



General Manager
Eastern Regional Office

SEBI/ERO-OTHER/P/OW/2025/3881/1

February 04, 2025

By Speed Post Ack. Due

Noticee No.	Noticee Details	Noticee No.	Noticee Details
1.	Bengal Artisans Craft Company Limited Plot No. 106, Narkeldagna Main Road Mangal Bhavan, Back Gate Kolkata WB 700054	2.	Shri. Prakash Tripathi 4 Govind Nagar, Sector – 13, Hiran Magri, Udaipur, 34206, Rajasthan, India
3.	Sumita Ghose C-901, Sector – 21 Surya Vihar, Industrial Complex, Dundahera, Gurgaon, 122016, Haryana, India	4.	Soma Roy 4/C Tara Road Kolkata, 700026, West Bengal, India
5.	Anima Mondal No. 1, Dighirpar, Canning, 24 PGS(S), Canning Town, 743329, West Bengal	6.	Eleanor Margaret King 25, Rue Guillaume Le Noble, Nanteuil En Vallee, Paris, 16700, France
7.	Rajendran Kavil Poduvattil Achutan 2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	8.	Vivek Rishi 919, Sector-2, Panchkula, 134112, Haryana, India
9.	Arun Chanda Teghari Field, Nabadwip, Ward No. – 19, Nabadwip, Nadia, 700054, West Bengal, India	10.	Bulu Raha Patulipaschimpara, Patuli Road, Patuli Nadia, 741121, West Bengal, India

11.	Pankaj 25/762, D.D.A. Flats Madangir, Ambedkar Nagar, South Delhi, 110062		
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(The aforesaid entities are hereinafter collectively referred to as "Notices", unless the context specifies otherwise).

Sub: Show Cause Notice under Sections 11(1), 11(4), 11A and 11B(1) of the Securities and Exchange Board of India Act, 1992 in the matter of Bengal Artisan Craft Company Limited (CIN: U17122WB2007PLC116612)

A. Background

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had received a reference dated November 14, 2018 from Ministry of Corporate Affairs (MCA) wherein it was stated that Bengal Artisans Craft Company Ltd. (hereinafter referred to as "BACCL"/"Company") had filed an application with the Registrar of Companies (RoC), West Bengal for compounding the violation under Section 60 and 73(1)(2) of the Companies Act, 1956 regarding allotment to 1,258 allottees during March 2009 to November 2010. Copy of the said reference dated November 14, 2018 is placed as **Annexure 1**.
2. Based on the said information, SEBI conducted an examination into the issuance of equity shares by BACCL to ascertain whether there were violations of the public issue norms stipulated under the Companies Act, 1956/2013, relevant provisions of the SEBI Act, 1992, SEBI (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as the DIP Guidelines) and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as the ICDR Regulations).
3. The company BACCL is registered with the address – 33, Bondel Road, Kolkata, West Bengal 700019 and has CIN – U17122WB2007PLC116612 and PAN as

AADCB1764A. Further, the list of directors of BACCL, as received from RoC – Kolkata, is placed as **Annexure 2**.

B. Correspondence with the Company/Directors

4. SEBI, vide letters dated January 11, 2019 and February 22, 2019, sought information from BACCL and its directors regarding mobilization of funds. BACCL responded vide letters dated January 24, 2019 and February 27, 2019 and, *inter alia*, clarified that the allotments of equity shares were actually made to 1,314 allottees and not 1,258 as communicated by RoC, MCA.
5. Further, BACCL provided the list of the said 1,314 allottees and stated that the said allottees have been refunded in FY 2013-14 as follows:
 - 5.1. 203 allottees (1,513 shares) have been refunded through cheques; of these, 15 allottees have not encashed the cheques (amount not encashed Rs. 13,440)
 - 5.2. 71 allottees (19,100 shares) have been refunded through NEFT
 - 5.3. 1,040 allottees (24,387 shares) by way of transfer and internal transfer of shares by original allottees
6. The company also submitted auditor's report from two independent peer reviewed auditors as well as other supporting documents certifying the above refund claim.
7. From the CA certificates and the supporting documents thereto, it was observed that a total sum of Rs. 23,01,956 was refunded to allottees in FY 2008-09 and FY 2010-11 vis-à-vis the sum of Rs. 13,97,100 raised from them (this amount includes transfer of share cases as well which the company termed as refund). It was also gathered from the submissions that shareholders holding cumulatively 22,18,400 shares continued to hold shares in the company.

8. Clarifications were sought from the company and auditors with respect to refunds made through transfer and internal transfer to 1,040 allottees. The company, vide letter dated August 19, 2020, stated that 3 shareholders, viz., AMFPL Consultants Pvt. Ltd., Dilli Karigari Ltd. and Derawala Artisans Limited, are collectively holding 99.65% shares by purchasing shares from original shareholders.
9. Subsequently, SEBI vide letter dated June 24, 2021, advised the company to provide an exit option to its shareholders in terms of the SEBI circular CFD/DIL3/18/2015 dated December 31, 2015 read with SEBI circular DIL3/CIR/P/2016/53 dated May 03, 2016 (hereinafter referred to as the SEBI DPI Exit circulars) and complete the same within 3 months.
10. BACCL, vide letter dated September 10, 2021, provided the CA certificate from an independent peer reviewed CA certifying compliance with the SEBI DPI Exit circulars. The company had offered exit to the shareholders at a price equivalent to the amount of subscription money paid along with 15% interest p.a. thereon, which was in terms of the SEBI DPI Exit circulars.
11. The CA report further stated as follows:
 - 11.1. That only 6 (six) out of 14 (fourteen) shareholders replied to the exit offer letter and all the 6 shareholders who collectively held 99.66% of paid-up share capital had refused to accept the exit offer.
 - 11.2. No reply was received from the remaining 8 shareholders within the stipulated period.
 - 11.3. As no shareholder accepted the exit offer, no payment was done and consequently, no verification of bank accounts needed to be done.
12. SEBI, vide circular dated March 13, 2024 (SEBI/HO/CFD/PoD-1/P/CIR/2024/016), repealed the aforesaid SEBI DPI Exit circulars outlining the procedure to deal with cases where securities are issued prior to April 01, 2014,

involving offer/allotment of securities to more than 49 but up to 200 investors in a financial year. Copy of the said circular is placed as **Annexure 3**.

13. As BACCL had issued equity shares to more than 49 persons in a financial year, it amounts to public issue of securities as per the first proviso to Section 67(3) of the Companies Act, 1956. The Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 revised this limit upwards to 200 persons in a financial year. However, since the allotments were made before this limit of 200 came into effect, the limit of 49 persons as per Companies Act, 1956 is applicable in the instant case.

14. Further, 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.

C. Summary of allotments and Amount Mobilized through allotment of equity shares

15. It is alleged that the following allotments were in violation of Companies Act 1956/2013:

Table 1

Sl. No.	Date of allotment	FY	No. of allottees	No. of shares allotted	Amount raised (in Rs.)
1.	June 25, 2008	2008-09	1	22,050	22,05,000
2.	March 23, 2009		957	1,988	1,98,800

3.	June 29, 2010	2010-11	210	671	67,100
4.	November 11, 2010		77	498	49,800
5.	March 31, 2011		39	10,948	10,94,800
Total			1,284	36,155	36,15,500

16. Further, from the documents e-filed by the company on the MCA website for the FY 2008-09 and 2010-11, the names of the directors mentioned in the document along with the name of the director signing the e-form are tabulated below:

Table 2

Sl. No.	Form	Form Date/ ending	FY	Directors	Form e-signed by
1.	20B	March 31, 2009		Prakash Tripathi, Soma Roy, Anima Mondal, Sumita Ghose	Prakash Chand Tripathi
2.	23AC	March 31, 2009		Soma Roy, Anima Mondal	Prakash Chand Tripathi
3.	23AC	March 31, 2011		Rajendran Achutan Kavil Poduvattil, Pankaj	K P Rajendran Achutan
4.	66	March 31, 2009		***	Prakash Chand Tripathi
5.	66	March 31, 2011		***	K P Rajendran Achutan
6.	23ACA	March 31, 2009		***	Prakash Chand

Sl. No.	Form	Form Date/ FY ending	Directors	Form e-signed by
				Tripathi
7.	23ACA	March 31, 2011	***	K P Rajendran Achutan
8.	2	June 29, 2010(Date of Allotment)	***	Vivek Rishi
9.	2	March 15, 2008(Date of Allotment)	***	Soma Roy
10.	2	June 25, 2008(Date of Allotment)	***	Prakash Tripathi
11.	2	March 31, 2011(Date of Allotment)	***	Vivek Rishi
12.	2	June 15, 2009(Date of Allotment)	***	Prakash Tripathi
13.	2	November 11, 2010(Date of Allotment)	***	Vivek Rishi
14.	2	March 23, 2009(Date of Allotment)	***	Prakash Tripathi
15.	17	October 11, 2008 (Charge Creation Date)	***	K P Rajendran Achutan
16.	8	October 11, 2008 (Date of instrument creating or modifying	***	Prakash Tripathi

Sl. No.	Form	Form ending	Date/ FY	Directors	Form e-signed by
		the charge)			

17. Further, Form 32 has been filed by the company with MCA on November 11, 2010 with respect to appointment of directors - Bulu Raha (Additional Director, Independent, date of appointment: November 11, 2010), Arun Chanda (Additional Director, Independent, date of appointment: November 11, 2010), Pankaj Pradeep (Additional Director, Independent, date of appointment: November 11, 2010). Also, Pankaj Pradeep has signed the financial statements of the company for FY ended March 31, 2011.

