WTM/GM/EFD/38/2017-18

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11(1), 11(4), 11A and 11B of Securities and Exchange Board of India Act, 1992 read with Securities and Exchange Board of India (ICDR) Regulations, 2009, in respect of Interim Orders cum show cause notices dated May 25, 2015 and May 29, 2015 in the matter of Amazan Capital Limited (ACL).

In respect of:

Sr. No.	Noticees	PAN	DIN/CIN
	Company		
1.	**Amazan Capital Limited**	**AABCT0574G**	**U67190WB1995PLC074186**
	Promoters / Directors		
2.	**Joydeb Garai**	**AEPPG8484F**	**02626788**
3.	**Basudeb Garai**	**AGNPG3984G**	**02652917**
4.	**Gargi Biswas**	**BMEPB2162H**	**02626808**
5.	**Parag Keshar Bhattacharjee**	**ACWPB8279J**	**00081899**
6.	**Manigrib Bag**	**AIAPB0966A**	**03525192**
7.	**Dillip Kumar Gangopadhyay**	**ADXPG0369E**	**03525194**

The aforesaid entities are hereinafter referred to by their respective names/noticee serial numbers or collectively as "the Noticees".

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1. SEBI passed two interim orders cum show cause notices dated May 25, 2015 and May 29, 2015 ("**interim orders**") in respect of the above Noticees, each dealing separately with violation in respect of equity shares and preference shares. The noticee company was *prima facie* found to have offered and allotted equity shares and preference shares in contravention of the first proviso to section 67(3) of the Companies Act,1956 thereby making them liable for not having complied with

sections 73, 60 and 56 of the Companies Act, 1956 and regulations 4(2), 5, 6, 7, 25, 26, 36, 37, 46, 47, 57 and 59 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2. Prior to the passing of interim orders, a letter dated September 24, 2012 was sent to the noticee company, seeking *inter alia* information regarding mobilization of funds. As per the reply submitted by the company and the information available on MCA 21 portal, the details of the issue and allotment of the equity shares and preference shares by the noticee company (hereinafter collectively referred to as "***the offer and allotment of equity shares and preference shares***") are as follows:

TABLE 1

Year	Date of allotment	Type of Security	No of equity shares	No. of allottees	Total Amount (Rs)
2010-11	31/12/2010	Equity shares of Rs. 10 at premium of Rs. 90/-	2,21,490	478	2.21 Cr
2011-12	20/02/2012	Equity shares of Rs. 10/-	16,92,620	49	1.69 Cr
	22/02/2012	Equity shares of Rs. 10/-	2,50,500	49	0.25 Cr
	24/02/2012	Equity shares of Rs. 10	4,14,100	49	0.41 Cr
	27/02/2012	Equity shares of Rs. 10	8,74,500	49	0.87 Cr
	28/02/2012	Equity shares of Rs. 10	4,05,500	49	0.4 Cr
	29/02/2012	Equity shares of Rs. 10	1,28,500	30	0.13 Cr
	01/03/2012	Equity shares of Rs. 10	9,98,500	49	1 Cr
	05/03/2012	Equity shares of Rs. 10	5,44,500	49	0.54 Cr
	07/03/2012	Equity shares of Rs. 10	1,98,900	20	0 .19 Cr
Total in the year 2011-12			**5507620**	**393**	**5.49 Cr**
Grand Total			**5729110**	**871**	**7.7 Cr**

TABLE 2

Type of Securities	Year	No. of persons to whom preference shares were allotted	Total Amount (in Crores)
Redeemable Preference Shares	2010—11	6220	6.53
	2011—12	1	0.33
Total		**6221**	**6.86**

3. Based on the preliminary enquiry, SEBI vide interim orders cum show cause notices dated May 25, 2015 and May 29, 2015 *inter alia* issued the following directions against ACL and its then promoter/Directors:-

