

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

**ORDER**

**Under Sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, against the past Director of Rising Agrotech Limited, viz. Lina Kayal (PAN: ANHPK8201D; DIN: 02699751).**

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1. Securities and Exchange Board of India ("**SEBI**") vide an Order bearing no. WTM/PS/30/ERO/AUGUST/2015 dated August 3, 2015 ("**Final Order**"), passed certain directions as mentioned at **paragraph 9.2** thereof, against Rising Agrotech Limited ("**RAL**") and its Directors, viz. Shri Siddhartha Kayal, Shri Dipan Kumar Sen, Shri Sushovan Roy and Shri Bikash Bhandary, for violating the provisions of Section 56, Section 60 read with Section 2(36), Section 73 of the Companies Act, 1956 read with Section 27(2) of the SEBI Act, 1992 ("**SEBI Act**"), by engaging in fund mobilising activity from the public, through the *issue of Preference Shares ("Offer of Preference Shares")*.
2. As mentioned in the Interim Order, under the *Offer of Preference Shares*, RAL allotted *Preference Shares* to 564 subscribers/investors during the Financial Year 2011–12 and 432 subscribers/investors during the Financial Year 2012–13, thereby mobilizing funds amounting to ₹135.20 Lakhs, which *prima facie* qualified as a public issue under the *first proviso* to Section 67(3) of the Companies Act, 1956.
- 3.1 It has now come to SEBI's notice that the following person was earlier a Director of RAL during the *Offer of Preference Shares* –

| Sr. No. | Name       | PAN        | DIN      | Date of Appointment | Date of Cessation |
|---------|------------|------------|----------|---------------------|-------------------|
| 1.      | Lina Kayal | ANHPK8201D | 02699751 | July 13, 2010       | June 24, 2013     |

- 3.2 In this context, it is noted that –
  - i. Section 56(1) and 56(3) read with Section 56(4) of the Companies Act, 1956, imposes liability for compliance of the aforesaid provisions, on the company, every Director and other persons responsible for the issuance of the prospectus.

- ii. Section 60 of the Companies Act, 1956, imposes liability for compliance of the aforesaid provision, on the company and every person who is a party to the issue of the Prospectus.
  - iii. Section 73(2) of Companies Act, 1956, imposes liability for compliance of Section 73, on the company and every Director of the company who is an *Officer in default*.
  - iv. Section 27(2) of the SEBI Act provides SEBI with *inter alia* the power to proceed against Director(s) of companies who have illegally mobilized funds from the public through the issue of securities.
- 3.3 Upon a consideration of the aforementioned paragraphs, I am of the view that Lina Kayal was also engaged in fund mobilising activity from the public, in her capacity as a Director of RAL, through the *Offer of Preference Shares* and as a result of the aforesaid activity, has violated the aforementioned provisions of the Companies Act, 1956 and the SEBI Act.
4. In view of the alleged violations by the abovementioned past Director, I, in exercise of the powers conferred upon me under Sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions –
- i. The past Director of RAL, viz. Lina Kayal (PAN: ANHPK8201D; DIN: 02699751), is 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;
  - ii. The abovementioned past Director of RAL is 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;
  - iii. The abovementioned past Director of RAL shall provide a full inventory of all her assets and properties.
- 5.1 The abovementioned past Director of RAL is advised to show cause as to why suitable directions/prohibitions under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, Section 73(2) of the Companies Act read with Section 27(2) of the SEBI Act including the following, should not be taken/imposed against him:

- i. Directing her jointly and severally to refund money collected through the *Offer of Preference Shares* alongwith interest, if any, promised to investors therein;
  - ii. Directing her not to issue 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, for an appropriate period;
  - iii. Directing her to refrain from accessing the securities market and prohibiting her from buying, selling or otherwise dealing in securities for an appropriate period.
- 5.2 The abovementioned past Director of RAL, may, within 21 days from the date of receipt of this Order, file her reply, if any, to this Order and may also indicate whether she desires to avail herself an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
6. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the abovementioned past Director of RAL in accordance with law.
7. This Order shall be read with the Final Order, copy of which is enclosed with this Order.
8. A copy of this Order shall be served on all recognized stock exchanges and depositories for necessary action.

**Place: Mumbai**  
**Date: November 20, 2015**

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