



## Metropolitan Stock Exchange of India Limited

Department: Investigation

Segment: All

Circular No: MSE/ID/6347/2018

Date : May 24, 2018

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### **SEBI order in the matter of Pailan Agro India Limited (PAIL)**

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To All Members,

This is with reference to Exchange circular no. MSE/ID/3232/2015 dated July 28, 2015, regarding SEBI order no. WTM/SR/SEBI –ERO/151/07/2015 dated July 27, 2015, , in the matter of Pailan Agro India Limited (PAIL) and it's directors.

SEBI now vide order no. WTM/MPB/EFD-1-DRA-IV/ 10 /2018 dated May 23, 2018 has issued the following directions:-

- (a) PAIL (CIN: U01111JK2012PLC003624), Shri Apurba Kumar Saha (PAN: AUIPS7765C, DIN: 00952457), Shri Madan Kaul (PAN: AEPPK9877A, DIN: 03521799), Shri Shrikant Jain (PAN: AAHPJ6073H, DIN: 00088822), Shri Rajindra Bahadur (PAN : AAEPM1429M, DIN: 02284519), Shri Sekhar Chandra Koley (PAN: BUOPK8353F, DIN: 06454703), Shri Bipin Kumar Singh (PAN: BOGPS0921F, DIN: 03395216), Shri Chandan Chakraborty (PAN: ARCPC9106E, DIN: 05120821), Shri Avijit Chowdhury (PAN: APEPC8255N, DIN: 05358817), Shri Atul Agarwal (PAN: AZIPA5516C, DIN: 05143420), Shri Himadri Bag (PAN: AJXPB3796L, DIN: 02729318) and Shri Kamal Kishor Sagar (PAN : CSUPS4950H, DIN: 06560318) shall forthwith refund the money collected by the Company, during their respective period of directorship through the issuance of NCDs including the application money collected from investors during their respective period of directorship, till date, pending allotment of securities, if any, with an interest of 15% per annum, from the eighth day of collection of funds, to the investors till the date of actual payment.
- (b) If Pailan Agro India Limited had repaid/redeemed the NCDs to its investors, as per its submissions, as per section 73(2) of the Companies Act, along with promised returns, the above directions and the below mentioned consequential directions shall be applicable for the amounts still due to be returned to the investors. However, such prior repayments/redemption should have been made by the Company as per the requirement laid down in paragraph (c) below, with clear identification of the beneficiaries, and the same shall be certified by Chartered Accountants, as directed in paragraph (i) below.
- (c) The repayments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as "Non-Transferable".
- (d) Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar are directed to provide a full inventory of all their assets and properties and details of all their bank accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form.
- (e) PAIL and Shri Bipin Kumar Singh, Shri Chandan Chakraborty are directed to provide a full inventory of all the assets and properties and details of all the bank accounts and holdings of mutual

funds/shares/securities, if held in physical form and demat form, of the company (in case of any change from details last furnished by the Company) and their own.

- (f) PAIL, Shri Bipin Kumar Singh, Shri Chandan Chakraborty are permitted to sell the assets of the Company for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.
- (g) PAIL, Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Bipin Kumar Singh, Shri Chandan Chakraborty, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.
- (h) PAIL and, Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Bipin Kumar Singh, Shri Chandan Chakraborty, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar in their personal capacity to make refund, shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact persons such as names, addresses and contact details, within 15 days of this order coming into effect.
- (i) After completing the aforesaid repayments, PAIL, Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Bipin Kumar Singh, Shri Chandan Chakraborty, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar shall file a report of such completion with SEBI, within a period of three months from the date of this order, certified by two independent peer reviewed Chartered Accountants who are in the panel of any public authority or public institution. For the purpose of this order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ("ICAI") holding such certificate.
- (j) In case of failure of PAIL, Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Bipin Kumar Singh, Shri Chandan Chakraborty, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this order, may recover such amounts, from the company and the directors liable to refund as specified in paragraph (a) of this order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.
- (k) PAIL, Shri Apurba Kumar Saha, Shri Madan Kaul, Shri Shrikant Jain, Shri Rajindra Bahadur, Shri Sekhar Chandra Koley, Shri Bipin Kumar Singh, Shri Chandan Chakraborty, Shri Avijit Chowdhury, Shri Atul Agarwal, Shri Himadri Bag and Shri Kamal Kishor Sagar are directed not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this order, till the expiry of 4 (four) years from the date of completion of refunds to investors as directed above. The above said directors are also restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI from the date of this order till the expiry of 4 (four) years from the date of completion of refunds to investors. However, Shri Shrikant Jain is permitted to approach CDSL and RTA in regards defreezing his demat account/mutual fund account to the extent of his medical needs

as stated at paragraph 57 of the order but the said permission is subject to obtaining necessary leave from Hon'ble Calcutta High Court in view of its order dated January 15, 2016 in W.P. 11795 (W) of 2015- Sumita Chakraborty & Anr. v. Union of India & Ors., in respect of Pailan Group, directing the respondent group of companies and its directors to restrain from dealing with their properties in any manner so as to create third party interest without leave of the Court.

- (l) Pailan Agro Debenture Trust and Shri Dilip Das are restrained from accessing the securities market and are further restrained from buying, selling or dealing in securities, in any manner whatsoever, for a period of 4 (four) years from the date of this order.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [[www.sebi.gov.in](http://www.sebi.gov.in)] and ensure compliance.

**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

Shailendra Singh  
Sr. Manager