> *"(a) are restrained from mobilizing funds through the issue of securities to the public, and/ or invite subscription from the public, in any manner whatsoever, either directly or indirectly or through other companies in which they are directors/promoters, till further directions.*
>
> *(b) 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 or through other companies in which they are directors/promoters, till further directions.*
>
> *(c) shall not dispose of any of the properties or alienate the assets of the Company or dispose off any of their properties or alienate their assets.*
>
> *(d) shall not divert any funds raised from public at large through the issuance of the impugned equity shares or redeemable preference shares, kept in its bank accounts and/or in the custody of the company without prior permission of SEBI until further orders.*
>
> *(e) are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, till further directions. (f) are directed to provide to SEBI, within twenty one days from the receipt of this order, 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 and details of companies in which the above said directors and promoters of the company hold substantial or controlling interest."*

4. The interim orders were delivered to all the noticees by way of emails and newspaper publication. However, none of the noticees except Parag Keshar Bhattacharjee, Dilip Kumar Gangopadhyay and Manigrib Bag, filed replies to the interim orders. Parag Keshar Bhattacharjee, Dilip Kumar Gangopadhyay and Manigrib Bag filed similar replies dated February 22, 2016; January 22, 2016 and February 01, 2016 respectively in response to both the interim orders covered in this order and the gist of their replies is as follows :-
   1) ACL approached them to accept directorship in their board and they were inducted as independent directors with effect from April 1, 2011.
   2) They were associated with ACL for a period of one and half years.
   3) The three independent directors have not received any sitting fees or commission from the company.

4) The first allotment of equity shares was on December 31, 2012 i.e. before their joining the company.
5) Between February 20, 2012 to March 7, 2012 allotment was made to 393 allottees. The company did not put up any Memorandum to the board before or after the second tranche of issues took place or prior or post facto approval.
6) It is impossible for independent directors to acquire a first-hand knowledge of the company's actual and authentic schedule of fund raising operations unless the mechanism of the board process had been used and observed.
7) They have also relied upon the General Circular no. 08/2011 dated March 25, 2011 of Ministry of Corporate Affairs which lays down that no independent directors shall be held liable for any act of omission or commission by the company or by any officers of the company which constitute a breach of violation of any provision of the Company's Act 1956 and which occurred without the knowledge attributable through the board process and without his consent or connivance or where he has acted diligently in the board process.
8) The company failed to bring the issue before the board and hence the independent directors cannot be held liable for any breach committed.
9) As the matter never came up for consideration of the board, the independent directors did not have any opportunity to even become aware of the issues let alone examining the same critically. I wonder whether this aspect also got adequate attention of SEBI before firming up their decision against the Independent Directors in the instant case.

5. Even though the company and its other remaining directors failed to respond to the interim order, an opportunity of personal hearing was granted to all of them in order to comply with the principles of natural justice. The hearing notices were served to the noticee nos. 1 to 4 by affixture. Thereafter, SEBI caused a publication on February 11, 2017 through Times of India and Anandabazar Patrika, two local dailies, one in English and one in vernacular language respectively regarding the personal hearing scheduled on February 21, 2017 at SEBI, Kolkata, for noticee nos. 1 to 4. However noticee nos. 1 to 4 failed to appear for the personal hearing, even after the paper publication. Further noticee nos. 1 to 4 failed to submit any reply nor did they seek any extension of time. In view of the same, I am convinced that sufficient opportunities have been granted to the noticee nos. 1 to 4 and they are not keen to avail any opportunity of hearing in this regard. I further note that the noticee nos. 1 to 4 have not even filed any written reply/submission to the

interim orders cum show cause notices. In view of these facts and circumstances, as regards the Noticee nos. 1-4, I deem it appropriate to decide the matter ex-*parte* on the basis of material available on record.

6. Noticee nos. 5 to 7, namely Parag Keshar Bhattacharjee, Dilip Kumar Gangopadhyay and Manigrib Bag appeared for hearing on February 21, 2017 at SEBI, Kolkata and made the following submissions:

    - Parag K. Bhattacharjee, submitted that he is a retired banker (Former Dy. Managing Director and CFO of SBI) and he joined Amazan Capital Limited as an Independent Director on April 1, 2011.
    - Similarly Dilip K Gangopadhyay, submitted that he is a retired bureaucrat (Former Chief Secretary, Meghalaya and Insurance Ombudsman for West Bengal, Bihar & Jharkhand) and he also joined Amazan Capital Limited as an Independent Director on April 1, 2011.
    - Manigrib Bag, submitted that he is working as an Associate Professor from 2001, presently associated with Calcutta University and he has also joined Amazan Capital Limited as an Independent Director on April 1, 2011.
    - They submitted that Gautam Bag, a senior bureaucrat and father of Manigrib Bag introduced the company as a promising company to Dilip K Gangopadhyay. Dilip K Gangopadhyay & Parag K. Bhattacharjee were residing in the same locality (Saltlake, Kolkatta) and therefore Dilip K Gangopadhyay introduced the company to Parag K. Bhattacharjee.
    - They submitted that no formal appointment letter was given to them. They were approached by Joydeb Garai, who was the Promoter Director of the company regarding joining the company as Independent Directors. They submitted that all of them attended 2-3 Board meetings, which were not structured (no board agenda circulated) and no board minutes were signed by them. During their tenure, no annual balance sheet was placed in the Board meeting for consideration or approval. They further submitted that an amount of approximately Rs. 8 crore was lying in the preferential share account of the company. They submitted that even after repeated request to Mr. Joydeb Garai, for document pertaining to RBI and SEBI permission for Mutual fund and other business activities, the same was not given to them. Therefore, all three decided to resign from the company. Mr. Dilip Kumar Gangopadhyay and Mr. Manigrib Bag resigned on August 31, 2012 and Mr. Parag Keshar Bhattacharjee, resigned on September 3, 2012.
    - On a question regarding different dates of resignation as reflected in the MCA portal, they submitted that the company had forged their signatures and they have made a complaint to RoC and SEBI regarding forged signature on noticing the difference.

- They have also submitted that apart from them, all other directors in the company were shareholder directors and executive directors. They further requested that the same submissions may be adopted for both the matters pertaining to them.

7. Post the personal hearing, it was seen from the records that Parag Keshar Bhattacharjee had signed the annual report, containing the directors' report and balance sheet etc. for the financial year 2010-11 as chairman and independent director of the company. Further the three independent directors were shown as part of important committees of the company in the annual report. In the light of these documents, Noticees 5-7 were asked to clarify their position. A common reply dated July 22, 2017, was received on behalf of Noticees 5-7 and the same is extracted below:

"None of the Independent Directors (IDs) were holding any important executive position of the Company (Amazan Capital Ltd.) except functioning as members of its Board.

The papers received by us from you are possibly the part of the 'Directors Report' which was cleared in the Company's Board –meeting held on a date around 25th June, 2011 for approving the Company's financial statements for the year ended 31st March 2011. It may be mentioned in this connection that the Company did not have an official designated as "Chairman". In such a situation, according to the normal practice one of the attending members of the Board is elected as "Chairman of the meeting" for that day. The members picked up "Parag Keshar Bhatacharjee" one of the ID's by virtue of the seniority of age and he was requested to conduct the proceedings as Chairman. Consequently the Directors' Report for the year , the balance sheet , profit and loss a/cs and cash-flow statements were signed by him along with 'Managing Director' and 'wholetime Director' who were holding executive positions in the Company. The page containing financial ratios was signed by the concerned Chartered Accountants who audited the accounts, the Managing Director and whole-time Director of the Company. No other IDs were required to sign any of these documents.
The sub-headings given in the 'Directors' Report' will reveal that mostly the ex post financial results and other important changes effected in the Company's set up in the areas of "Board Committees", operational details like 'Loans and Advances', 'Share Capital', 'Public deposits attracted', 'Human Resources', were collated for information of the Share-holders. These are all customary matters and signing of a document containing these does not signify anything special in this regard.

