that although the issue of RPS is stated to have been made on a private placement basis, as per the general instructions in the brochure, the issue of RPS was addressed to the general public.

c) These facts prima facie indicate that the issue of RPS was a public issue of securities since the number of persons to whom such issue was made, was above the limit of forty–nine persons as prescribed under Section 67(3) of the Companies Act, 1956.

……..”

9. The interim order has alleged that the Company had made a public issue of RPS. The interim order, based on Form-2 (*Return of allotment*) submitted by the Company to SEBI, has mentioned the details pertaining to the issue of RPS. At the cost of repetition, the said table from the interim order is reproduced:

2011-12			**2012-13**		
Date of Allotment	**No. of Allottees**	**Amount (`)**	**Date of Allotment**	**No. of Allottees**	**Amount (`)**
15/09/2011	1470	2,84,36,000.00	10/04/2012	Not clear	#9,24,34,700.00
15/09/2011	1431	#3,00,00,000.00	15/06/2012	1324	2,83,00,000.00
14/10/2011	541	#45,10,000.00	01/08/2012	Not clear	1,69,79,100.00
15/10/2011	135	13,73,500.00			
15/12/2011	530	1,47,59,000.00			
16/01/2012	945	3,32,18,000.00			
Total	**5052**	**11,22,96,500.00**	**Total**	*** at least 1324**	**13,77,13,800.00**

Grand Total	*** at least 6376**	****`25,00,10,300.00**

 # allotment of RPS also for consideration other than cash
** Details in respect of certain allotments under the Issue of RPS for the Financial Year 2012–13, are not clear. Therefore, the number of allottees has been tentatively indicated as at least on account of available information.*
*** amount for consideration payable in cash*

The Company has also issued RPS to 169 persons and raised an amount of Rs.20,30,500/- during FY 2010-2011. As per the interim order, the Company has allotted RPSs to approximately 6545 persons and raised an amount of approximately Rs.25,20,40,800/- during the financial years 2010-2011, 2011-2012 and 2012-2013.

10. In order to ascertain whether an issue of securities is a 'public issue' or done on 'private placement', a reference to section 67(3) of the Companies Act, 1956 needs to be made:

> *67. (1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.*
>
> *(2) ...*
>
> *(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).*

In terms of section 67(3), as amended by the *Companies (Amendment) Act, 2000, with effect from December 13, 2000*, no offer or invitation shall be treated as made to the public by virtue of sub-sections (1) or (2), as the case may be, if the offer or invitation can properly be regarded, in all 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. More importantly, in terms of the first *proviso* to the aforesaid section, the provisions of section 67(3) shall **not** apply in a case where the **offer or invitation to subscribe for shares or debentures** is made to **fifty persons or more**. Therefore, the number of subscribers becomes relevant to judge whether an issue of shares are for public or on a private placement basis, in the light of the above said provision. Therefore, if an offer of securities are made to fifty or more persons, it would be deemed to be a public issue.

11. The Hon'ble Supreme Court of India in the matter of ***Sahara India Real Estate Corporation Limited & Others vs. SEBI and another*** (Civil Appeal Nos. 9813 and 9833 of 2011 ; decided on August 31, 2012) ("the Sahara case") had *inter alia* held that -

> *"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, if an offer of securities is made to fifty or more persons, it would be deemed to be a public issue, even if it is of domestic concern or proved that the shares or debentures are not available for subscription or purchase by persons other than those received the offer or invitation. …*
>
> *I may, therefore, indicate, subject to what has been stated above, in India that any share or debenture issue beyond forty nine persons, would be a public issue attracting all the relevant provisions of the SEBI Act, regulations framed thereunder, the Companies Act, pertaining to the public issue. …"*

12. In this case, the Company had admittedly made a series of allotments during financial years 2011-2012 and 2012-2013. In all these allotments, the number of allottes was always more than 49. Further, in FY 2010-11, the Company had admittedly allotted RPS to 169 persons, which again is more than the threshold mentioned in the first proviso to section 67(3) of the Companies Act, 1956. Therefore, it can

be concluded that the offer was made to more than 49 persons and that the Company has made a public issue of such securities during the relevant time.

13. By making a public issue of RPS, as discussed above, the Company was mandated to comply with all the legal provisions that govern and regulate public issue of such securities, including the Companies Act, 1956 and the SEBI Act and regulations. In this context, I refer and rely on the below mentioned observation made by the Hon'ble Supreme Court of India in the matter of *Sahara*:

... ... that any share or debenture issue beyond forty nine persons, would be a public issue attracting all the relevant provisions of the SEBI Act, regulations framed thereunder, the Companies Act, pertaining to the public issue. …"

14. In view of the above observations, by virtue of section 55A(a) and (b), the SEBI has jurisdiction and would govern the issue of RPS as the same was made to more than 49 persons. As alleged in the SEBI Order, the Company was mandated to comply with the provisions of sections 56, 60 and 73 of the Companies Act, 1956 in respect of its offer and issue of RPS. 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, contain disclosures as specified. 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'. There is no record that the Company filed a Prospectus and had mentioned the matters as mandated under the Companies Act, 1956. Accordingly, it is concluded that the Company failed to comply with the above provisions of the Companies Act.

15. The interim order has alleged that the Company failed to comply with section 73 of the Companies Act, 1956 in respect of its issuance of RPS. By issuing RPS to more than 49 persons, the Company had to compulsorily list such securities in compliance with section 73(1) of the Companies Act, 1956. As per section 73(1) 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. The Company has not disputed that this allegation is incorrect. Further, there is no material to say that the Company has filed an application with a recognised stock exchange to enable the RPS to be dealt with in such exchange. Therefore, the Company has failed to comply with this requirement.

Section 73(2) states that "*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*". As the Company failed to make an application for listing such RPS, the Company had to forthwith repay such money collected from investors. If such repayments are not made within 8 days after the Company becomes liable to repay, the Company and every director of the Company, who is an officer in default, is jointly and severally liable to repay with interest at such rate. Considering the period of mobilization and the default in repaying the investors, it would be appropriate to levy an interest of 15% as provided for under the above section. Further, the liability of the Company to refund the public funds collected through offer and allotment of the impugned RPS is a continuing liability and such liability would continue till repayments are made by the Company and the officers in default.

The Company has also not complied with the provisions of section 73(3) as it has not kept the amounts received from investors in a separate bank account and failed to repay the same in accordance with section 73(2) as observed above.

16. From the above discussions, it is concluded that the Company has not complied with the provisions of sections 56, 60 and 73 of the Companies Act, 1956 read with the Companies Act, 2013 and had mobilized a total of Rs.25.20 crore from more than 6545 investors during the financial years 2010-11, 2011-12 and 2012 -13. These monies are liable to be refunded to the investors in terms of section 73(2) of the Companies Act, 1956. The interim order has also mentioned that the Company had accepted Rs.5,77,67,056/- as 'Share Application Money Pending Allotment', as stated in the Balance Sheet of AAL for the year 2011-2012 submitted by AAL to SEBI. The Company is liable to return such amounts if the same pertained to its offer and allotment of RPS/securities during 2011-2012 made in contravention of the Companies Act, 1956 and the norms governing public issuance of securities.

17. <u>Liability of directors</u>:

(a) The interim order is issued against Mr. Biswajit Biswas, Mr. Dilip Shaw, Mr. Bana Bihari Biswas, Mr. Dhiraj Kumar Shrivastava, Mr. Basant Kumar Singh, Mr. Prashanta Ghosh, Ms.Moumita Biswas and Mr. Binod Majumder.

(b) As per the register of directors, managing director of the Company as per information provided by the RoC, West Bengal (as of 04.12.2014), it is noted that –

(i) **Mr. Biswajit Biswas** was appointed on 28.07.2010 and continues to be the director.

(ii) **Mr. Bana Bihari Biswas** was appointed on 28.07.2010 and continues to be the director.

(iii) **Mr. Dilip Shaw** was appointed on 28.07.2010 and continues to be a director.

(iv) **Mr. Dhiraj Kumar Shrivastava** was appointed on **15.10.2011** and continues to be a director.

(v) **Mr. Binod Majumder** was appointed on 28.07.2010 and ceased to be a director on 23.09.2011.

(vi) **Mr. Prashanta Ghosh** was appointed a director on 28.07.2010 and ceased to be so on 10.05.2011.

(vii) **Mr. Basant Kumar Singh** was appointed on 28.07.2010 and ceased to a director on 15.12.2011.

(viii) **Ms. Moumita Biswas** was appointed on 28.07.2010 and ceased to be a director on 01.10.2012.

(c) As per details in MCA website as accessed on 01.10.2015, the following are the present directors of the Company:

(d) As per the interim order cum SCN, the Company had commenced money mobilization from public by making offer and issuing RPS from 2010-2011 onwards. The Company is already held liable for violation of sections 56, 60 and 73 of the Companies Act. Further, as the Company failed to make an application for listing such RPS, the Company had to forthwith repay such money collected from investors. If such repayments are not made within 8 days after the Company becomes liable to repay, the Company and every director of the Company, who is an officer in default, is jointly and severally liable to repay with interest at such rate.

DIN/DPIN/PAN	Full Name	Present residential address	Designation	Date of Appointment
02856091	**BISWAJIT BISWAS**	GITANJALI APT. 4TH FL., 238, SREE NAGAR MAIN RD, FLAT 4B,, KOLKATA, 700094, West Bengal, INDIA	Director	28/07/2010
02861398	**DILIP SHAW**	SURYANAGAR COLONY KMC., JADAVPUR, SOUTH TWENTY FOUR PARGANAS, 700040, West Bengal, INDIA	Director	28/07/2010
02861437	**BANA BIHARI BISWAS**	51, RABINDRA PALLY, BL - D, KOLKATA, 700086, West Bengal, INDIA	Director	16/06/2014 (original appointment on 28.07.2010)
03078199	**Dhiraj Kumar Shrivastava**	5A Lenin Sarani, 1st Floor, Kolkata, 700013, West Bengal, INDIA	Additional director	15/10/2011

(e) Section 56(1) and 56(3) read with section 56(4) imposes the liability for the compliance of the said provisions, on the company, every director, and other persons responsible for the issuance of the prospectus, 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 section. The liability of the company to repay under section 73(2) read with sections 11, 11B and 27 of the SEBI Act, is a continuing liability and the same continues till all the repayments are made. Therefore, the directors (*irrespective of whether they continue or resign*) who were present during the period when the Company made the offer and allotted RPS in violation of the applicable law shall be liable for violation of sections 56, 60 and 73 read with sections, 11, 11B and 27 of the SEBI Act, including the default in making refunds as mandated therein. As the liability to make repayments under sections 73(2) of the Companies Act read with section 27 of the SEBI Act is a continuing liability, the persons who join the Company's Board pursuant to the offer and allotment of RPS shall also be liable if the Company and the concerned directors have failed to make refunds as mandated under law.

(f) From the contents of sub-paragraph (b) above, it is noted that **Mr. Prashanta Ghosh** had resigned on 10.05.2011, which is prior to the allotments which commenced on September 15, 2011. Therefore, this noticee cannot be made liable for the contraventions committed by the Company. Accordingly, he is discharged from the present proceedings.

(g) **Mr. Biswajit Biswas, Mr. Dilip Shaw** and **Mr. Bana Bihari Biswas** were appointed on July 28, 2010 and continue to be the directors in the Company. **Mr. Dhiraj Kumar Shrivastava** was

appointed as a director on October 15, 2011 and continues to be a director in the Company. Therefore, they were present when the above said violations were committed. They have also not made refunds to investors when such securities were not listed in terms of section 73 of the Companies Act read with section 27 of the SEBI Act.

(h) It is also noted that **Mr. Binod Majumder** had resigned on 23.09.2011; **Mr. Basant Kumar Singh** had resigned on 15.12.2011; and **Ms. Moumita Biswas** had resigned on 01.10.2012. These persons were also the directors when the violation of the public issue norms were committed by the Company. They have also not made any refunds to the investors as required under section 73(2) read with section 27 of the SEBI Act. Therefore, the above persons are liable for the violations committed during their tenure as directors and as well for making repayments of such sums of money collected under the offer and issue of RPS.

18. In view of the above findings and observations, it becomes necessary to issue directions for refund against the Company and its directors and other directions in the interest of investors and the securities market.

19. For the above reasons, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11(1), 11(4), 11A and 11B thereof hereby issue the following directions:

(a) The Company, **Adorable Agrotech Limited (CIN-U01400WB2010PLC151762 ; PAN-AAICA8064D) and promoters and directors including Mr. Biswajit Biswas (DIN-02856091; PAN-AEGPB3449C), Mr. Dilip Shaw (DIN-02861398; PAN-AKTPS7602P), Mr. Bana Bihari Biswas (DIN-02861437; PAN- ADVPB9506E), Mr. Dhiraj Kumar Shrivastava (DIN-03078199; PAN-CJJPS8909L), Mr. Basant Kumar Singh (DIN- 02857646;PAN-BAXPS9686L), Ms. Moumita Biswas (DIN- 02856110; PAN- AIOPB5379D); Mr. Binod Majumder (DIN- 02991620; PAN- AWLPM7082P),** jointly and severally, shall forthwith refund the money collected by the Company through the issuance of Redeemable Preference Shares (*which have been found to be issued in contravention of the public issue norms stipulated under the Companies Act, 1956*), to the investors including the money collected from investors, till date, pending allotment of securities, if any, with an interest of 15% per annum compounded at half

yearly intervals, from the date when the repayments became due (*in terms of Section 73(2) of the Companies Act, 1956*) to the investors till the date of actual payment.

(b) The repayments to investors shall be effected only in cash through Bank Demand Draft or Pay Order.

(c) **The Company and its directors** are permitted to sell the assets of the Company only for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalised Bank.

(d) **The Company and its directors** shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily (in Bengali) with wide circulation, detailing the modalities for refund, including details of contact persons including names, addresses and contact details, within fifteen days of this Order coming into effect.

(e) After completing the aforesaid repayments, the Company and its directors shall file a certificate of such completion with SEBI from 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").

(f) The Company and its above directors are also directed to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form.

(g) In case of failure of the Company, Mr. Biswajit Biswas (DIN-02856091; PAN-AEGPB3449C), Mr. Dilip Shaw (DIN-02861398; PAN-AKTPS7602P), Mr. Bana Bihari Biswas (DIN-02861437; PAN- ADVPB9506E), Mr. Dhiraj Kumar Shrivastava (DIN-03078199; PAN-CJJPS8909L), Mr. Basant Kumar Singh (DIN- 02857646;PAN- BAXPS9686L), Ms. Moumita Biswas (DIN-02856110; PAN- AIOPB5379D); Mr. Binod Majumder (DIN- 02991620; PAN- AWLPM7082P), in complying with the aforesaid directions, SEBI, on expiry of three months from the date of this Order, -

(i) shall recover such amounts in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.

(ii) may initiate appropriate action against the Company, its promoters/ directors and the persons/ officers who are in default, including adjudication proceedings against them, in accordance with law.

(iii) would make a reference to the State Government/ Local Police to register a civil/ criminal case against the Company, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds; and

(iv) would also make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the Company.

(h) **The Company** is directed not to, directly or indirectly, access the capital market by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order till the expiry of 4 years from the date of completion of refunds to investors, as directed above.

(i) The directors namely, **Mr. Biswajit Biswas** (DIN-02856091; PAN-AEGPB3449C), **Mr. Dilip Shaw** (DIN-02861398; PAN-AKTPS7602P), **Mr. Bana Bihari Biswas** (DIN-02861437; PAN-ADVPB9506E), **Mr. Dhiraj Kumar Shrivastava** (DIN-03078199; PAN-CJJPS8909L), **Mr. Basant Kumar Singh** (DIN- 02857646;PAN- BAXPS9686L), **Ms. Moumita Biswas** (DIN-02856110; PAN- AIOPB5379D); and **Mr. Binod Majumder** (DIN- 02991620; PAN-AWLPM7082P) are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, with immediate effect. They are also restrained from issuing prospectus, offer document or advertisement soliciting money from the public and 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. The above directions shall come into force with immediate effect and shall continue to be in force from the date of this Order till the expiry of 4 years from the date of completion of refunds to investors, as directed above.

(j) The above directions shall come into force with immediate effect.

20. This Order is without prejudice to any action, including adjudication and prosecution proceedings that might be taken by SEBI in respect of the above violations committed by the Company, its promoters, directors and other key persons.

21. For the reasons stated in this Order, **Mr. Prashanta Ghosh (DIN-02861411; PAN-AJSPG1087A)** is discharged from the present proceedings. Accordingly, the interim directions issued against him vide the interim shall stand vacated with immediate effect.

22. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories for information and necessary action.

23. 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.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date: October 1st, 2015
Place: Mumbai