

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

ORDER

Under Sections 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, in the matter of M/s Just-Reliable Projects India Limited (CIN-U45400WB2009PLC140276; PAN-AACCJ2827P) and its Directors viz. Shri Swarup Dutta (DIN-02498000; PAN-AGWPD2748J), Shri Sumanta Gorai (DIN-02946871; PAN-AGMPG1547N), Shri Susanta Ghosh (DIN-05185974; PAN-AEXPG6206P), Shri Sukanta Dutta (DIN-05235908; PAN-AKEPD8763F), Shri Koushik Bej (DIN-05236482; PAN-APSPB6232N), Shri Najib Seikh (DIN-05241253; PAN-AYLPS8955R), Shri Anjan Jana (DIN-05247414; PAN-AHRPJ8186A), Shri Kanwal Prakash Singh (DIN-02869631; PAN-BVPPS9888H), Shri Gajendra Pal Singh (DIN-02869599; PAN-BESPS7926C), Shri Sandip Dutta (DIN-02647739; PAN-AFVPD8603A), Shri Virendra Kumar (DIN-02487133; PAN-AJUPK8288M) and Shri Niladri Chakraborty (DIN-02946893; PAN-AEZPC3674D).

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1. Securities and Exchange Board of India ("SEBI") received a complaint against M/s Just-Reliable Projects India Limited ("JRPIL") alleging discrepancy in the repayment amount in respect of Redeemable Preference Shares ("RPS") issued by JRPIL.
 2. In order to ascertain the nature of fund mobilizing activity of JRPIL, SEBI vide letter dated November 01, 2013 asked JRPIL to furnish the following information/documents in respect of issuance of shares/debentures/other schemes, within 15 days from the date of receipt of aforesaid letter, viz.-
 - i. Copy of the Memorandum and Articles of Association of the company;
 - ii. Copy of audited annual accounts of the company for last 3 years;
 - iii. Name, addresses and occupation of all the promoters/directors of the company;
 - iv. Names and details of the Key Managerial Personnel of the company;
 - v. Other information in respect of issue of shares/debentures issued by the company, viz. –

- a. *Copy of Prospectus/Red Herring Prospectus/Statement in lieu of Prospectus/Information Memorandum filed with RoC for issuance of shares/debentures;*
- b. *Date of opening and closing of the subscription list for the said shares/debentures;*
- c. *Details regarding the number of application forms circulated inviting subscription for shares/debentures;*
- d. *Details regarding the number of applications received;*
- e. *Details regarding the number of allottees and list of such allottees;*
- f. *Number of shares/debentures allotted and value of such allotment against each allottee's name.*
- g. *Details regarding subscription amount raised;*
- h. *Date of allotment of the shares/debentures ;*
- i. *Copies of the minutes of Board/Committee meeting in which the resolution has been passed for allotment;*
- j. *Date of dispatch of debenture/ share certificates, etc.;*
- k. *Details of the total number of applicants for each of its scheme besides the list of final allottees;*
- l. *Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of shares/debentures;*
- m. *Terms and conditions of the issue of shares/debentures;*
- n. *Whether the company has applied for listing of its securities with any of the stock exchanges;*
- o. *Copy of Form 2 and Form 10 filed with the RoC;*
- p. *Details of debenture trustee viz. name , address, board resolution authorizing their appointment, etc.*
- vi. *Other information in respect of schemes launched for raising funds by the company;*

3. SEBI, vide letter dated November 01, 2013, also sought the following information/documents from Registrar of Companies, Kolkata ("RoC"):

- i. *Copy of Prospectus/Red Herring Prospectus/Statement in lieu of Prospectus/Information Memorandum filed with "RoC" for issuance of shares/debentures.*
- ii. *Copy of the Memorandum and Articles of Association of the company;*
- iii. *Copy of Audited Balance Sheet and Profit and Loss Account of the for the last 3 years;*
- iv. *Name, addresses and occupation of all the promoters/ directors of the company;*
- v. *Names and details of the Key Managerial Personnel of the company;*
- vi. *Other information in respect of every class of shares issued by the company, viz. –*
 - a. *Copy of Form 2 and Form 10 filed by the company;*
 - b. *Date of opening and closing of the subscription list for the said securities;*
 - c. *Details regarding the number of application forms circulated inviting subscription for shares;*
 - d. *Details regarding the number of applications received;*
 - e. *Details regarding total number of allottees and list of such allottees;*

- f. Number of shares allotted and value of such allotment against each allottee's name.*
 - g. Details regarding subscription amount raised;*
 - h. Date of allotment of the securities issued;*
 - i. Copies of the minutes of Board/Committee meeting in which the resolution has been passed for allotment;*
 - j. Date of dispatch of share certificates, etc.;*
 - k. Whether the company has submitted any details of the total number of applicants for each of its scheme besides the list of final allottees;*
 - l. Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of said securities;*
 - m. Terms and conditions of the issue of shares;*
4. As no reply was received, SEBI vide letter dated November 28, 2013 once again sought information/documents in respect of mobilization of funds from JRPIL. However, the said letter was returned undelivered.
5. Subsequently, SEBI, vide letters each dated January 30, 2014, once again sought the aforementioned information from the seven Directors of JRPIL. However, five of the letters returned undelivered and as on date, neither JRPIL nor its Directors have submitted the information/documents sought vide the abovementioned letters of SEBI.
6. The material available on record such as the complaint received by SEBI and information obtained from the 'MCA 21 Portal' have been perused. On an examination of the said documents/information, it is observed as under:
- a. JRPIL was incorporated on December 16, 2009 with RoC, Kolkata with CIN U45400WB2009PLC140276. Its registered office is at C-19, Uday Shankar Bithi, City Centre, Durgapur, West Bengal - 713216.
 - b. The present Directors of JRPIL are Shri Swarup Dutta (DIN-02498000; PAN-AGWPD2748J), Shri Sumanta Gorai (DIN- 02946871;PAN-AGMPG1547N), Shri Susanta Ghosh (DIN-05185974;PAN-AEXPG6206P), Shri Sukanta Dutta (DIN-05235908; PAN-AKEPD8763F), Shri Koushik Bej (DIN-05236482;PAN-

APSPB6232N), Shri Najib Seikh (DIN-05241253;PAN-AYLPS8955R) and Shri Anjan Jana (DIN-05247414;PAN-AHRPJ8186A).

- c. Details obtained from 'MCA21 portal' indicate that Shri Kanwal Prakash Singh (DIN-02869631; PAN-BVPPS9888H), Shri Gajendra Pal Singh (DIN-02869599; PAN-BESPS7926C), Shri Sandip Dutta (DIN-02647739; PAN-AFVPD8603A), Shri Virendra Kumar (DIN-02487133; PAN-AJUPK8288M) and Shri Niladri Chakraborty (DIN-02946893; PAN-AEZPC3674D), who were earlier Directors in JRPIL, have since resigned.
- d. The details of allotment made by issue of RPS ("*issue of RPS*") such as number of allottees and amount raised etc. as noted from Form 2 (Form for Return of Allotment) obtained from 'MCA21 portal' are as under:

