



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE
Email: gyanendran@sebi.gov.in
Tel. No. 011-69012927

SEBI/NRO/NRO/NRO/OW/P/2024/16483/1
May 10, 2024

Re India Infratech Limited PAN- AAECR8905J 1) 72B, Mini Mig, Mayur Vihar Phase-III Delhi- 110096 2) 4 th Floor, Shri Shubh Apartments Prafull, Kanan, VIP Park, Kestopur, Kolkata-700101	Mr. Nitesh Kumar Singh PAN- BACPS9359B 1) C-1900, Sector 49, Noida,U.P. 201301 2) H No. 27/3, Saket Block Mandawali, Fazalpur, Delhi, India-110092 3) 9D Pocket C, Mayur Vihar Phase-III SFS, New Kondli, Delhi-110096 4) Kaptanpara Khuski Bag Purnia Bihar-854305
Mr. Shantanu Singh PAN- BMOPS1899G 1) B72 Mayur Vihar Phase-III, Pocket B, New Mig New Delhi- 110096	Mr. Ameet Singh PAN- BWIPS3911H 1) 302 Shanti Priya Apartment Boring Road, Opp. IBP Petrol Pump Patna, Bihar 800001
Mr. Avdesh Kumar Singh PAN- AKQPS6527G 1) RTC House, 3rd Floor, 4 Dr, Suresh Sarkar Road, Kolkata 700014, West Bengal 2) Near Kalibari, Swapnadeep Rajhata, Binodpur, Katihar Bihar- 854105	Mr. Chandra Vikram Singh PAN- AYBPS9084M 1) Type-4 Qtr no-173, Anpara Officers Colony, Sonebhadra 231225 2) Flat no 901 Sphinx Tower Omaxenile Apartment, Sec 49 Sohna Road, Gurgaon Haryana, India 122001

SCN in the matter of Re India Infratech Limited

हम हिन्दी पत्राचार को स्वागत करते हैं।

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उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंज़िल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



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	3) 237 Kalpavrishka Maithri Ext Near Hope Farm Junction Whitefield Bangalore 560066 4) Flat no. 604 Karnak Tower Nile App Sector 49, Sohna Road, Gurgaon 122006
Mr. Ajay Singh PAN- EBAPS3617G 1) House No. C-58, Near Kashyap Auto Service, Sector 65, Gautam Buddha Nagar, Noida UP 201301	

Sub- Show Cause Notice under sections 11(1), 11(4), 11A and 11B(1) of the Securities and Exchange Board of India Act, 1992 read with Section 56(1), 56(3), 60, 64, 67, 70(1), 73, 80 of Companies Act, 1956 further r/w Section 2(28), 2(31), 5, 7, 2(32), 2(36), 2(39), 2(43) r/w 2(34) and 465 of Companies Act, 2013 in the matter of Re India Infratech Limited

I. BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received a complaint dated January 21, 2019 from Shri Tapash Sankar and two other complaints dated January 21, 2019 and January 28, 2019, respectively against Re India Infratech Limited (hereinafter referred to as "RIIL/ Company"). The complaint dated January 21, 2019 contained a copy of Preference Share Certificate bearing Serial No. 5465 dated July 04, 2011 for 330 redeemable preference shares (hereinafter referred to as "RPS") at the rate of Rs 10/- per share issued by Re India Sun Plant Infratech Limited. The complaint dated January 28, 2019 was lodged on Department of Administrative Reforms and Public Grievances (DARPG) forwarded to SEBI wherein the complainant had enclosed preference share certificate of Re India Sun Plant Infratech Limited (Serial. No. 9708 dated October 17, 2011) for 1210 shares in the name of Apu Ch Sarkar signed by two directors.

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2. SEBI conducted an examination in the scrip of RIIL to examine if there have been any violation of the provisions of the Companies Act, 1956 with regards to the issuance of the RPS by RIIL. On analysis of the material available on record, the following was noted:

a) The company was incorporated as Re India Infratech Private Limited and thereafter, had changed its name thrice, details of which are as under:

Sr. No.	Date of Change	Change From	Change to
1	03.12.2010	Re India Infratech Private Limited	Re India Sun Plant Infratech Private Limited (Annexure – A)
2	12.01.2011	Re India Sun Plant Infratech Private Limited	Re India Sun Plant Infratech Limited (Annexure B)
3	13.08.2013	Re India Sun Plant Infratech Limited	Re India Infratech Limited (Annexure C)

b) The details of Promoters / Directors and KMPs as provided by RIIL and gathered from MCA are as follows:

Sr. No.	Name	PAN	DIN	Designation	Date of Appointment	Date of Cessation
1	Nitesh Kumar Singh	BACPS9359B	00882687	Managing Director	28/07/2010	-
2	Shantanu Singh	BMOPS1899G	03148809	Director	28/07/2010 05/10/2013	NA -
3	Ameet Singh	BWIPS3911H	02885973	Director	05/11/2010	03/07/2018
4	Avdesh Kumar Singh	AKQPS6527G	00301404	Director	05/11/2010	05/10/2013
5	Chandra Vikram Singh	AYBPS9084M	02807942	Director	05/04/2011	26/12/2012
6	Ajay Singh	EBAPS3617G	07658144	Director	03/07/2018	-

c) RIIL, vide its letter dated February 05, 2020 (**Annexure D**), has informed that RPS were issued by the company to 13,662 allottees.

d) The financial year-wise summary, as provided by RIIL, is as below:





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S. No.	Period	No. of investors	No. of RPS issued	Amount raised (in Rs)
1	FY 2010-11	7117	87,82,880	8,78,28,800
2	FY 2011-12	6545	81,05,856	8,10,58,560
Total		13662	16888736	168887360

3. In view of the details provided by the Company with respect to the RPS, it was, prima facie, observed that the Company had issued RPS to more than 49 persons during the F.Y. 2010-11 and 2011-12 which is in violation of Section 56(1), 56(3), 60, 64, 70(1), 73, 80 read with Section 67 of the Companies Act, 1956. Accordingly, to examine further, SEBI issued letters dated March 20, 2019 (**Annexure-E**) and September 30, 2019 (**Annexure - F**) to the company advising it to furnish the details /information with regard to the alleged issuance of RPS by the company. However, no information was received from the company.
4. Thereafter, letters dated October 25, 2019 (**Annexure - G**) and November 29, 2019 (**Annexure H**) were sent by SEBI to the directors of RIIL. Reply dated October 30, 2019 was received only from one Ms. Vandana Singh stating that she was only a company secretary and no issuance of preference shares has taken place during her tenure.
5. Subsequently, reply was received from one of the directors of RIIL namely, Mr. Shantanu Singh vide letters, dated Nil received on October 28, 2019 (**Annexure - I**), October 30, 2019 (**Annexure - J**) and February 05, 2020 (**Annexure - D**).
6. Further, SEBI issued a letter dated February 11, 2022 (**Annexure - K**) to RIIL and its directors, giving them an opportunity to avoid penal action, by giving an option to the investors to surrender their securities and give them refund in accordance with the procedure detailed in the SEBI Circular CIR/CFD/DIL3/18/2015 dated December 31, 2015.



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7. Letters dated March 25, 2022 with the same content as above were again issued to RIIL and its directors (**Annexure - L**).
8. Letter dated April 08, 2022 (**Annexure - M**) was again sent to the company and its directors directing them to give an option to the investors to surrender their securities and give them refund in accordance with the procedure detailed in the circular CIR/CFD/DIL3/18/2015 dated December 31, 2015 and file compounding of violation with NCLT.
9. RIIL, vide letter dated April 08, 2022 (**Annexure - N**), while replying to the SEBI letters stated, without admitting to any content of letter sent by SEBI, that it is making all efforts to refund the money, however, due to pandemic and other ancillary issues some more time is required to conclude the refund. Further, a time period of 3 years was sought by the Company to conclude the refund.
10. In order to ascertain the status of refund, SEBI issued a letter dated May 12, 2023 (**Annexure - O**) to RIIL and one of its director Mr. Shantanu Singh seeking status of refund made to the investors viz. total number of investors to whom refund is made, mode of refund supporting bank account details of the company etc.
11. RIIL, vide letter dated July 21, 2023 (received at NRO on Aug 02, 2023) (**Annexure - P**), informed that it is committed to complete the refund process within the timeline mentioned in its letter dated April 08, 2022. However, no details regarding the refund made to the investors was provided by the company.
12. SEBI again issued a final letter dated September 07, 2023 to RIIL and its directors seeking details of investors, status of refund, proof of refund made, etc. (**Annexure - Q**). A timeline of 14 days from the date of the letter was given to the Company and its directors for submitting their reply, failing which, SEBI shall proceed based on available documents. An email in this regard was also sent to Mr. Shantanu Singh, one of the directors of RIIL, on September 15, 2023. However, it is observed that no reply has been received by SEBI to the said letter from the Company and / or its directors. Therefore, it is alleged that the company has not refunded any



money to the security holders as it has not provided any detail sought, vide SEBI letters mentioned above, such as, number of investors to whom refund is issued, mode of refund and supporting bank account details of the company etc.

13. In view of the same, the company and its directors ('Noticees') are prima facie, observed to have engaged in fund mobilizing activity from the public, through the offer and allotment of RPS and have contravened the provisions Section 5, 56(1), 56(3), 60, 64, 70(1), 73, 80 r/w Section 67 of the Companies Act, 1956.

14. The alleged provisions of law to have been violated by the company / RIIL and its directors are reproduced below:

Provisions of the Companies Act, 1996

5. Meaning of "Officer Who is in Default"

For the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any punishment or penalty, whether by way of imprisonment, fine or otherwise, the expression "officer who is in default" means all the following officers of the company, namely : (a) the managing director or managing directors ; (b) the whole-time director or whole-time directors ; (c) the manager ; (d) the secretary ; (e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act ; (f) any person charged by the Board with the responsibility of complying with that provision : Provided that the person so charged has given his consent in this behalf to the Board ; (g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors : Provided that where the Board exercises any power under clause (f) or clause (g), it shall, within thirty days of the exercise of such powers, file with the Registrar a return in the prescribed form.]

56. Matters to be stated and Reports to be set out in Prospectus

(1) Every prospectus issued -

(a) by or on behalf of a company, or

(b) by or on behalf of any person who is or has been engaged or interested in the formation of a company, shall state the matters specified in Part I of Schedule II and set out the reports specified in Part II of that Schedule ; and the said Parts I and II shall have effect subject to the provisions contained in Part III of that Schedule.

(3) No one shall issue any form of application for shares in or debentures of a company, unless the form is accompanied by a memorandum containing such salient features of a prospectus as may be prescribed which complies with the requirements of this section:

Provided that a copy of the prospectus shall, on a request being made by any person before the closing of the subscription list, be furnished to him:

Provided further that this sub-section shall not apply if it is shown that the form of application was issued either -



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(a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(b) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be punishable with fine which may extend to fifty thousand rupees.

60. Registration of Prospectus

(1) No prospectus shall be issued by or on behalf of a company or in relation to an intended company unless, on or before the date of its publication, there has been delivered to the Registrar for registration a copy thereof signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, and having endorsed thereon or attached thereto -

(a) any consent to the issue of the prospectus required by section 58 from any person as an expert ; and

(b) in the case of a prospectus issued generally, also -

(i) a copy of every contract required by clause 16 of Schedule II to be specified in the prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof ; and

(ii) where the persons making any report required by Part II of that Schedule have made therein, or have, without giving the reasons, indicated therein, any such adjustments as are mentioned in clause 32 of that Schedule, a written statement signed by those persons setting out the adjustments and giving the reasons therefor.

(2) Every prospectus to which sub-section (1) applies shall, on the face of it, -

(a) state that a copy has been delivered for registration as required by this section ; and

(b) specify any documents required by this section to be endorsed on or attached to the copy so delivered, or refer to statements included in the prospectus which specify those documents.

(3) The Registrar shall not register a prospectus unless the requirements of sections 55, 56, 57 and 58 and sub sections (1) and (2) of this section have been complied with and the prospectus is accompanied by the consent in writing of the person, if any, named therein as the auditor, legal adviser, attorney, solicitor, banker or broker of the company or intended company, to act in that capacity.

(4) No prospectus shall be issued more than ninety days after the date on which a copy thereof is delivered for

registration ; and if a prospectus is so issued, it shall be deemed to be a prospectus a copy of which has not been delivered under this section to the Registrar.

(5) If a prospectus is issued without a copy thereof being delivered under this section to the Registrar or without the copy so delivered having endorsed thereon or attached thereto the required consent or documents, the company, and every person who is knowingly a party to the issue of the prospectus, shall be punishable with fine which may extend to 1[fifty] thousand rupees. sign the prospectus depending on the circumstances of each case

64. Documents containing Offer of Shares or Debentures for Sale to be Deemed Prospectus

(1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall, for all purposes, be deemed to be a prospectus issued by the company ; and all enactments and rules of law as to the contents of prospectuses and as to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, shall apply with the



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modifications specified in sub-sections (3), (4) and (5), and have effect accordingly, as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures, but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of misstatements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act, it shall, unless the contrary is proved, be evidence that an allotment of, or an agreement to allot, shares or debentures was made with a view to the shares or debentures being offered for sale to the public if it is shown -

(a) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot ; or

(b) that at the date when the offer was made, the whole consideration to be received by the company in respect of the shares or debentures had not been received by it.

(3) Section 56 as applied by this section shall have effect as if it required a prospectus to state in addition to the matters required by that section to be stated in a prospectus -

(a) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates ; and

(b) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Section 60 as applied by this section shall have effect as if the persons making the offer were persons named in a prospectus as directors of a company.

(5) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document referred to in sub-section (1) is signed on behalf of the company or firm by two directors of the company or by not less than one-half of the partners in the firm, as the case may be ; and any such director or partner may sign by his agent authorised in writing.

67. CONSTRUCTION OF REFERENCES TO OFFERING SHARES OR DEBENTURES TO THE PUBLIC, ETC

(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 invitations 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 other 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 :



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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 the non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956).

(3A) Notwithstanding anything contained in sub-section (3), the Securities and Exchange Board of India shall, in consultation with the Reserve Bank of India, by notification in the Official Gazette, specify the guidelines in respect of offer or invitation made to the public by a public financial institution specified under section 4A or non-banking financial company referred to in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934).

(4) Without prejudice to the generality of sub-section (3), a provision in a company's articles prohibiting invitations to the public to subscribe for shares or debentures shall not be taken as prohibiting the making to members or debenture holders of an invitation which can properly be regarded in the manner set forth in that sub-section.

(5) The provisions of this Act relating to private companies shall be construed in accordance with the provisions contained in sub-sections (1) to (4).

70. PROHIBITION OF ALLOTMENT IN CERTAIN CASES UNLESS STATEMENT IN LIEU OF PROSPECTUS DELIVERED TO REGISTRAR

(1) A company having a share capital, which does not issue a prospectus on or with reference to its formation, or which has issued such a prospectus but has not proceeded to allot any of the shares offered to the public for subscription, shall not allot any of its shares or debentures unless at least three days before the first allotment of either shares or debentures, there has been delivered to the Registrar for registration a statement in lieu of prospectus signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in Part I of Schedule III and, in the cases mentioned in Part II of that Schedule, setting out the reports specified therein, and the said Parts I and II shall have effect subject to the provisions contained in Part III of that Schedule.

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73. ALLOTMENT OF SHARES AND DEBENTURES TO BE DEALT IN ON STOCK EXCHANGE

(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 5[under sub-section (1)], or, such permission having been applied for, has not been granted as aforesaid, the company shall



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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.

Proviso omitted by the Companies (Amendment) Act, 1988 with effect from 15-6-1988.

(2A) Where permission has been granted by the recognised stock exchange or stock exchanges for dealing in any shares or debentures in such stock exchange or each such stock exchange and the moneys received from applicants for shares or debentures are in excess of the aggregate of the application moneys relating to the shares or debentures in respect of which allotments have been made, the company shall repay the moneys to the extent of such excess forthwith without interest and if such money is not repaid within eight days, from the day the company becomes liable to pay it, 1[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.

Proviso omitted by the Companies (Amendment) Act, 1988 with effect from 15-6-1988.

(2B) If default is made in complying with the provisions of sub-section (2A), the company and every officer of the company who is in default shall be punishable with fine which may extend to fifty thousand rupees, and where repayment is not made within six months from the expiry of the eighth day, also with imprisonment for a term which may extend to one year.

(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 subsection(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.

(3A) Moneys standing to the credit of the separate bank account referred to in sub-section (3) shall not be utilised for any purpose other than the following purposes, namely :

(a) adjustment against allotment of shares, where the shares have been permitted to be dealt in on the stock

exchange or each stock exchange specified in the prospectus ; or

(b) repayment of moneys received from applicants in pursuance of the prospectus, where shares have not been permitted to be dealt in on the stock exchange or each stock exchange specified in the prospectus, as the case may be, or, where the company is for any other reason unable to make the allotment of share.

(4) Any condition purporting to require or bind any applicant for shares or debentures to waive compliance with any of the requirements of this section shall be void.

(5) For the purposes of this section, it shall be deemed that permission has not been granted if the application for permission, where made, has not been disposed of within the time specified in sub-section (1).

(6) This section shall have effect -

(a) in relation to any shares or debentures agreed to be taken by a person underwriting an offer thereof by a prospectus, as if he had applied therefor in pursuance of the prospectus ; and



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(b) in relation to a prospectus offering shares for sale, with the following modifications, namely, -

- (i) references to sale shall be substituted for references to allotment ;
 - (ii) the persons by whom the offer is made, and not the company, shall be liable under sub-section (2) to repay money received from applicants, and references to the company's liability under that sub-section shall be construed accordingly; and
 - (iii) for the reference in sub-section (3) to the company and every officer of the company who is in default, there shall be substituted a reference to any person by or through whom the offer is made and who is knowingly guilty of, or wilfully authorises or permits, the default.
- (7) No prospectus shall state that application has been made for permission for the shares or debentures offered thereby to be dealt in on any stock exchange, unless it is a recognised stock exchange

80. POWER TO ISSUE REDEEMABLE PREFERENCE SHARES

(1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be liable, to be redeemed :

Provided that -

- (a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption ;
 - (b) no such shares shall be redeemed unless they are fully paid ;
 - (c) the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the company's 2[security premium account], before the shares are redeemed ;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the capital redemption reserve account, a sum equal to the nominal amount of the shares redeemed ; and the provisions of this Act relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve account were paid-up share capital of the company.
- (2) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.
- (3) The redemption of preference shares under this section by a company shall not be taken as reducing the amount of its authorised share capital.
- (4) Where in pursuance of this section, a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued ; and accordingly the share capital of the company shall not, for the purpose of calculating the fees payable under section 611, be deemed to be increased by the issue of shares in pursuance of this sub-section :Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.
- (5) The capital redemption reserve account may, notwithstanding anything in this section, be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.
- (5A) Notwithstanding anything contained in this Act, no company limited by shares shall, after the commencement of the Companies (Amendment) Act, 1996, issue any preference



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share which is irredeemable or is redeemable after the expiry of a period of twenty years from the date of its issue.

(6) If a company fails to comply with the provisions of this section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to ten thousand rupees.

Companies Act, 2013

465. Repeal of certain enactments and savings-

(1) The Companies Act, 1956 (1 of 1956) and the Registration of Companies (Sikkim) Act, 1961 (Sikkim Act 8 of 1961) (hereafter in this section referred to as the repealed enactments) shall stand repealed:

Provided that the provisions of Part IX A of the Companies Act, 1956 (1 of 1956) shall be applicable mutatis mutandis to a Producer Company in a manner as if the Companies Act, 1956 has not been repealed until a special Act is enacted for Producer Companies:

Provided further that until a date is notified by the Central Government under subsection (1) of Section 434 for transfer of all matters, proceedings or cases to the Tribunal, the provisions of the Companies Act, 1956 (1 of 1956) in regard to the jurisdiction, powers, authority and functions of the Board of Company Law Administration and court shall continue to apply as if the Companies Act, 1956 has not been repealed:

Provided also that provisions of the Companies Act, 1956 (1 of 1956) referred in the notification issued under section 67 of the Limited Liability Partnership Act, 2008 (6 of 2009) shall, until the relevant notification under such section applying relevant corresponding provisions of this Act to limited liability partnerships is issued, continue to apply as if the Companies Act, 1956 has not been repealed.

(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;

(b) subject to the provisions of clause (a), any order, rule, notification, regulation, appointment, conveyance, mortgage, deed, document or agreement made, fee directed, resolution passed, direction given, proceeding taken, instrument executed or issued, or thing done under or in pursuance of any repealed enactment shall, if in force at the commencement of this Act, continue to be in force, and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of this Act;

(c) any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure or existing usage, custom, privilege, restriction or exemption shall not be affected, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in, or from, the repealed enactments;

(d) any person appointed to any office under or by virtue of any repealed enactment shall be deemed to have been appointed to that office under or by virtue of this Act;

(e) any jurisdiction, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not in existence or in force shall not be revised or restored; (f) the offices existing on the commencement of this Act for the registration of companies shall continue as if they have been established under the provisions of this Act;

(g) the incorporation of companies registered under the repealed enactments shall continue to be valid and the provisions of this Act shall apply to such companies as if they were registered under this Act;

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(h) all registers and all funds constituted and established under the repealed enactments shall be deemed to be registers and funds constituted or established under the corresponding provisions of this Act;

(i) any prosecution instituted under the repealed enactments and pending immediately before the commencement of this Act before any Court shall, subject to the provisions of this Act, continue to be heard and disposed of by the said Court;

(j) any inspection, investigation or inquiry ordered to be done under the Companies Act, 1956 (1 of 1956) shall continue to be proceeded with as if such inspection, investigation or inquiry has been ordered under the corresponding provisions of this Act; and

(k) any matter filed with the Registrar, Regional Director or the Central Government under the Companies Act, 1956 (1 of 1956) before the commencement of this Act and not fully addressed at that time shall be concluded by the Registrar, Regional Director or the Central Government, as the case may be, in terms of that Act, despite its repeal.

(3) The mention of particular matters in sub-section (2) shall not be held to prejudice the general application of section 6 of the General Clauses Act, 1897 (10 of 1897) with regard to the effect of repeal of the repealed enactments as if the Registration of Companies (Sikkim) Act, 1961 (Sikkim Act 8 of 1961) were also a Central Act.

15. In view of the foregoing, the Noticees are hereby called upon to show cause as to why suitable directions under sections 11(1), 11(4), 11A and 11B(1) of SEBI Act, 1992 read with Section 5 of Companies Act, 1956, including a direction to refund the monies along with interest to the investors, should not be issued against them for the alleged violations.
16. This show cause notice is issued without prejudice to the rights of SEBI to issue a supplementary notice and to initiate any other proceedings/actions of the aforesaid violations in terms of the SEBI Act, 1992 and rules or regulations made thereunder.
17. The replies of the Noticees, if any, should reach the undersigned, at the address given below, as well as through email at gyanendran@sebi.gov.in and ishpreets@sebi.gov.in (in MS-Word format and PDF file), within 21 days from the date of receipt of this notice, failing which it shall be construed that the Noticees have no reply to submit and the matter shall be proceeded on the basis of the material available on record.

Securities and Exchange Board of India

Northern Regional Office,

8th floor, Plate B, Tower 1,

NBCC Complex

East Kidwai Nagar, New Delhi - 110023.



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18. Further, if the Noticees are desirous of a personal hearing, the same may be intimated accordingly.
19. The Noticees are advised to keep SEBI informed about the change in correspondence address, if any, and provide updated email-id/s and phone number/s, till the proceedings are complete.
20. The Noticees are also advised to submit a photocopy of your Income Tax Permanent Account Number card (PAN Card) for records.
21. The documents relied upon in the notice have been annexed as per the list of enclosures.
22. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticees wish to opt for the settlement process, they may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned.

Gyanendra Niraj

List of Enclosures

Sr. No.	Name of the Documents	Annexure No.
1.	Name change certificate dated 03.12.2010	A
2.	Name change certificate dated 12.01.2011	B
3.	Name change certificate dated 13.08.2013	C
4.	Letter dated February 05, 2020 from RIIL	D
5.	SEBI Letter dated March 20, 2019 to RIIL	E
6.	SEBI Letter dated September 30, 2019 to RIIL	F
7.	SEBI Letter dated October 25, 2019 to the directors of RIIL	G
8.	SEBI Letter dated November 29, 2019 to the directors of RIIL	H



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9.	Letter dated October 28, 2019 received from Mr. Shantanu Singh	I
10.	Letter dated October 31, 2019 received from Mr. Shantanu Singh	J
11.	SEBI Letter dated February 11, 2022 to the directors of RIIL	K
12.	SEBI Letter dated March 25, 2022 to the directors of RIIL	L
13.	SEBI Letter dated April 08, 2022 to the directors of RIIL	M
14.	Letter dated April 08, 2022, received from RIIL	N
15.	SEBI Letter dated May 12, 2023 to RIIL	O
16.	Letter dated July 21, 2023, received from RIIL	P
17.	SEBI final Letter dated September 07, 2023	Q