

SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: SHRI ANANTA BARUA, WHOLE TIME MEMBER

ORDER

Under Sections 11(1) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Sunshine Global Agro Ltd. (earlier known as Sunshine Forestry Pvt. Ltd.)

In respect of: -

Noticee No.	Name of the Noticees	PAN
1	Shri Mohammed Faisal	AAWPF1464H
2	Shri Bibeknand Mandal	CNVPM6593E
3	Shri Yogesh Narayan Chand	DIN: 02083909
		Aadhar No. 24821184142

The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as “the Noticees”.

1. SEBI had passed an interim order dated July 15, 2014 (**‘the interim order’**) and final order dated November 9, 2015 (**‘the final order’**), in the matter of Sunshine Global Agro Ltd., wherein M/s. Sunshine Global Agro Ltd. (hereinafter referred to as **‘SGAL’**) was found to have engaged in the illegal fund mobilizing activity by floating/ sponsoring/ launching, unregistered/ unauthorized CIS, as defined in the Section 11AA of the SEBI Act, 1992.
2. The final order observed that Noticee 1 and 2 had become directors of SGAL subsequent to the passing of the interim order and were continuing till the date of the final order and has accordingly directed Noticee no. 1 and 2, alongwith the other directors of SGAL:-
 - *not to mobilize any further funds from public*
 - *to wind up the Collective Investment Schemes of SGAL and to refund the money collected from public with returns within a period of 3 months from the date of the Final Order;*

- *not alienate or dispose off or sell any of the assets of Sunshine Global Agro Limited except for the purpose of making refunds to its investors;*
 - *to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/ securities, if held in physical form;*
3. It was also mentioned in the final order that in case the Noticees failed to comply with these directions SEBI shall initiate proceedings against the Noticees for appropriate directions.
 4. It was observed that the repayment as envisaged in the final order has not been made to the investors and accordingly, the directions of the final order have not been complied with. Hence, Noticee no. 1 and 2 were issued Show Cause Notice dated December 22, 2017 ('SCN'), asking them to show cause as to why the directions under section 11(1) and 11B including directions restraining them from accessing the securities market and prohibiting them from dealing in securities, may not be issued against them for failure to comply with SEBI final order dated November 9, 2015.
 5. It was also observed that Noticee no. 3 was a director of the SGAL from May 19, 2008 to February 14, 2009 i.e. during the period of fund mobilization by the SGAL, however, inadvertently no enforcement action was initiated against Noticee no. 3 and hence, no direction were issued against Noticee no. 3 in the interim order or the final order. Therefore, SCN dated December 22, 2017, was also issued against Noticee no. 3 to show cause as to why directions under section 11(1) and 11B may not be issued against him for allegations brought in the interim order alleging that SGAL, is engaged in the mobilization of funds from public under its scheme 'Sale of plant/tree and sale of J.B.G.', which is in the nature of 'Collective Investment Scheme' as defined in section 11AA of SEBI Act, 1992.
 6. The SCN was delivered to Noticee no. 2 vide Speed Post and was served on Noticee No. 1 through paper publication in Lucknow edition of Times of India and Dainik Jagran on September 30, 2018 and on Noticee No. 3 through paper publication in Patna edition of Times of India and Dainik Bhaskar on September 30, 2018. The Noticees were asked to furnish their replies (if any) to the SCN within 21 days of receipt of SCN. Noticee no. 3 had filed its reply dated January 25, 2018. However, no reply is received

In the matter of Sunshine Global Agro Ltd. from Noticee no. 1 and 2. An opportunity of personal hearing was granted to all the Noticees on January 18, 2019, which was communicated to the Noticees vide letter dated November 15, 2018. The hearing notice was served on the Noticee no. 2 & 3 through paper publication in Patna edition of Times of India and Dainik Bhaskar on November 27, 2018 and on Noticee no. 1 through paper publication in Lucknow edition of Times of India and Dainik Jagran on December 04, 2018. Noticee no. 3 appeared for the personal hearing through his Advocate and reiterated the submissions made in the reply filed by him, whereas Noticee no. 1 and 2 failed to appear for the hearing.

Consideration of issues and findings:

7. I note that Noticee no. 1 and 2 joined as directors in SGAL only after passing of the interim order. They continued as the directors of SGAL, even at the time of passing of final order in the instant matter. Further, in terms of the final order, SGAL its directors (including Noticee no. 1 and 2) were called upon to wind up the alleged CIS Scheme and refund the money due to the investors, as per the terms of the offer, within a period of three months from the date of the final order. I note that the final order itself had stipulated that if SGAL and its directors failed to comply with the directions for refund then Noticee no. 1 and 2, who joined SGAL after the passing of the interim order would also be liable for restrictions from accessing the securities market.
8. I note that SGAL and its directors have failed to make refunds within the stipulated time as directed by the final order. Hence, I note that, as other directors of SGAL, Noticee no. 1 and 2 are also liable for directions under section 11(1) and 11B for restrictions from access to securities market. I also note that Noticee no. 1 and 2 have not filed any reply post the service of SCN, nor did they avail the opportunity of personal hearing that was granted to them.
9. I note that Noticee no. 3 vide its reply dated January 25, 2018 have contended that during his tenure as director in SGAL, he was not actively participating in the business conducted by SGAL. He states that since he was not actively involved in the business of SGAL, he resigned from SGAL in a short time. I note that Noticee no. 3 was a director in SGAL from May 19, 2008 to February 14, 2009. I also note that, the final order has concluded that SGAL has mobilized funds from the investors since its incorporation in June 2004. Therefore, I am not inclined to accept the contention of

Noticee no. 3 that he was not aware of the illegal fund mobilizing activity (in the nature of CIS) that was being carried out by SGAL. Hence, I find Noticee no. 3 also liable on par with the other directors of SGAL, against whom directions have been passed in the final order.

10. In view of the above, I in exercise of powers conferred upon me by section 19 of the SEBI Act, 1992, and section 11(1) and section 11(4) thereof, hereby issue the following directions:

- a. Noticee no. 3 shall abstain from collecting any money from the investors or launch or carry out any Collective Investment Schemes including the scheme which have been identified as a Collective Investment Scheme in the final order.
- b. Noticee no. 3 is directed not to, directly or indirectly, access the securities market, and is further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, for a period of **four** years from the date of this order, or till all the Collective Investment Schemes of SGAL are wound up and all the monies mobilized through such schemes are refunded to the investors with returns which are due to them, whichever is later.
- c. Noticee no. 1 and 2 are directed not to, directly or indirectly, access the securities market, and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, for a period of **four** years from the date of this order.

11. This order shall come into force with immediate effect.

12. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure compliance with the above directions.

Sd/-

Date: February 27, 2019

Place: Mumbai

**ANANTA BARUA
WHOLE TIME MEMBER**