2010-11			2011-12			2012-13		
Date of allotment	Total amt ₹	No of allottees	Date of allotment	Total amt ₹	No of allottees	Date of allotment	Total amt ₹	No of allottees
29/05/2010	40,000.00	5	31/05/2011	3,78,900.00	31	10/04/2012	20,13,000.00	47
24/06/2010	54,000.00	6	28/06/2011	3,74,000.00	40	26/04/2012	4,12,500.00	43
31/07/2010	8,05,000.00	24	29/07/2011	2,87,500.00	32	30/04/2012	5,50,000.00	27
16/08/2010	2,40,000.00	4	02/09/2011	5,47,500.00	46	20/05/2012	52,91,000.00	47
31/08/2010	3,87,000.00	16	05/09/2011	47,000.00	47	26/05/2012	4,39,000.00	42
01/10/2010	8,72,000.00	23	12/09/2011	44,000.00	44	28/05/2012	8,07,900.00	48
31/10/2010	9,57,000.00	23	17/09/2011	5,17,100.00	44	29/05/2012	5,34,200.00	49
30/11/2010	15,85,000.00	29	24/09/2011	2,61,000.00	48	30/05/2012	3,75,000.00	28
31/12/2010	20,11,000.00	49	05/10/2011	48,06,000.00	47	20/06/2012	58,54,500.00	48
31/01/2011	10,53,000.00	48	25/11/2011	19,20,000.00	44	26/06/2012	13,80,300.00	46
26/02/2011	11,62,000.00	40	20/12/2011	29,64,000.00	43	27/06/2012	10,63,500.00	48
28/02/2011	1,87,700.00	20	26/12/2011	5,03,000.00	26	27/06/2012	10,63,500.00	48
28/03/2011	5,72,000.00	45	31/12/2011	2,77,500.00	31	28/06/2012	9,85,500.00	48
			20/01/2012	13,80,500.00	35	29/06/2012	7,55,400.00	49
			27/01/2012	4,95,500.00	38	30/06/2012	30,000.00	Not clear
			31/01/2012	5,87,500.00	38	18/07/2012	39,49,000.00	48
			21/02/2012	35,46,500.00	47	20/07/2012	10,67,000.00	48
			24/02/2012	4,56,300.00	48	22/07/2012	9,20,800.00	48
			27/02/2012	6,62,000.00	19	24/07/2012	47,22,000.00	Not clear

2010-11			2011-12			2012-13		
Date of allotment	Total amt ₹	No of allottees	Date of allotment	Total amt ₹	No of allottees	Date of allotment	Total amt ₹	No of allottees
			28/02/2012	6,12,000.00	37	26/07/2012	20,40,000.00	48
			20/03/2012	2,54,500.00	10	26/07/2012	15,90,000.00	48
			28/03/2012	4,82,100.00	45	28/07/2012	18,79,400.00	49
			29/03/2012	7,52,200.00	47	16/08/2012	47,67,000.00	49
			30/03/2012	7,52,200.00	47	17/08/2012	32,26,500.00	47
			31/03/2012	4,13,000.00	45	18/08/2012	6,87,500.00	45
			31/03/2012	27,62,200.00	45	20/08/2012	6,56,500.00	35
			31/03/2012	27,62,200.00	45	22/08/2012	5,08,000.00	26
			31/03/2012	27,62,200.00	45	29/09/2012	11,93,700.00	48
						29/09/2012	7,68,700.00	47
						29/09/2012	13,66,200.00	40
						29/09/2012	4,16,000.00	18
						29/09/2012	4,16,000.00	18
						08/10/2012	4,18,000.00	46
						15/10/2012	7,73,800.00	44
						22/10/2012	5,18,100.00	44
						30/10/2012	15,41,500.00	41
						30/10/2012	15,41,500.00	41
						05/11/2012	4,55,000.00	44
						12/11/2012	7,19,900.00	42
						19/11/2012	5,54,000.00	44
						22/11/2012	4,40,000.00	45
						28/11/2012	1,64,800.00	25
						30/11/2012	24,99,000.00	36
						30/11/2012	24,99,000.00	36
						15/12/2012	19,68,000.00	44
						15/12/2012	19,68,000.00	44
						17/12/2012	16,90,000.00	45
						18/12/2012	6,82,200.00	46
						24/12/2012	9,81,200.00	45
						28/12/2012	4,47,300.00	24
						12/01/2013	5,69,000.00	48
						12/01/2013	5,69,000.00	48
	99,25,700.00	332		3,16,08,400.00	1114		7,27,28,900.00	*2112
Grand Total							11,42,63,000.00	*3558

*Details in respect of certain allotments under the issue of RPS for the Financial Year 2012-13, is not clear. The number of allottees apparently amounts to at least 2112 on account of available information.

- e. As per the details of allotment mentioned above, JRPIL had issued RPS to 3558 persons and raised an amount of Rs.11,42,63,000/- during the financial years 2010-11, 2011-12 and 2012-13.
7. In the context of the abovementioned details, the issue for determination in the instant matter is whether the mobilization of funds by JRPIL through the *issue of RPS*, is in accordance with the provisions of the SEBI Act, 1992 ("SEBI Act"); the Companies Act, 1956 read with the Companies Act, 2013.
8. I note that the jurisdiction of SEBI over various provisions of the Companies Act in the case of public companies, when they issue and transfer securities, at the relevant point of time flows from the provisions of Section 55A of the Companies Act, 1956. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in ***Sahara India Real Estate Corporation Limited & Ors. vs. SEBI*** (Civil Appeal no. 9813 of 2011) (Judgment dated August 31, 2012) (hereinafter referred to as the "***Sahara Case***"), had observed : *"We, therefore, hold that, so far as the provisions enumerated in the opening portion of Section 55A of the Companies Act, so far as they relate to issue and transfer of securities and non-payment of dividend is concerned, SEBI has the power to administer in the case of listed public companies and in the case of those companies which intend to get their securities listed on a recognized stock exchange in India."*
9. In this regard-
- i. Reference is also made to Sections 67(1) and 67(3) of the Companies Act, 1956, which are reproduced 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) 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 invitation 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 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)."*

- ii. While examining the scope of Section 67 of the Companies Act, 1956, the Hon'ble Supreme Court of India in the *Sahara Case* observed :

"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. ..."

10. In the instant matter, for ascertaining whether the *issue of RPS* is a public issue or an issue on private placement basis in accordance with Section 67 of the Companies Act, 1956, the number of subscribers is of utmost importance.

- a) Under the *issue of RPS*, it is observed that JRPIL issued and allotted RPS to more than 49 persons in each of the financial year 2010-11, 2011-12 and 2012-13 in series of allotments and raised an amount of Rs.11,42,63,000/-from 3558 persons during these three financial years. It is also pertinent to mention that on many occasions more than one allotment was made on a single day. For instance, on 29/09/2012 there were as many as five issues. Similarly, there were four issues on 31/03/2012 and two issues on six days, viz. 27/06/2012, 26/07/2012, 30/10/2012, 30/11/2012, 15/12/2012 and 12/01/2013. The frequency of allotments and the manner in which the allotments were made by JRPIL clearly indicate that these multiple allotments were made only to circumvent the requirements of Section 67(3) of the Companies Act, 1956. These facts, when viewed in light of failure on the part of JRPIL and its Directors to submit relevant information to SEBI despite being given sufficient opportunities to do so, would *prima facie* indicate that the *issue of RPS* was a public issue of securities under the *first proviso* to Section 67(3) of the Companies Act, 1956, which has been elucidated by the Hon'ble Supreme Court of India in the *Sahara Case*.
- b) In addition, JRPIL is not stated to be a non-banking financial company or a public financial institution within the meaning of Section 4A of the Companies Act, 1956 and hence is not covered under the *second proviso* to Section 67(3) of the Companies Act, 1956.
- c) In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act read with Section 67 of the said Act, so far as it relates to issue and transfer of securities, shall also be administered by SEBI.

11. I note that -

- i. From the abovementioned, it will follow that since the *issue of RPS* is a public issue of securities, such securities shall also have to be listed on a recognized stock exchange, as mandated under Section 73 of the Companies Act, 1956. In this regard, reference is made to Sections 73 of the Companies Act, 1956, of which sub-Sections (1), (2) and (3) are relevant for the instant case, which is reproduced as under:

"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) Where a prospectus, whether issued generally or not, states that an application under sub-section (1) has been made for permission for the shares or debentures offered thereby to be dealt in one or more recognised stock exchanges, such prospectus shall state the name of the stock exchange or, as the case may be, each such stock exchange, and any allotment made on an application in pursuance of such prospectus shall, whenever made, be void, if the permission has not been granted by the stock exchange or each such stock exchange, as the case may be, before the expiry of ten weeks from the date of the closing of the subscription lists :

***Provided** that where an appeal against the decision of any recognised stock exchange refusing permission for the shares or debentures to be dealt in on that stock exchange has been preferred under section 22 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), such allotment shall not be void until the dismissal of the appeal.*

(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.

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank until the permission has been granted, or where an appeal has been preferred against the refusal to grant such permission, until the disposal of the appeal, and the money standing in such separate account shall, where the permission has not been applied for as aforesaid or has not been granted, be repaid within the time and in the manner specified in sub- section (2); and if default is made

in complying with this sub-section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees."

- ii. In the *Sahara Case*, the Hon'ble Supreme Court of India also examined Section 73 of the Companies Act, 1956, wherein it observed that –

"Section 73(1) of the Act casts an obligation on every company intending to offer shares or debentures to the public to apply on a stock exchange for listing of its securities. Such companies have no option or choice but to list their securities on a recognized stock exchange, once they invite subscription from over forty nine investors from the public. If an unlisted company expresses its intention, by conduct or otherwise, to offer its securities to the public by the issue of a prospectus, the legal obligation to make an application on a recognized stock exchange for listing starts. Sub-section (1A) of Section 73 gives indication of what are the particulars to be stated in such a prospectus. The consequences of not applying for the permission under sub-section (1) of Section 73 or not granting of permission is clearly stipulated in sub-section (3) of Section 73. Obligation to refund the amount collected from the public with interest is also mandatory as per Section 73(2) of the Act. Listing is, therefore, a legal responsibility of the company which offers securities to the public, provided offers are made to more than 50 persons."

- iii. In the facts of the instant case, since the *issue of RPS* was made to fifty persons or more by JRPIL, the same will attract the requirement of compulsory listing with a recognized stock exchange in terms of Section 73(1) of the Companies Act, 1956. It therefore, *prima facie*, appears that JRPIL has violated the provisions of Section 73(1) of the Companies Act, 1956, since it has failed to ensure listing of the securities issued under the *issue of RPS* with a recognized stock exchange.
- iv. As per Section 73(2) of the Companies Act, 1956, the obligation to refund the amount with interest that was collected from investors under the *issue of RPS* is mandatory on JRPIL. In this regard, there is no evidence on record to indicate whether or not JRPIL has paid interest to the investors where such RPS are not allotted within 8 days, as per the aforesaid Section. In the absence of any evidence and information submitted by JRPIL, I find that *prima facie* JRPIL has not complied with the provisions of Section 73(2) of the Companies Act, 1956.
- v. Section 73(3) of Companies Act, 1956, states that all moneys received shall be kept in a separate bank account maintained with a Scheduled Bank and if default is made in complying with this sub-Section, the company and every officer of the company who is in default shall be punishable with fine which may extend to fifty thousand rupees. In the

instant case, there is no evidence on record to indicate whether or not funds received from the investors under the *issue of RPS* have been kept in separate bank account by JRPIL. In view of the same, I find that JRPIL has *prima facie* not complied with the provisions of Section 73(3) of Companies Act, 1956.

12. Under Section 60 of the Companies Act, 1956, a company needs to register its prospectus with the RoC, before making a public offer or issuing the prospectus to the public. As per Section 2(36), "*prospectus*" means any document described or issued as a prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate. As mentioned above, since the *issue of RPS* was made to fifty persons or more, it has to be construed as a public offer. Having made a public offer, JRPIL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. Based on the material available on record, I find that *prima facie*, JRPIL has not complied with the provisions of Section 60 of Companies Act, 1956.
13. Under 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 or debentures of a company, unless the form is accompanied by an abridged prospectus and contain disclosures as specified. Based on the material available on record, I find that JRPIL has not complied with the provisions of Section 56(1) and 56(3) of the Companies Act, 1956 and therefore, has *prima facie* violated the aforesaid provisions.
14. It is pertinent to note that though the Companies Act, 1956, has been repealed by the Companies Act, 2013, anything done or any action taken or purported to have been done or taken under the Companies Act, 1956, is deemed to have been done or taken under the corresponding provisions of the Companies Act, 2013, by virtue of Section 465(2) of the Companies Act, 2013, and is therefore saved regardless of the repeal of the Companies Act, 1956. Section 465(2)(a) of the Companies Act, 2013, 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 any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act;"

