

**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 Directors of MARS Agrofarm Developers Limited, viz. Shri Ajigul Haque (DIN: 03158904), Shri Seikh Sarafat Ali (PAN: AGWPA0991L; DIN: 03247659), Shri Arup Bhattacharyya (PAN: ASYPB9377P; DIN: 03159195) and Shri Sheik Saukat Ali (PAN: ACOPA1462G; DIN: 03158954).

1. Securities and Exchange Board of India (“SEBI”) vide an Order bearing no. WTM/PS/167/ERO/FEB/2016 dated February 26, 2016 (“**Final Order**”), passed certain directions as mentioned at **paragraph 18** thereof, against MARS Agrofarm Developers Limited (“**MADL**”) and its Directors, viz. Shri Sekh Sahadat Ali, Shri Abu Taleb Mohammad and Shri Tushar Kanti Samanta, 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 Redeemable Preference Shares* (“**Offer of RPS**”).
2. As per the findings contained in the Final Order, the offer and allotment of *Redeemable Preference Shares* made by MADL to 237 investors during the Financial Year 2010–2011 (wherein the fund mobilized was 25 Lakhs), has been held to be a public issue of securities in accordance with 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 persons were earlier Directors of MADL during the *Offer of RPS* –

| <b>Sr. No</b> | <b>Name</b>               | <b>PAN</b>           | <b>DIN</b>      | <b>Date of appointment</b> | <b>Date of cessation</b> |
|---------------|---------------------------|----------------------|-----------------|----------------------------|--------------------------|
| 1.            | <i>Ajigul Haque</i>       | <i>Not Available</i> | <i>03158904</i> | <i>01/11/2010</i>          | <i>05/12/2011</i>        |
| 2.            | <i>Seikh Sarafat Ali</i>  | <i>AGWPA0991L</i>    | <i>03247659</i> | <i>01/11/2010</i>          | <i>24/12/2011</i>        |
| 3.            | <i>Arup Bhattacharyya</i> | <i>ASYPB9377P</i>    | <i>03159195</i> | <i>01/11/2010</i>          | <i>29/03/2011</i>        |
| 4.            | <i>Sheik Saukat Ali</i>   | <i>ACOPA1462G</i>    | <i>03158954</i> | <i>01/11/2010</i>          | <i>05/12/2011</i>        |

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 Shri Ajigul Haque, Shri Seikh Sarafat Ali, Shri Arup Bhattacharyya and Shri Sheik Saukat Ali, were also engaged in fund mobilising activity from the public, in their capacity as Directors of MADL, through the *Offer of RPS* and as a result of the aforesaid activity, have violated the aforementioned provisions of the Companies Act, 1956 and the SEBI Act.

4. In view of the alleged violations by the abovementioned past Directors, 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 Directors of MADL, viz. Shri Ajigul Haque (DIN: 03158904), Shri Seikh Sarafat Ali (PAN: AGWPA0991L; DIN: 03247659), Shri Arup Bhattacharyya (PAN: ASYPB9377P; DIN: 03159195) and Shri Sheik Saukat Ali (PAN: ACOPA1462G; DIN: 03158954), 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;
- ii. The abovementioned past Directors of MADL 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;

- iii. The abovementioned past Directors of MADL shall provide a full inventory of all their assets and properties.
- 5.1 The abovementioned past Directors of MADL are 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 them:
- i. Directing them jointly and severally to refund money collected through the *Offer of Preference Shares* alongwith interest, if any, promised to investors therein;
  - ii. Directing them 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 them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
- 5.2 The abovementioned past Directors of MADL, 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.
6. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the abovementioned past Directors of MADL 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: July 7, 2016**

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