However, during the course of discussions in the above meeting the executives were reminded to submit the detailed note about the resources raising operations of the Company for the Board's approval. This remained undone till the termination of the ID's association with the Company upto 31st August 2012/ 3rd September 2012 when they submitted their resignations from the directorship of the Company. During this period no meeting of the Board Committees set up were also held by the Company despite the ID's effective follow-up on one pretext or the other."

8. Considering the facts and circumstances of the case, it is to be determined whether the noticee company offered and allotted equity shares and preference shares in contravention of the first proviso to section 67(3) of the Companies Act, 1956. Section 67 of the Companies Act, 1956 deals with the conditions or circumstances under which an offer of shares/debentures by a company would be construed as one made to the public. Extracts of the relevant provisions of section 67 of the Companies Act, 1956, dealing with offer of shares or debentures to the public, are reproduced as under:

> ***"Construction of reference to offering shares or debentures to the public, etc.***
> ***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) Any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.*
> *(3) No offer or invitation shall be treated as made to the public by virtue of sub- section (1) or sub- section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-*
> *(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or*
> *(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation.*
> ***Provided*** *that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:*
> ***Provided further*** *that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956)."*

9. From the above, it will follow that such a public issue makes it imperative for the noticee company to comply with the mandate of sections 73, 60 and 56 of the Companies Act, 1956 and regulations 4(2), 5, 6, 7, 25, 26, 36, 37, 46, 47, 57 and 59 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, none of which have been complied with by the noticees. Since the aforesaid legal provisions and relevant case law have already been discussed in detail in the interim orders, for the sake of brevity, I do not find it necessary to discuss the same in this final order against the noticees. It would suffice to state that the aforesaid legal provisions and case law discussed in the said interim orders would be automatically applicable since it is found that the offer and allotment of equity shares by the noticee company qualifies to be an offer made to the public. For the sake of determining consequential measures, I draw reference to section 73 (1) & (2) of the Companies Act, 1956, extracts of which are reproduced as under:

"Allotment of shares and debentures to be dealt in on stock exchange.

73. *(1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.*

(1A) ...

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

...."

10. In terms of the first proviso to section 67(3), an offer of shares or debentures made to fifty persons or more would be deemed to be an offer made to the public. I note from the records available on the MCA portal *(and reproduced in Tables 1 and 2 on page 2 of this order)* that the noticee company has certainly exceeded the limit of 49 persons and this has not been rebutted on merit by any of the noticees. Considering the available information on MCA21 portal, replies of the noticees during preliminary examination and other records available with the Board, I do not find any reason to differ with the conclusions arrived at in the interim orders. In view of the above, I primarily confirm the *prima facie* view in the interim orders that the offer and allotment of equity /preference shares made by the noticee company qualifies to be construed as an offer made to the public in terms of section 67(3) of the Companies Act, 1956.

11. In terms of Section 73(2) of the Companies Act, 1956, the company and "every director who is an officer in default" is jointly and severally liable for repayment of the money raised in breach of provisions of section 73(1). In this context, I feel it relevant to consider the question as to whether a person in the board of directors falls within the category of "officer-in-default" automatically, by virtue of the definition contained in section 5 of the Companies Act, 1956. The expression "officer in default" is defined in Section 5 of the Companies Act, 1956 which lists the following persons as such:

"*5. MEANING OF "OFFICER WHO IS IN DEFAULT"*

For the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any punishment or penalty, whether by way of imprisonment, fine or otherwise, the expression "officer who is in default" means all the following officers of the company, namely:

(a) the managing director or managing directors ;

(b) the whole-time director or whole-time directors ;

(c) the manager ;

(d) the secretary ;

(e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act ;

f) any person charged by the Board with the responsibility of complying with that provision : Provided that the person so charged has given his consent in this behalf to the Board ;

(g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors :

Provided that where the Board exercises any power under clause (f) or clause (g), it shall, within thirty days of the exercise of such powers, file with the Registrar a return in the prescribed form."

12. The expression 'independent directors' does not find a specific mention in the definition of "officer in default" as provided under Section 5 of the Companies Act, 1956. However, on a broader perspective, an independent director can qualify to be within clauses (f) or (g) of the definition of "officer in default" provided under Section 5, depending on the circumstances such as whether the company has a managing/whole time director or whether he has been charged by the board with certain specific responsibility etc. In this connection, I note that there are a number of judicial pronouncements on the liability of directors including K.K *Ahuja vs. V.K Vora* (2009) 10 SCC 48*; National Small Industries … vs. Harmeet Singh Paintal* (2010) 3 SCC 330 *and S.M.S. Pharmaceuticals Ltd. vs. Neeta Bhalla and Anr* (2005) 8 SCC 89 generally upholding the position that the liability of any director in a company is restricted to actions of omission or commission committed by the company which had taken place with the knowledge and consent, whether explicit or implied, of such director. The array of judicial pronouncements emphasise the need to examine the role and conduct of the directors before fixing the liability on them in respect of any violation committed by the company. I, therefore, am of the view that the broad principle that the

liability of a director should flow out of knowledge and consent or connivance in the alleged act is apt to be applied in these situations, to test their liability.

13. I have taken into consideration the interim orders and the replies/submissions of the Noticee nos. 5-7 along with other material available on record. It is noted from the interim orders that the three independent directors of the company, accepted the directorship of the company after the allotment of 2,21,490 equity shares to 478 allottees worth Rs. 2.21 crore and allotment to 6,220 allottees of preference shares worth Rs. 6.53 crore in the financial year 2010-11, as they joined the company only on April 1, 2011. During the financial year 2011-12 i.e. during the relevant period, company allotted 55,07,620 equity shares to 393 allottees worth Rs. 5.49 crore and only one preferential allottee was given preference shares worth 33 lakhs. In the instant matter, the three independent directors during the personal hearing had submitted that they had no connection with the company or its promoters and they felt that the company and executive director and promoter approached them for joining the board of the company considering the eminent positions held by them in their service career. I find that during the personal hearing, the three independent directors have contended that they have repeatedly raised the issue of documents pertaining to permissions from RBI and SEBI for Mutual fund and other business activities which were denied to them and in view of the same all of them had resigned from the company. In this backdrop, it is relevant to note the fact that the company and its executive directors chose not to appear in the proceedings.

14. As regards the fact that Parag Keshar Bhattacharjee had signed the annual report, containing the directors' report and balance sheet etc. for the financial year 2010-11 as chairman and independent director of the company, I have perused the response of the aforesaid three directors. I note that the documents signed by Shri Parag Keshar Bhattacharjee is for the financial year 2010-11 i.e. for a period prior to their appointment as a director. Moreover, the balance sheet was co-signed by an executive director and chartered accountant along with Parag Keshar Bhattacharjee. Likewise, the annual report was signed by two executive directors of the company along with Parag Keshar Bhattacharjee. I have further taken into consideration the personal profiles of these directors such as their age, previous occupation and the present status etc. I observe that they are persons who had joined the company together on the same date i.e. April 1, 2011. They also resigned together at more or less the same period. There is nothing to show that they had any connection with the company, pecuniary or otherwise, besides having participated in a couple of board meetings.

Further, the records do not show that these directors have been associated with the decision of the company to mobilise money from the public through issuance of equity and preference shares by the company, in the year ending March 2011. None of the said directors were whole time directors or associated with the day-to-day affairs of the company. From the submissions of the three independent directors, it is apparent that the company was not being directed to run its business according to their decisions. I am of the opinion that persons who cannot direct the decisions of the company and not engaged with the company on a whole time basis cannot be made liable for the violations done by the company in the past merely because they are inducted in the board as 'independent directors'.

