

IN THE HIGH COURT AT CALCUTTA
(Constitutional Writ Jurisdiction)
ORIGINAL SIDE

Present:

The Hon'ble Justice Krishna Rao

W.P.O. No. 159 of 2026

Shri Kali Kishore Bagchi

Vs.

Union of India & Ors.

Mr. Biswaroop Bhattacharya
Mr. Raja Adhikary
Mr. Mrinal Das

....For the petitioner.

Ms. Aasia Hasan
Mr. R. Bhattacharyya
Mr. Y. Bhattacharyya
Ms. Akansha Yadav
Mr. A. Dhruve

....For the SEBI.

Hearing Concluded On : 29.09.2026

Judgment Delivered On : 08.10.2026

Judgment Uploaded On : 08.10.2026

Krishna Rao, J.:

1. The petitioner has filed the present writ petition praying for a Mandamus directing the respondents to remove the Debit Freeze status of the petitioner's saving bank account being Account No. 0851200100004780 with the Punjab National Bank, Rabindra Sarobar Branch, Kolkata- 700026 and saving bank Account No. 99999831179062 with HDFC Bank, Kalikapur Branch, Kolkata and for quashing any orders issued by the respondents, for freezing the personal bank accounts of the petitioner.
2. Mr. Biswaroop Bhattacharya, Learned Advocate, representing the petitioner submits that the petitioner was appointed as an Executive Director in the Amrit Projects Limited and its group entities in the year 2007, not as a promoter, financial controller or decision making authority but purely in technical and functional capacity for the limited purpose of execution, supervision and commissioning of a greenfield biomass- based power project of approximately 10 MW capacity in the State of West Bengal and parts of Assam. After completion of the assigned project work, the petitioner resigned as a Director of the Company in the year 2013. Subsequent to the resignation, the Company continued its activities relating to issuance of Deep Discount Bonds and preferential shares and is alleged to have defaulted in repayment of investor funds, which ultimately led to regulatory proceedings initiated by SEBI.

- 3.** Mr. Bhattacharya submits that the SEBI has issued a show cause notice dated 4th June, 2018, on the allegation of violations of provisions of the Companies Act and SEBI Regulations in relation to fund mobilization by Amrit Projects Limited and its Directors. The petitioner has submitted his reply to the show cause notice stating the fact that the petitioner has no role in fund mobilization, issuance of securities, or financial decision making and the role of the petitioner was only for technical and project oriented.
- 4.** Mr. Bhattacharya submits that on 24th November, 2020, the Whole Time Member of SEBI passed a final order under Section 11B of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act, 1992”), directing the Company and its Managing Director to refund the monies collected from the investors along with interest and impose certain restrictions relating to access to securities markets.
- 5.** Mr. Bhattacharya submits that prior to the final order dated 24th November, 2020, the SEBI had passed interim orders dated 22nd August, 2014; 9th September, 2014 and 26th February, 2016, under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, 1992, wherein certain findings have been recorded against Amrit Projects Limited and its directors, including the petitioner in relation to issuance of Redeemable Preference Shares and alleged non-compliance with the provisions of the Companies Act, 1956 and the SEBI (Disclosure and Investor Protection) Guidelines. By the said order directions were

issued, *inter alia*, restraining the Company and its directors from accessing the securities market and directing refund of monies collected from the investors with interest and further directed to furnish details of assets, enabling recovery proceeding in case of non-compliance.

6. The petitioner has preferred an appeal against the order dated 26th February, 2016, before the Securities Appellate Tribunal, Mumbai but the same was dismissed by an order dated 10th January, 2018. Thereafter, the SEBI had directed various banks, including Union Bank of India and other financial institutions for freezing of accounts linked to the petitioner by preventing the petitioner from operating his own accounts. Pursuant to the communication of the SEBI, the saving bank account of the petitioner being Account No. 0851200100004780 with the Punjab National Bank, Rabindra Sarobar Branch, Kolkata and Saving bank account being Account No. 99999831179062 with the HDFC Bank, Kalikapur Branch, Kolkata, have been frozen.
7. Mr. Bhattacharya submits that once the final order dated 24th November, 2020, expressly records that the petitioner is not liable to refund of monies collected by the company, the respondent authorities could not have proceeded against the petitioner for recovery or attachment of his personal assets. He submits that the Recovery Officer under the SEBI Act are in the nature of execution proceedings cannot travel beyond the scope of the underlying adjudication. In the absence of any determination of liability against the petitioner in the final order,

the initiation of recovery measures including attachment and freezing of bank accounts is without jurisdiction and amounts to enforcement without adjudication.

8. Ms. Aasia Hasan, Learned Advocate, representing the respondent nos. 3 and 4/ SEBI submits that the Recovery Officer has issued the impugned order dated 21st October, 2024, in connection with the Attachment Proceeding No. 5264 and 5265 of 2019. The Whole Time Member (WTM) has passed an order dated 23rd February, 2016, directing the Amrit Projects (N.E.) Limited (hereinafter referred to as "APNEL") and its Directors, including the petitioner not to directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly from the date of the order, till expiry of four (4) years from the date of completion of refunds to investors. By the said order, the directors were also restrained from associating themselves with any listed public company, which intends to raise money from public. In the said order, it is categorically mentioned that the SEBI has observed that the APNEL has issued Redeemable Preference Shares to a large number of investors during the financial year 2009-2010 to the financial year 2012-2013 and collected an amount of Rs.10,38,54,000/- from 5,033 investors in total.
9. Neither the APNEL nor its Directors have complied with the order dated 23rd February, 2016, passed by the WTM, recovery proceedings were

initiated and the Recovery Officer has issued recovery notice of attachment under Recovery Certificate No. RC2565 of 2019 by attachment of all bank accounts, demat accounts and mutual fund folios of the Company and its directors including the petitioner.

- 10.** The Recovery Officer has issued the impugned Remittance Order dated 21st October, 2024, under Certificate No. RC2565 of 2019, directing the banks to remit attached funds to SEBI towards the total amount of Rs. 9,93,29,277/-.
- 11.** The issue raised by the petitioner in the present writ petition that the powers of the Recovery Officer under the SEBI Act, 1992, are in the nature of execution proceedings and cannot travel beyond the scope of the underlying adjudication and in the absence of any determination of liability against the petitioner in the final order, the initiation of recovery measures including attachment and freezing of bank accounts is without jurisdiction and amounts to enforcement without adjudication.
- 12.** There are three separate recovery proceedings pending against the petitioner. The first recovery proceeding is with respect to the Recovery Certificate No. 2565 of 2019, in which the impugned Remittance Order dated 21st October, 2024, is passed.
- 13.** The petitioner was appointed as a Director of APNEL on 7th July, 2007 and resigned as Director on 8th April, 2013. On receipt of information about collection of money by APNEL from public, an enquiry was

conducted by the SEBI and it was found that the APNEL has issued Redeemable Preference Shares (hereinafter referred to as “RPS”) to a large number of investors during the Financial years 2009-2010 to 2012-2013 and collected an amount of Rs. 10,38,54,000/- from 5,033 investors. Taking into consideration of the enquiry report, the SEBI has passed the following ex-parte interim order on 22nd August, 2014:

***i.** APNEL shall not mobilize funds from investors through the Offer of RPS or through the issuance of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions;*

***ii.** APNEL and its Directors, viz. Shri Kailash Chand Dujari (DIN: 00628742), Shri Sasanka Roy Sarkar (DIN: 03345064), Shri Barun Kumar De (DIN: 05195240), Shri Ranjan Kumar Chowdhury (DIN: 06519275) including its past Directors, viz. Shri Kali Kishore Bagchi (DIN: 00601879), Shri Nishant Prakash (DIN: 00610717), Shri Debdas Chatterjee (DIN: 05192408), Shri Syed Kazim Raza (DIN: 05172720), Shri Jamil Ahmed Farooqui (DIN: 05172708) and Shri Mahammad Azam Khan (DIN 01449067), are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders,*

***iii.** APNEL and the abovementioned past and present Directors, are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions,*

***iv.** APNEL shall provide a full inventory of all its assets and properties,*

***v.** The abovementioned past and present Directors of APNEL shall provide a full inventory of all their assets and properties;*

vi. APNEL and its present Directors shall not dispose of any of the properties of alienate or encumber any of the assets owned/acquired by that company through the Offer of RPS, without prior permission from SEBI,

vii. APNEL and its present Directors shall not divert any funds raised from public at large through the Offer of RPS, which are kept in bank account(s) and/or in the custody of APNEL.”

- 14.** The *ex-parte* interim order was duly communicated to the APNEL and after giving an opportunity of hearing to all stakeholders including the petitioner, the Whole Time Member of SEBI has passed a final order on 23rd February, 2016 which reads as follows:

***a)** The Company, namely, Amrit Projects (N.E.) Limited and its Directors, Shri Kailash Chand Dujari, Shri Sasanka Roy Sarkar, Shri Barun Kumar De, Shri Ranjan Kumar Chowdhury, Shri Kali Kishore Bagchi, Shri Nishant Prakash, Shri Debdas Chatterjee, Shri Syed Kazim Raza, Shri Jamil Ahmed Farooqui and Shri Mahammad Azam Khan, shall forthwith refund the money collected by the Company through the issuance of RPS, including the money collected from investors, till date, pending allotment, if any, with an interest of 15% per annum compounded at half yearly intervals, from the date when the repayments became due (in terms of Section 73(2) of the Companies Act, 1956) to the investors till the date of actual payment.*

***b)** The repayments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order.*

***c)** Amrit Projects (N.E.) Limited and its present management is permitted to sell the assets of the Company only for the sole purpose of making the repayments including interest, as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank.*

d) *Amrit Projects (N.E.) Limited and its present management shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in local daily (where APNEL had allotted RPS) with wide circulation, detailing the modalities for refund, including details of contact persons including names, addresses and contact details, within fifteen days of this Order coming into effect*

e) *If the Company, Amrit Projects (NE) Limited had repaid the investors as claimed by it, the Company may include such repayment in the report to be submitted under para 10.1(f), provided the Company had met with the criteria laid down under para 10.1(b) and provided further that the Company pays interest of 15% per annum compounded at half yearly intervals, from the date when the repayments became due (in terms of Section 73(2) of the Companies Act, 1956) to the investors till the date of actual payment.*

f) *After completing the aforesaid repayments, Amrit Projects (N.E.) Limited, shall file a report of such completion of repayment with SEBI, within a period of three months from the date of this order, certified by two independent peer reviewed Chartered Accountants who are in the panel of any public authority or public institution. For the purpose of this Order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India (ICAI).*

g) *Amrit Projects (N.E.) Limited and its Directors, Shri Kailash Chand Dujari, Shri Sasanka Roy Sarkar, Shri Barun Kumar De, Shri Ranjan Kumar Chowdhury, Shri Kali Kishore Bagchi, Shri Nishant Prakash, Shri Debdas Chatterjee, Shri Syed Kazim Raza, Shri Jamil Ahmed Farooqui and Shri Mahammad Azam Khan are directed 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.*

h) *In case of failure of Amrit Projects (N.E.) Limited and its Directors, Shri Kailash Chand Dujari, Shri Sasanka Roy Sarkar, Shri Barun Kumar De, Shri*

Ranjan Kumar Chowdhury, Shri Kali Kishore Bagchi, Shri Nishant Prakash, Shri Debdas Chatterjee, Shri Syed Kazim Raza, Shri Jamil Ahmed Farooqui and Shri Mahammad Azam Khan, to comply with the aforesaid directions, SEBI, on the expiry of the three months period from the date of this order:-

i. *shall recover such amounts in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.*

ii. *may initiate appropriate action against the Company, its promoters/directors and the persons/officers who are in default, including adjudication proceedings against them, in accordance with law.*

iii. *would make a reference to the State Government/ Local Police to register a civil/ criminal case against the Company, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds, and*

iv. *would also make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the Company.”*

i) *Amrit Projects (NE) Limited and its Directors, Shri Kailash Chand Dujari, Shri Sasanka Roy Sarkar, Shri Barun Kumar De, Shri Ranjan Kumar Chowdhury, Shri Kali Kishore Bagchi, Shri Nishant Prakash, Shri Debdas Chatterjee, Shri Syed Kazim Raza, Shri Jamil Ahmed Farooqui and Shri Mahammad Azam Khan, are directed not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of four (4) years from the date of completion of refunds to investors as directed above. The above said directors are also restrained from associating*

themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI from the date of this Order till the expiry of four (4) years from the date of completion of refunds to investors.

j) The above directions shall come into force with immediate effect.”

- 15.** The petitioner has preferred an appeal against the order of the Whole Time Member dated 23rd February, 2016, being Appeal No. 142 of 2017 and the Appellate Tribunal has also dismissed the appeal preferred by the petitioner by an order dated 10th January, 2018.
- 16.** The APNEL including the petitioner failed to comply with the order passed by the Whole Time Director which was duly affirmed by the Appellate Tribunal. The Recovery Officer has initiated recovery proceeding and issued notice of attachment under Recovery Certificate No. RC 2565 of 2019 attaching all bank accounts, demat accounts and Mutual Funds Folios of APNEL and its 10 Directors including the petitioner on 23rd October, 2019.
- 17.** On 21st October, 2024, the Recovery Officer has passed Remittance Order under Certificate No. RC2565 of 2019, directing the banks to remit attached funds to SEBI towards the total amount of Rs. 9,93,29,277/-.
- 18.** The petitioner has raised two issues that the petitioner has resigned from APNEL as Director in the year 2013 and has no liability to pay any

amount and how the Recovery Officer has calculated the amount and issued the notice of attachment and the Remittance Order.

- 19.** The petitioner has resigned as Director of APNEL on 8th April, 2013. During enquiry by SEBI, it was found that APNEL has issued Redeemable Preference Shares to large number of investors during the Financial Year 2009-2010, 2010-2011, 2011-2012 and 2012-2013 and collected an amount of Rs. 10,38,54,000/- from 5,033 investors. The petitioner was appointed as Director of APNEL on 7th July, 2007. On the basis of the said enquiry, an interim order was passed and subsequently, the same was affirmed by a final order dated 23rd February, 2016.
- 20.** The petitioner has preferred an appeal against the order dated 23rd February, 2016, and in the appeal also the petitioner has raised the issue that the petitioner was not the Director of APNEL but the Securities Appellate Tribunal has rejected the plea of the petitioner and held that the petitioner has joined APNEL as an employee in the year 2004 and later he became one of the Directors of the said Company. The petitioner has resigned only on 8th April, 2013 but the financial year taken into consideration is 2009-2010 to 2012-2013, thus the petitioner cannot say that he was not the Director of the Company at the relevant point of time.
- 21.** As regard to the calculation of the amount as appearing in the Remittance Order, since enquiry it was found that the APNEL has

issued Redeemable Preference Shares and collected an amount of Rs. 10,38,54,000/- from 5,033 investors. After the order passed by the Whole Time Member and after dismissal of the appeal, recovery proceeding was initiated for a total amount of Rs. 10,38,54,000/- and at the time of issuance of the Remittance Order dated 21st October, 2024, the liability was Rs. 9,93,29,277/-.

22. Considering the above, this Court did not find any illegality in the impugned Order of Remittance dated 21st October, 2024.

23. WPO No. 159 of 2026 is thus **dismissed**.

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

(Krishna Rao, J.)