

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

UNDER SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 FOR FAILURE TO OBTAIN SCORES AUTHENTICATION FOR REDRESSAL OF INVESTOR GRIEVANCES

In respect of Mr. D. N. Davar (PAN. AAAPD0015E) in the matter of Vishwas Steels Limited.

1. Securities and Exchange Board of India (SEBI) vide circular CIR/OIAE/2/2011 dated June 3, 2011 advised all listed companies and the stock exchanges about the commencement of the processing of investor complaints in an online electronic centralized database called the SEBI Complaints Redress System (SCORES), for receiving complaints and moving it online to the concerned listed companies for the purpose of resolution of complaints and uploading the action taken report by the companies so as to be accessible to the investors online. The said circular was issued in exercise of powers conferred under section 11(1) of the SEBI Act, 1992 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market. Subsequently, vide another circular CIR/OIAE/1/2012 dated August 13, 2012, SEBI advised all companies whose securities are listed on stock exchanges to obtain SCORES authentication by September 14, 2012 in terms of the aforesaid circular. The circular further directed listed companies to take appropriate steps within seven days of receipt of complaints through SCORES in terms of the aforesaid circular, so as to resolve the complaint/s within thirty days of its receipt.
2. Vishwas Steels Limited (hereinafter referred to as 'the company/VSL'), which is a listed company having its office address at 33/1A, Dhargal Village, Taluka Pernem, Goa – 403 001, failed to obtain SCORES authentication and resolve pending investor complaints. In view of the same, SEBI vide order dated June 08, 2016, restrained the company and its directors from accessing the securities market and from buying, selling or dealing in securities directly or indirectly, in whatsoever manner till the company obtains SCORES authentication in terms of SEBI circular dated August 13, 2012 and resolves all the investor grievances pending against it.

3. SEBI received a letter dated March 28, 2017 from Mr D.N Davar (hereinafter referred to as ‘the noticee’), one of the directors of the company stating that he had filed Form 32 vide receipt no 451 dated 15.4.2000 regarding his resignation as director with effect from 15.04.2000 from the Board of the company and he was not a director of the company during the relevant time. The said submission was also confirmed by Registrar of Companies (RoC – Mumbai) vide its letter (undated) received by SEBI on June 21, 2017. Based on the documents produced, he requested SEBI that the restriction and prohibition on him from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly be removed.
4. Noticee through his Authorized Representatives Khaitan & Company vide letter dated July 28, 2017 *inter alia* submitted the following reply :-
- A He is a professional development banker with expertise in corporate management. He holds a degree of B. Com (Hons.), M.A. (Economics), is a Certified Associate of Indian Institute of Bankers, and is a Fellow of the Economic Development Institute of the World Bank. After serving Punjab National Bank {PNB} in senior management position(s) since 1968, he joined Industrial Finance Corporation of India (IFCI), a well-known financial Institution and retired on completion of two terms spreading to eight years as its Executive Chairman in 1992.
 - B He had also been on the boards and executive committees of IDBI and IRBI for nearly eight years and on the board of LIC Housing Finance Co. He has been for several years, a part time consultant to the World Bank, UNIDO, and KFW.
 - C Presently he is on the boards of several reputed companies, training institutions, and non-governmental (social) organizations including: OCL India limited, Hero Fincorp Limited, Ansal Properties and Infrastructure Limited, HEG Limited, Adyar Gate Hotels Limited, RSMW limited, Maral Overseas limited, Titagarh Wagons Limited etc.
 - D He was approached by the management of VSL in the year 1997 for taking up the position of Independent Director on its board. Subsequently, he was appointed as an Independent Director on the board of VSL on 1 November 1997.
 - E However, being an Independent Director, he was never involved in the day to day management of the Company and his involvement was limited to advising the management on strategic initiatives and undertaking other functions of an

Independent Director of the Company

F He resigned from the Board of Directors of VSL in the year 2000 and the same was duly accepted. Subsequently, Form -32 was also filed with the Registrar of Companies.

G He was not served any papers pertaining to the captioned matter by SEBI including a copy of Impugned Order, copies of the show cause notices dated 28 March 2013 and 22 October 2014 and copies of letters granting personal hearing dated 1 October 2015 and 26 November 2015.

5. I have considered the charges alleged in the SCN, reply filed by the noticee and the confirmation given by RoC Mumbai. As Mr. D N Davar had resigned as a director of the company as early as in 2000, the violation alleged against the company and its directors with respect to non-compliance of SEBI circular dated August 13, 2012, are not maintainable. Hence, I am inclined to revoke the directions passed in the order of SEBI dated June 8, 2016 against the noticee
6. I, therefore, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11B thereof, do hereby revoke the directions issued vide order dated June 08, 2016 *qua* Mr. D N Davar with immediate effect.
7. A copy of this Order shall be served on the Stock Exchanges and Depositories, for necessary action.

DATE: November 03, 2017

PLACE: MUMBAI

**G MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**