

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Date of decision: 28/04/2016

Appeal No.76 of 2016

1. Mondal Construction Company Limited
a Company incorporated under the
provisions of the companies Act, 1956
and having its Registered Office at
Uttarayan, Station Road,
Chinsurah Dist. Hooghly, Pin 712 102.
West Bengal.
2. Shri Samarjit Mondal
3. Shri Swapan Kumaar Mondal
4. Shri Sachi Dulal Mondal
5. Shri Sanjiv Jain
6. Shri Indranil Chattopadhyay
(being the Directors of
Mondal Construction Company Limited) ... Appellants

Versus

Securities and Exchange Board of India
having its registered office at
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Sagar Divekar a/w Mani Patel, Advocates i/b M.M. Patel & Co. for the
Appellants.

Mr. Kevic Setalvad, Senior Advocate a/w Mr. Tomu Francis, Advocates for
the Respondent.

CORAM : Justice J.P. Devadhar, Presiding Officer
Dr. C.K.G. Nair, Member

Per : Justice J.P. Devadhar (Oral)

1. Appellants are aggrieved by the order passed by the Whole Time
Member (“WTM” for short) of Securities and Exchange Board of India

("SEBI" for short) on 15th January, 2016. By the said order, appellants are directed to refund the monies collected by the appellant No.1-Company through issuance of Redeemable Preference Shares ("RPS" for short) with 15% interest per annum compounded at half yearly intervals from the date when the repayments became due.

2. It is the case of the appellants that the total amount collected by appellant No.1 under the RPS was Rs.2,51,94,100 and out of the said amount the appellants had already refunded Rs.2,43,81,600 to the RPS holders prior to the impugned order dated 15th January, 2016. It is further submitted that since the balance RPS holders are not coming forward to receive the balance amount of Rs.8,12,500, the appellants are willing to deposit the balance amount of Rs.8,12,500 with SEBI. Counsel for appellants submitted that the appellants would comply with conditions set out in para 11.1(e)&(f) of the impugned order within a period of three weeks from today and submitted that the interest liability @ 15% be restricted to the unpaid amount of Rs.8,12,500 which amount the appellants are willing to deposit with SEBI.

3. In these circumstances, we pass the following order:-

- (a) Appellants are directed to deposit Rs.8,12,500 with SEBI within a period of one week from today.
- (b) Appellants are directed to comply with the conditions set out at para 11.1(e)&(f) of the impugned order within a period of three weeks from today.
- (c) If appellants comply with conditions set out in para 11.1(e)&(f) of the impugned order within a period of three weeks from today, then, SEBI within a period of three weeks thereafter shall

ascertain as to whether the appellants are justified in contending that Rs.2,51,94,100 has already been repaid to the concerned RPS holders and also determine the rate and quantum of interest amount payable by the appellants after taking into consideration the amount already repaid to the RPS holders in full and final settlement of their claim.

- (d) If SEBI is satisfied that Rs.2,51,94,100 has already been repaid to the RPS holders, then subject to the appellants depositing the amount of Rs.8,12,500 within one week from today and the interest amount that may be quantified by SEBI within such time as is permitted by SEBI, the impugned order shall stand complied with.
- e) If SEBI finds that the amount of Rs.2,51,94,100 has not been repaid to the concerned RPS holders then, the impugned order shall stand revived and SEBI shall be entitled to enforce the same in accordance with law.

4. Appeal is disposed of in the above terms with no order as to costs.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Dr. C.K.G. Nair
Member

28/04/2016
Prepared & compared by-ddg