15. I find that sufficient material is not there on record to establish that the three independent directors had played a role, directly or indirectly, in the alleged fund mobilization by the company. Keeping in mind the underlying legal principle in the abovementioned judicial pronouncements and in the absence of sufficient material to the contrary, I am compelled to accept the arguments given by the three independent directors. Taking into account all the above factors, I do not deem it fit to continue with the directions passed in the interim orders dated May 25, 2015 and May 29, 2015 against the Noticee Nos. 5-7, namely Parag Keshar Bhattacharjee, Dilip Kumar Gangopadhyay and Manigrib Bag. However, the company and its other directors (Noticee Nos. 1-4) are jointly and severally liabile and are responsible for the aforesaid violations as alleged in the interim orders and as confirmed in para 10 hereinabove.

16. In view of the above, the other directors of the noticee company namely, Joydeb Garai , Basudeb Garai and Gargi Biswas are jointly and severally liable along with the noticee company, in terms of section 73(2) of the Companies Act, 1956, to make refund of monies raised by way of the offer and allotment of equity shares and preference shares.

DIRECTIONS

17. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B of the SEBI Act, 1992 thereof read with regulations 107 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, hereby issue, with immediate effect, the following directions:-

    i. Amazan Capital Limited (PAN: AABCT0574G; CIN: U67190WB1995PLC074186) and its

Directors namely, Joydeb Garai (PAN: AEPPG8484F; DIN: 02626788) , Basudeb Garai (PAN: AGNPG3984G; DIN: 02652917) and Gargi Biswas (PAN: BMEPB2162H; DIN: 02626808) shall jointly and severally refund the money collected , with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment) within a period of 90 days from the date of receipt of this Order;

ii. The refund as directed hereinabove shall be made through banking channels such as demand draft or electronic mode of transfer and a trail of such refunds shall be maintained by the Noticee Nos. 1-4 for verification, if necessitated at a later date;

iii. Noticee Nos. 1-4 shall issue a public notice, in all editions of one English national daily and one vernacular daily with wide circulation, detailing the modalities for refund, including details of contact persons like names, addresses and contact details, within fifteen days of this order;

iv. In continuation of the directions of the interim orders dated May 25, 2015 and May 29, 2015, the Noticee Nos. 1-4 shall not alienate the properties acquired out of the money collected by allotting equity shares and preference shares except for the sole purpose of making refund/ repayment to the allottees;

v. Within seven days of completion of refund as directed hereinabove, the Noticee Nos. 1-4 shall file a certificate of such completion with SEBI from two independent Chartered Accountants after proper verification of the details of such refunds from records including bank accounts of the Noticee Nos. 1-4 and after being satisfied that the refund has actually been made.

vi. The Noticee Nos. 1- 4 are hereby–

(a) restrained from accessing the securities market;

(b) prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly; and

(c) restrained from associating themselves, with any listed public company or any public company which intends to raise money from the public.

All the above restrictions will continue to be in force for a period of 4 years commencing from the date of interim order or till the repayment as directed above is effected, whichever is later.

18. All the directions against Noticee Nos. 5-7, namely Parag Keshar Bhattacharjee, Dilip Kumar Gangopadhyay and Manigrib Bag, contained in the interim orders dated May 25, 2015 and May 29, 2015 shall stand vacated.

19. In the event of the Noticee Nos. 1-4 failing to comply with the directions of refund stated in para 11 above, SEBI shall initiate recovery proceedings in accordance with the provisions of the SEBI Act, 1992. This Order is without prejudice to any other action that SEBI may initiate under securities laws, as deemed appropriate.

20. Copy of this Order shall be forwarded to the recognized stock exchanges and depositories for information and necessary action. A copy of this Order may also be forwarded to MCA/concerned RoC for their information and necessary action with respect to the directions imposed on company and directors.

Date: August 03, 2017
Place: Mumbai

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA