

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: PRASHANT SARAN, WHOLE TIME MEMBER

ORDER

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

In the matter of SLB Invest (India) Limited

In respect of:

1. SLB Invest (India) Limited [PAN: AAMCS8354E],
2. Mr. Bairi Ganjan Dash [PAN: AEWPD4198N],
3. Mr. Saubhagya Kumar Mohapatra [PAN: ANQPM5013N],
4. Mr. Basudev Mohanty [PAN: AHZPM1022C],
5. Mr. Aurobindo Maiti [PAN: ANPPM8071M],
6. Ms. Baisalini Das [PAN: AKAPD0726A],
7. Ms. Rosalin Mohanty [PAN: ANXPM3985E] and
8. Ms. Swati Satpathy [PAN: AXTPS4159G].

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Date of hearing: November 23, 2015

Appearance: Mr. Siddhartha Roy, Advocate appeared for the Company and Mr. Bairi Ganjan Dash

For SEBI: Mr. Prashanta Mahapatra, General Manager, Mr. T. Vinay Rajneesh, Assistant General Manager and Ms. Nikki Agarwal, Assistant Manager.

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide an *ex-parte interim* Order dated December 03, 2014 (hereinafter referred to as 'the *interim* order') had observed that the company, **SLB Invest (India) Limited** (hereinafter referred to as 'SLB' or 'the Company') is *prima facie* engaged in fund mobilising activity from the public, through the Offer of Redeemable Preference Shares (hereinafter referred to as '**RPS**') and had allegedly violated the provisions of Sections 56, 60 (read with Section 2(36)), 67, 73 of the Companies Act, 1956 and the provisions of the SEBI (Disclosure and Investor Protection) Guidelines 2000 (hereinafter referred to as 'DIP

Guidelines') read with the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (hereinafter referred to as 'ICDR Regulations'). In order to protect the interest of investors and to ensure that only legitimate fund raising activities are carried on by the Company and its directors, SEBI had issued the following directions:

“ ... ..

6. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11A and 11B of the SEBI Act and Clause 17 of the DIP Guidelines read with Regulation 111 of the ICDR Regulations, 2009, hereby issue the following directions-

- i.** SLB shall not mobilize any fresh funds from investors through the Offer of RPS or through the issuance of equity shares or any other securities, to the public and/ or invite subscription, in any manner whatsoever, either directly or indirectly, till further directions;
- ii.** SLB and its Directors, viz. Shri Bairi Ganjan Dash (DIN-02282802; PAN:AEWPD4198N), Saubhagya Kumar Mohapatra (DIN- 02282744; PAN: ANQPM5013N), Shri Basudev Mohanty (DIN-02281627; PAN:AHZPM1022C), Shri Aurobindo Maiti (PAN:ANPPM8071M), Ms. Baisalini Das (PAN:AKAPD0726A), Ms. Rosalin Mohanty (PAN:ANXPM3985E) and Ms. Swati Satpathy (DIN- 02287754; PAN:AXTPS4159G) 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;
- iii.** SLB and the 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;
- iv.** SLB shall provide a full inventory of all its assets and properties;
- v.** The abovementioned Directors of SLB shall provide a full inventory of all their assets and properties;
- vi.** SLB and its abovementioned Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/ acquired by that company through the Offer of RPS, without prior permission from SEBI;
- vii.** SLB and its abovementioned Directors shall not divert any funds raised from public at large through the Offer of RPS, which are kept in bank account(s) and/ or in the custody of SLB.
- viii.** SLB and its abovementioned Directors shall, within 21 days from the date of receipt of this Order, provide SEBI with all relevant and necessary information sought by SEBI vide letters dated March 27, 2013 and August 04, 2014 but not yet furnished.

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

...

9. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against SLB and its abovementioned Directors in accordance with law.”

2. The *interim* order observed that the *prima facie* observations made therein were on the basis of the correspondences exchanged between SEBI and the Company alongwith the documents contained therein and the information/ documents obtained from the 'MCA-21' portal. The *interim* order advised the Company and its directors to file their replies within 21 days from the date of its receipt and also indicate whether they desire to avail an opportunity of personal hearing.
3. The *interim* order was forwarded to the Company and its directors namely Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy vide letters dated December 03, 2014. The letter sent to the Company, Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Ms. Baisalini Das and Ms. Swati Satpathy had returned undelivered.
4. Subsequently, SEBI proceeded further and granted an opportunity of personal hearing to the Company and its directors on June 26, 2015. The scheduled date was communicated vide SEBI's letter dated May 15, 2015. The date of hearing was also communicated vide the public notice in the newspapers namely 'Times of India' and 'Anandabazar Patrika' (West Bengal Edition) (June 22, 2015), 'Times of India' (Bhubaneswar Edition) (June 25, 2015) and local vernacular newspaper in Odia 'The Samaja' (June 21, 2015). The Company and its directors were advised that in case they fail to appear for the personal hearing before SEBI on the aforesaid date, then the matter would be proceeded *ex-parte* on the basis of material available on record. On the date fixed, no one had turned up for the personal hearing.

In the meantime, the 'legal cell' of the Company, vide e-mail dated June 23, 2015, confirmed the presence for the personal hearing. Later, vide email dated June 25, 2015, the representatives of the Company requested for the rescheduling of the personal hearing on the ground that on June 26, 2015, a 12 hour 'strike' has been declared in Odisha and it will not be possible for them to attend the personal hearing, on the date fixed. This request was considered and another opportunity of personal hearing was

afforded on September 24, 2015. The date of hearing was later postponed to November 23, 2015, due to certain administrative exigencies. On the date fixed, Mr. Siddhartha Roy, Advocate appeared for the Company and Mr. Bairi Ganjan Dash. As the advocate had appeared without a 'vakalat', he was granted 30 days' time for submitting the same and the written submissions, if any.

Mr. Siddhartha Roy, Advocate vide his letter dated December 28, 2015 submitted the 'Vakalatnama' on behalf of only Mr. Bairi Ganjan Dash and requested for an additional time of 15 days for written submissions. Later, Mr. Siddhartha Roy, Advocate vide his letter dated January 06, 2016, intimated SEBI that Mr. Bairi Ganjan Dash has been taken into police custody for conviction in another matter and he is unable to provide with any written reply to SEBI.

Considering that reasonable opportunities to the Company and its directors had already been afforded for making submissions in the matter, I am inclined to proceed further with the matter, on the basis of merits of the case.

5. I have considered the *interim* order and the material available on record. The following are the observations from the *interim* order:

“... ”

- i.* SLB was incorporated on February 27, 2009, with the ROC, Cuttack, Orissa. The CIN No. is U65993OR2009PLC010642. The Registered Office of SLB is situated at N4/222, IRC Village, Nayapalli, Bhubaneswar, Orissa, India- 751015.
- ii.* The Directors/Promoters of SLB are Shri Bairi Ganjan Dash, Saubhagya Kumar Mohapatra, Shri Basudev Mohanty, Shri Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy. Vide letter dated September 18, 2014, Saubhagya Kumar Mohapatra has submitted that he resigned on March 11, 2013 as a Director of the company and expressed his inability to supply the information required by SEBI.
- iii.* It has been mentioned in the application form circulated by SLB that application is for "Private Placement & Issue of Redeemable Preference Shares of Rs.5,000 lacs @ Rs. 1000 per share". The application form also *inter alia* states that SLB is privately placing "Redeemable Preference Shares" ("RPS") on the terms and conditions which are reproduced below-  
(On Issue price of 100 Shares i.e. Principal of Rs. 1,00,000 (one lac))

Sr. No.	Plan	Redemption Period	Redemption Premium (in Rs.)	Redemption Value (in Rs.)	Annualized Yield on Investment
I	1YTD/RPS	1 Year & 1 month	11,850	1,11,850	11.85%
II	3YTD/RPS	3 Year & 6 months	50,000	1,50,000	12.75%
III	5YTD/RPS	5 Year & 6 months	1,00,000	2,00,000	13.52%
IV	7YTD/RPS	7 Year & 6 months	2,00,000	3,00,000	15.76%
V	10YTD/RPS	10 Year & 6 months	4,00,000	5,00,000	16.52%
VI	7MDD/RPS	7 months	3,029	1,03,029	N.A.
VII	1YDD/RPS	1 Year	11,580	1,11,580	11.58%
VIII	2YDD/RPS	2 Years	19,633	1,19,633	12.56%
IX	3YDD/RPS	3 Years	26,978	1,26,978	12.56%
X	5YDD/RPS	5 Years	51,187	1,51,187	14.11%
XI	7YDD/RPS	7 Years	77,038	1,77,038	14.33%
XII	MDS/RPS	1 Years to 5 Years	1,250 p.m.	1,00,000	15%

iv. As per the details provided by SLB vide its letters dated May 06, 2013 and May 08, 2013, SLB mobilized Rs. 5,22,44,000/- through issuance of 52,244 RPS of face value of Rs. 1000/- each to 1436 investors in the Financial Years 2009-10, 2010-11 which was approved by Resolutions passed by Board of Directors of the company. The details are given below :

Year	Date of Meeting of Board of Directors	No. of Allottees	Amount raised (in Rs.)	No. of RPS
2009-10	06/06/2009	29	47,68,000	4,768
	25/11/2009	144	68,44,000	6,844
<b>Total</b>		<b>173</b>	<b>1,16,12,000</b>	<b>11612</b>
2010-11	25/05/2010	496	1,24,85,000	12,485
	15/11/2010	410	1,55,63,000	15,563
	20/12/2010	357	1,25,84,000	12,584
<b>Total</b>		<b>1,263</b>	<b>4,06,32,000</b>	<b>40,632</b>
<b>Grand Total</b>		<b>1,436</b>	<b>5,22,44,000</b>	<b>52,244</b>

...”

6. Having considered the above, it is now necessary to determine whether the Company had made a public issue as alleged in the *interim* order and if so, whether the Company had complied with the public issue norms. The liability of the directors of the Company also needs to be determined as they have also been alleged in the *interim* order.

7. In order to ascertain whether an issue of securities is a ‘public issue’ or done on ‘private placement’, it is necessary to make a reference to Section 67(3) of the Companies Act, 1956, which reads as under:

*“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. 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 conclude whether an issue of shares are for public or on a private placement basis. In view of the same, if an offer of securities are made to fifty or more persons, it would be deemed to be a public issue.

8. I now place my reliance on the order of 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. ..."*

11. In the present case, I note that the Company had offered and allotted RPS to a total of 1,436 allottees (i.e. 29 allottees on June 06, 2009, 144 allottees on November 25, 2009, 496 allottees on May 25, 2010, 410 allottees on November 15, 2010 and 357 allottees on December 20, 2000) and had raised ₹5,22,44,000. It is observed from the *interim* order that the Auditor of the Company namely 'Manas Dash & Co.' vide its letter dated August 12, 2014 had submitted that during the year 2010-2011, preference shares amounting to ₹4,11,32,000 were allotted. However, no further details were submitted by it. I note that the Company has not denied the allotment of RPS. Considering the same, it is held that the Company had made an offer and allotted RPSs

to more than 49 persons, thereby making a public issue of RPSs (in terms of the first proviso to Section 67(3) of the Companies Act, 1956) during the financial year 2009-10 and 2010-11 as alleged in the *interim* order.

9. 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 case*:

“... .. 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. ...”

10. In view of the above observations, by virtue of Section 55A(a) and (b), SEBI has jurisdiction and would govern the issue of RPS as the same was clearly made to more than 49 persons. As alleged in the *interim* order, the Company was mandated to comply with the provisions of Sections 56, 60, 67 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'.
11. The *interim* order further alleged that the Company had failed to comply with Section 73 of the Companies Act, 1956, in respect of its issuance of RPS. By issuing RPSs 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) 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. There is no material on record 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.

12. Section 73(2) of the Companies Act, 1956 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 RPSs, 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, is jointly and severally liable to repay with interest at such rate. There is no material on record to say that the Company has complied with the provisions of Section 73(3).
13. From the foregoing, I conclude that the Company had failed to comply with the provisions of Sections 56, 60, 73 of the Companies Act, 1956 read with the Companies Act, 2013 in respect of its offer and issuance of RPSs, as discussed in this Order. The Company shall therefore be liable to make refunds as per the mandate under Section 73(2) of the Companies Act, 1956 and also for regulatory action for committing the above violations. In the light of above findings, the argument of the Company that its case cannot be linked to *Sabara case* as it had taken only a few crores from the investors and already refunded majority of the amounts to its investors, finds no merit.
14. The Company was also mandated to comply with the provisions of DIP Guidelines, while issuing RPS. The *interim* order has stated that the Company failed to comply with

the following provisions of the DIP Guidelines as regards its Offer of RPSs during the financial years 2009-10 and 2010-11:

“4.9 ...

- a) Clause 2.1.1. – (Filing of offer document)
- b) Clause 2.1.4 – (Application for listing)
- c) Clause 2.1.5 – (Issue of securities in dematerialized form),
- d) Clause 2.8 – (Means of finance),
- e) Clause 4.1 – (Promoters contribution in a public issue by unlisted companies),
- f) Clause 4.11 – (Lock-in of minimum specified promoters contribution in public issues),
- g) Clause 4.14 – (Lock-In of pre-issue share capital of an unlisted company)
- h) Clause 5.3.1 – (Memorandum of understanding),
- i) Clause 5.3.3 – (Due Diligence Certificate)
- j) Clause 5.3.5 – (Undertaking),
- k) Clause 5.3.6 – (List Of Promoters Group And Other Details),
- l) Clause 5.4 – (Appointment of intermediaries)
- m) Clause 5.6 – (Offer document to be made public)
- n) Clause 5.6A – (Pre-issue Advertisement)
- o) Clause 5.7 – (Despatch of issue material)
- p) Clause 5.8 – (No complaints certificate)
- q) Clause 5.9 – (Mandatory collection centers including Clause 5.9.1 (Minimum number of collection centres)
- r) Clause 5.10 – (Authorised Collection Agents)
- s) Clause 5.12.1 – (Appointment of compliance officer)
- t) Clause 5.13 – (Abridged prospectus)
- u) Clause 6.0 – (Contents of offer documents)
- v) Clause 8.3 – (Rule 19(2)(b) of SC(R) Rules, 1957)
- w) Clause 8.8.1 – (Opening & closing date of subscription of securities)
- x) Clause 9 – (Guidelines on advertisements by Issuer Company)
- y) Clause 10.1 – (Requirement of credit rating)
- z) Clause 10.5 – (Redemption)

4.10 As per Regulation 111(1) of the ICDR Regulations, the DIP Guidelines, “shall stand rescinded”. However, Regulation 111(2) of the ICDR Regulations, provides that:

“(2) Notwithstanding the repeal under sub-section (1) of the repealed enactments,—

(a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or investigation commenced or show cause notice issued in respect of the said Guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) any offer document, whether draft or otherwise, filed or application made to the Board under the said Guidelines and pending before it shall be deemed to have been filed or made under the corresponding provisions of these regulations.”

...”

15. **Liability of Directors:** The *interim* order was issued against the directors of the Company namely Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy. None of these persons have filed reply to the *interim* order, contesting the allegations made therein.

- a. As per Section 291 of the Companies Act, 1956, the board of directors of a company shall be entitled to exercise all such powers and do all such acts and things as the company is authorized to exercise and do. Therefore, the board of directors being responsible for the conduct of the business of a company will be liable for any non-compliance of law and such liability is also on the individual directors. In this regard, I refer to the order of Hon'ble High Court of Madras in the matter of *Madhavan Nambiar Vs. Registrar of Companies* [2002 108 Comp Cas 1 Mad] wherein it was observed that:

“13. ... A director either full time or part time, either elected or appointed or nominated is bound to discharge the functions of a director and should have taken all the diligent steps and taken care in the affairs of the company.

14. *In the matter of proceedings for negligence, default, breach of duty, misfeasance or breach of trust or violation of the statutory provisions of the Act and the rules, there is no difference or distinction between the whole-time or part time director or nominated or co-opted director and the liability for such acts or commission or omission is equal. So also the treatment for such violations as stipulated in the Companies Act, 1956.”.*

I note that the position of a ‘director’ in a public company/ listed company comes along with responsibilities and compliances under law, which have to be fulfilled by such director or face the consequences for any violation or default thereof.

- b. I note that the Company had offered and issued RPS in the financial years 2009-10 and 2011-12 (the date of first allotment being June 06, 2009 and the last date being December 20, 2010). Section 56 of the Companies Act, 1956 imposes the liability for the compliance, on the company, every director, and persons responsible for the issuance of the prospectus. The liability of the Company to repay under Section 73(2) of the Companies Act, 1956 read with Section 27 of the SEBI Act, is continuing and the same continues till all the repayments are made to the investors/ public. Therefore,

the directors who were present during the period when the Company had made the offer and allotted RPS shall be liable for violation of Sections 56, 60 and 73 of the Companies Act, 1956 including the default in making refunds as mandated therein. As the liability to make repayments under Section 73(2) of the Companies Act read with Section 27 of the SEBI Act is a continuing liability, the persons who joined 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 the discussed provisions of law.

- c. It is noted that Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy were also the subscribers to the Memorandum of Association. The Company vide its letter dated April 24, 2013, had submitted that Mr. Aurobindo Maiti is one of the director of the Company.

As per the details perused on 'MCA-21' portal on April 06, 2016, Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty and Ms. Swati Satpathy are the present directors of the Company. All these persons are directors of the Company since the date of its incorporation on February 27, 2009.

- d. From the above discussion, it is noted that Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty and Ms. Swati Satpathy were the directors of the Company during the time of impugned issue and allotments of RPSs and were responsible for the affairs of the Company, at the relevant point of time. Further, these persons continue to be the directors of the Company.
- e. In view of the same, it can be concluded that Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy being the promoters/ directors of the Company are responsible for the violations committed by the Company and liable, jointly and severally, for making refunds along with interest to the investors as

mandated under Section 73(2) of the Companies Act, 1956 read with Section 27 of the SEBI Act.

19. I note that the Company and its promoters/ directors namely Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy were required to provide full inventory of the assets and properties within 21 days from the date of receipt of the *interim* order. However, no such details have been filed till date.
20. In view of the discussion above, appropriate action in accordance with law needs to be initiated against the Company and the directors/ promoters in charge of the affairs of the Company, during the relevant period.
21. Therefore, 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 and 11B thereof hereby issue the following directions:
  - a. The Company, **SLB Invest (India) Limited [PAN: AAMCS8354E]**, its promoters/ directors namely **Mr. Bairi Ganjan Dash [PAN: AEWPD4198N]**, **Mr. Saubhagya Kumar Mohapatra [PAN: ANQPM5013N]**, **Mr. Basudev Mohanty [PAN: AHZPM1022C]**, **Mr. Aurobindo Maiti [PAN: ANPPM8071M]**, **Ms. Baisalini Das [PAN: AKAPD0726A]**, **Ms. Rosalin Mohanty [PAN: ANXPM3985E]** and **Ms. Swati Satpathy [PAN: AXTPS4159G]** 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 RPS, 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/ or its present management 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 present management 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 details on contact persons including names, addresses and contact details, within fifteen days of this Order coming into effect.
- e. If the Company, **SLB Invest (India) Limited** and/ or the promoters/ directors have repaid the investors as claimed by it, the Company may include such repayment in the report to be submitted under para 22(f), provided the Company has met with the criteria laid down under para 22(b) and it pays 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.
- f. After completing the aforesaid repayments, the Company shall file a certificate of such completion with SEBI, within a period of three months from the date of this Order, 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').
- g. In case of failure of the Company, **SLB Invest (India) Limited**, its promoters/ directors including Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and

Ms. Swati Satpathy 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 appropriate action as deemed fit.
  - v.** would also make a reference to the Ministry of Corporate Affairs to flag the names of notice directors in its database so that information may be perused by RoC or any other regulatory authority.
- h.** The **Company namely SLB Invest (India) Limited** is directed not to, directly or indirectly, access the capital market by issuing prospectus, offer document or advertisement soliciting money from the public and is 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 four (4) years from the date of completion of refunds to investors, made to the satisfaction of SEBI, as directed above.
- i.** The **promoters/ directors** of the Company namely Mr. Bairi Ganjan Dash, Mr. Saubhagya Kumar Mohapatra, Mr. Basudev Mohanty, Mr. Aurobindo Maiti, Ms. Baisalini Das, Ms. Rosalin Mohanty and Ms. Swati Satpathy are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, with immediate effect. They are

also restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, with immediate effect. This restraint shall continue to be in force for a further period of four (4) years on completion of the repayments, as directed above.

- j. The above directions shall come into force with immediate effect.
22. 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.
  23. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories for information and necessary action.
  24. 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 : April 22<sup>nd</sup>, 2016**  
**PLACE : Mumbai**

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**