

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

FINAL ORDER

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

In the matter of SCL Steel Corporation Limited

In respect of:

S.No.	Name of the Entity	PAN	CIN/DIN
1.	SCL Steel Corporation Limited	AARCS1089F	U27100MP2012PLC027659
2.	Shri Joydeb Biswas	AWLPB2553Q	03038041
3.	Shri Avijit Chakraborty	AMGPC5427P	03038053
4.	Shri Prasanta Chatterjee	ADQPC5674F	06575389
5.	Shri Manas Kumar Dan	ACSPD7017Q	06575386
6.	Shri Satya Ranjan Chaudhari	ACEPC5756F	00739191
7.	Smt. Swapna Chaudhuri	AEIPC6387B	00739243
8.	Shri Chatta Ranjan Chaudhuri	AEOPC1519G	02780238
9.	Debenture Trustee, viz. SCL Debenture Trust (Represented by its Trustees, viz. Shri Amal Kumar Chatterjee)		

1. SCL Steel Corporation Limited (hereinafter referred to as “SCLL”/ “the Company”) is a Public company incorporated on February 10, 2012 and registered with Registrar of Companies–Gwalior, Madhya Pradesh with CIN: U27100MP2012PLC027659. Its registered office is at c/o A.K. Banerjee, Bardadeeh Chowk, Mukhtiyar Gang, Satna,

Madhya Pradesh, 485001.

2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received a letter/complaint from some persons against ROC, Madhya Pradesh dated October 29, 2013 against SCLL in respect of issue of Secured Non Convertible Redeemable Debentures (hereinafter referred to as “*NCDs*”) and undertook an enquiry to ascertain whether SCLL had made any public issue of securities without complying with the provisions of the Companies Act, 1956; Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) and the Rules and Regulations framed thereunder including the Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008 (hereinafter referred to as “**ILDS Regulations**”).
3. On enquiry by SEBI, it was observed that SCLL had made an offer of NCDs in the financial year 2012-2013 (hereinafter referred to as “Offer of NCDs”) and raised an amount of Rs. 10.77 Crores from 10945 allottees. It was also observed that SCLL created a charge for an amount of Rs. 1,000 Crores on February 15, 2012 and appointed SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) as Debenture Trustee for the Offer of NCDs by that company.
4. As the above said *Offer* of NCDs was found *prima facie* in violation of respective provisions of the SEBI Act, 1992, the Companies Act, 1956, and the ILDS Regulations, SEBI passed an interim order dated March 19, 2015 (hereinafter referred to as “**interim order**”) and issued directions mentioned therein against SCLL and its Directors viz. Shri Joydeb Biswas, Shri Avijit Chakraborty, Shri Prasanta Chatterjee, Shri Manas Kumar Dan, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri and Shri Chatta Ranjan Chaudhuri, and its Debenture Trustee *SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee)* (hereinafter collectively referred to as “**Noticees**”).
5. *Prima facie findings/allegations:* In the said interim order, the following *prima facie* findings were recorded.
 - i. As per the Extracts of the Meeting of the Board of Directors of SCLL held on February 14, 2012 submitted by SCLL vide letter dated December 16, 2013, SCLL passed a

resolution "to raise or borrow from time to time at its discretion by issue of secured redeemable non-convertible debentures of Rs.100/- each upto a limit of One Thousand Crores.

ii. As per the application form cum brochure, the schemes offered claimingly for private placement of Secured Non Convertible Redeemable Debentures of Rs.1000 Crore are as follows:

Scheme I-Multipler Secured Debentures

Plan	A	B	C	D	E
Issue price (Minimum 10 debentures of Rs.100)	1000	1000	1000	1000	1000
Redemption period	5 years	7 years	10 years	13 years	15 years
Maturity value (including all taxes)	2000	3000	5000	10000	12000

Scheme II- Regular Income Secured debentures

Minimum amount accepable Rs.50000/- Payable monthly		
Plan	Redemption period	Annual rate of interest
F	3 years	13%

- As per Form 27A (Form for furnishing information with the statement of deduction/collection of tax at source): Commission of Rs. 73,85,939/- was paid to TMS and TDS of RS. 7,12,950/- was deposited on the Commission paid.

iii. SCLL had made an Offer of NCDs during the financial year 2012-2013 and raised an amount of Rs. 10.77 Crores as shown below:

Year of Issue	Security Issued	Amount raised (Rs.) (in crores)	Number of allottees
2012-2013	NCDs	10.77	10945
Total		10.77	10945

6. Further, SCLL created a charge for an amount of Rs. 1,000 Crores on February 15, 2012 and appointed SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) as Debenture Trustee for the Offer of NCDs by the company. SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) was not registered as debenture trustee for the offer of NCDs by that company.
7. The above *Offer of NCDs* and pursuant allotment were deemed public issue of securities under the first proviso to section 67(3) of the Companies Act, 1956. Accordingly, the resultant requirement under section 60 read with section 2(36), section 56, sections 73(1), 73(2) and 73(3) and sections 117B and 117C of the Companies Act, 1956 and the relevant provisions of the ILDS Regulations were not complied with by SCLL in respect of the *Offer of NCDs*. Further, the Debenture Trustee viz. *SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee)* has prima facie violated section 12(1) of the SEBI Act and regulation 7 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (hereinafter referred to as “**Debenture Trustees Regulations**”).
8. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated March 19, 2015 with immediate effect.
 - i. “SCLL shall forthwith cease to mobilize any fresh funds from investors through the Offer of NCDs 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. SCLL (CIN: U27100MP2012PLC027659; PAN-AARCS1089F) and its Directors, viz. Shri Joydeb Biswas (PAN-AWLPB2553Q), Shri Avijit Chakraborty (PANAMGPC5427P), Shri Prasanta Chatterjee (PAN-ADQPC5674F), Shri Manas Kumar Dan (PAN-ACSPD7017Q), Shri Satya Ranjan Chaudhari (PANACEPC5756F), Smt. Swapna Chaudhuri (PAN-AEIPC6387B) and Shri Chatta Ranjan Chaudhuri (PAN-AEOPC1519G) 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. SCLL and its abovementioned 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. SCLL shall provide a full inventory of all its assets and properties;
- v. SCLL's abovementioned Directors shall provide a full inventory of all their assets and properties;
- vi. SCLL and its abovementioned Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the Offer of NCDs, without prior permission from SEBI;
- vii. SCLL and its abovementioned Directors shall not divert any funds raised from public at large through the Offer of NCDs, which are kept in bank account(s) and/or in the custody of SCLL;
- viii. SCLL shall furnish complete and relevant information within 21 days from the date of

receipt of this Order;

- ix. SCLL shall provide to SEBI all information regarding repayments made to the holders of Secured Redeemable Non-Convertible Debentures including name of the debenture holder, address, amount mobilized, number of Secured Redeemable Non-Convertible Debentures issued, promised maturity amount with date of maturity, amount refunded and date thereof;
 - x. The Debenture Trustee, viz. *SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee)*, is prohibited from continuing with his present assignment as debenture trustee in respect of the Offer of NCDs of SCLL and also from taking up any new assignment or involvement in any new issue of debentures, etc. in a similar capacity, from the date of this Order till further directions.”
9. The interim order also directed the SCLL and its Directors/promoters to show cause as to why suitable directions/prohibitions under sections 11(1), 11(4), 11A and 11B of the SEBI Act, and section 73(2) of the Companies Act, 1956 should not be passed against them:
- i. Directing them jointly and severally to refund money collected through the Offer of NCDs along with interest, if any, promised to investors therein;
 - ii. Directing them not to issue 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, for an appropriate period;
 - iii. Directions restraining them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
10. Similarly, the Debenture Trustee, viz. *SCL Debenture Trust (represented by its Trustee, viz. Shri Amal Kumar Chatterjee)*, was advised to show cause as to why suitable directions/prohibitions under Sections 11(1), 11(4), 11A and 11B of the SEBI Act

including restraining him from accessing the securities market and further restraining him from buying, selling or dealing in securities, in any manner whatsoever, for an appropriate period should not be issued.

11. Vide the said interim order, SCLL, its abovementioned Directors along with its Debenture Trustee were given the opportunity to file their replies, within 21 days from the date of receipt of the said interim order. The order further stated the concerned persons may also indicate whether they desired to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
12. *Service of interim order:* The copy of the said interim order was sent to the Noticees vide letter dated March 20, 2015 which were delivered only to Mr. Avijit Chakraborty. Subsequently, vide notification dated February 14, 2017 published in newspapers *The Telegraph*, *The Times of India* and *Anand Bazar Patrika*, the Noticees were notified by SEBI, that interim order dated March 19, 2015 was issued against them and they were given a final opportunity to submit their reply in the matter.
13. Vide reply dated April 7, 2015, Mr. Avijit Chakraborty submitted *inter alia*, the following:
 - i. He was an employee at M/s. Swasata Cement Limited and Mr. Satya Ranjan Chaudhuri had convinced him to accept directorship of SCLL and Swasata Steel Industries Limited.
 - ii. He was appointed as a director in SCLL in June 2013. He accepted the directorship for extra remuneration and also because he presumed that SCLL had stopped issuing debentures.
 - iii. He discontinued to be a director of the Company from May 2014, after repeatedly informing the Company of his intention to resign from the directorship of the Company.
14. Vide notifications dated October 15, 2017 and November 5, 2017 published in newspaper *The Times of India* and notification dated October 15, 2017 and November 5, 2017 published in newspaper *Anand Bazar Patrika*, the Noticees were notified by SEBI that

they will be given the final opportunity of being heard on November 14, 2017 at the time and the venue mentioned therein. The Noticees were advised that in case they failed to appear for the personal hearing before SEBI on the aforesaid date, then the matter would be proceeded ex-parte on the basis of material available on record.

15. *Hearing and submissions:* Noticees did not avail the opportunity of hearing held on November 14, 2017. Vide letter dated November 11, 2017, Ms. Sinchita Chakraborty, identifying herself as the wife of Mr. Avijit Chakraborty, stated that the said Noticee is in jail custody in connection with criminal case bearing no. 99/2016 of Lake PS, Kolkata. Therefore, he would be unable to appear for personal hearing in this regard. Vide letter dated November 12, 2017, Mr. Debangshu Moulick, Advocate for Mr. Joydeb Biswas, stated that the said Noticee is in jail custody in connection with Criminal case bearing no. 99/2016 of Lake P.S. Kolkata, and that he would be unable to appear for personal hearing. In this regard, both the said Noticees could have appeared for personal hearing through their respective authorized representatives, which they have failed to do.. I find that none of the other Noticees have filed any reply in this matter.

16. I have considered the allegations and materials available on record. On perusal of the same, the following issues arise for consideration. Each question is dealt with separately under different headings.

(1) Whether the company came out with the Offer of NCDs as stated in the interim order.

(2) If so, whether the said issues are in violation of Section 56, Section 60 read with section 2(36), Section 73 and section 117C of the Companies Act, 1956 read with the ILDS Regulations.

(3) Whether appointment of SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee), as the Debenture Trustee by SCLL is in violation of Section 117B of the Companies Act, 1956 and whether SCL Debenture Trust and Shri Amal Kumar Chatterjee violated Section 12(1) of SEBI Act and regulation 7 of the Debenture Trustees Regulations

(4) If the findings on Issue No.2 and 3 are found in the affirmative, who are liable for the violation committed?

ISSUE No. 1- Whether the company came out with the Offer of NCDs as stated in the interim order.

17. I have perused the interim order dated March 19, 2015 for the allegation of Offer of NCDs. I note that neither the company nor the directors filed any reply disputing the same.
18. I have also perused the documents/ information obtained from the 'MCA 21 Portal' other documents available on records. It is noted that vide letters dated December 16, 2013 and December 15, 2014, SCLL inter alia submitted that it had issued and allotted debentures to 10,945 investors and raised an amount of Rs. 10.77 Crores, in the financial years 2012-2013.
19. From the Extracts of the Meeting of the Board of Directors of SCLL held on February 14, 2012 submitted by SCLL vide letter dated December 16, 2013, I note that SCLL had passed a resolution “to raise or borrow from time to time at its discretion by issue of secured redeemable non-convertible debentures of Rs.100/- each upto a limit of One Thousand Crores.”. On perusal of the copy of the Debenture Subscription Agreement entered into between SCLL and TMS I note that it inter alia states: “The company with a view to augment its long term resources to meet its business requirements has by a resolution of its Board of directors dated 15th day of February, 2012 approved the issue of Cumulative Non Convertible Redeemable Debentures ("Debentures") in one or more tranches up to an aggregate amount not exceeding Rs.10,00,00,00,000/- (Rupees One Thousand Crores Only) to be privately placed with the Company (Second Part) who is associated/ affiliated or otherwise connected in any manner with the SCL group for subscription without giving any advertisement to the general public.”
20. On perusal of the Annual Report for 2012-13 submitted by SCLL I note the following:
- SCLL’s total paid up capital as on March 31, 2012 and March 31, 2013 is Rs.

5,00,000/- and its shareholders are Shri Satya Ranjan Chaudhuri (50%) and Mrs. Swapna Chaudhuri (49.98%).

- SCLL made investment by way of share application money in its group companies as follows:

Swasata Cement Ltd. - Rs. 5,24,00,000/-

Chaudhuri Diagnostics & Hospital Pvt. Ltd. - Rs. 1,67,00,000/-

Swasta Electricals and Electronics Pvt. Ltd. - Rs. 24,00,000/-

- SCLL issued 10,50,000 secured debentures of Rs. 100/- each aggregating to Rs. 10,50,00,000/-.

21. I further note from the Copy of the ledger account of the marketing agent, TMS Marketing Limited enclosed vide letter dated December 30, 2013, submitted by SCLL, that the month-wise collection by TMS is as follows:

Month	Collection in Rupees
May 2012	7517500
June 2012	7696475
July 2012	12900000
August 2012	14208460
September 2012	18609008
October 2012	9800000
November 2012	9500000

December 2012	8966173
January 2013	5028000
February 2013	6026000
March 2013	7420000
Total	*107671616

22. From the above I note that SCLL had offered several schemes for *Secured Non-Convertible Redeemable Debentures of Rs.1000 Crore* claiming to be private placement .

23. I further note on perusal of Form 10, as obtained from MCA21 Portal, that SCLL created a charge of Rs. 1000/- Crores on February 15, 2012 and appointed *SCL Debenture Trust (represented by its Trustee, viz., Shri Amal Kumar Chatterjee)* as Debenture Trustee.

24. I note that vide letter dated December 15, 2014, SCLL had submitted that TMS Marketing Limited who was acting as a broker of SCLL, was distributing the application form for collection of money through issuance of debentures, in lieu of commission. Further, from the bank account statements submitted by TMS Marketing Limited, vide its letter dated April 9, 2014, I note that there were deposits in its account even as on March 13, 2013. On perusal of the Annual Report for 2012-2013, I note that SCLL had issued 10,50,000 secured debentures of Rs. 100/- each aggregating to Rs. 10,50,00,000/-. However, I note that the SCLL has submitted, vide its reply dated December 15, 2014, the copy of the ledger of TMS Marketing Limited, wherein I note that an amount of Rs. 10,76,71,616/- had been collected from May 2012- March 2013. In view of the admission of collection of a updated amount vide the Company's latter reply, I am of the view that the amount of money collection, for the purposes of refund, should be considered as per the Ledger account of TMS Marketing Limited and not as per the Annual Report for 2012-2013.

Therefore, the details of fund mobilisation are as below:

Period of Mobilisation	Amount collected	No. of Investors
2012-2013	Rs. 10,76,71,616	10,945

23. I therefore conclude that SCLL came out with an offer of NCDs as outlined above.

ISSUE No. 2- *If so, whether the said issues are in violation of Section 56, Section 60 read with section 2(36), Section 73 and section 117C of the Companies Act, 1956 read with the ILDS Regulations.*

24. The provisions alleged to have been violated and mentioned in Issue No. 2 are applicable to the Offer of NCDs made to the public. Therefore the primary question that arises for consideration is whether the issue of NCDs is ‘public issue’. At this juncture, reference may be made to sections 67(1) and 67(3) of the Companies Act, 1956:

"67. (1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(2) any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub- section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

- (a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or
- (b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation ...

Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:

Provided further that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956).”

25. The following observations of the Hon'ble Supreme Court of India in *Sahara India Real Estate Corporation Limited & Ors. v. SEBI* (Civil Appeal no. 9813 and 9833 of 2011) (hereinafter referred to as the “**Sahara Case**”), while examining the scope of Section 67 of the Companies Act, 1956, are worth consideration:-

“Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 67(1) and (2) is on the “section of the public”. Section 67(3) states that no offer or invitation shall be treated as made to the public, by virtue of subsections (1) and (2), that is to any section of the public, if the offer or invitation is not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation or otherwise as being a domestic concern of the persons making and receiving the offer or invitations. Section 67(3) is, therefore, an exception to Sections 67(1) and (2). If the circumstances mentioned in clauses (1) and (b) of Section 67(3) are satisfied, then the offer/invitation would not be treated as being

made to the public.

The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. ... Resultantly, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving the offer or invitation.”

26. Section 67(3) of Companies Act, 1956 provides for situations when an offer is not considered as offer to public. As per the said sub section, if the offer is one which is not calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation, or, if the offer is the domestic concern of the persons making and receiving the offer, the same are not considered as public offer. Under such circumstances, they are considered as private placement of shares and debentures. It is noted that as per the *first proviso* to Section 67(3) Companies Act, 1956, the public offer and listing requirements contained in that Act would become automatically applicable to a company making the offer to fifty or more persons. However, the *second proviso* to Section 67(3) of Companies Act, 1956 exempts NBFCs and Public Financial Institutions from the applicability of the *first proviso*.
27. In the instant matter, I find that NCDs were issued by SCLL to 10945 investors in the financial year 2012-2013. I find that SCLL has mobilized an amount of Rs. 10.77 Crores over the financial years 2012-2013. Further, I find that SCLL has created a charge of Rs. 1,000 Crores on February 15, 2012.

From the application form cum brochure, I find that the said forms were seemingly offered

for private placement. Further, I note from the copy of Debenture Subscription Agreement entered into between SCLL and TMS that:

“The Company states that the Debentures are suitable only for the Company (Second Part) and that the “Offer is Not Made to Public at Large” and that the same is not intended to serve as “Any Advertisement to the Public in General” Similar restrictions on eligibility shall also be mentioned in the Subscription/ application form for subscribing Debentures, wherein the application shall be required to declare that it is 'Associated/ Affiliated or Otherwise Related to the SCL Group'. The fact that the Debentures are not intended to be listed on any stock exchange and that there is not a public market for the Debentures and none is expected to develop in the future shall clearly be stated.”

However, I am of the opinion that the Company has not been able to sufficiently prove that the offer was not made to public at large and that the application form cum brochure were not intended to serve as an advertisement to the public in general. The fact that the issuance was made to more than 49 persons make the issue as deemed public issue. Therefore, the representation made in its various documents that it is a private placement cannot be legally tenable. In tune with this, I find that the Offer of NCDs does not fall within the ambit of first proviso of section 67(3) of Companies Act, 1956. The above findings lead to a reasonable conclusion that the Offer of NCDs by SCLL was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.

28. I find that SCLL has not claimed it to be a Non-banking financial company or public financial institution within the meaning of Section 4A of the Companies Act, 1956. In view of the aforesaid, I, therefore, find that there is no case that SCLL is covered under the second proviso to Section 67(3) of the Companies Act, 1956.

29. Even in cases where the allotments are considered separately, reference may be made to Sahara Case, wherein it was held that under Section 67(3) of the Companies Act, 1956, the "Burden of proof is entirely on Saharas to show that the investors are/were their employees/workers or associated with them in any other capacity which they have not

discharged." In respect of those issuances, the directors have not placed any material that the allotment was in satisfaction of section 67(3)(a) or 67(3)(b) of Companies Act, 1956 i.e., it was made to the known associated persons or domestic concern. Therefore, I find that the said issuance cannot be considered as private placement. Moreover, reference may be made to the order dated April 28, 2017 of Hon'ble Securities Appellate Tribunal in *Neesa Technologies Limited vs. SEBI (Appeal No. 311 of 2016)* which lays down that "In terms of Section 67(3) of the Companies Act any issue to '50 persons or more' is a public issue and all public issues have to comply with the provisions of Section 56 of Companies Act and ILDS Regulations. Accordingly, in the instant matter the appellant have violated these provisions and their argument that they have issued the NCDs in multiple tranches and no tranche has exceeded 49 people has no meaning".

30. Therefore, in view of the material available on record, I find that the Offer of NCDs by SCLL falls within the first proviso of section 67(3) of Companies Act, 1956. Hence, the Offer of NCDs are deemed to be public issues and SCLL was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.
31. Further, since the offer of NCDs is a public issue of securities, such securities shall also have to be listed on a recognized stock exchange, as mandated under section 73 of the Companies Act, 1956. As per section 73(1) and (2) of the Companies Act, 1956, a company is required to make an application to one or more recognized stock exchanges for permission for the shares or debentures to be offered to be dealt with in the stock exchange and if permission has not been applied for or not granted, the company is required to forthwith repay with interest all moneys received from the applicants.
32. The allegations of non-compliance of the above provisions were not denied by SCLL or its directors. I also find that no records have been submitted to indicate that it has made an application seeking listing permission from stock exchange or refunded the amounts on account of such failure. Therefore, I find that SCLL has contravened the said provisions. SCLL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that SCLL has also not complied with the provisions of section 73(3) which mandates that the amounts received from investors shall

be kept in a separate bank account. Therefore, I find, that section 73(2) of the Companies Act, 1956 has not been complied with.

33. Section 2(36) of the Companies Act read with section 60 thereof, mandates a company to register its 'prospectus' with the RoC, before making a public offer/ issuing the 'prospectus'. As per the aforesaid Section 2(36), “prospectus” means any document described or issued as a prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate. As the offer of NCDs was a deemed public issue of securities, SCLL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that SCLL has not submitted any record to indicate that it has registered a prospectus with the RoC, in respect of the offer of NCDs. I, therefore, find that SCLL has not complied with the provisions of section 60 of the Companies Act, 1956.
34. In terms of section 56(1) of the Companies Act, 1956, every prospectus issued by or on behalf of a company, shall state the matters specified in Part I and set out the reports specified in Part II of Schedule II of that Act. Further, as per section 56(3) of the Companies Act, 1956, no one shall issue any form of application for shares in a company, unless the form is accompanied by abridged prospectus, containing disclosures as specified. Neither SCLL nor its directors produced any record to show that it has issued Prospectus containing the disclosures mentioned in section 56(1) of the Companies Act, 1956, or issued application forms accompanying the abridged prospectus. Therefore, I find that, SCLL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.
35. As regards the allegation of section 117C of the Companies Act, 1956, it may be seen that the said provision mandates the company to create a debenture redemption reserve for the redemption of such debentures, to which every year, adequate amounts should be credited out of its profits, until such debentures are redeemed. None of the Noticees denied this allegation. There is no material on record to show that such debenture reserve was created. Therefore, I hold that the company has violated section 117C of the Companies Act, 1956.

36. ILDS Regulations are applicable to the public issue and listing of debt securities. Regulation 2(e) of the ILDS Regulations defines debt securities to mean non-convertible debt securities which create or acknowledge indebtedness, and include debentures. In view of the finding that SCLL has made a public issue of debt securities, the ILDS Regulations is also applicable to the instant offer of NCDs. Therefore, I find that the Company has violated the following provisions of the aforesaid ILDS Regulations, which contain *inter alia* conditions for public issue and listing of debt securities, viz.
- i. Regulation 4(2)(a) – Application for listing of debt securities
 - ii. Regulation 4(2)(b) – In-principle approval for listing of debt securities
 - iii. Regulation 4(2)(c) – Credit rating has been obtained
 - iv. Regulation 4(2)(d) – Dematerialization of debt securities
 - v. Regulation 4(4) – Appointment of Debenture Trustees
 - vi. Regulation 5(2)(b) – Disclosure requirements in the Offer Document
 - vii. Regulation 6 – Filing of draft Offer Document
 - viii. Regulation 7 – Mode of disclosure of Offer Document
 - ix. Regulation 8 – Advertisements for Public Issues
 - x. Regulation 9 – Abridged Prospectus and application forms
 - xi. Regulation 12 – Minimum subscription
 - xii. Regulation 14 – Prohibition of mis-statements in the Offer Document
 - xiii. Regulation 15 – Trust Deed
 - xiv. Regulation 17 – Creation of security
 - xv. Regulation 19 – Mandatory Listing
 - xvi. Regulation 26 – Obligations of the Issuer, etc.
37. Further, I note that the jurisdiction of SEBI over various provisions of the Companies Act, 1956 including the above mentioned, in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flows from the provisions of Section 55A of the Companies Act, 1956. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in *Sahara Case*, had observed that:

"We, therefore, hold that, so far as the provisions enumerated in the opening portion of Section 55A of the Companies Act, so far as they relate to issue and transfer of securities and non-payment of dividend is concerned, SEBI has the power to administer in the case of listed public companies and in the case of those public companies which intend to get their securities listed on a recognized stock exchange in India."

"SEBI can exercise its jurisdiction under Sections 11(1), 11(4), 11A(1)(b) and 11B of SEBI Act and Regulation 107 of ICDR 2009 over public companies who have issued shares or debentures to fifty or more, but not complied with the provisions of Section 73(1) by not listing its securities on a recognized stock exchange"

38. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, 1956, SEBI has to administer Section 67 of that Act, so far as it relates to issue and transfer of securities, in the case of companies who intend to get their securities listed. While interpreting the phrase "intend to get listed" in the context of deemed public issue the Hon'ble Supreme Court in *Sahara Case* observed-

"...But then, there is also one simple fundamental of law, i.e. that no-one can be presumed or deemed to be intending something, which is contrary to law. Obviously therefore, "intent" has its limitations also, confining it within the confines of lawfulness..."

"...Listing of securities depends not upon one's volition, but on statutory mandate..."

"...The appellant-companies must be deemed to have "intended" to get their securities listed on a recognized stock exchange, because they could only then be considered to have proceeded legally. That being the mandate of law, it cannot be presumed that the appellant companies could have "intended", what was contrary to the mandatory requirement of law..."

39. In view of the above findings, I am of the view that SCLL was engaged in fund mobilizing activity from the public, through the offer of NCDs and has contravened the provisions of section 56(1), 56(3), 2(36) read with 60, 73(1), 73(2), 73(3), and 117C of the Companies Act, 1956, and above mentioned provisions pertaining to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

ISSUE No. 3-Whether appointment of SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) , as the Debenture Trustee by SCLL is in violation of Section 117B of the Companies Act, 1956 and whether SCL Debenture Trust and viz. Shri Amal Kumar Chatterjee have violated Section 12(1) of SEBI Act and regulation 7 of the Debenture Trustees Regulations?

40. I have perused the Copy of the Debenture Trust Deeds and Form 10 filed with the RoC dated February 15, 2012. I find that SCLL had created a charge of Rs. 1,000 Crores for the Offer of NCDs by the Company. I further find that SCLL had appointed SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) as the debenture trustee by way of trust deed dated February 15, 2012.
41. Section 12(1) of the SEBI Act states that: "*No... trustee of trust deed ... shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act*". Regulation 7 of the SEBI (Debenture Trustees) Regulations, 1993, states that only a *scheduled bank carrying on commercial activity or, a public financial institution within the meaning of section 4A of the Companies Act, 1956 or, an insurance company or, a body corporate alone are eligible to get a certificate of registration as Debenture Trustee.*
42. SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee) are not eligible to obtain a certificate of registration since it does not satisfy the eligibility criteria mentioned in Regulation 7 of the SEBI (Debenture Trustees) Regulations, 1993. None of the Noticees claimed that SCL Debenture Trust (represented by its trustee, viz.

Shri Amal Kumar Chatterjee) had received certificate of registration as per section 12(1) of the SEBI Act. In view of the above, I find that SCL Debenture Trust and Shri Amal Kumar Chatterjee have dealt in the impugned Offer of NCDs as debenture trustees, without having a certificate of registration as Debenture Trustee in violation of Section 12(1) of the SEBI Act, 1992.

43. Under section 117B of the Companies Act, 1956 no company shall issue a prospectus or a letter of offer to the public for subscription of its debentures, unless the company has, before such issue, appointed one or more debenture trustees for such debentures and the company has, on the face of the prospectus or the letter of offer, stated that the debenture trustee or trustees have given their consent to the company to be so appointed. I find that SCLL has appointed *SCL Debenture Trust (represented by its trustee, viz. Shri Amal Kumar Chatterjee)* who does not have a certificate of registration. Therefore, the appointment of the same is in violation of section 117B of the Companies Act, 1956. Further, since SCLL has not issued a prospectus with the relevant information and therefore, the requirement of stating the consent of the debenture trustee to be so appointed on the face of the prospectus has not been complied with.

ISSUE No. 4- If the findings on Issue No.2 and 3 are found in the affirmative, who are liable for the violation committed?

44. From the reply dated April 7, 2015 of Mr. Avijit Chakraborty I note that he has admitted that he was appointed as a director of SCLL in June, 2013. The same is also noted from the records as obtained from MCA21 Portal, that Mr. Avijit Chakraborty was appointed as a director of the Company on June 15, 2013. Although Mr. Avijit Chakraborty has submitted that he resigned from the Company in May 2014. However, he has not provided a copy of his resignation letter dated in May 2014. He has submitted copy of an email dated September 3, 2014 which he had sent to Swasata Steel Industries Limited, requesting to be released from the post of Director from both Swasata Steel Industries Limited and SCLL. Thereafter, I note that Mr. Avijit Chakraborty had sent a letter dated January 10, 2015, which was dispatched on January 22, 2015, as per the proof of dispatch of India

Post. In view of the same, I accept his resignation with effect from January 22, 2015.

45. From the MCA21 portal and from the reply as above, I find that the present Directors in SCLL are Shri Joydeb Biswas, Shri Prasanta Chatterjee, Shri Manas Kumar Dan. I also note that, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Mr. Avijit Chakraborty, who were earlier Directors in SCLL, have since resigned. The details of the appointment and resignation of the directors are as following:

Name of the directors	Date of appointment	Date of cessation
Shri Joydeb Biswas	June 15, 2013	Continuing
Shri Manas Kumar Dan	March 15, 2013	Continuing
Shri Prasanta Chatterjee	March 15, 2013	Continuing
Shri Avijit Chakraborty	June 15, 2013	January 22, 2015
Shri Satya Ranjan Chaudhari	February 10, 2012	June 15, 2013
Smt. Swapna Chaudhuri	February 10, 2012	March 15, 2013
Shri Chatta Ranjan Chaudhuri	February 10, 2012	March 15, 2013

46. Section 56(1) and 56(3) read with section 56(4) of the Companies Act, 1956 imposes the liability on the company, every director, and other persons responsible for the prospectus for the compliance of the said provisions. The liability for non-compliance of Section 60 of the Companies Act, 1956 is on the company, and every person who is a party to the non-compliance of issuing the prospectus as per the said provision. Therefore, SCLL and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the

Companies Act, 1956.

47. As far as the liability for non-compliance of section 73 of Companies Act, 1956 is concerned, as stipulated in section 73(2) of the said Act, the company and every director of the company who is an officer in default shall, from the eighth day when the company becomes liable to repay, be jointly and severally liable to repay that money with interest at such rate, not less than four per cent and not more than fifteen per cent if the money is not repaid forthwith. With regard to liability to pay interest, I note that as per section 73 (2) of the Companies Act, 1956, the company and every director of the company who is an officer in default is jointly and severally liable, to repay all the money with interest at prescribed rate. In this regard, I note that in terms of rule 4D of the Companies (Central Governments) General Rules and Forms, 1956, the rate of interest prescribed in this regard is 15%.
48. From the material available on record and the details of the appointment and resignation of the directors of SCLL as reproduced in paragraph 45 of this Order, it is noted that Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, , Shri Prasanta Chatterjee, Shri Manas Kumar Dan were directors at the time of the issuance of NCDs. Since these persons were acting as directors during the period of issuance of NCDs, they are officers in default as per Section 5(g) of Companies Act, 1956. Further, in the present case, no material is brought on record to show that any of the officers set out in clauses (a) to (c) of Section 5 of Companies Act, 1956 or any specified director of SCLL was entrusted to discharge the obligation contained in Section 73 of the Companies Act, 1956. Therefore, as per Section 5(g) of the Companies Act, 1956 all the past and present directors of SCLL, as officers in default, are liable to make refund, jointly and severally, along with interest at the rate of 15 % per annum, under section 73(2) of the Companies Act, 1956 for the non-compliance of the above mentioned provisions. None of the Noticees disputed this legal liability by way of any written or oral submissions. Since, the liability of the company to repay under section 73(2) is continuing and such liability continues till all the repayments are made, the above said directors are co-extensively responsible along with the Company for making refunds along with interest under section

73(2) of the Companies Act, 1956 read with rule 4D of the Companies (Central Government's) General Rules and Forms, 1956, and section 27(2) of the SEBI Act. Therefore, I find that SCLL and its Directors, viz., Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan are jointly and severally liable to refund the amounts collected from the investors with interest at the rate of 15 % per annum, for the non-compliance of the above mentioned provisions.

49. I note that during the financial years 2012-2013 SCLL through Offer of NCDs, had collected an amount of Rs. 10.77 Crores from various allottees. I note that Shri Prasanta Chatterjee has been director of SCLL since financial years 2012-2013 till present date. I note that Shri Manas Kumar Dan has been director of SCLL since financial years 2012-2013 till present date. I note that Shri Satya Ranjan Chaudhari was director of SCLL during financial years 2012-2013. I note that Smt. Swapna Chaudhuri was director of SCLL during financial years 2012-2013. I note that Shri Chatta Ranjan Chaudhuri was director of SCLL during financial years 2012-2013. Therefore, in view of Hon'ble Securities Appellate Tribunal (SAT) Order dated July 14, 2017 in the matter of Manoj Agarwal vs. SEBI, I am of the view that the obligation of the director to refund the amount with interest jointly and severally with SCLL and other directors are limited to the extent of amount collected during his/her tenure as director of SCLL.
50. As far as the liability under sections 117B and 117C of the Companies Act, 1956, is concerned, the liability is on the company to comply with the said provisions. Therefore, SCLL is liable for the violation of sections 117B and 117C of the SEBI Act. In respect of the liability under section 12(1) of the SEBI Act, the liability is on the Trustee who act as the debenture trustee without the Certificate of Registration from SEBI as debenture trustee. In view of the above, I find that both SCL Debenture Trust (represented by its trustee, viz. Shri Amal Kumar Chatterjee), Shri Amal Kumar Chatterjee are liable for the violation of section 12(1) of the SEBI Act read with regulation 7 of the Debenture Trustee Regulations.

51. With respect to the provisions of the respective regulations of the ILDS Regulations enumerated on paragraph 36 of this order, the liability is on the Company to comply with the requirements therein.
52. In this regard, I note that Shri Joydeb Biswas and Shri Avijit Chakraborty were appointed as a director of SCLL only on June 15, 2013, i.e. after the period of issuance of NCDs. Further, I also find that Mr. Avijit Chakraborty had resigned from the Company with effect from February 22, 2015. Therefore, following the reasoning as provided in the matter of Manoj Agarwal vs. SEBI, I am of the view that Shri Joydeb Biswas and Shri Avijit Chakraborty are not liable for refund of money as they were not directors during the relevant time of fund mobilization. However, Shri Joydeb Biswas and Shri Avijit Chakraborty had the responsibility of ensuring that refund of money was made to the investors as prescribed in law. With respect to the breach of law and duty by a director of a company, I refer to and rely on the following observations made by the Hon'ble High Court of Madras in Madhavan Nambiar vs. Registrar of Companies (2002 108 Cas 1 Mad):

" 13. A director either full time or part time, either elected or appointed or nominated is bound to discharge the functions of a director and should have taken all the diligent steps and taken care in the affairs of the company.

14. In the matter of proceedings for negligence, default, breach of duty, misfeasance or breach of trust or violation of the statutory provisions of the Act and the rules, there is no difference or distinction between the whole-time or part time director or nominated or co-opted director and the liability for such acts or commission or omission is equal. So also the treatment for such violations as stipulated in the Companies Act, 1956. "

53. A person cannot assume the role of a director in a company in a casual manner. The position of a 'director' in a public company/listed company comes along with responsibilities and compliances under law associated with such position, which have to be fulfilled by such director or face the consequences for any violation or default thereof. The noticee cannot therefore wriggle out from liability. A director who is part of a company's board shall be responsible and liable for all acts carried out by a company. Accordingly, Shri Joydeb Biswas and Shri Avijit Chakraborty were also responsible for

all the deeds/acts of the Company during the period of their directorship and were obligated to ensure refund of the money collected by the company to the investors as per the provisions of Section 73 of Companies Act, 1956. In view of the failure to discharge the said liability of ensuring refund, Shri Joydeb Biswas and Shri Avijit Chakraborty are liable to be debarred for an appropriate period of time.

54. In view of the foregoing, the natural consequence of not adhering to the norms governing the issue of securities to the public and making repayments as directed under section 73(2) of the Companies Act, 1956, is to direct SCLL and its Directors, viz. Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan to refund the monies collected, with interest to such investors. Further, in view of the violations committed by the Company and its Directors, to safeguard the interest of the investors who had subscribed to such NCDs issued by the Company, to safeguard their investments, and to further ensure orderly development of securities market, it also becomes necessary for SEBI to issue appropriate directions against the Company and the other Noticees.
55. I also note that, vide the interim order dated March 19, 2015, SCLL was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, the Directors of SCLL were also directed to provide an inventory of assets and properties belonging to them. The above inventories were required to be filed within 21 days of the receipt of the order. However, I find that no such inventory has been provided either by SCLL or the other Noticees despite the notifications of issuance of the interim order through newspaper publications as stated in paragraph 12 of this Order.
56. In view of the discussion above, appropriate action in accordance with law needs to be initiated against SCLL and its Directors and debenture trustees, viz. Shri Joydeb Biswas, Shri Avijit Chakraborty, Shri Prasanta Chatterjee, Shri Manas Kumar Dan, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, and SCL Debenture Trust (represented by its trustees, viz. Shri Amal Kumar Chatterjee)
57. In view of the aforesaid observations and findings, I, in exercise of the powers conferred

under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions:

- (a) SCLL, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan shall forthwith refund the money collected by the Company, during their respective period of directorship through the issuance of NCDs including the application money collected from investors during their respective period of directorship, till date, pending allotment of securities, if any, with an interest of 15% per annum, from the eighth day of collection of funds, 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 both of which should be crossed as “Non-Transferable”.
- (c) Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri 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 mutual funds/shares/securities, if held in physical form and demat form.
- (d) SCLL and , Shri Prasanta Chatterjee, Shri Manas Kumar Dan are directed to provide a full inventory of all the assets and properties and details of all the bank accounts, demat accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form, of the company and their own.
- (e) Shri Joydeb Biswas is directed to provide a full inventory of all the assets and properties and details of all the bank accounts, demat accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form, of the company.
- (f) SCLL, Shri Joydeb Biswas, Shri Prasanta Chatterjee, Shri Manas Kumar Dan are permitted to sell the assets of the Company for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is

made.

- (g) SCLL, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan are prevented from selling their assets, properties and holding of mutual funds/shares/securities held by them in demat and physical form except for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made.
- (h) SCLL and, on its behalf the present directors who joined subsequent to the issues (Shri Joydeb Biswas), and directors in their personal capacity to make refund (Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan), shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact persons such as names, addresses and contact details, within 15 days of this Order coming into effect.
- (i) After completing the aforesaid repayments, SCLL, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Joydeb Biswas, Shri Prasanta Chatterjee, Shri Manas Kumar Dan shall file a report of such completion 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") holding such certificate.
- (j) In case of failure of SCLL, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan to comply with the aforesaid applicable directions, SEBI, on the expiry of three months period from the date of this Order may recover such amounts, from the company and the

directors liable to refund as specified in paragraph 57(a) of this Order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.

- (k) SCLL, Shri Satya Ranjan Chaudhari, Smt. Swapna Chaudhuri, Shri Chatta Ranjan Chaudhuri, Shri Prasanta Chatterjee, Shri Manas Kumar Dan 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 4 (four) 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 4 (four) years from the date of completion of refunds to investors.
- (l) Shri Joydeb Biswas, Shri Avijit Chakraborty 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 for a period of 4 (four) years from the date of this Order. The above said persons 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 for a period of 4 (four) years from the date of this order.
- (m) SCL Debenture Trust, and Shri Amal Kumar Chatterjee are restrained from accessing the securities market and are further restrained from buying, selling or dealing in securities, in any manner whatsoever, for a period of 4 (four) years from the date of this order.
- (n) The above directions shall come into force with immediate effect.

59. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories and registrar and transfer agents for information and necessary action.
60. A copy of this Order shall also be forwarded to the Ministry of Corporate Affairs / concerned Registrar of Companies, for their information and necessary action with respect to the directions/ restraint imposed above against the Company and the individuals.

DATE: March 15, 2018

MADHABI PURI BUCH

PLACE: Mumbai

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA