

WTM/AB/ERO|EFD1/ERO|EFD1\_DRA2/9377/2020-21

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**FINAL ORDER**

**Under Sections 11(1), 11(4), 11B of Securities and Exchange Board of India Act, 1992**

**In respect of:**

<b>Name of the Noticee</b>	<b>DIN</b>	<b>PAN</b>
Shri Subodh Kumar Dutta	06602943	AGWPD8963F

**In the matter of:**

***Hahnemann Food Products Limited***

---

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received several complaints against Hahnemann Food Products Limited (hereinafter referred to as “**HFPL**” or “**the Company**”). Based on the same, a preliminary examination was carried out by SEBI and it was observed that HFPL had mobilized funds through issue of equity shares. Accordingly, a further examination was conducted to ascertain if HFPL had issued equity shares to the public in violation of the public issue requirements. Based on the findings of the examination, which found the *prima facie* violations of Sections 73 read with 67(3), 56, 60, 62 of the Companies Act, 1956 and Regulations 4(2)(d), 5, 6, 7, 25, 26, 36, 37, 46, 47 and 57 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (since repealed) (hereinafter referred to as “**ICDR Regulations, 2009**”) committed by the Company and its directors in the issue of equity shares, an interim order cum show cause notice dated May 22, 2019 (hereinafter referred to as “**interim order**”) was issued by SEBI against the following persons:

S. No.	Name of Noticee	PAN
1.	Hahnemann Food Products Limited	AABCH9985K
2.	Raja Banerjee	AJHPB0532A
3.	Goutam Banerjee	AJHPB0531D
4.	Santi Rajan Banerjee/Santi Ranjan Banerjee*	AJNPB1075C
5.	Asit Roy	AMAPR0018H
6.	Bidhan Chandra Ray	BAIPR3996K
7.	Subodh Kumar Dutta	AGWPD8963F

2. In the interim order, following directions were issued against the Company and its said directors:

**“Directions –**

14. I note that the Directorate of Economic Offences (DEO), Kolkata vide their letter dated March 28, 2018, informed SEBI that it has initiated action against HFPL under the West Bengal (Protection of Interest of Depositors in Financial Establishments) Act. Further, Hon’ble Calcutta High Court in the matter of Md. Jakariya Hossain & Ors Vs. Union of India & Ors- in the matter of Hahneman food Products Limited and Hahneman Herbal Limited, WP No. 13159 (W) of 2015, vide order dated April 25, 2017, has referred the matter of repayment to the investors to Justice (Retd) S.P. Talukdar Committee. As the proceedings to refund the investors have already been initiated by Hon’ble Calcutta High Court and DEO, it is felt that no meaningful purpose will be served if SEBI were to initiate separate refund proceedings against the Noticees at this juncture. Accordingly, I direct the Noticee Company i.e. HFPL and its Noticee Directors to ensure refund to all the Equity Shareholders through the process being carried out by Justice (Retd) S.P. Talukdar Committee and DEO, Kolkata.

15. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B of the SEBI Act hereby issue, with immediate effect, the following directions, which shall remain in force until further orders:-

- i. HFPL and its Directors/Promoters i.e. Raja Banerjee, Goutam Banerjee, Santi Ranjan Banerjee, Asit Roy, Subodh Kumar Dutta shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly, or associate themselves with any listed company or company intending to raise money from the public;

- ii. *HFPL and its Directors/Promoters named above shall neither dispose of, alienate or encumber any of its/their assets nor divert any funds raised from public through the offer and allotment of Equity Shares;*
- iii. *HFPL and its Directors/Promoters named above shall co-operate with SEBI and shall furnish all information/documents in connection with the offer and allotment of Equity Shares sought vide letters dated March 8, 2018.16*

16. *The preliminary findings contained in paragraphs above are made on the basis of the documents obtained from MCA21 Portal and other relevant material on record. HFPL and its Directors named above (Collectively referred to as “**Noticees**”) are hereby called upon to show cause as to why suitable directions/prohibitions under Sections 11, 11(4), and 11B of the SEBI Act should not be issued/imposed, including the following directions, viz. –*

- i. *The Noticees not to mobilize fresh funds from investors through the offer and allotment of any securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly.*
- ii. *The Noticees to be refrained / prohibited from accessing the securities market by issue of prospectus / offer document / advertisement and buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years, from the date of completion of refund to all the allottees of equity shares as prescribed in paragraph 7 above.*
- iii. *Any other directions as may be found suitable.*

17. *The Noticees may, within 21 days from the date of receipt of this Interim Order–cum–Show Cause Notice, file their respective replies. In the event the Noticees intend to avail an opportunity of personal hearing, they may do so by seeking a confirmation in writing from SEBI for the same within 90 days from the date of receipt of this Order. In the event of the respective Noticees failing to file replies or requesting for an opportunity of personal hearing within the said 90 days, the preliminary findings mentioned at paragraphs 9,10,12 and 14 and directions at paragraph 17 shall become final and absolute against the respective Noticees automatically, without any further orders. SEBI may also initiate appropriate enforcement action under SEBI Act including Prosecution in addition to making a suitable reference to State Government/Local Police against the Noticees.”*

- 3. None of the Noticees except Shri Subodh Kumar Dutta (hereinafter referred to as “**Noticee no. 7**”), to the interim order, filed any reply within 21 days or sought

personal hearing within 90 days, as directed in the interim order. Noticee no. 7 vide a letter dated September 28, 2019, has replied to the interim order stating as follows:

- i) He had received the interim order on September 24, 2019;
  - ii) He had joined the Company as an additional director (None Executive) on June 07, 2013. Further, a non-executive director never participates in the matters of the company;
  - iii) He had resigned from the Company on August 11, 2014. He has not found any documents regarding the Company with him and he was not a member of the Board of Directors of the Company;
  - iv) The act done prior to his appointment in the Company was not in his knowledge and the company had not discussed the matter with him; and
  - v) The action taken against him be withdrawn.
4. An opportunity of personal hearing was granted to Noticee no. 7 on March 12, 2020. On the said date, the Authorized Representative of Noticee no. 7 appeared via video conference from the Eastern Regional Office of SEBI in Kolkata and made submissions on behalf of Noticee no.7.
5. Vide a letter dated August 14, 2020, Noticee no. 7 submitted his written submissions as follows:
- i) On and from June, 2010, he received several calls from one Mr. Saikat Sarkar requesting him to work with his company HFPL. The said company was engaged in dealing with ayurvedic products. Apart from the same the said company was also dealing with securities marketing and distributorship of equity shares of the said company.
  - ii) He was subsequently introduced to one Mr. Gautam Banerjee, MD and Mr. Santi Ranjan Banerjee who requested him to take care of the business of the said company. For the purpose of looking after the business of the said company in Varanasi, Uttar Pradesh, on and from November, 2012, he was authorized by the said company to manage and handle all administrative operations of the said company. The said company also opened a separate bank account in the name of the said company in Karnataka Bank branch.

- iii) Subsequently, he was forcefully and against his will, made an Additional Director by the MD of the company on and from June, 2013. However, after some time he smelt foul play in the activities of the said company and in this regard had written a letter to each Chairman/MD, CEO and director on April 07, 2014 thereby requesting the said company to resolve the problem.
- iv) However, with the passage of time he understood that he had been framed by the same company and therefore, in the month of August, 2014, he immediately turned in his resignation from the Additional Directorship of the said company and accordingly, submitted form DIR 12 with the Registrar of Companies.
- v) Thereafter, several complaints came to him regarding the illegal activities of the said company in and around Varanasi and therefore, he in 2016 was constrained to file an application under Section 156(3) of the Code of Criminal Procedure before the Assistant Chief Judicial Magistrate, 3 Varanasi for drawing F.I.R against the director and MD of the said company. The Learned Court by order dated November 13, 2017 registered an F.I.R under Sections 406 and 420 of the Indian Penal Code against the said company. Police investigation in this regard is pending.
- vi) In the aforesaid circumstances, he has no role to play in any of the illegal activities of the said company.

**Consideration of submissions and findings:**

6. I note that interim order was passed against HFPL and its directors, as HFPL was found to be *prima facie* in violation of the provisions of public issue norms in respect of its public issue of equity shares. The interim order also issued various directions to HFPL and its directors and also called upon them to show cause as to why appropriate directions, as mentioned in the said order be not issued against them. The interim order also provided that in case HFPL or its directors do not file any reply in 21 days or do not seek opportunity of hearing within 90 days, the *prima facie* findings recorded in the interim order shall become final and the directions contained in the interim order would operate. In the interim order it was also observed that the Directorate of Economic Offences (DEO) has initiated action against HFPL under the West Bengal (Protection of Interest of Depositors in

Financial Establishments) Act. Further, Hon'ble Calcutta High Court in the matter of Md. Jakariya Hossain & Ors. Vs. Union of India & Ors. in the matter of Hahneman Food Products Limited and Hahneman Herbal Limited, WP No. 13159 (W) of 2015, vide order dated April 25, 2017, has referred the matter of repayment to the investors to Justice (Retd.) S.P. Talukdar Committee. In view of this, the interim order did not call upon the Noticees to show cause as to why directions to refund be not issued to them as the refund pertaining to HFPL is being looked into by Justice S.P. Talukdar Committee in terms of directions given by the Hon'ble High Court of Calcutta.

7. HFPL and its directors except Noticee no. 7 neither filed any reply to the interim order nor have sought any hearing, therefore, the *prima facie* findings recorded in the interim order has become final against HFPL and its directors other than Noticee no. 7. Therefore, the limited scope of the present proceedings is to determine the liability of Noticee no. 7, if any, for the violations, as alleged in the interim order.
8. In this regard, I note that as per interim order, HFPL had raised money through issue of equity shares to public on the following dates:

Year	Date of allotment	No. of allottees (approx.)	Face Value (Rs)	Premium Amount (Rs)	Total Amount (Rs)
2011-12	11/07/2011	4	10	Nil	8,000/-
	03/12/2011	18,855	10	Nil	55,861,100/-
	10/12/2011	11,053	10	Nil	34,131,500/-
	17/12/2011	15,909	10	Nil	39,937,400/-
	23/12/2011	9,936	10	Nil	28,572,600/-
	24/12/2011	5,972	10	Nil	27,593,300/-
	30/12/2011	9,828	10	Nil	27,432,500/-
	03/01/2012	6,388	10	Nil	16,722,900/-
	14/01/2012	29,278	10	Nil	19,158,100/-
19/01/2012	17,905	10	Nil	10,502,800/-	
<b>Total</b>		<b>125,128*</b>			<b>2,59,920,200/-</b>

*\*As per Annual Return filed by the company for the year ended 31.03.2012, it is observed that number of equity shareholders is 125,441. Details of previous allotment has been checked and it is observed that there was initial issued capital of Rs. 1,00,000/- to 2 persons*

*and thereafter further allotment amounting to RS. 7, 50,000/- to 1 entity in F.Y. 2010-11. Hence, adjusting for the same, number of allottees come to 125,438 (125,441-2-1). Since, the number of allottees have been manually counted in Form 2, the figure of 125, 128 given in the table is approximate. Since, the number of allottees from Annual Return after adjustments is coming higher than Form -2, the higher number of 125, 438 is taken.*

9. As per interim order, the details of the directors of the Company along with their tenure, is as under:

Name of director	Designation	Date of appointment	Date of cessation
Raja Banerjee	Promoter and Past Director	22.02.2008	11.07.2011
Goutam Banerjee	Promoter and Director	22.02.2008	-
Santi Rajan Banerjee/Santi Ranjan Banerjee*	Director	11.07.2011	-
Asit Roy	Past Director	11.07.2011	22.06.2013
Bidhan Chandra Ray	Director (Additional Director)	04.08.2014	-
Subodh Kumar Dutta	Past Director (Additional Director)	07.06.2013	11.08.2014

10. The Noticee no. 7 has basically submitted that he is not liable for the mobilization of funds by HFPL since he was not a director of the company at the relevant time and became the Additional Director of HFPL on June 07, 2013 and ceased to be so on August 11, 2014. The aforesaid Tables at paras 8 and 9 indicate that HFPL had raised the money through issue of equity shares to public from July 11, 2011 to January 09, 2012 and Noticee no. 7 was appointed as additional director in HFPL on June 07, 2013 and ceased to be director on August 11, 2014. From the submissions of the Noticee and the material available on record I note that, Noticee no.7 did not hold the position of director in HFPL at the time of issuance of equity shares and joined the Board of Directors of HFPL subsequent to the impugned issue of equity shares. I also note that the interim order in the matter was passed on May 22, 2019 and Noticee no. 7 was not the director of HFPL at that time and also the Noticee no.7 is not a present director of the Company. Noticee no. 7 has also submitted that he has taken legal action against the Company for its illegal fund raising activities. In view of the aforesaid facts and circumstances, I find that directions against Noticee no. 7 are not called for.

**Directions:**

11. In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, hereby revoke the directions issued *qua* Shri Subodh Kumar Dutta (Noticee no. 7) vide interim order dated May 22, 2019 and dispose of the present proceedings *qua* Noticee no. 7.
12. This Order comes into force with immediate effect.
13. A copy of this Order shall be forwarded to the Noticee No. 7, recognized stock exchanges, depositories and Registrars and Transfer Agents (RTA) of mutual funds for information and necessary action.

**Date: October 07, 2020**

**Place: Mumbai**

**ANANTA BARUA  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA**