BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: SHRI. S RAMAN, WHOLE TIME MEMBER

ORDER

Under Section 15-I (3) read with Section 19 of the Securities and Exchange Board of India Act, 1992 against Mr. Subhojit Sen, Mrs. Debika Dasgupta, Mrs. Mitali Banerjee, Mrs. Poulami Mukherjee, Mrs.Debjani Mukherjee, Mr. Gobinda Prasad Giri and Mr. Arvind Kumar Mishra in the matter of Saradha Realty India Ltd.

1.1 Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), vide Order dated April 23, 2013 directed Saradha Realty India Ltd. (hereinafter referred to as the "**Company"/ "Saradha Realty"**) and its Managing Director, *viz.* Mr. Sudipta Sen **(Sudipta Sen)**:

- *to wind up its existing collective investment schemes and refund the money collected by it under the schemes with returns which are due to the investors as per terms of offer within a period of three months from the date of the Order, and*
- *to submit a winding up report and repayment report to SEBI in accordance with the SEBI Collective Investment Schemes) Regulations, 1999.*

1.2 The aforesaid directions were issued against Saradha Realty and its Managing Director, Sudipta Sen for launching "*collective investment schemes"* without obtaining certificate of registration from SEBI, thereby contravening the provisions of Section 12(1B) of the SEBI Act, 1992 **("SEBI Act")** and Regulation 3 of the SEBI Collective Investment Schemes) Regulations, 1999 **("CIS Regulations")**. Vide the aforesaid Order, it was also directed that in case the company/ Saradha Realty fails to comply with the aforesaid directions, SEBI would initiate prosecution under Section 24 of the SEBI Act and adjudication proceedings under Chapter VI of the SEBI Act against Saradha Realty and its Directors.

1.3 Thereafter, SEBI initiated Prosecution and Adjudication proceedings against Saradha Realty, its Managing Director, *viz.,* Sudipta Sen, its Directors, *viz.,* Mr. Monoj Kumar Nagel (Monoj Nagel),

Mr.Hemanta Pradhan (Hemanta Pradhan), Mr. Subhojit Sen (Subhojit Sen), Mrs. Debika Dasgupta (Debika Dasgupta), Mrs. Mitali Banerjee (Mitali Banerjee), Mrs. Poulami Mukherjee (Poulami Mukherjee), Mrs. Debjani Mukherjee (Debjani Mukherjee) and Mr. Gobinda Prasad Giri (Gobinda Giri) and the Secretary of Saradha Realty, *viz.,* Mr. Arvind Kumar Mishra (Arvind Mishra).

1.4 Adjudicating Officer was appointed to inquire and adjudicate on:-

i. Whether the aforesaid entities are liable for penalty under Section 15D of the SEBI Act for launching "*collective investment schemes"* without obtaining certificate of registration from SEBI, in contravention to the provisions of Section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations, and
ii. Whether the entities are liable under Section 15HB of the SEBI Act for non-compliance of SEBI directions issued vide Order dated April 23, 2013

1.5 Section 15 D of the SEBI Act provides: "*If any person, who is— (a) required under this Act or any rules or regulations made thereunder to obtain a certificate of registration from the Board for sponsoring or carrying on any collective investment scheme, including mutual funds, sponsors or carries on any collective investment scheme, including mutual funds, without obtaining such certificate of registration, he shall be liable to [a penalty of one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds, or one crore rupees, whichever is less".*

Section 15HB of the SEBI Act provides: "*Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees."*

1.6 "The Adjudicating Officer **(A.O.),** after conducting the inquiries into the alleged violations by the aforementioned entities, vide order dated October 14, 2016 observed as under:

"21. During the course of scrutiny, it was perceived that the action has been initiated / approved against all the 10 persons who were shown in the said list of MCA. However, the said list showed that there were only 3 persons namely- Mr. Sudipta Sen, Mr. Hemanta Pradhan and Mr. Monoj Kumar Nagel who were shown as existing directors of the Noticee No. 1 / Saradha Realty India Ltd. at the relevant point of time (viz. April 23, 2013 onwards) while other 6 persons / Noticee namely Mr. Subhojit Sen, Mrs. Debika Dasgupta, Mrs. Mitali Banerjee, Mrs. Poulami Mukherjee, Mrs. Debjani Mukherjee and Mr. Gobinda Prasad Giri, were shown to have ceased as directors well before the date of said

SEBI Order. Also, Noticee No. 3 (Mr. Arvind Kumar Mishra) was shown as secretary of the Noticee No. 1 and not as director.

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26. As it is established above that only 3 Noticee(s) were shown as the directors of the Saradha realty India Ltd. / Noticee No. 1 during the relevant time and other 7 Noticees were not the directors during that time, therefore, as per settled legal position, only those directors of Saradha Realty India Ltd. / Noticee No. 1 can be held liable for non - compliance of directions, who on the date of said order or thereafter, were/are the directors of Noticee No.1. Needless to say that a person who is or was not on the Board of a Company as a Director, then, he has no authority to comply with the directions on behalf of the Company as he is not involved in the affairs of the company.

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28. In view of the above, I am of the opinion that the Noticees No. 6 -11 namely- Mr. Subhojit Sen, Mrs. Debika Dasgupta, Mrs. Mitali Banerjee, Mrs. Poulami Mukherjee, Mrs. Debjani Mukherjee and Mr. Gobinda Prasad Giri, were not the directors of Noticee No. 1 at the relevant time (viz. April 23, 2013 onwards) as they have ceased as directors well before the date of said SEBI Order. Also, Noticee No. 3 (Mr. Arvind Kumar Mishra) was shown only as secretary of the Noticee No. 1 and not as the director. Therefore, they cannot be made liable for the non - compliance of directions issued under said SEBI order.

29. Here, it is not out of place to mention that other actions against the erstwhile directors relating to the violation of securities laws if any, that had occurred prior to their cession of as directors, can be initiated / proceeded which are independent of the present allegation.

30. Keeping in view the aforesaid observations, facts / circumstance of the case, undisputed role of Noticee No. 1 and its directors towards their involvements in the affairs of Noticee No. 1, I am of the view that the Noticee No. 1 (Saradha Realty India Ltd) and also Mr. Sudipta Sen (Noticee No. 2), Mr. Monoj Kumar Nagel (Noticee No. 4) and Mr. Hemanta Pradhan (Noticee No.5) who were the only directors / responsible for the affairs of the of the Noticee No.1 / Company at the relevant point of time (viz. April 23, 2013 onwards), had failed to comply with the directions issued under the aforesaid order dated April 23, 2013 as alleged in the SCN; and thereby had violated the provision of ***section 15 HB*** *of the SEBI Act.*

31. Further, under the said SEBI order, it has been inter-alia categorically concluded …… that the Company / Noticee No. 1 is engaged in the fund mobilization activity from public through investment contracts by floating / sponsoring / launching "collective investment scheme" and since it had launched such scheme without obtaining certificate from SEBI, it had contravened provision of section 12 (1B) of the SEBI Act and regulation 3 of the SEBI (Collective Investment Scheme) Regulations, 1999 (CIS Regulations). Here, I am of the view that upon such conclusion and upon being so directed to comply with directions as mentioned in aforesaid order, if the company / its directors fails to wind up its existing collective investment schemes, fails to refund the money collected by it under the schemes with returns which are due to the investors as per the terms of offer and fails to submit a winding up / repayment report to SEBI in accordance with the

CIS regulations within a period of three months from the date of order, then, it means, its status is still alive as unregistered CIS. Also, status of the Company/Saradha Realty India Ltd. (Noticee No.1) is still shown as active at the MCA website. Therefore, continuing with such status without having registration certificate from SEBI, is in contravention of section 12 (1B) of the SEBI Act and regulation 3 of the CIS Regulations; and thereby the Noticee No. 1, 2, 4 & 5 had violated section 15 D of the SEBI Act

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Order

35. After taking into consideration all the aforesaid facts / circumstances of the case, I hereby impose a penalty of `1,00,00,000/- (Rupees One Crore only) under* ***section 15D*** *of the SEBI Act and `1,00,00,000/- (Rupees One Crore only) under ***section 15HB*** *of the SEBI Act, upon Noticee No. 1, 2, 4 and 5 (namely – Saradha Realty India Ltd., Mr. Sudipta Sen, Mr. Hemanta Pradhan and Mr. Monoj Kumar Nagel). The said total amount of penalty of `2,00,00,000/- (Rupees Two Crores only) shall be paid by them jointly and / or severally"*

1.7 From the aforesaid Order passed by Adjudicating Officer, it is observed as under:

i. In respect of the penalty in terms of Section 15D of the SEBI Act, (*i.e.* penalty for carrying on any CIS activities without obtaining registration of SEBI), the Adjudicating Officer has observed that as the status of the Company/Saradha Realty is still shown as *active* at the MCA website, they are continuing with such status without having registration certificate from SEBI. The Adjudicating Officer has also observed that as the company failed to wind up its existing collective investment schemes and failed to refund the money collected by it under the schemes and failed to submit a winding up / repayment report to SEBI in accordance with the CIS regulations within a period of three months from the date of SEBI order [dated April 23, 2013] and the status of the company is still an unregistered CIS, Saradha Realty, its Managing Director, *viz.* Sudipta Sen and two present Directors, *viz.* Monoj Nagel and Hemanta Pradhan (who were the Directors of the Company at the time of the Order dated April 23, 2013) are liable under Section 15D of the SEBI Act for contravening the provisions of Section 12 (1B) of the SEBI Act and Regulation 3 of the CIS Regulations. The Adjudicating Officer has however exonerated six former Directors of Saradha Realty, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri on the grounds that they ceased to be Directors of the Company when SEBI passed its order on April

23, 2013 and one person, *viz.* Arvind Mishra has been exonerated on the ground that he was shown as a Secretary and not as a Director.

ii. In respect of the penalty in terms of Section 15HB of the SEBI Act (*i.e.* non-compliance of SEBI directions), the Adjudicating Officer has concluded that Saradha Realty, its Managing Director, *viz.* Sudipta Sen and two present Directors, *viz.* Monoj Nagel and Hemanta Pradhan failed to comply with the directions issued by SEBI vide Order dated April 23, 2013, wherein they were *inter alia* directed to wind up the existing CIS and refund the money collected within a period of three months from the date of the said Order. However, the former Directors of Saradha Realty, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri were not held liable for non - compliance of the directions issued by SEBI (Section 15HB of the SEBI Act), for the reason that they were no longer Directors on the date of said order or thereafter. Arvind Mishra was also not held liable as he was then shown as a secretary and not as a Director of Saradha Realty.

1.7.1 The Securities Laws (Amendment) Act, 2014 inserted Section 15-I (3) of the SEBI Act, which empowers the Board to enhance the quantum of punishment imposed by an Adjudicating Officer, if the Board finds that the Order passed by the Adjudicating Officer is erroneous to the extent that it is not in the interests of the securities market. Section 15-I(3) of the SEBI Act reads:

"The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:
Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:"

1.7.2 On examining the matter in terms of the provisions of Section 15-I (3) of the SEBI Act, it was *prima facie* observed as under:

i. The Adjudicating Officer was appointed to adjudicate on two aspects (as stated earlier), *i.e* (i) whether the entities are liable for penalty under Section 15D of the SEBI Act for carrying out illegal fund mobilization without obtaining registration from SEBI thereby contravening the provisions of Section

12 (1B) of the SEBI Act and Regulation 3 of the CIS Regulations and (ii) whether the entities are liable for penalty under Section 15HB of the SEBI Act for the non-compliance of SEBI Order dated April 23, 2013.

ii. With regard to the liability and quantum of penalty under Section 15D of the SEBI Act, (details as mentioned at Paragraph No. 1.7 (i) above), it was *prima facie* observed that the findings of the Adjudicating Officer to the extent of holding the former Directors (*viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri) and the Secretary of Saradha Realty (*viz.* Arvind Mishra) not liable, appear to be erroneous and not in the interests of investors and securities market, as the material available on record indicates that the aforesaid entities were in charge of and were responsible to, the company for the conduct of the business and day to day affairs of Saradha Realty during the period when the Company was engaged in illegal fund mobilization and continued to mobilize the funds without obtaining registration from SEBI.

iii. As regards the liability and quantum of penalty under Section 15HB of the SEBI Act (details as mentioned at Paragraph No. 1.7 (ii) above), (*i.e.* the issue whether the entities are liable for the non-compliance of SEBI Order dated April 23, 2013), the findings of the Adjudicating Officer appear to be in order.

Show Cause Notice and Personal Hearing-

2.1 Thereafter, Show Cause Notices **("the SCNs")** dated December 9, 2016 were issued to the aforesaid Directors/Secretary, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee, Gobinda Giri and Arvind Mishra (hereinafter referred collectively as **"Noticees"** and individually by their respective names), calling upon them to show cause as to why appropriate penalty should not be imposed on them in terms of Section 15 D(a) of the SEBI Act for contravening the provisions of Section 12 (1B) of the SEBI Act, 1992 read with Regulation 3 of the CIS Regulations.

The SCN *inter alia* alleges that the Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri, who were the Directors and Arvind Mishra, who was the Secretary of Saradha Realty (during the period when Saradha Realty was engaged in unauthorized CIS activities, contravening the provisions of Section 12 (1B) of the SEBI

Act, 1992 read with Regulation 3 of the CIS Regulations), are also responsible for the said violations committed by Saradha Realty.

2.2 The Noticees were given time till December 22, 2016 to file their replies to the charges levelled against them in the SCN. An opportunity of personal hearing was also granted to the Noticees on December 22, 2016, vide the said SCN.

The SCNs were delivered to the Noticees, *viz.,* Subhojit Sen, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Arvind Mishra by affixture on December 10, 2016 and December 11, 2016. The SCN issued to Gobinda Giri was served by *hand delivery* on December 13, 2016. As the SCN issued to the Noticee, *viz.* Debika Dasgupta could not be delivered by affixture or hand delivery, the same was issued by way of public notice on December 13, 2016 in two local (Kolkata) newspapers (one vernacular (Bengali) and one in English). The Noticees neither replied to the SCN nor did they avail the opportunity of personal hearing granted to them on December 22, 2016. In view of this, it can be reasonably concluded that the Noticees have no submissions to make in respect of the SCNs issued to them.

Consideration of Issues and Findings-

3.1 I have perused the Adjudication Order dated October 14, 2016 passed in respect of the Noticees, the SCNs issued for review of the adjudication order, and other material available on record. The issues for consideration in the instant matter are as under:

i. Whether the Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee, Gobinda Giri and Arvind Mishra are responsible for the unregistered CIS activities carried out by Saradha Realty, in contravention to the provisions of Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations,

ii. If the issue at item No. (i) is decided in affirmative, whether the aforesaid Noticees are liable for the penalty under Section 15D(a) of the SEBI Act, 1992.

3.2 **Whether the Noticees are responsible for carrying out unregistered CIS activities by Saradha Realty in contravention to the provisions of Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations-**

i. The SCN alleges that the Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri were Directors (for some time or other) during the period when the unregistered CIS activities were carried on by Saradha Realty. Similarly, the Noticee, *viz.* Arvind Mishra has been Secretary of Saradha Realty since February 15, 2011. It is therefore a fact that the aforesaid seven Noticees were in charge of and responsible to the Company for the lawful conduct of the business and day to day affairs of the Company. It was therefore alleged that all these seven Noticees were responsible for the violations committed by the Company during the said period.

ii. The details of the funds mobilized by Saradha Realty, as observed from the Company's letter dated November 01, 2010 indicate that the money was being collected from the public by Saradha Realty since 2008. Further, SEBI Order dated April 23, 2013 wherein Saradha Realty was directed to wind up its unregistered collective investment schemes and to refund the moneys collected, clearly indicates that the Company was continuing with its unregistered CIS activities during the period atleast upto 2013. The Adjudicating Officer in the Order dated October 14, 2016 has also observed that the status of the Company is still "*active"* as unregistered CIS as the Company failed to wind up its CIS schemes and refund the moneys (as directed by SEBI in its Order dated April 23, 2013) within three months from the date of the said SEBI Order.

iii. The details regarding the date of appointment and resignation of the aforementioned Directors and the secretary of the Company as observed from the filings made by the Company with Registrar of Companies ("**RoC"**) (Copy of the same has been furnished to the Noticees along with the SCN), are as follows:

S. No.	Name	Designation	Date of appointment	Date of cessation
1.	Subhojit Sen	Director	June 26, 2008	January 12, 2011
2.	Debika Dasgupta	Director	December 02, 2010	July 02, 2012
3.	Mitali Banerjee	Director	January 10, 2011	May 11, 2012
4.	Poulami Mukherjee	Director	January 10, 2011	September 26, 2012
5.	Debjani Mukherjee	Director	August 16, 2011	April 14, 2012
6.	Gobinda Giri	Director	September 25, 2012	September 27, 2012
7.	Arvind Mishra	Secretary	February 15, 2011	--

iv. The aforementioned table indicates that the Director, *viz.* Subhojit Sen was part of the Board of Directors of the company during the period when the company mobilized funds for launching the CIS schemes and the Noticees, *viz.* Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri were Directors and Noticee Arvind Mishra was the Secretary, during the period when the company continued with the unauthorized CIS activities (in contravention to the provisions of Section 12(1B) of the SEBI Act, read with Regulation 3 of the CIS Regulations).

v. As the Board of Directors of a company is entitled to exercise all powers and do all such acts and things as the Company is authorized to exercise and do, the Directors are responsible for the conduct of the business of the Company. It is the duty of the Directors to ensure that the business activities of the Company are in compliance with the laws applicable during the relevant period. The position of a Director in a Company comes along with responsibilities under law.

Similarly, a Secretary is a key functionary of a Company, who is required to report to the Board about compliance with the provisions of Companies Act, the rules made thereunder and other laws applicable to the company. He is also duty bound to ensure that the business activities of the Company are carried out within the relevant legal framework.

vi. Section 27 (1) of the SEBI Act states "*where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly*".

The culpability of the Noticees is evident from the fact that the company raised funds in an illegal manner from the public and continued with the same during the period the Noticees were in charge of and were responsible to the Company for the conduct of the business and day to day affairs of the company as its Directors/Secretary. The liability on the part of the Noticees cannot vanish merely by the fact that they resigned from the company at a subsequent point in time.

vii. Proviso to Section 27(1) states: *"Nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence"*

In this context, I note that the Noticees have not provided any submissions that the illegal raising of funds by Saradha Realty was done without their knowledge. Hence, the exception provided in the above proviso is not available to any of the Noticees.

viii. It is relevant to mention the observations of the Hon'ble Supreme Court in the case ***of N. Narayanan Vs. SEBI reported in 2013 (12) SCC 152.,*** wherein the Hon'ble S.C. rejecting the contention urged on behalf of the Directors observed that the Directors are expected to exercise their powers on behalf of company with utmost care, skill and diligence. It was further observed:

"31. A 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. This Court while describing what the duty of a Director of a company is held in Official Liquidator v. P.A. Tendolkar that:

"45 ..... A director may be shown to be so placed and to have been so closely and so long associated personally with the management of the Company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of the business of a Company even though no specific act of dishonesty is proved against him personally. He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the Company even superficially."

The following observations made by the Hon'ble High Court of Madras in ***Madhavan Nambiar vs Registrar of Companies*** **(2002 108 Comp Cas 1 Mad) 2001 Indlaw MAD 128** is also worth mentioning:

". .... 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.

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."

ix. All things considered, I find that the Noticees, *viz* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee, Gobinda Giri and Arvind Mishra who were in charge and responsible to the Company for the conduct of the business and day to day affairs of Saradha Realty, during the period when the company was carrying out the CIS activities without obtaining registration from SEBI (in contravention of the provisions of Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations), are equally liable for the said violations along with the other Directors, who continue to be Directors of the Company.

3.3 **Whether the aforesaid Noticees are liable for the penalty under Section 15D(a) of the SEBI Act, 1992-**

i. Having found that the Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee, Gobinda Giri and Arvind Mishra are responsible for the unregistered CIS activities carried out by Saradha Realty and have violated Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations, the next issue for determination is whether they are liable for the penalty under Section 15D(a) of the SEBI Act, 1992.

ii. Section 15D(a) of the SEBI Act provides that if any person sponsors or carries on any collective investment scheme without obtaining such certificate of registration, he shall be liable to a penalty of one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme, or one crore rupees, whichever is less.

iii. The Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee and Gobinda Giri, who were Directors of Saradha Realty and Arvind Mishra who was the Secretary of the Company, during the period when the company mobilized funds from the public and continued with the unauthorized CIS activities without obtaining registration from SEBI in

contravention to Section 12(1B) of the SEBI Act read with Regulation 3 of the CIS Regulations, are equally liable along with Saradha Realty and the present Directors, *viz.* Mr. Sudipta Sen, Mr. Monoj Kumar Mishra and Mr. Hemanta Pradhan against whom the Adjudicating Officer has already imposed penalty under Section 15D of the SEBI Act, vide Order dated October 14, 2016.

iv. I am therefore of the considered view that the finding of the Adjudicating Officer to the extent of not holding the Noticees, *viz.* Subhojit Sen, Debika Dasgupta, Mitali Banerjee, Poulami Mukherjee, Debjani Mukherjee, Gobinda Giri and Arvind Mishra liable under Section 15D (a) is erroneous and not in the interests of investors and securities market.

4. I further note that certain needless observations/remarks have been made by Adjudicating Officer in Paragraph nos. 24 and 25 of the Order dated October 14, 2016 in respect of the material placed before the authority. The Adjudicating Officer is an independent authority and is expected to inquire into the matter based on the material provided to the Adjudicating Officer. Furthermore, the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, empowers the Adjudicating Officer to seek and collect information and necessary evidence in accordance with law.

Order-

5. In view of the foregoing discussions and observations, I, in exercise of the powers under Sections 15 –I(3) and 15 D of the Securities and Exchange Board of India Act, 1992 read with Section 19 thereof, hereby direct as under:

- *The Noticees, viz. Mr. Subhojit Sen, Mrs. Debika Dasgupta, Mrs. Mitali Banerjee, Mrs. Poulami Mukherjee, Mrs.Debjani Mukherjee, Mr. Gobinda Prasad Giri and Mr. Arvind Kumar Mishra are also jointly and severally liable to pay the amount of Rs. 1 crore (Rupees One Crore only) imposed by the Adjudicating Officer vide Order dated October 14, 2016 under Section 15D of the SEBI Act. Thus the penalty of Rs. 1 Crore (Rupees One Crore only) imposed by the Adjudicating Officer vide the said Order under Section 15D of the SEBI Act shall be paid jointly and severally by the aforesaid Noticees along with the Saradha Realty India Ltd, Mr. Sudipta Sen, Mr. Hemata Pradhan and Mr. Monoj Kumar Nagel.*

- *The penalty imposed above shall be paid by the aforesaid Noticees to SEBI, within a period of 45 days from the date of receipt of this Order, by way of a Demand Draft drawn in favour of "SEBI – Penalties Remittable to Government of India" and payable at Mumbai.*

6. The Noticees shall forward the said Demand Draft or the details/ confirmation of penalty so paid through e-payment to the *Chief General Manager - Enforcement Department, Securities and Exchange Board of India, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.* The Format for forwarding details / confirmations of e-payments made to SEBI shall be in the form as provided at Annexure A of Press Release No. 131/2016 dated August 09, 2016 shown at the SEBI Website which is produced as under:

1. Case Name	
2. Name of Payee:	
3. Date of payment:	
4. Amount Paid:	
5. Transaction No:	
6. Bank Details in which payment is made:	
7. Payment is made for: *(like penalties/ disgorgement/ recovery/ Settlement amount and legal charges along with order details)*	

Place: Mumbai
Date: January 11, 2017

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA