

ORDER SHEET  
W.P. No. 275 of 2015  
IN THE HIGH COURT AT CALCUTTA  
Constitutional Writ Jurisdiction  
ORIGINAL SIDE

ROSE VALLEY REAL ESTATES & CONSTRUCTIONS LTD. & ANR. Petitioners  
Versus Respondents  
STATE OF WEST BENGAL & ORS.

BEFORE:  
The Hon'ble JUSTICE ARIJIT BANERJEE  
Date : 11th May, 2015.

For Petitioners : Mr. S.N. Mitra & Mr. Kishore Dutta,  
Sr. Advs. with Ms. Moushumi Bhattacharya,  
Mr. Anup Nath Bhattacharyya, Mr. Sankarsan Sarkar,  
Ms. A. Abdullah & Mr. Sujit Kr. Singh, Advs.

For State : Mr. Abhratosh Majumdar, Government Pleader

In this writ application the petitioner company challenges an order dated 10<sup>th</sup> May, 2013, issued by the Directorate of Registration and Stamp Revenue, Government of West Bengal. By the said order, all the District Registrars R.A. Kolkata have been requested to direct the registering officers under their control to refuse acceptance of presentation of any kind of documents either executed by any of the companies mentioned in the list appended to the said order or on behalf of such companies until further orders. In the list of companies appended to the said order the name of the petitioner company appears against serial no.2.

The petitioner states that the Securities Appellate Tribunal in Appeal no.233 of 2014, preferred by the petitioner company, has permitted the petitioner to sell the properties of the petitioner for the purpose of paying off the investors who have invested monies in the petitioner company. By the said order dated 15<sup>th</sup> December, 2015, the Securities Appellate Tribunal granted the petitioner company six months' time to dispose of the properties of the company.

The petitioner contends that it is keen to dispose of the properties belonging to it enumerated at page 45 of the writ petition only for the purpose of making payment to the investors. However, the impugned order dated 10<sup>th</sup> May, 2013, issued by the Government of West Bengal, stands in the way. Accordingly, the petitioner prays for an appropriate order to facilitate the sale of the assets of the petitioner mentioned at page 45 of the writ petition.

There is no dispute about the fact that thousands of people have invested money in the petitioner company and/or its associate companies. Some of such people have invested their life time savings with the expectation of earning good returns as they were assured by these companies. Now all such investors are facing the risk of losing their money. It is public knowledge that these companies including the petitioner, are facing legal proceedings before various law enforcement

agencies including SEBI and CBI. However, this Court sees nothing wrong with the intention of the petitioner of disposing of its properties solely for the purpose of repaying the investors. In fact, such suggestion is laudable. Nobody can possibly dispute that the interest of the investors is paramount and disposal of the assets of the petitioner would create a fund that would secure the interest of the investors at least to some extent.

On 21<sup>st</sup> April, 2015 when this application was moved, the learned Additional Advocate General appearing for the State, had submitted that there may be a statutory mechanism for dealing with situations like the present one whereunder a statutory body is empowered to conduct sale of the properties of the petitioner company for the purpose of repaying the investors. However, on the next date, the learned Additional Advocate General submitted that there is no such statutory mechanism and if the petitioner is permitted to dispose of its assets, strict checks and balances should be imposed.

This Court suggested that an Assets Disposal Committee be constituted for supervising the sale of assets of the petitioner. On principle, both the petitioner and the State had agreed to such suggestion.

Since the petitioner has offered to dispose of its assets for the purpose of repaying the investors, this Court feels that such offer should be accepted in the interest of the investors.

Accordingly, this Court constitutes an Assets Disposal Committee which will have the following members :

- i) The Hon'ble Justice Dilip Kumar Seth [Retd.], a former Judge of this Court, who shall be the Chairman of the Committee;
- ii) The Inspector General – Registration, Government of West Bengal or his nominee; and
- iii) The Managing Director of the petitioner company.

The Committee shall initially sell the assets of the petitioner which are situated in West Bengal as mentioned at page 45 of the writ petition. The assets will be sold by public auction so that the best possible price is fetched. The assets may be sold by private treaty, if the intending purchaser can match the highest price obtained in the public auction. The auction should be well-publicized in the newspapers. The expenses incidental to such public auction shall be borne by the petitioner. Initially a sum of Rs.5 lakhs shall be deposited by the petitioner with the Committee which will form the corpus out of which the expenses relating to the auction will be met. The detailed modalities of carrying out the exercise will be worked out by the Committee. The decision of the Chairman will be final. The sale proceeds shall be deposited in a separate account to be opened in the names of the members of the Committee. No

disbursement shall be made from out of the sale proceeds without the leave of the Court.

The Committee shall be entitled to take assistance of all the authorities and agencies and in case, any such authority or agency is approached, it shall extend full cooperation to the Committee. The Committee shall bear in mind that the whole object of the entire exercise is to obtain the best possible price for the assets of the petitioner which are to be disposed of. The interest of the intending purchasers should also be protected and the Committee shall ensure that the purchasers get clean title to the properties they purchase.

Before advertisements are published in the newspapers for sale of the properties, the same should be valued by a Valuer, empanelled with this Court and a reserve price should be fixed.

The sale of the assets will be subject to confirmation by this Court.

The order dated 10<sup>th</sup> May, 2013, passed by the Directorate of Registration and Stamp Revenue, Government of West Bengal, shall remain inoperative in so far as the properties of the petitioner, located in West Bengal as mentioned at page 45 of the writ petition is concerned.

The Chairman of the Committee will be paid an initial honorarium of Rs.5 lakhs to be paid by the petitioner at the first instance.

What have been stated above, are merely broad guidelines for the purpose of carrying out the exercise of disposal of the assets of the petitioner situated in West Bengal. The detailed procedure and modalities, I repeat, will be worked out by the Committee. In case the Committee faces any difficulty, it shall be at liberty to approach this Court for appropriate orders.

The Committee is directed to file an interim report before this Court after three months of the communication of this order to the members of the Committee.

Since the matter has been heard at length, a prayer is made on behalf of both the parties that the matter be treated as 'part-heard'. Let this matter appear in the list for further consideration as a 'Part-Heard Matter' on 14<sup>th</sup> August, 2015, on which date the interim report of the Committee should be filed before this Court.

Certified copy of this order, if applied for, be supplied to the parties upon compliance with requisite formalities.

(ARIJIT BANERJEE, J.)

02 14.09.2017  
NB

**W.P. No. 27005(W) of 2016**

Kalipada Pal & Anr.  
Vs.  
Union of India & Ors.

**W.P. No. 25845(W) of 2016**

Rose Valley Field Employees Union(W.B.Circle) & Anr.  
Vs.  
The State of West Bengal & Ors.

**W.P. No. 5913(W) of 2017**

Arup Ranjan Ghosh & Ors.  
Vs.  
Union of India & Ors.

**W.P. No. 21868(W) of 2017**  
With

**W.P. No. 275 of 2015**

Rose Valley Estate & Construction Ltd. & Anr.  
Vs.  
State

**G.A. 896 of 2017**

with

**G.A. 315 of 2016**

with

**G.A. 2291 of 2015**

with

**G.A. 3765 of 2015**

with

**G.A. 4015 of 2015**

with

**APOT 287 of 2015**

G.A. 2255 of 2015

G.A. 2256 of 2015

with

**W.P. 23615(W) of 2017**

Mr. Bikash Ranjan Bhattacharya (Sr. Adv.),  
Mr. Subhasish Chakrabroty,  
Mr. Arindam Das.  
...for the petitioners.

Mr. Amjad Ali,  
Mr. Altaf Hossain.  
...for the petitioner in W.P. 25845(W)/2016.

Mr. Jayanta Samanta  
...for the petitioner in W.P. 21868(W)/2017.

Mr. Anirban Ray,  
Mr. Arup Nath Bhattacharyya,  
Mr. Sankarsan Sarkar,  
Mr. Anindya Chowdhury,  
Mr. Nabarun Banik.  
...for Rose Valley.

Mr. Anirban Kar,  
Mr. Suvadeep Sen.  
...for Assets Disposal Committee.

Ms. Bijaylakshmi Sil  
...for respondent nos.1,2&8

in W.P.5913(W) of 2017.

Mr. Amitesh Banerjee (Ld. Standing Counsel),  
Mr. Moloy Roy,  
Mr. Tulshi Das Ray,  
Mr. Tarak Karan..  
...for the State in W.P.5913(W) of 2017.

Mr. Ashraf Ali  
...for CBI.

Mr. Kaushik Chanda (Id. ASG),  
Mr. Ashoke Kumar Verma.  
...for ED in W.P.27005(W) of 2016.

Mr. Ashoke Kumar Verma.  
...for UOI in W.P.23615(W) of 2017.

Mr. Tarunjyoti Tewari  
...for ED in W.P. 25845(W) of 2016.

Mr. Prasanta Kumar Dutt,  
Mr. Rupak Ghose,  
Mr. Susanta Kumar Dutt.  
Mr. Syamantak Banerjee.  
...for SEBI.

Ms. Somashree Saha.  
...for UOI.

On 11<sup>th</sup> May, 2015 in the writ petition registered as W.P. No. 275 of 2015 taken out by Rose Valley Estates & Constructions Ltd. & Anr., a learned Single Judge of this Court had constituted a Committee by the description of Assets Disposal Committee for supervising sale of assets of the writ petitioner thereof. The said Committee comprised of the following members:-

- “i) The Hon’ble Justice Dilip Kumar Seth [Retd.], a former Judge of this Court, as the Chairman of the Committee;*  
*ii) The Inspector General – Registration, Government of West Bengal or his nominee; and*  
*iii) The Managing Director of the petitioner company.”*

In course of hearing before us it is submitted on behalf of the petitioner company that its managing director is in custody and obviously not in a position to assist the Committee. Otherwise also, it is common submission of learned Counsel appearing for different parties to this proceeding that the



committee needs to be reconstituted to ensure sufficient representations from the State and the investigating authorities.

We accordingly direct reconstitution of the Committee to include therein a senior State Official not below the rank of Joint Secretary to be nominated by the Chief Secretary of the Government of West Bengal and an Officer of the Enforcement Directorate not below the rank of an Assistant Director to be nominated by the Director of the Enforcement Directorate. Such nomination should be made within fifteen days from the date of communication of this order. SEBI as also the Inspector General - Registration, Government of West Bengal shall assist the Committee. The Chairman of the Committee shall continue as earlier directed. The State of West Bengal shall render all assistance including secretarial support to the Committee and its members.

Let these matters be listed on 26<sup>th</sup> October, 2017.

**(Aniruddha Bose, J.)**

**(Joymalya Bagchi, J.)**