18. Prakash Tripathi, Sumita Ghose, Soma Roy, Anima Mondal, Eleanor Margaret King and Vivek Rishi were directors during the period of issuances to more than 200 allottees Rajendran Kavil Poduvattil Achutan was appointed a director on March 31, 2011. Further, he has signed the Form 23AC, 7, 23ACA for FY ending March 31, 2011. Eleanor Margaret King, Arun Chanda, Bulu Raha and Pankaj Tripathi were directors during different tenures which coincide with the period of issuances.

19. Section 56 of the Companies Act, 1956, inter alia, requires that no one shall issue any form of application for shares or debentures of a company, unless the form is accompanied by a memorandum containing such salient features of a prospectus as may be prescribed. Further, Section 60 of the Companies Act, 1956 prescribes conditions for registration of prospectus, Section 67(3) of the Companies Act, 1956 provides for construction of references to offering shares or debentures to public, etc., and Section 73 prescribes the rules for the company to get its shares listed on the stock exchange. Thereafter, the relevant provisions of the DIP Guidelines and the ICDR Regulations provide the conditions for public issue, disclosures in offer documents, filing of draft offer document, etc. Being the

company and the directors, it was duty of Noticees 1 to 11 to follow and adhere to all of the above mentioned provisions of law.

20. Therefore, it is alleged that Noticees 1 to 11 have violated Section 56(1), 56(3) and 60 of the Companies Act, 1956 read with section 2(36), 67(3), 73(1), 73(2), 73(3) of Companies Act, 1956 read with Section 465 of Companies Act, 2013.

D. Regulatory Provisions Violated

21. For public issue of equity shares, the DIP Guidelines were applicable till August 26, 2009. After the said date, the ICDR Regulations came into force. As the equity issuances were made during March 2009 to March 2011, the provisions of the DIP Guidelines were violated in the FY 2008-2009 allotment and that of the ICDR Regulations were violated in the FY 2010-11 allotments.

22. In this regard, the relevant regulatory provisions are as follows:

Companies Act, 1956:

"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 –

(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 subsections (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."

Section 2(36) of the Companies Act, 1956

"(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."

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

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

"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 under sub-section (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 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.

Companies Act, 2013

465. Repeal of certain enactments and savings

(1)...

(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;

(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.

SEBI (DIP) Guidelines, 2000

Clause 2.1.1 – Filing of offer document

Clause 2.1.4 – Application for listing

Clause 2.1.5 – Issue of securities in dematerialized form

Clause 2.2 – Initial Public Offerings by Unlisted Companies

Clause 2.8 – Means of finance

Clause 4.1 – Promoters' Contribution in a Public Issue by Unlisted Companies

Clause 4.11 – Lock in of Minimum Specified Promoters' Contribution in Public Issues

Clause 4.14 – Lock-in of pre-issue share capital of an unlisted company

Clause 5.3.1 – Memorandum of Understanding (MOU)

Clause 5.3.3 – Due Diligence Certificate

Clause 5.3.5 – Undertaking

Clause 5.3.6 – List of Promoters' Group and other Detail

Clause 5.4 – Appointment of Intermediaries

Clause 5.6 – Offer Document to be Made Public

Clause 5.6A – Pre – Issue Advertisement
Clause 5.7 – Despatch of Issue Material
Clause 5.8 – No Complaints Certificate
Clause 5.9 – Mandatory Collection Centres
Clause 5.9.1 – Minimum number of collection centres
Clause 5.10 – Authorised Collection Agents
Clause 5.12 – Appointment of Compliance Officer
Clause 5.13 – Abridged Prospectus
Clause 5.14 – Agreements with depositories
Clause 6.0 – Contents of offer document
Clause 6.1-6.15 – Contents of the Prospectus
Clause 6.16-6.34 – Contents of Abridged Prospectus
Clause 8.3 – Rule 19(2)(b) of SC (R) Rules, 1957
Clause 8.8.1 – Period of subscription – Public Issues
Clause 9 – Guidelines on advertisement

SEBI (ICDR) Regulations, 2009

Regulation 4(2)(d) – Application for listing of securities
Regulation 4(2)(e) – Agreement with depository for dematerialisation
Regulation 5(1) – Appointment of merchant banker
Regulation 5(2) – Appointment of other intermediaries
Regulation 5(5) – Agreement with the lead merchant banker
Regulation 5(7) – Appointment of registrar
Regulation 6(1), (4), (5) – Filing of draft Offer Document
Regulation 7 – In-principle approval from recognized stock exchanges
Regulation 26(1), (2), (6) – Conditions for initial public offer
Regulation 32(1) – Minimum promoters' contribution
Regulation 36 – Lock-in of specified securities held by promoters
Regulation 37 – Lock-in of specified securities held by persons other than promoters
Regulation 46(1) – Period of subscription

Regulation 47(1) – Pre-issue advertisement for public issue

Regulation 57(1), (2) – Manner of disclosures in offer document

Regulation 58(1), (2) – Disclosures in Abridged prospectus, abridged letter of offer and ASBA.

Regulation 63 – Appointment of Compliance officer

Regulation 115 of SEBI (ICDR) Regulations, 2009 – Repeal and Savings

“General conditions

4 (2) No issuer shall make a public issue or rights issue of specified securities:

(d) unless it has made an application to one or more recognised stock exchanges for listing of specified securities on such stock exchanges and has chosen one of them as the designated stock exchange:

Provided that in case of an initial public offer, the issuer shall make an application for listing of the specified securities in at least one recognised stock exchange having nationwide trading terminals;

(e) unless it has entered into an agreement with a depository for dematerialisation of specified securities already issued or proposed to be issued;”

Appointment of merchant banker and other intermediaries.

5. (1) The issuer shall appoint one or more merchant bankers, at least one of whom shall be a lead merchant banker and shall also appoint other intermediaries, in consultation with the lead merchant banker, to carry out the obligations relating to the issue.

(2) The issuer shall, in consultation with the lead merchant banker, appoint only those intermediaries which are registered with the Board.

(7) The issuer shall appoint a registrar which has connectivity with all the depositories: Provided that if issuer itself is a registrar to an issue registered with the Board, then another registrar to an issue shall be appointed as registrar to the issue: Provided further that the lead merchant banker shall not act as a registrar to the issue in which it is also handling the post issue responsibilities.

Filing of offer document.

6. (1) No issuer shall make,

(a) a public issue; or

(b) a rights issue, where the aggregate value of the specified securities offered is fifty lakh rupees or more,

unless a draft offer document, along with fees as specified in Schedule IV, has been filed with the Board through the lead merchant banker, at least thirty days prior to registering the prospectus, red herring prospectus or shelf prospectus with the Registrar of Companies or filing the letter of offer with the designated stock exchange, as the case may be.

(4) The issuer shall, simultaneously while registering the prospectus, red herring prospectus or shelf prospectus with the Registrar of Companies or filing the letter of offer with the designated stock exchange or before the opening of the issue, file a copy thereof with the Board through the lead merchant banker.

(5) The lead merchant banker shall, while filing the offer document with the Board in terms of subregulation (1) and sub-regulation (4), file a copy of such document with the recognised stock exchanges where the specified securities are proposed to be listed.

In-principle approval from recognised stock exchanges.

7. The issuer shall obtain in-principle approval from recognised stock exchanges as follows:

(a) in case of an initial public offer, from all the recognised stock exchanges in which the issuer proposes to get its specified securities listed; and

(b) in case of a further public offer and rights issue:

(i) where the specified securities are listed only on recognised stock exchanges having nationwide trading terminals, from all such stock exchanges;

(ii) where the specified securities are not listed on any recognised stock exchange having nationwide trading terminals, from all the stock exchanges in which the specified securities of the issuer are proposed to be listed;

(iii) where the specified securities are listed on recognised stock exchanges having nationwide trading terminals as well as on the recognised stock exchanges not having nationwide trading terminals, from all recognised stock exchanges having nationwide trading terminals.”

Conditions for initial public offer

26. (1) An issuer may make an initial public offer, if:

(a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:

Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

(b) it has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years: Provided that extraordinary items shall not be considered for calculating distributable profits;

(c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e) if it has changed its name within the last one year, at least fifty per cent. of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

(2) An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;

Or

(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(6) Subject to provisions of the Companies Act, 1956 and these regulations, equity shares may be offered for sale to public if such equity shares have been held by the sellers for a period of at least one year prior to the filing of draft offer document with the Board in accordance with subregulation (1) of regulation 6:

Provided that in case equity shares received on conversion or exchange of fully paid-up compulsorily convertible securities including depository receipts are being offered for sale, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period referred in this sub-regulation:

Provided further that the requirement of holding equity shares for a period of one year shall not apply:

(a) in case of an offer for sale of specified securities of a government company or statutory authority or corporation or any special purpose vehicle set up and controlled by any one or more of them, which is engaged in infrastructure sector;

(b) if the specified securities offered for sale were acquired pursuant to any scheme approved by a High Court under sections 391-394 of the Companies Act, 1956, in lieu of business and invested capital which had been in existence for a period of more than one year prior to such approval.

Minimum promoters' contribution.

32. (1) *The promoters of the issuer shall contribute in the public issue as follows:*

- (a) in case of an initial public offer, not less than twenty per cent. of the post issue capital;*
- (b) in case of a further public offer, either to the extent of twenty per cent. of the proposed issue size or to the extent of twenty per cent. of the post-issue capital;*
- (c) in case of a composite issue, either to the extent of twenty per cent. of the proposed issue size or to the extent of twenty per cent. of the post-issue capital excluding the rights issue component.*

Lock-in of specified securities held by promoters.

36. *In a public issue, the specified securities held by promoters shall be locked-in for the period stipulated hereunder:*

- (a) minimum promoters' contribution shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the public issue, whichever is later;*
- (b) promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year:*

Provided that excess promoters' contribution as provided in proviso to clause (b) of regulation 34 shall not be subject to lock-in.

Explanation: For the purposes of this clause, the expression "date of commencement of commercial production" means the last date of the month in which commercial production in a manufacturing company is expected to commence as stated in the offer document.

Lock-in of specified securities held by persons other than promoters.

37. *In case of an initial public offer, the entire pre-issue capital held by persons other than promoters shall be locked-in for a period of one year:*

Provided that nothing contained in this regulation shall apply to:

- (a) equity shares allotted to employees under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has*

made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VIII;

(b) equity shares held by a venture capital fund or a foreign venture capital investor for a period of at least one year prior to the date of filing the draft prospectus with the Board:

Explanation: For the purpose of clause (b), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.

Period of subscription.

46. (1) A public issue shall be kept open for at least three working days but not more than ten working days including the days for which the issue is kept open in case of revision in price band.

(2) In case the price band in a public issue made through the book building process is revised, the bidding (issue) period disclosed in the red herring prospectus shall be extended for a minimum period of three working days:

Provided that the total bidding period shall not exceed ten working days.

Pre-issue advertisement for public issue.

47. (1) Subject to the provisions of section 66 of the Companies Act, 1956, the issuer shall, after registering the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.

Manner of disclosures in the offer document.

57. (1) *The offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision.*

(2) *Without prejudice to the generality of sub-regulation (1):*

(a) *the red-herring prospectus, shelf prospectus and prospectus shall contain:*

(i) *the disclosures specified in Schedule II of the Companies Act, 1956; and*

(ii) *the disclosures specified in Part A of Schedule VIII, subject to the provisions of Parts B and C thereof.*

(b) *the letter of offer shall contain disclosures as specified in Part E of Schedule VIII.*

Abridged prospectus, abridged letter of offer and ASBA.

58. (1) *The abridged prospectus shall contain the disclosures of the memorandum prescribed under sub-section (3) of section 56 of the Companies Act, 1956 and additional disclosures as specified in Part D of Schedule VIII.*

(2) *The abridged letter of offer shall contain the disclosures as specified in Part F of Schedule VIII.*

Appointment of Compliance Officer.

63. *The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.*

Explanation: For the purpose of this regulation, the term "securities laws" means the Companies Act, 1956, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the regulations, general or special orders, guidelines or circulars made or issued by the Board.

23. Hence, the following clauses of the DIP Guidelines were violated: Clauses 2.1.1, 2.1.4, 2.1.5, 2.2, 2.8, 4.1, 4.11, 4.14, 5.3.1, 5.3.3, 5.3.5, 5.3.6, 5.4, 5.6, 5.6A, 5.7, 5.8, 5.9, 5.9.1, 5.10, 5.12, 5.13, 5.14, 6.0, 6.1-6.15, 6.16-6.34, 8.3, 8.8.1, 9 read with regulation 115 of the ICDR Regulations.

24. The following regulations of the ICDR Regulations were violated: Regulations 4(2)(d)(e), 5(1),(2),(5),(7), 6(1),(4),(5), 7, 26(1),(2),(6), 32(1), 36, 37, 46(1), 47(1), 57(1),(2), 58(1),(2), 63 of the ICDR Regulations, 2009 read with regulation 301 of ICDR Regulations, 2018.

25. In view of the above, it is alleged as follows:

25.1. By issuing equity shares to more than 200 persons in FY 2008-2009 and FY 2010-2011, Noticees 1-11 are alleged to have violated the provisions of Section 56, Section 60 read with Section 2(36), Section 67(3) read with Section 465 of Companies Act, 2013.

25.2. By not making an application to a recognized stock exchange to get the securities listed with the stock exchange, by not filing prospectus in connection with the said issuance of securities, by not keeping the amounts collected in a separate designated bank account, it is alleged that the Noticees 1 to 11 have violated the provisions of Section 73(1) and 73(3) of the Companies Act, 1956 read with Section 465 of Companies Act, 2013, Clauses 2.1.1, 2.1.4, 2.1.5, 2.2, 2.8, 4.1, 4.11, 4.14, 5.3.1, 5.3.3, 5.3.5, 5.3.6, 5.4, 5.6, 5.6A, 5.7, 5.8, 5.9, 5.9.1, 5.10, 5.12, 5.13, 5.14, 6.0, 6.1-6.15, 6.16-6.34, 8.3, 8.8.1, 9 of the DIP Guidelines read with Regulation 115 of the ICDR Regulations, 2009 and Regulations 4(2)(d), (e), 5(1), 5(2), 5(5), 5(7), 6(1), 6(4), 6(5), 7, 26(1), 26(2), 26(6), 32(1), 36, 37, 46(1), 47(1), 57(1), 57(2), 58(1), 58(2) and 63 of the ICDR Regulations.

25.3. By not refunding the money collected through the issue of shares, Noticees 1 -11 are alleged to have violated Section 73(2) read with Section 5 of the Companies Act, 1956.

26. In view of the above, Noticees 1 to 11 are hereby called upon to show cause as to why suitable direction(s) under Section 11(1), 11(4), 11A and 11B(1) of SEBI Act, 1992, including prohibition on buying, selling or otherwise dealing in

securities market, either directly or indirectly, in any manner whatsoever, for a particular period should not be issued against them.

27. The reply of the Noticees, if any, along with documentary evidence that the Noticees choose to rely upon in support of their submissions, should reach the undersigned, at the address given below as well as through e-mail at vikas@sebi.gov.in and gunjanb@sebi.gov.in (word format), 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 ex-parte on the basis of the material available on record.

Shri Vikas S. S., General Manager

SEBI Eastern Regional Office

Address: L&T Chambers, 3rd Floor, 16 Camac Street,
Kolkata - 700017, West Bengal

Tel. Board: +91-33-23023000.

Fax : +91-33-22874307

E-mail : vikas@sebi.gov.in, gunjanb@sebi.gov.in

28. The Noticees are advised to keep SEBI informed about their current e-mail address and any change in their correspondence address, if any, till the proceedings are complete. The Noticees are also advised to submit a photocopy of his Income Tax Permanent Account Number Card (PAN card).

29. Further, the Noticees are advised to keep SEBI informed of all types of bank accounts (savings, deposits, recurring, current, etc.) mentioning the account number, name and address of the bank/branch held by them, details of all the demat accounts/mutual fund units held by them and a list of all other movable/immovable assets owned by them.

30. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulation, 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. Further, the Noticees may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

31. The documents relied upon in the notice have been annexed as per the list of enclosures.


Vikas S S
General Manager

Enclosures:

Annexure	Particulars
1	MCA reference letter dated November 14, 2018
2	Director details received from RoC – Kolkata
3	Copy of the SEBI circular dated March 13, 2024 (SEBI/HO/CFD/PoD-1/P/CIR/2024/016)

e-mail: rd.east@mca.gov.in



टेलीफोन/Telephone 2287-3390
2287-3404
फैक्स/Fax No 2287-0958

भारत सरकार/GOVERNMENT OF INDIA

By Speed Post

कारपोरेट कार्य मंत्रालय/Ministry of Corporate Affairs

प्रादेशिक निदेशक का कार्यालय(पूर्व क्षेत्र)/Office of the Regional Director, (Eastern Region)
निजाम पैलेस, दुसरा एम एस ओ बिल्डिंग, तीसरा तल/Nizam Palace, 2nd M. S. O. Building, 3rd Floor

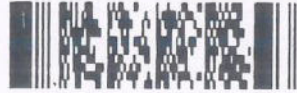
आचार्य जगदीश चन्द्र बोस रोड 234/4, Acharya Jagadish Chandra Bose Road

कोलकाता/KOLKATA - 700 020

No. RD/T/25878/S-13(4)/2017/10100

Dated: 14.11.2018

To
The Securities and Exchange Board of India
L & T Chambers, 3rd Floor,
16, Camac Street,
Kolkata- 700017 (West Bengal)



SEBI/IW/P/20181119/0000101514

भा. प्र. वि. बो
SEBI

19 NOV 2018

10.11.18/101514
प्रादेशिक कार्यालय
EASTERN REGIONAL OFFICE

Sub: Violation of section 60 & 73(1) read with the provision of
section 55A of the Companies Act, 1956.

In the matter of: - Bengal Artisans Craft Company Limited
CIN- (U17122WB2007PLC116612) a non-listed Public Company.

You may like to
take a look at
AGM (LTD) 91.
18/2018

Sir,

With reference to subject cited above, I am directed to state that an application was filed with the ROC, WB by the above company, for compounding the violation under section 60 and 73(1)(2) of the Companies Act, 1956 regarding allotment to the 1258 allottees during the period March, 2009 to November, 2010.

This said application may be examined by the SEBI in the light of order of Hon'ble Supreme Court in the matter of "Sahara India Real Estate Corporation Limited & Ors. v/s Securities and Exchange Board of India, Civil Appeal No. 9833 of 2011" as under:-

"Unlisted companies like Saharas when made an offer of shares or debentures to fifty or more persons, it was mandatory to follow the legal requirements of listing their securities. Once the number forty nine is crossed, the proviso to Section 67(3) kicks in and it is an issue to the public, which attracts Section 73(1) and an application for listing becomes mandatory which fall under the administration of SEBI under section 55A(1)(b) of the Companies Act, 1956 on this matter the company has not opted the remedies and option available before the SEBI/Tribunal".

The copy of application is attached herewith for your ready reference and examination your findings and views may kindly be intimated to this Directorate in due course.

Yours faithfully,

(D K Meena)
Asst. Director

Encl: As above



Eastern Regional Office
Manager

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ERO/OW/DB/M-9855/2018
November 21, 2018

The Registrar of Companies
Ministry of Corporate Affairs
Nizam Palace, 2nd M.S.O Building,
2nd Floor 234/4, A.J.C Bose Road
Kolkata-700020

Dear Sir,

Sub: Request to provide details w.r.t BENGAL ARTISANS CRAFT COMPANY LIMITED, registered with RoC, Kolkata

Please provide the details of directors of the captioned company since inception.

We shall be thankful to you for your kind co-operation.

Yours faithfully,

DBiswas

Debduti Biswas



M/S BENGAL ARTISANS CRAFT COMPANY LIMITED (116612) List of Directors

DIN/PAN	Name	Date of Birth	Father's Name	Nation	Address	Current Designation	Date of appointment at current designation	Original date of appointment	Date of Cessation
00206009	PRAKASH TRIPATHI	12.01.1956	BHANWAR LAL TRIPATHI	INDIA	4 GOVIND NAGAR, SECTOR - 13, HIRAN MAGRI, UDAIPUR, 342006, Rajasthan, India	Director	18.06.2007	18.06.2007	11.11.2010
01016426	SUMITA GHOSE	27.01.1960	JIBAN KRISHNA SARKAR	INDIA	C-901, Sector-21 Surya Vihar, Industrial Complex, Dundahe, ra, Gurgaon, 122016, Haryana, India	Director	18.06.2007	18.06.2007	15.06.2009
01639657	SOMA ROY	01.06.1969	RADHARAMAN MONDAL	INDIA	4/C TARA ROAD KOLKATA, 700026, West Bengal, India	Director	27.06.2007	27.06.2007	04.03.2010
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Director	30.09.2011	30.09.2011	29.09.2012
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Nominee Director	29.09.2012	29.09.2012	
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Additional Director	31.03.2011	31.03.2011	30.09.2011
02476418	ANIMA MONDAL	02.05.1957	HARIPADA MONDAL	INDIA	NO.1, DIGHIRPAR, CANNING, 24PGS(S), CANNING TOWN, 743329, West Bengal, India	Director	29.09.2009	29.09.2009	11.11.2010



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02476418	ANIMA MONDAL	02.05.1957	HARIPADA MONDAL	INDIA	NO.1, DIGHIRPAR,CANNING, 24PGS(S),CANNING TOWN,743329,West Bengal,India	Additional Director	26.11.2008	26.11.2008	29.09.2009
02909451	ELEANOR MARGARET KING	22.07.1941	EDGAR STANLEYDRURY KING	IO	25,RUE GUILLAUME LE NOBLE,NANTEUIL EN VALLEE,PARIS,16700France	Director	24.09.2010	24.09.2010	16.09.2013
02909451	ELEANOR MARGARET KING	22.07.1941	EDGAR STANLEYDRURY KING	IO	25,RUE GUILLAUME LE NOBLE,NANTEUIL EN VALLEE,PARIS,16700France	Additional Director	12.12.2009	12.12.2009	24.09.2010
02970015	VIVEK RISHI	30.12.1979	RAJESH RISHI	INDIA	919,Sector- 2,Panchkula,134112,Haryana,India	Director	24.09.2010	24.09.2010	03.06.2011
02970015	VIVEK RISHI	30.12.1979	RAJESH RISHI	INDIA	919,Sector- 2,Panchkula,134112,Haryana,India	Additional Director	04.03.2010	04.03.2010	24.09.2010
03319406	ARUN CHANDA	25.08.1970	ANIL CHANDA	INDIA	TEGHARI FIELD, NABADWIP, WARD NO - 19, NABADWIP, NADIA, 700054, West Bengal, India	Director	30.09.2011	30.09.2011	
03319406	ARUN CHANDA	25.08.1970	ANIL CHANDA	INDIA	TEGHARI FIELD, NABADWIP, WARD NO - 19, NABADWIP, NADIA, 700054, West Bengal, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
03319511	BULU RAHA	17.02.1954	NITAI CHANDRA RAHA	INDIA	Patulipaschimpara, Patuli Road, PatuliNadia, 741121, West Bengal, India	Director	30.09.2011	30.09.2011	
03319511	BULU RAHA	17.02.1954	NITAI CHANDRA RAHA	INDIA	Patulipaschimpara, Patuli Road, PatuliNadia, 741121, West Bengal, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
03327101	PANKAJ	15.08.1985	PRADEEP KUMAR	INDIA	25/762, D.D.A. FlatsMadangir, Ambedkar Nagar, South Delhi, 110062, Delhi, India	Director	30.09.2011	30.09.2011	



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03327101	PANKAJ	15.08.1985	PRADEEP KUMAR	INDIA	25/762, D.D.A. FlatsMadangir, Ambedkar Nagar, South Delhi, 110062, Delhi, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
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5



CIRCULAR

March 13, 2024

SEBI/HO/CFD/PoD-1/P/CIR/2024/016

To

All Recognised Stock Exchanges

Dear Sir/Madam,

Sub: Repeal of circular(s) outlining procedure to deal with cases where securities are issued prior to April 01, 2014, involving offer / allotment of securities to more than 49 but up to 200 investors in a financial year.

Ref: Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/ P/2016/53 dated May 03, 2016.

1. In exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, SEBI had issued Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/ P/2016/53 dated May 03, 2016, stating that in respect of cases under the Companies Act, 1956, involving issuance of securities to more than 49 persons but up to 200 persons in a financial year, the companies may avoid penal action if they provide the investors with an option to surrender the securities and receive the refund amount at a price not less than the amount of subscription money paid along with 15% interest p.a. thereon or such higher return as promised to the investors. This opportunity to avoid penal action was provided to the issuer companies considering the higher cap for private placement provided in the Companies Act, 2013.
2. Given that considerable time has elapsed since the repeal of the Companies Act, 1956, in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets, it has now



been decided to repeal the aforesaid circulars and the same shall stand rescinded with effect from 6 months from the date of issue of this circular, without prejudice to the operation of anything done or any action taken under the said circulars.

3. The above said option shall be available under the circular only to those companies who have completed the entire procedure and submitted the certificate in terms of circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/P/2016/53/dated May 03, 2016, within 6 months from the date of issue of this circular.
4. Accordingly, all cases involving an offer or allotment of securities to more than the permissible number of investors in a financial year shall be dealt with in line with the provisions contained under the extant applicable laws.
5. The Stock Exchanges are advised to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on their websites.
6. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework → Circulars".

Yours faithfully,

Yogita Jadhav
General Manager
Corporation Finance Department
+91 22 2644 9583
Email - yogitag@sebi.gov.in



General Manager
Eastern Regional Office

SEBI/ERO-OTHER/P/OW/2025/3881/5

February 04, 2025

By Speed Post Ack. Due

Noticee No.	Noticee Details	Noticee No.	Noticee Details
1.	Bengal Artisans Craft Company Limited Plot No. 106, Narkeldagna Main Road Mangal Bhavan, Back Gate Kolkata WB 700054	2.	Shri. Prakash Tripathi 4 Govind Nagar, Sector – 13, Hiran Magri, Udaipur, 34206, Rajasthan, India
3.	Sumita Ghose C-901, Sector – 21 Surya Vihar, Industrial Complex, Dundahera, Gurgaon, 122016, Haryana, India	4.	Soma Roy 4/C Tara Road Kolkata, 700026, West Bengal, India
5.	Anima Mondal No. 1, Dighirpar, Canning, 24 PGS(S), Canning Town, 743329, West Bengal	6.	Eleanor Margaret King 25, Rue Guillaume Le Noble, Nanteuil En Vallee, Paris, 16700, France
7.	Rajendran Kavil Poduvattil Achutan 2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	8.	Vivek Rishi 919, Sector-2, Panchkula, 134112, Haryana, India
9.	Arun Chanda Teghari Field, Nabadwip, Ward No. – 19, Nabadwip, Nadia, 700054, West Bengal, India	10.	Bulu Raha Patulipaschimpara, Patuli Road, Patuli Nadia, 741121, West Bengal, India

Noticee No.	Noticee Details	Noticee No.	Noticee Details
11.	Pankaj 25/762, D.D.A. Flats Madangir, Ambedkar Nagar, South Delhi, 110062		

(The aforesaid entities are hereinafter collectively referred to as "Noticees", unless the context specifies otherwise).

Sub: Show Cause Notice under Sections 11(1), 11(4), 11A and 11B(1) of the Securities and Exchange Board of India Act, 1992 in the matter of Bengal Artisan Craft Company Limited (CIN: U17122WB2007PLC116612)

A. Background

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had received a reference dated November 14, 2018 from Ministry of Corporate Affairs (MCA) wherein it was stated that Bengal Artisans Craft Company Ltd. (hereinafter referred to as "BACCL"/"Company") had filed an application with the Registrar of Companies (RoC), West Bengal for compounding the violation under Section 60 and 73(1)(2) of the Companies Act, 1956 regarding allotment to 1,258 allottees during March 2009 to November 2010. Copy of the said reference dated November 14, 2018 is placed as **Annexure 1**.
2. Based on the said information, SEBI conducted an examination into the issuance of equity shares by BACCL to ascertain whether there were violations of the public issue norms stipulated under the Companies Act, 1956/2013, relevant provisions of the SEBI Act, 1992, SEBI (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as the DIP Guidelines) and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as the ICDR Regulations).



3. The company BACCL is registered with the address – 33, Bondel Road, Kolkata, West Bengal 700019 and has CIN – U17122WB2007PLC116612 and PAN as AADCB1764A. Further, the list of directors of BACCL, as received from RoC – Kolkata, is placed as **Annexure 2**.

B. Correspondence with the Company/Directors

4. SEBI, vide letters dated January 11, 2019 and February 22, 2019, sought information from BACCL and its directors regarding mobilization of funds. BACCL responded vide letters dated January 24, 2019 and February 27, 2019 and, *inter alia*, clarified that the allotments of equity shares were actually made to 1,314 allottees and not 1,258 as communicated by RoC, MCA.
5. Further, BACCL provided the list of the said 1,314 allottees and stated that the said allottees have been refunded in FY 2013-14 as follows:
 - 5.1. 203 allottees (1,513 shares) have been refunded through cheques; of these, 15 allottees have not encashed the cheques (amount not encashed Rs. 13,440)
 - 5.2. 71 allottees (19,100 shares) have been refunded through NEFT
 - 5.3. 1,040 allottees (24,387 shares) by way of transfer and internal transfer of shares by original allottees
6. The company also submitted auditor's report from two independent peer reviewed auditors as well as other supporting documents certifying the above refund claim.
7. From the CA certificates and the supporting documents thereto, it was observed that a total sum of Rs. 23,01,956 was refunded to allottees in FY 2008-09 and FY 2010-11 vis-à-vis the sum of Rs. 13,97,100 raised from them (this amount includes transfer of share cases as well which the company termed as refund). It



was also gathered from the submissions that shareholders holding cumulatively 22,18,400 shares continued to hold shares in the company.

8. Clarifications were sought from the company and auditors with respect to refunds made through transfer and internal transfer to 1,040 allottees. The company, vide letter dated August 19, 2020, stated that 3 shareholders, viz., AMFPL Consultants Pvt. Ltd., Dilli Karigari Ltd. and Derawala Artisans Limited, are collectively holding 99.65% shares by purchasing shares from original shareholders.
9. Subsequently, SEBI vide letter dated June 24, 2021, advised the company to provide an exit option to its shareholders in terms of the SEBI circular CFD/DIL3/18/2015 dated December 31, 2015 read with SEBI circular DIL3/CIR/P/2016/53 dated May 03, 2016 (hereinafter referred to as the SEBI DPI Exit circulars) and complete the same within 3 months.
10. BACCL, vide letter dated September 10, 2021, provided the CA certificate from an independent peer reviewed CA certifying compliance with the SEBI DPI Exit circulars. The company had offered exit to the shareholders at a price equivalent to the amount of subscription money paid along with 15% interest p.a. thereon, which was in terms of the SEBI DPI Exit circulars.
11. The CA report further stated as follows:
 - 11.1. That only 6 (six) out of 14 (fourteen) shareholders replied to the exit offer letter and all the 6 shareholders who collectively held 99.66% of paid-up share capital had refused to accept the exit offer.
 - 11.2. No reply was received from the remaining 8 shareholders within the stipulated period.
 - 11.3. As no shareholder accepted the exit offer, no payment was done and consequently, no verification of bank accounts needed to be done.



12. SEBI, vide circular dated March 13, 2024 (SEBI/HO/CFD/PoD-1/P/CIR/2024/016), repealed the aforesaid SEBI DPI Exit circulars outlining the procedure to deal with cases where securities are issued prior to April 01, 2014, involving offer/allotment of securities to more than 49 but up to 200 investors in a financial year. Copy of the said circular is placed as **Annexure 3**.

13. As BACCL had issued equity shares to more than 49 persons in a financial year, it amounts to public issue of securities as per the first proviso to Section 67(3) of the Companies Act, 1956. The Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 revised this limit upwards to 200 persons in a financial year. However, since the allotments were made before this limit of 200 came into effect, the limit of 49 persons as per Companies Act, 1956 is applicable in the instant case.

14. Further, 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.

C. Summary of allotments and Amount Mobilized through allotment of equity shares

15. It is alleged that the following allotments were in violation of Companies Act 1956/2013:

Table 1

Sl. No.	Date of allotment	FY	No. of allottees	No. of shares allotted	Amount raised (in Rs.)

1.	June 25, 2008	2008-09	1	22,050	22,05,000
2.	March 23, 2009		957	1,988	1,98,800
3.	June 29, 2010	2010-11	210	671	67,100
4.	November 11, 2010		77	498	49,800
5.	March 31, 2011		39	10,948	10,94,800
Total			1,284	36,155	36,15,500

16. Further, from the documents e-filed by the company on the MCA website for the FY 2008-09 and 2010-11, the names of the directors mentioned in the document along with the name of the director signing the e-form are tabulated below:

Table 2

Sl. No.	Form	Form ending	Date/ FY	Directors	Form e-signed by
1.	20B	March 31, 2009		Prakash Tripathi, Soma Roy, Anima Mondal, Sumita Ghose	Prakash Chand Tripathi
2.	23AC	March 31, 2009		Soma Roy, Anima Mondal	Prakash Chand Tripathi
3.	23AC	March 31, 2011		Rajendran Achutan Kavil Poduvattil, Pankaj	K P Rajendran Achutan
4.	66	March 31, 2009		***	Prakash Chand Tripathi

Sl. No.	Form	Form Date/ FY ending	Directors	Form e-signed by
5.	66	March 31, 2011	***	K P Rajendran Achutan
6.	23ACA	March 31, 2009	***	Prakash Chand Tripathi
7.	23ACA	March 31, 2011	***	K P Rajendran Achutan
8.	2	June 29, 2010(Date of Allotment)	***	Vivek Rishi
9.	2	March 15, 2008(Date of Allotment)	***	Soma Roy
10.	2	June 25, 2008(Date of Allotment)	***	Prakash Tripathi
11.	2	March 31, 2011(Date of Allotment)	***	Vivek Rishi
12.	2	June 15, 2009(Date of Allotment)	***	Prakash Tripathi
13.	2	November 11, 2010(Date of Allotment)	***	Vivek Rishi
14.	2	March 23, 2009(Date of Allotment)	***	Prakash Tripathi
15.	17	October 11, 2008 (Charge Creation Date)	***	K P Rajendran Achutan

Sl. No.	Form	Form Date/ FY ending	Directors	Form e-signed by
16.	8	October 11, 2008 (Date of instrument creating or modifying the charge)	***	Prakash Tripathi

17. Further, Form 32 has been filed by the company with MCA on November 11, 2010 with respect to appointment of directors - Bulu Raha (Additional Director, Independent, date of appointment: November 11, 2010), Arun Chanda (Additional Director, Independent, date of appointment: November 11, 2010), Pankaj Pradeep (Additional Director, Independent, date of appointment: November 11, 2010). Also, Pankaj Pradeep has signed the financial statements of the company for FY ended March 31, 2011.

18. Prakash Tripathi, Sumita Ghose, Soma Roy, Anima Mondal, Eleanor Margaret King and Vivek Rishi were directors during the period of issuances to more than 200 allottees. Rajendran Kavil Poduvattil Achutan was appointed a director on March 31, 2011. Further, he has signed the Form 23AC, 7, 23ACA for FY ending March 31, 2011. Eleanor Margaret King, Arun Chanda, Bulu Raha and Pankaj Tripathi were directors during different tenures which coincide with the period of issuances.

19. Section 56 of the Companies Act, 1956, inter alia, requires that no one shall issue any form of application for shares or debentures of a company, unless the form is accompanied by a memorandum containing such salient features of a prospectus as may be prescribed. Further, Section 60 of the Companies Act, 1956 prescribes conditions for registration of prospectus, Section 67(3) of the Companies Act, 1956 provides for construction of references to offering shares or debentures to public, etc., and Section 73 prescribes the rules for the company to get its shares listed on the stock exchange. Thereafter, the relevant provisions of

the DIP Guidelines and the ICDR Regulations provide the conditions for public issue, disclosures in offer documents, filing of draft offer document, etc. Being the company and the directors, it was duty of Noticees 1 to 11 to follow and adhere to all of the above mentioned provisions of law.

20. Therefore, it is alleged that Noticees 1 to 11 have violated Section 56(1), 56(3) and 60 of the Companies Act, 1956 read with section 2(36), 67(3), 73(1), 73(2), 73(3) of Companies Act, 1956 read with Section 465 of Companies Act, 2013.

D. Regulatory Provisions Violated

21. For public issue of equity shares, the DIP Guidelines were applicable till August 26, 2009. After the said date, the ICDR Regulations came into force. As the equity issuances were made during March 2009 to March 2011, the provisions of the DIP Guidelines were violated in the FY 2008-2009 allotment and that of the ICDR Regulations were violated in the FY 2010-11 allotments.

22. In this regard, the relevant regulatory provisions are as follows:

Companies Act, 1956:

"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 –

- (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 subsections (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."

Section 2(36) of the Companies Act, 1956

"(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."

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

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

"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 under sub-section (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 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.

Companies Act, 2013

465. Repeal of certain enactments and savings

(1)...

(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;

(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.

SEBI (DIP) Guidelines, 2000

Clause 2.1.1 – Filing of offer document

Clause 2.1.4 – Application for listing

Clause 2.1.5 – Issue of securities in dematerialized form

Clause 2.2 – Initial Public Offerings by Unlisted Companies

Clause 2.8 – Means of finance

Clause 4.1 – Promoters' Contribution in a Public Issue by Unlisted Companies

Clause 4.11 – Lock in of Minimum Specified Promoters' Contribution in Public Issues

Clause 4.14 – Lock-in of pre-issue share capital of an unlisted company

Clause 5.3.1 – Memorandum of Understanding (MOU)

Clause 5.3.3 – Due Diligence Certificate

Clause 5.3.5 – Undertaking

Clause 5.3.6 – List of Promoters' Group and other Detail

Clause 5.4 – Appointment of Intermediaries

Clause 5.6 – Offer Document to be Made Public

Clause 5.6A – Pre – Issue Advertisement
Clause 5.7 – Despatch of Issue Material
Clause 5.8 – No Complaints Certificate
Clause 5.9 – Mandatory Collection Centres
Clause 5.9.1 – Minimum number of collection centres
Clause 5.10 – Authorised Collection Agents
Clause 5.12 – Appointment of Compliance Officer
Clause 5.13 – Abridged Prospectus
Clause 5.14 – Agreements with depositories
Clause 6.0 – Contents of offer document
Clause 6.1-6.15 – Contents of the Prospectus
Clause 6.16-6.34 – Contents of Abridged Prospectus
Clause 8.3 – Rule 19(2)(b) of SC (R) Rules, 1957
Clause 8.8.1 – Period of subscription – Public Issues
Clause 9 – Guidelines on advertisement

SEBI (ICDR) Regulations, 2009

Regulation 4(2)(d) – Application for listing of securities
Regulation 4(2)(e) – Agreement with depository for dematerialisation
Regulation 5(1) – Appointment of merchant banker
Regulation 5(2) – Appointment of other intermediaries
Regulation 5(5) – Agreement with the lead merchant banker
Regulation 5(7) – Appointment of registrar
Regulation 6(1), (4), (5) – Filing of draft Offer Document
Regulation 7 – In-principle approval from recognized stock exchanges
Regulation 26(1), (2), (6) – Conditions for initial public offer
Regulation 32(1) – Minimum promoters' contribution
Regulation 36 – Lock-in of specified securities held by promoters
Regulation 37 – Lock-in of specified securities held by persons other than promoters
Regulation 46(1) – Period of subscription

Regulation 47(1) – Pre-issue advertisement for public issue

Regulation 57(1), (2) – Manner of disclosures in offer document

Regulation 58(1), (2) – Disclosures in Abridged prospectus, abridged letter of offer and ASBA.

Regulation 63 – Appointment of Compliance officer

Regulation 115 of SEBI (ICDR) Regulations, 2009 – Repeal and Savings

“General conditions

4 (2) No issuer shall make a public issue or rights issue of specified securities:

(d) unless it has made an application to one or more recognised stock exchanges for listing of specified securities on such stock exchanges and has chosen one of them as the designated stock exchange:

Provided that in case of an initial public offer, the issuer shall make an application for listing of the specified securities in at least one recognised stock exchange having nationwide trading terminals;

(e) unless it has entered into an agreement with a depository for dematerialisation of specified securities already issued or proposed to be issued;”

Appointment of merchant banker and other intermediaries.

5. (1) The issuer shall appoint one or more merchant bankers, at least one of whom shall be a lead merchant banker and shall also appoint other intermediaries, in consultation with the lead merchant banker, to carry out the obligations relating to the issue.

(2) The issuer shall, in consultation with the lead merchant banker, appoint only those intermediaries which are registered with the Board.

(7) The issuer shall appoint a registrar which has connectivity with all the depositories: *Provided that if issuer itself is a registrar to an issue registered with the Board, then another registrar to an issue shall be appointed as registrar to the issue: Provided further that the lead merchant banker shall not act as a registrar to the issue in which it is also handling the post issue responsibilities.*

Filing of offer document.

6. (1) No issuer shall make,

(a) a public issue; or

(b) a rights issue, where the aggregate value of the specified securities offered is fifty lakh rupees or more,

unless a draft offer document, along with fees as specified in Schedule IV, has been filed with the Board through the lead merchant banker, at least thirty days prior to registering the prospectus, red herring prospectus or shelf prospectus with the Registrar of Companies or filing the letter of offer with the designated stock exchange, as the case may be.

(4) The issuer shall, simultaneously while registering the prospectus, red herring prospectus or shelf prospectus with the Registrar of Companies or filing the letter of offer with the designated stock exchange or before the opening of the issue, file a copy thereof with the Board through the lead merchant banker.

(5) The lead merchant banker shall, while filing the offer document with the Board in terms of subregulation (1) and sub-regulation (4), file a copy of such document with the recognised stock exchanges where the specified securities are proposed to be listed.

In-principle approval from recognised stock exchanges.

7. The issuer shall obtain in-principle approval from recognised stock exchanges as follows:

(a) in case of an initial public offer, from all the recognised stock exchanges in which the issuer proposes to get its specified securities listed; and

(b) in case of a further public offer and rights issue:

(i) where the specified securities are listed only on recognised stock exchanges having nationwide trading terminals, from all such stock exchanges;

(ii) where the specified securities are not listed on any recognised stock exchange having nationwide trading terminals, from all the stock exchanges in which the specified securities of the issuer are proposed to be listed;

(iii) where the specified securities are listed on recognised stock exchanges having nationwide trading terminals as well as on the recognised stock exchanges not having nationwide trading terminals, from all recognised stock exchanges having nationwide trading terminals.”

Conditions for initial public offer

26. (1) An issuer may make an initial public offer, if:

(a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:

Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

(b) it has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years: Provided that extraordinary items shall not be considered for calculating distributable profits;

(c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e) if it has changed its name within the last one year, at least fifty per cent. of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

(2) An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:



(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;

Or

(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(6) Subject to provisions of the Companies Act, 1956 and these regulations, equity shares may be offered for sale to public if such equity shares have been held by the sellers for a period of at least one year prior to the filing of draft offer document with the Board in accordance with subregulation (1) of regulation 6:

Provided that in case equity shares received on conversion or exchange of fully paid-up compulsorily convertible securities including depository receipts are being offered for sale, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period referred in this sub-regulation:

Provided further that the requirement of holding equity shares for a period of one year shall not apply:

(a) in case of an offer for sale of specified securities of a government company or statutory authority or corporation or any special purpose vehicle set up and controlled by any one or more of them, which is engaged in infrastructure sector;

(b) if the specified securities offered for sale were acquired pursuant to any scheme approved by a High Court under sections 391-394 of the Companies Act, 1956, in lieu of business and invested capital which had been in existence for a period of more than one year prior to such approval.

Minimum promoters' contribution.

32. (1) *The promoters of the issuer shall contribute in the public issue as follows:*

- (a) in case of an initial public offer, not less than twenty per cent. of the post issue capital;*
- (b) in case of a further public offer, either to the extent of twenty per cent. of the proposed issue size or to the extent of twenty per cent. of the post-issue capital;*
- (c) in case of a composite issue, either to the extent of twenty per cent. of the proposed issue size or to the extent of twenty per cent. of the post-issue capital excluding the rights issue component.*

Lock-in of specified securities held by promoters.

36. *In a public issue, the specified securities held by promoters shall be locked-in for the period stipulated hereunder:*

- (a) minimum promoters' contribution shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the public issue, whichever is later;*
- (b) promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year:*

Provided that excess promoters' contribution as provided in proviso to clause (b) of regulation 34 shall not be subject to lock-in.

Explanation: For the purposes of this clause, the expression "date of commencement of commercial production" means the last date of the month in which commercial production in a manufacturing company is expected to commence as stated in the offer document.

Lock-in of specified securities held by persons other than promoters.

37. *In case of an initial public offer, the entire pre-issue capital held by persons other than promoters shall be locked-in for a period of one year:*

Provided that nothing contained in this regulation shall apply to:

- (a) equity shares allotted to employees under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has*

made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VIII;

(b) equity shares held by a venture capital fund or a foreign venture capital investor for a period of at least one year prior to the date of filing the draft prospectus with the Board:

Explanation: For the purpose of clause (b), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.

Period of subscription.

46. (1) A public issue shall be kept open for at least three working days but not more than ten working days including the days for which the issue is kept open in case of revision in price band.

(2) In case the price band in a public issue made through the book building process is revised, the bidding (issue) period disclosed in the red herring prospectus shall be extended for a minimum period of three working days:

Provided that the total bidding period shall not exceed ten working days.

Pre-issue advertisement for public issue.

47. (1) Subject to the provisions of section 66 of the Companies Act, 1956, the issuer shall, after registering the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.

Manner of disclosures in the offer document.

57. (1) *The offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision.*

(2) *Without prejudice to the generality of sub-regulation (1):*

(a) *the red-herring prospectus, shelf prospectus and prospectus shall contain:*

(i) *the disclosures specified in Schedule II of the Companies Act, 1956; and*

(ii) *the disclosures specified in Part A of Schedule VIII, subject to the provisions of Parts B and C thereof.*

(b) *the letter of offer shall contain disclosures as specified in Part E of Schedule VIII.*

Abridged prospectus, abridged letter of offer and ASBA.

58. (1) *The abridged prospectus shall contain the disclosures of the memorandum prescribed under sub-section (3) of section 56 of the Companies Act, 1956 and additional disclosures as specified in Part D of Schedule VIII.*

(2) *The abridged letter of offer shall contain the disclosures as specified in Part F of Schedule VIII.*

Appointment of Compliance Officer.

63. *The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.*

Explanation: For the purpose of this regulation, the term "securities laws" means the Companies Act, 1956, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the regulations, general or special orders, guidelines or circulars made or issued by the Board.

23. Hence, the following clauses of the DIP Guidelines were violated: Clauses 2.1.1, 2.1.4, 2.1.5, 2.2, 2.8, 4.1, 4.11, 4.14, 5.3.1, 5.3.3, 5.3.5, 5.3.6, 5.4, 5.6, 5.6A, 5.7, 5.8, 5.9, 5.9.1, 5.10, 5.12, 5.13, 5.14, 6.0, 6.1-6.15, 6.16-6.34, 8.3, 8.8.1, 9 read with regulation 115 of the ICDR Regulations.

24. The following regulations of the ICDR Regulations were violated: Regulations 4(2)(d)(e), 5(1),(2),(5),(7), 6(1),(4),(5), 7, 26(1),(2),(6), 32(1), 36, 37, 46(1), 47(1), 57(1),(2), 58(1),(2), 63 of the ICDR Regulations, 2009 read with regulation 301 of ICDR Regulations, 2018.

25. In view of the above, it is alleged as follows:

25.1. By issuing equity shares to more than 200 persons in FY 2008-2009 and FY 2010-2011, Noticees 1-11 are alleged to have violated the provisions of Section 56, Section 60 read with Section 2(36), Section 67(3) read with Section 465 of Companies Act, 2013.

25.2. By not making an application to a recognized stock exchange to get the securities listed with the stock exchange, by not filing prospectus in connection with the said issuance of securities, by not keeping the amounts collected in a separate designated bank account, it is alleged that the Noticees 1 to 11 have violated the provisions of Section 73(1) and 73(3) of the Companies Act, 1956 read with Section 465 of Companies Act, 2013, Clauses 2.1.1, 2.1.4, 2.1.5, 2.2, 2.8, 4.1, 4.11, 4.14, 5.3.1, 5.3.3, 5.3.5, 5.3.6, 5.4, 5.6, 5.6A, 5.7, 5.8, 5.9, 5.9.1, 5.10, 5.12, 5.13, 5.14, 6.0, 6.1-6.15, 6.16-6.34, 8.3, 8.8.1, 9 of the DIP Guidelines read with Regulation 115 of the ICDR Regulations, 2009 and Regulations 4(2)(d), (e), 5(1), 5(2), 5(5), 5(7), 6(1), 6(4), 6(5), 7, 26(1), 26(2), 26(6), 32(1), 36, 37, 46(1), 47(1), 57(1), 57(2), 58(1), 58(2) and 63 of the ICDR Regulations.

25.3. By not refunding the money collected through the issue of shares, Noticees 1 -11 are alleged to have violated Section 73(2) read with Section 5 of the Companies Act, 1956.

26. In view of the above, Noticees 1 to 11 are hereby called upon to show cause as to why suitable direction(s) under Section 11(1), 11(4), 11A and 11B(1) of SEBI Act, 1992, including prohibition on buying, selling or otherwise dealing in

securities market, either directly or indirectly, in any manner whatsoever, for a particular period should not be issued against them.

27. The reply of the Noticees, if any, along with documentary evidence that the Noticees choose to rely upon in support of their submissions, should reach the undersigned, at the address given below as well as through e-mail at vikas@sebi.gov.in and gunjanb@sebi.gov.in (word format), 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 ex-parte on the basis of the material available on record.

Shri Vikas S. S., General Manager

SEBI Eastern Regional Office

Address: L&T Chambers, 3rd Floor, 16 Camac Street,
Kolkata - 700017, West Bengal

Tel. Board: +91-33-23023000.

Fax : +91-33-22874307

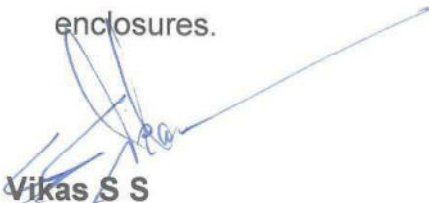
E-mail : vikas@sebi.gov.in, gunjanb@sebi.gov.in

28. The Noticees are advised to keep SEBI informed about their current e-mail address and any change in their correspondence address, if any, till the proceedings are complete. The Noticees are also advised to submit a photocopy of his Income Tax Permanent Account Number Card (PAN card).

29. Further, the Noticees are advised to keep SEBI informed of all types of bank accounts (savings, deposits, recurring, current, etc.) mentioning the account number, name and address of the bank/branch held by them, details of all the demat accounts/mutual fund units held by them and a list of all other movable/immovable assets owned by them.

30. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulation, 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. Further, the Noticees may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

31. The documents relied upon in the notice have been annexed as per the list of enclosures.


Vikas S S
General Manager

Enclosures:

Annexure	Particulars
1	MCA reference letter dated November 14, 2018
2	Director details received from RoC – Kolkata
3	Copy of the SEBI circular dated March 13, 2024 (SEBI/HO/CFD/PoD-1/P/CIR/2024/016)

e-mail: rd.east@mca.gov.in



टेलीफोन/Telephone 2287-3390
2287-3404
फैक्स/Fax No 2287-0958

भारत सरकार/GOVERNMENT OF INDIA

By Speed Post

कारपोरेट कार्य मंत्रालय/Ministry of Corporate Affairs

प्रादेशिक निदेशक का कार्यालय(पूर्व क्षेत्र)/Office of the Regional Director, (Eastern Region)
निजाम पैलेस, दुसरा एम एस ओ बिल्डिंग, तीसरा तल/Nizam Palace, 2nd M. S. O. Building, 3rd Floor

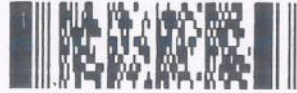
आचार्य जगदीश चन्द्र बोस रोड 234/4, Acharya Jagadish Chandra Bose Road

कोलकाता/KOLKATA - 700 020

No. RD/T/25878/S-13(4)/2017/10100

Dated: 14.11.2018

To
The Securities and Exchange Board of India
L & T Chambers, 3rd Floor,
16, Camac Street,
Kolkata- 700017 (West Bengal)



SEBI/IW/P/20181119/0000101514

भा. प्र. वि. बो
SEBI

19 NOV 2018

10.11.18/101514
प्रादेशिक कार्यालय
EASTERN REGIONAL OFFICE

Sub: Violation of section 60 & 73(1) read with the provision of
section 55A of the Companies Act, 1956.

In the matter of: - Bengal Artisans Craft Company Limited
CIN- (U17122WB2007PLC116612) a non-listed Public Company.

You may like to
take a look at
AGM (LTD) 91.
18/20/18

Sir,

With reference to subject cited above, I am directed to state that an application was filed with the ROC, WB by the above company, for compounding the violation under section 60 and 73(1)(2) of the Companies Act, 1956 regarding allotment to the 1258 allottees during the period March, 2009 to November, 2010.

This said application may be examined by the SEBI in the light of order of Hon'ble Supreme Court in the matter of "Sahara India Real Estate Corporation Limited & Ors. v/s Securities and Exchange Board of India, Civil Appeal No. 9833 of 2011" as under:-

"Unlisted companies like Saharas when made an offer of shares or debentures to fifty or more persons, it was mandatory to follow the legal requirements of listing their securities. Once the number forty nine is crossed, the proviso to Section 67(3) kicks in and it is an issue to the public, which attracts Section 73(1) and an application for listing becomes mandatory which fall under the administration of SEBI under section 55A(1)(b) of the Companies Act, 1956 on this matter the company has not opted the remedies and option available before the SEBI/Tribunal".

The copy of application is attached herewith for your ready reference and examination your findings and views may kindly be intimated to this Directorate in due course.

Yours faithfully,

(D K Meena)
Asst. Director

Encl: As above



Eastern Regional Office
Manager

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ERO/OW/DB/M-9855/2018
November 21, 2018

The Registrar of Companies
Ministry of Corporate Affairs
Nizam Palace, 2nd M.S.O Building,
2nd Floor 234/4, A.J.C Bose Road
Kolkata-700020

Dear Sir,

Sub: Request to provide details w.r.t BENGAL ARTISANS CRAFT COMPANY LIMITED, registered with RoC, Kolkata

Please provide the details of directors of the captioned company since inception.

We shall be thankful to you for your kind co-operation.

Yours faithfully,

DBiswas

Debduti Biswas



M/S BENGAL ARTISANS CRAFT COMPANY LIMITED (116612) List of Directors

DIN/PAN	Name	Date of Birth	Father's Name	Nation	Address	Current Designation	Date of appointment at current designation	Original date of appointment	Date of Cessation
00206009	PRAKASH TRIPATHI	12.01.1956	BHANWAR LAL TRIPATHI	INDIA	4 GOVIND NAGAR, SECTOR - 13, HIRAN MAGRI, UDAIPUR, 342006, Rajasthan, India	Director	18.06.2007	18.06.2007	11.11.2010
01016426	SUMITA GHOSE	27.01.1960	JIBAN KRISHNA SARKAR	INDIA	C-901, Sector-21 Surya Vihar, Industrial Complex, Dundahe, ra, Gurgaon, 122016, Haryana, India	Director	18.06.2007	18.06.2007	15.06.2009
01639657	SOMA ROY	01.06.1969	RADHARAMAN MONDAL	INDIA	4/C TARA ROAD KOLKATA, 700026, West Bengal, India	Director	27.06.2007	27.06.2007	04.03.2010
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Director	30.09.2011	30.09.2011	29.09.2012
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Nominee Director	29.09.2012	29.09.2012	
01882807	RAJENDRAN KAVIL PODUVATTIL ACHUTAN	22.08.1962	URATH PODUVAL ACHUTAN	INDIA	2 AI, Madhur Amrat Apts. Corporation Office Road Calicut, 673032, Kerala, India	Additional Director	31.03.2011	31.03.2011	30.09.2011
02476418	ANIMA MONDAL	02.05.1957	HARIPADA MONDAL	INDIA	NO.1, DIGHIRPAR, CANNING, 24PGS(S), CANNING TOWN, 743329, West Bengal, India	Director	29.09.2009	29.09.2009	11.11.2010



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02476418	ANIMA MONDAL	02.05.1957	HARIPADA MONDAL	INDIA	NO.1, DIGHIRPAR,CANNING, 24PGS(S),CANNING TOWN,743329,West Bengal,India	Additional Director	26.11.2008	26.11.2008	29.09.2009
02909451	ELEANOR MARGARET KING	22.07.1941	EDGAR STANLEYDRURY KING	IO	25,RUE GUILLAUME LE NOBLE,NANTEUIL EN VALLEE,PARIS,16700France	Director	24.09.2010	24.09.2010	16.09.2013
02909451	ELEANOR MARGARET KING	22.07.1941	EDGAR STANLEYDRURY KING	IO	25,RUE GUILLAUME LE NOBLE,NANTEUIL EN VALLEE,PARIS,16700France	Additional Director	12.12.2009	12.12.2009	24.09.2010
02970015	VIVEK RISHI	30.12.1979	RAJESH RISHI	INDIA	919,Sector-2,Panchkula,134112,Haryana,India	Director	24.09.2010	24.09.2010	03.06.2011
02970015	VIVEK RISHI	30.12.1979	RAJESH RISHI	INDIA	919,Sector-2,Panchkula,134112,Haryana,India	Additional Director	04.03.2010	04.03.2010	24.09.2010
03319406	ARUN CHANDA	25.08.1970	ANIL CHANDA	INDIA	TEGHARI FIELD, NABADWIP, WARD NO - 19, NABADWIP, NADIA, 700054, West Bengal, India	Director	30.09.2011	30.09.2011	
03319406	ARUN CHANDA	25.08.1970	ANIL CHANDA	INDIA	TEGHARI FIELD, NABADWIP, WARD NO - 19, NABADWIP, NADIA, 700054, West Bengal, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
03319511	BULU RAHA	17.02.1954	NITAI CHANDRA RAHA	INDIA	Patulipaschimpara, Patuli Road, PatuliNadia, 741121, West Bengal, India	Director	30.09.2011	30.09.2011	
03319511	BULU RAHA	17.02.1954	NITAI CHANDRA RAHA	INDIA	Patulipaschimpara, Patuli Road, PatuliNadia, 741121, West Bengal, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
03327101	PANKAJ	15.08.1985	PRADEEP KUMAR	INDIA	25/762, D.D.A. FlatsMadangir, Ambedkar Nagar, South Delhi, 110062, Delhi, India	Director	30.09.2011	30.09.2011	



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03327101	PANKAJ	15.08.1985	PRADEEP KUMAR	INDIA	25/762, D.D.A. FlatsMadangir, Ambedkar Nagar, South Delhi, 110062, Delhi, India	Additional Director	11.11.2010	11.11.2010	30.09.2011
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CIRCULAR

March 13, 2024

SEBI/HO/CFD/PoD-1/P/CIR/2024/016

To

All Recognised Stock Exchanges

Dear Sir/Madam,

Sub: Repeal of circular(s) outlining procedure to deal with cases where securities are issued prior to April 01, 2014, involving offer / allotment of securities to more than 49 but up to 200 investors in a financial year.

Ref: Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/ P/2016/53 dated May 03, 2016.

1. In exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, SEBI had issued Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/ P/2016/53 dated May 03, 2016, stating that in respect of cases under the Companies Act, 1956, involving issuance of securities to more than 49 persons but up to 200 persons in a financial year, the companies may avoid penal action if they provide the investors with an option to surrender the securities and receive the refund amount at a price not less than the amount of subscription money paid along with 15% interest p.a. thereon or such higher return as promised to the investors. This opportunity to avoid penal action was provided to the issuer companies considering the higher cap for private placement provided in the Companies Act, 2013.
2. Given that considerable time has elapsed since the repeal of the Companies Act, 1956, in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets, it has now



been decided to repeal the aforesaid circulars and the same shall stand rescinded with effect from 6 months from the date of issue of this circular, without prejudice to the operation of anything done or any action taken under the said circulars.

3. The above said option shall be available under the circular only to those companies who have completed the entire procedure and submitted the certificate in terms of circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 and Circular No. CFD/DIL3/CIR/P/2016/53/dated May 03, 2016, within 6 months from the date of issue of this circular.
4. Accordingly, all cases involving an offer or allotment of securities to more than the permissible number of investors in a financial year shall be dealt with in line with the provisions contained under the extant applicable laws.
5. The Stock Exchanges are advised to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on their websites.
6. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework → Circulars".

Yours faithfully,

Yogita Jadhav
General Manager
Corporation Finance Department
+91 22 2644 9583
Email - yogitag@sebi.gov.in