15. Upon a consideration of the aforementioned paragraphs, I am of the view that JRPIL is *prima facie* engaged in fund mobilizing activity from the public, through the *issue of RPS* and as a result of the aforesaid activity has violated the aforementioned provisions of the Companies Act, 1956 (Section 56, Section 60, 67 read with Section 2(36), Section 73) read with Section 465 of the Companies Act, 2013.
16. Protecting the interests of investors is the foremost mandate for SEBI. For this purpose, SEBI can exercise its jurisdiction under Sections 11(1), 11(4), 11A and 11B of the SEBI Act read with Section 55A of the Companies Act, 1956 and Section 465 of the Companies Act, 2013, over the companies who issue securities to fifty persons or more, but do not comply with the applicable provisions of the aforesaid Companies Acts. In the instant matter, steps have to be taken to ensure that only legitimate fund raising activities are carried on by JRPIL and no investors are defrauded. In light of the same, I find that there is no other alternative but to take recourse through an interim action against JRPIL and its Directors, for preventing it from further carrying on with its fund mobilizing activity under the *issue of RPS*. This course of action is warranted as JRPIL and its Directors failed to submit relevant information to SEBI despite granting them several opportunities to do so.
17. In view of the foregoing, I, in exercise of powers conferred upon me under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions:
 - a) JRPIL shall not mobilize any further funds from investors through the *issue of RPS* or through the issue of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further orders;

- b) JRPIL (CIN- U45400WB2009PLC140276; PAN-AACCJ2827P) and its Directors viz. Shri Swarup Dutta (DIN-02498000; PAN-AGWPD2748J), Shri Sumanta Gorai (DIN-02946871; PAN-AGMPG1547N), Shri Susanta Ghosh (DIN-05185974; PAN-AEXPG6206P), Shri Sukanta Dutta (DIN-05235908; PAN-AKEPD8763F), Shri Koushik Bej (DIN-05236482; PAN-APSPB6232N), Shri Najib Seikh (DIN-05241253; PAN-AYLPS8955R), Shri Anjan Jana (DIN-05247414; PAN-AHRPJ8186A), Shri Kanwal Prakash Singh (DIN-02869631; PAN-BVPPS9888H), Shri Gajendra Pal Singh (DIN-02869599; PAN-BESPS7926C), Shri Sandip Dutta (DIN-02647739; PAN-AFVPD8603A), Shri Virendra Kumar (DIN-02487133; PAN-AJUPK8288M) and Shri Niladri Chakraborty (DIN-02946893; PAN-AEZPC3674D) are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;
- c) JRPIL 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;
- d) JRPIL and its abovementioned Directors shall provide a full inventory of all its assets and properties;
- e) JRPIL and its Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the *issue of RPS*, without prior permission from SEBI;
- f) JRPIL and its Directors shall not divert any funds raised from the public at large through the *issue of RPS*, which are kept in bank account(s) and/or in the custody of JRPIL;
- g) JRPIL and its Directors shall, within 21 days from the date of receipt of this Order, provide SEBI with all relevant and necessary information, as sought vide SEBI letters dated November 01, 2013, November 28, 2013 and January 30, 2014.

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

19. The prima facie observations contained in this Order are made on the basis of the material available on record i.e. the complaint received by SEBI and information obtained from the 'MCA 21 Portal'. In this context, JRPIL and its Directors may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also indicate whether they desire to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
20. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against JRPIL and its abovementioned Directors, in accordance with law.

Place: Mumbai
Date: December 16, 2014

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