

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 Option One Industries Ltd

In respect of:

S.No.	Name of the Entity	PAN	CIN/DIN
1.	Option One Industries Ltd	Not Available	U27100MP2012PLC027910
2.	Shri Vishal Masih	ALRPM9497P	05182190
3.	Shri Anuj Jain	ALIPJ5869M	03556982
4.	Shri Rohit Singhai	CCDPS1488R	05182207
5.	Shri.Sameer Agarwal	ADXPA3381N	Not Available
6.	Optionone Trade and Mercantile Pvt Ltd	AABCO6415H	U51909WB2012PTC175133
7.	Shri Rajendra Agarwal	AESPA2305N	05224419
8.	Shri Vivek Chaurasia	AHVPC3063F	05183348
9.	Shri Vinod Kumar Shrivastava	CMCPS8260C	05191463
10.	Advantage Tradecom India Pvt Ltd	AAHCA6607P	U5290MP2009PTC021752
11.	Shri Sunil Pahadiya	AQWPP9097L	02576686
12.	Shri Sachin Jain	AIDPJ5469P	02542114
13.	Debenture Trustee, viz. Option One Debenture Trust – address – 52/6, 1 st Floor, Block I, Parvati Vihar, Near Big Bazar, VIP Road, Raghunathpur, Kolkata - 700059 (Represented by its Trustees, viz. Shri Devendra Pahadiya – PAN - BAOPP6921N)		

Order in the matter of M/s Option One Industries Ltd

1. Option One Industries Ltd (“**OOIL**”/ “**the Company**”) is a Public company incorporated on March 06, 2012 and registered with Registrar of Companies–Gwalior, MP with CIN: U27100MP2012PLC027910. Its registered office is at 299A, Second Floor, Orbit Mall, 305-306, PU-4, Scheme No. 54, A.B. Road, Indore, MP.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received complaints against OOIL in respect of issue of Secured Redeemable Non-Convertible Debentures (hereinafter referred to as “**NCDs**”) and undertook an enquiry to ascertain whether OOIL 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 OOIL had made an offer of NCDs in the financial years 2012-2013 and 2013-2014 (hereinafter referred to as “**Offer of NCDs**”) to at least 35,286 allottees and raised at least an amount of Rs. 3,52,51,000. The number of allottees and funds mobilized has been collated from the documents submitted by OOIL, Optionone Trade and Mercantile Pvt Ltd (**OTMPL**) and Advantage Tradecom India Pvt Ltd (**AT IPL**). Therefore, it was concluded that the actual number of allottees and amount mobilized could be more than the above indicated figures. It was also observed that OOIL created a charge for an amount of Rs. 1,000 Crores on March 14, 2012 and appointed *Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* 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 December 16, 2014 (hereinafter referred to as “**interim order**”) and issued directions mentioned therein against OOIL and its Directors viz. Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai and Marketing

Advisor & Chief Administrator, Shri Sameer Agarwal, and other entities aiding and abetting the issuance of debentures to public namely; Optionone Trade and Mercantile Pvt Ltd. & its past & present directors namely, Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava and Advantage Tradecom India Pvt Ltd. & its directors namely, Shri Sunil Pahadiya and Shri Sachin Jain and its Debenture Trustee, Option One *Debenture Trust* (represented by its trustee, viz. *Shri Devendra Pahadiya*). (hereinafter collectively referred to as “**Noticees**”).

5. *Prima facie findings/allegations*: In the said interim order, the following *prima facie* findings were recorded. OOIL had made an *Offer of NCDs* during the financial years 2012-2013 and 2013-2014 and raised at least an amount of Rs. 3,52,51,000 as shown below:

Year of Issue	Security Issued	Amount raised (Rs.)	Number of allottees
2012-2013	NCDs	Considering that OOIL has issued 3,52,510 NCDs, it has raised at least Rs. 3,52,51,000^	22,166
2013-2014			13,120
Total			35,286*

[^]*[^] No. of allottees and funds mobilized has been collated from the documents submitted by OOIL, OTMPL and ATIPL. However, actual no. of allottees and amount mobilized could be more than the above indicated figures.

6. Further, OOIL created a charge for an amount of Rs. 1,000 Crores on March 14, 2012 and appointed *Option One Debenture Trust* (represented by its trustee, viz. *Shri Devendra Pahadiya*) as Debenture Trustee for the Offer of NCDs by the Company. *Option One Debenture Trust* (represented by its trustee, viz. *Shri Devendra Pahadiya*) were 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 OOIL in respect of the *Offer of NCDs*. Further, the Debenture Trustee viz. Option One *Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* 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. It was also mentioned on the website of the Company that they have an Advisory Board in which one Mr. Sameer Agarwal is stated to be a member. The website of the company mentioned that "*Mr. Sameer Agarwal is associated with Option One right from its inception and he is the C. D. M. looking after day to day affairs of the company.....*".
9. The Company had issued debentures to following persons/entities:-

Name of debenture-holder	Date of allotment	Debentures allotted
Kamlesh Kabra	29.5.2012	2,510
Optionone Trade and Mercantile Private Limited	17.7.2012	25,000
	18.7.2012	25,000
	5.10.2012	50,000
	29.12.2012	50,000
	4.1.2013	50,000
	5.1.2013	1,50,000
	Total	3,52,510

10. Further, SEBI received letters dated June 12, 2014 from OOIL and OTMPL, wherein OOIL, *inter-alia*, submitted that OOIL raised funds for deployment for various group company operations and OTMPL was used for logistical support and for deployment of

amount collected, “Option One Debenture account” belongs to OOIL and the debentures were issued by OOIL and proceeds were deposited into their bank account. It was further stated that the date of first issue of debentures was May 29, 2012 and date of last issue of debentures was January 05, 2013 and their group company kept on issuing debentures, details of which will be provided shortly. It was also stated that that Mr. Sameer Agarwal was working with their group as a “Marketing Advisor & Chief Administrator, Marketing Motivator” on a remuneration. The funds were raised by other group or persons from public related to Advantage Finvest Corporation, Best Excellent Services & Trade Pvt. Ltd. as a business proportion. OTMPL in its reply, *inter alia*, submitted that its role was to provide logistical support and assist OOIL in their placement of debentures and that funds mobilized were deposited in the bank accounts of OTMPL also. It was further submitted that subsequent to the first phase of issue of debentures, OTMPL worked as logistical support provider for issue of debentures by OOIL and thereafter, the managements of OOIL and OTMPL entered into an agreement vide which management of OTMPL were given power to issue debentures and keep the funds in their account for long term deployment. It was also stated that OTMPL had not been allotted any debentures other than 3,50,000 debentures from July 17, 2012 to January 05, 2013.

11. However, it was noted that OTMPL did not submit the details of the applicants and the allottees of the debentures of OOIL. SEBI sought further details and in response SEBI received letters dated June 27, 2014 from OOIL, OTMPL and ATIPL wherein it was, *inter alia*, submitted that services of ATIPL were utilized for promotion and collection of proceeds of the debentures and OTMPL was sole collecting agency for said debenture issue on behalf of OOIL. Further, details of approximately 22,166 persons to whom debentures were issued on behalf of OOIL from April 01, 2012 to March 31, 2013 and approximately 13,120 persons to whom debentures were issued on behalf of OOIL during February 01, 2014 to March 31, 2014 were submitted by OTMPL. However, OOIL and OTMPL have not provided the relevant information such as number of

debentures allotted, dates of allotment of debentures, amount raised through issue of the debentures despite being given several opportunities to do so. It was also stated that ATIPL issued debentures of OOIL for settlement of part of the payment of amount payable with the approval filed online by investor and the allegation of complainants were hence denied and that ATIPL was only acting as a service provider of OOIL and had been assisting OOIL in its private circulation offers. ATIPL also provided its annual report for FY 2009-10 to 2011-12, which showed following advances from customers:-

Year	2009-10	2010-11	2011-12
Advance from customers (in Rs.)	10,24,09,368	32,58,83,950	42,53,83,950

12. Further, it was noted that the bank statement of ATIPL (A/c No.12010200000716 with Bank of Baroda) for relevant period indicates that payments were made to 1,276 persons of Rs.2,59,65,978/- and prima facie perusal of bank accounts of OOIL and OTMPL indicated that money was received from various persons, many of who seem to be agents of these companies and out of the money received, small payments were regularly made to various persons. Further, the account opening information of OOIL & OTMPL maintained with Axis Bank was perused and the documents attached include the bank statement of Mr. Vishal Masih (A/c No. 911010066508173) for the period January to May 2012 wherein it was noted that it was a salary account of Mr. Vishal Masih who was receiving monthly payment of Rs.15,000/- from Advantage Finvest Corporation, indicating that Mr. Vishal Masih is associated with Advantage Finvest Corporation, 105-106, AB Road, Indore, Madhya Pradesh. Another document attached for opening bank account of OTMPL was bank account statement of Mr. Anuj Jain (a/c No. 911010035002039) for January to May 2012, wherein, it was noted that Mr. Anuj Jain was also receiving payment of Rs.20,000/- per month from Advantage Finvest Corporation. Similarly, Mr. Rohit Singhai had an address as office of Advantage Finvest Corporation. During a perusal of the bank statement of OTMPL, small regular payments of Rs.15,000/- and Rs.20,000/- to Mr. Rohit Singhai were also noticed. This indicated

that Mr. Vishal Masih, Mr. Anuj Jain and Mr. Rohit Singhai were associated with Advantage Finvest Corporation. It was observed during internet search that Advantage Finvest Corporation (AFC) was a Multi-Level Marketing (MLM) entity and that entities ATIPL and Best Excellent Services & Trade Pvt. Ltd. were linked to AFC.

13. It was also observed that Mr. Sameer Agarwal, Marketing Advisor & Chief Administrator of the company, had a substantial role in the company which was not merely restricted to day to day affairs of company as submitted by company. As per the details provided by RoC, Gwalior Mr. Sameer Agarwal and Ms. Sania Agarwal, held a combined stake of 40% in OOIL (20% each) and it was also observed that out of funds mobilized from investors by OTMPL, large amounts of money (aggregating approx. Rs. 2,97,60,161) was frequently transferred to Mr. Sameer Agarwal from the bank account of OTMPL.
14. Further, it was noted that OOIL was authorized to raise upto Rs.1000 crores by issue of debentures through private placement, however, OOIL has been operating through a network of agents & branches across India. During initial inquiries, the director of OOIL advised vide their letter dated October 10, 2013 that debentures were issued in name of OTMPL from July 17, 2012 to January 05, 2013. OOIL however later admitted that OTMPL was the collecting agency for said debenture issue. OTMPL also admitted that OTMPL's role was to provide logistical support and assist OOIL in their placement of debentures. It was also evident from the copy of the Allotment Certificate of debenture and copy of the receipt of money enclosed along with complaint received by SEBI on July 31, 2013 from Investors and Consumer Guidance Society, Santacruz (East), Mumbai that the debentures of OOIL were issued by OTMPL on behalf of OOIL. Further, it was noted that funds from public towards debentures were received in the bank accounts of OOIL as well as OTMPL. It was also admitted that OTMPL had allotted debentures of OOIL to 22,166 persons from April 01, 2012 to March 31, 2013. Further, OTMPL also allotted debentures of OOIL to 13,120 persons during February 01, 2014 to March 31, 2014 and on checking the bank accounts of OTMPL (ICICI Bank,

Kolkata A/C No. 037105500393 and ICICI Bank, Indore A/C No. 004105500285) for subsequent period till June 19, 2014 showed continued receipt of funds from a large number of persons, apparently indicating that fund mobilization from public towards debentures of OOIL still continues.

15. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated December 16, 2014 against OOIL and its Directors viz. Shri Vishal Masih (PAN: ALRPM9497P), Shri Anuj Jain (PAN: ALIPJ5869M), Shri Rohit Singhai (PAN: CCDPS1488R) and Marketing Advisor & Chief Administrator, Shri. Sameer Agarwal (PAN: ADXPA3381N) and other entities aiding and abetting the issuance of debentures to public namely; Optionone Trade and Mercantile Pvt Ltd & its past and present directors namely, Shri Vishal Masih (PAN: ALRPM9497P), Shri Anuj Jain (PAN: ALIPJ5869M), Shri Rohit Singhai (PAN: CCDPS1488R), Shri Rajendra Agarwal (PAN: AESPA2305N), Shri Vivek Chaurasia (PAN: AHVPC3063F), Shri Vinod Kumar Shrivastava (PAN: CMCPS8260C) and Advantage Tradecom India Pvt Ltd (PAN: AAHCA6607P) & its directors, Shri Sunil Pahadiya (PAN: AQWPP9097L) and Shri Sachin Jain (PAN: AIDPJ5469P)
- i. “They shall not 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. They 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. They 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. They shall provide a full inventory of all its assets and properties;
- v. They 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;
- vi. They 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 their custody.
- vii. They shall furnish complete and relevant information sought by SEBI within 21 days from the date of receipt of this Order
- viii. *Shri Devendra Pahadiya* is prohibited from continuing with his present assignment as a debenture trustee in respect of the Offer of NCDs of OOIL 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.
- ix. Shri Sameer Agarwal and Shri Devendra Pahadia are advised to provide their PAN details along with their reply”

16. Vide the said interim order, OOIL, its abovementioned Directors and other entities 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.
17. *Service of interim order:* The copy of the said interim order were sent to the Noticees vide letter dated December 16/17, 2014. Subsequently, vide notification dated August

- 12, 2016 published in newspaper *Times of India* , and notification dated August 12, 2016 published in newspaper *Dainik Bhaskar*, the Noticees were notified by SEBI, that interim order was issued against them and they were given opportunity to submit their reply in the matter.
18. Vide notification dated June 10, 2017 published in newspaper *Times of India* and *Dainik Bhaskar*, the Noticees were notified by SEBI that they will be given the opportunity of being heard on August 24, 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.
19. *Hearing and submissions*: OOIL and OTMPL vide letter received on January 8, 2015 submitted that details sought by the Interim Order are under compilation and would be ready for submission by last week of January 2015 and that the collection of money under the NCD issue has been completely stopped by August 2014 and confirmed that they had given effect to all the restrictions issued in the Interim Order. They also confirmed that they are not mobilizing any fresh funds from investors through NCDs or any other securities, etc. and requested for time till January 30, 2015 and not to give effect to contents of the Interim Order during pendency of his submissions.
20. Shri Devendra Pahadiya vide letter dated January 7, 2015 submitted that he will fully abide by the Interim Order and shall desist from any activity in the role of debenture trustee and shall not participate in any other debenture issue. He further submitted that there has been no violation and he is preparing his defense and will be ready to file his representation by last week of January, 2015 and requested for time till January 30, 2015 and not to give effect to contents of the Interim Order during pendency of his submissions. SEBI vide letters dated January 21, 2015 gave time till January 24, 2015 to OOIL and Shri Devendra Pahadiya to file reply.
21. SEBI vide letter dated April 10, 2015 informed OOIL that SEBI has not received any

information from the Company despite time granted to them in reference to their letter received by SEBI on January 7, 2015 and that SEBI has come across complaints/information that the Company was still raising money from public in contravention to Interim Order. The said SEBI letter also enclosed certain complaints received showing continued raising of money and advised the Company to explain its continued fund mobilization.

22. None of the Noticees appeared for the hearing on August 24, 2017 nor sought adjournment, hence, the hearing was concluded in respect of all the entities. However, it was observed that Optionone Trade and Mercantile Private Limited, Shri Sameer Agarwal and the Debenture Trustee, Shri Devendra Pahadiya were not mentioned in the newspaper publication according hearing opportunity on August 24, 2017. Therefore, another opportunity was provided to them on December 12, 2017 vide post and newspaper publication dated November 29, 2017 in Times of India and Dainik Bhaskar.
23. Shri Subodh Gupta, Advocate, appeared on behalf of Shri Devendra Pahadiya on December 12, 2017 and requested for time to file his written submission. Ms. Purnima Gupta, Advocate appeared on behalf of Shri Sameer Agarwal and made oral submissions, *inter-alia*, that Shri Sameer Agarwal was engaged by OOIL as Market Motivator and Trainer and Event Organizer for the Company, was paid Rs. 2,97,60,161 as remuneration for his services, wasn't aware of the website of the Company and had no knowledge of whether his name appears on the said website and he and his wife, Ms. Sania Agarwal hold 40% shares of OOIL. He was advised during the hearing to submit details of his services rendered to OOIL, expenses incurred by him in rendering such services and Income Tax Returns for FY 2011-12, 2012-13 and 2013-14. He was also advised to submit the following by an affidavit:
- a) The total shareholding of Option One Industries Limited between the entity and his wife, Ms. Sania Agarwal,
 - b) That the entity was not aware of the website of the Company and whether his name appeared on the same,
 - c) That the entity was not aware of the source of funds for the Company.

- d) That the entity attended events only as a trainer and organizer,
- e) Who as per the understanding of the entity was running the Company and who signed the cheques made out to him as salary,
- f) Whether there was any contract between the entity and the Company, either written or oral,
- g) The basis of calculation of the remuneration of the entity paid by the Company.

24. Shri Sameer Agarwal also filed submissions dated December 12, 2017 reiterating the aforesaid oral submissions as well as submitting that he was not served the Interim Order and got knowledge about the same from the Notice published in the newspaper for the hearing on December 12, 2017. He further submitted that he was working as Marketing Motivator, Event Organizer and Trainer and was no way connected with the day to day affairs of the Company, being in the field of marketing he was totally confined and busy in the marketing area and did not attend the office of the company. He further submitted that he did not know that the remuneration was out of the fund mobilized from the investors and he did not receive any money from the Company in an illegal manner. He also denied to be a member of the Advisory Board though he advised on marketing front, never attended any Board meetings in which resolution was passed for the issuance of the debentures and never collected money from public on behalf of the Company. He also submitted that during the inception of the company, he had purchased 10,000 shares of the Company for profit and not with the intention to administer the day to day affairs of the Company. Both Shri Sameer Agarwal and Shri Devendra Pahadiya were granted time till December 26, 2017 to make the above submissions. Optionone Trade and Mercantile Private Limited failed to appear for the personal hearing. Accordingly, hearing was concluded qua Optionone Trade and Mercantile Private Limited, Shri Sameer Agarwal and the Debenture Trustee, Shri Devendra Pahadiya. Shri Devendra Pahadiya further requested four weeks time vide letter dated December 26, 2017 to file reply, however, no reply has been received from him till date. Shri Sameer Agarwal vide letter dated January 19, 2018 submitted affidavit, *inter-alia*, submitting the

following:

- a) He was working with the captioned company and its group as a Marketing Advisor and Marketing Motivator. Along with it he also worked as Trainer and Event Organizer for the Company and its group.
- b) He had been receiving money from the company into his accounts in the form of incentives, expenses which were incurred i.e travelling, lodging, fooding, conveyance etc. and his remuneration.
- c) He was filing herewith Ms Sania Agarwal's IT returns of the year 2011-12, 2012-13 and 2013-14. As far as his IT returns are concerned his CA were not in touch with him and those who were in touch were not cooperating him. Due to their non-co-operation he is in contact with the Income Tax department and endeavours are done to obtain the copy of it. As soon as it is provided/obtained he shall immediately submit same.
- d) During the inception of the company the directors of the company requested him to do a favour on them by lending two names to be added in the shareholders list. For which he agreed and permitted them to add his name and his wife's name in the shareholder list. It is pertinent to mention at this juncture that he did not pay any amount against the shares. Till today neither he nor Sania has got any share from the company.
- e) The variation in the remuneration per month is because of the gradation of the cities and gathering of audiences where the programmes were held. Since he was marketing motivator and good in conveying speeches the company has always used his name.
- f) He had always attended the programmes as a trainer and marketing motivator. He was orally been appointed by the company. Since he was busy in his marketing work with great enthusiasm for which a handsome amount was been paid so never thought of obtaining any written documents to his appointments.
- g) The day to day affairs of the company was run by the directors of the company. He was not at all concerned with it neither even tried to involve in it. He does not have any idea who were authorized to sign the cheques. He only knows that the directors of the

company used to make his payments by transferring into his bank accounts.

- h) He received in total Rs. 2,97,60,161 from 2012 up to 2014 from the company into his bank account as his remuneration, incentives and expenses included in it.
- i) In view of the above stated facts he may be exonerated from the proceedings.

25. 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 Option One Debenture Trust (represented by its trustees, viz. Shri Devendra Pahadiya), as the Debenture Trustee by OOIL is in violation of Section 117B of the Companies Act, 1956 and whether Option One Debenture Trust and Shri Devendra Pahadiya 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.

26. I have perused the interim order dated December 16, 2014 for the allegation of *Offer of NCDs*. I note that neither the Company nor the directors have disputed the same.
27. I have also perused the documents/ information obtained from the 'MCA 21 Portal' and other documents available on records. I note that OOIL has issued at least

3,52,510 NCDs to Shri Kamlesh Kabra and OTMPL during the period, May 29, 2012 to January 5, 2013. I also note submissions of OTMPL vide letter dated June 12, 2014, wherein it has been submitted that its role was to provide logistical support and assist OOIL in their placement of debentures, however, funds mobilized were deposited in the bank accounts of OTMPL also and subsequent to the first phase of issue of debentures, OTMPL worked as logistical support provider for issue of debentures by OOIL. It was further submitted that thereafter, the managements of OOIL and OTMPL entered into an agreement vide which management of OTMPL were given power to issue debentures and keep the funds in their account for long term deployment and OTMPL has not been allotted any debentures other than 3,50,000 debentures from July 17, 2012 to January 05, 2013. Therefore, I find that OTMPL also issued NCDs of OOIL and collected and kept the funds in its account. The copy of the Allotment Certificate of debenture and copy of the receipt of money enclosed along with complaint received by SEBI on July 31, 2013 from Investors and Consumer Guidance Society, Santacruz (East), Mumbai also indicates that the debentures of OOIL were issued by OTMPL on behalf of OOIL.

28. It is further noted that details of approximately 22,166 persons to whom debentures were issued on behalf of OOIL from April 01, 2012 to March 31, 2013 and of approximately 13,120 persons to whom debentures were issued on behalf of OOIL during February 01, 2014 to March 31, 2014 were submitted by OTMPL vide letter dated June 27, 2014. Therefore, I find that OOIL and OTMPL have issued NCDs to at least 35,286 allottees. I note that the number of allottees has been collated from the documents submitted by OOIL and OTMPL, therefore, it is very likely that the actual number of allottees would be more than 35,286 allottees.
29. I further note that OOIL has provided details of Rs. 41,84,14,729 (approx. 42 crores) credited to the account of OTMPL for the debenture issue during the period from April 01, 2012 to March 31, 2013 and Rs. 60,01,05,400 (approx. 60 crores) credited to the account of OTMPL for the debenture issue during the period from April 01, 2013 to March 31, 2014. I also note that on checking the bank accounts of OTMPL for

subsequent period till June 19, 2014 showed continued receipt of funds from a large number of persons, apparently indicating that fund mobilization from public towards debentures of OOIL still continues. This apparently indicates that fund mobilization from public towards debentures of OOIL still continues. SEBI vide letter dated April 10, 2015 informed OOIL that SEBI has come across complaints/information that the Company was still raising money from public in contravention to Interim Order and also enclosed certain complaints received showing continued raising of money. Therefore, I find that OOIL and OTMPL have mobilised at least Rs. 101,85,20,129 during the period from April 1, 2012 to June 19, 2014. I note that the funds mobilized has been collated from the documents submitted by OOIL, therefore, it is very likely that the amount mobilized would be more than Rs. 101,85,20,129. In view of the face value of debentures being Rs. 100, I find that atleast 1,01,85,201 debentures have been issued by the company.

30. I therefore conclude that OOIL and OTMPL 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.*

31. 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).”

32. 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.”

33. 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*.

34. In the instant matter, I find that NCDs were issued by OOIL to at least 35,286 investors in the financial years 2012-2013 and 2013-2014. However, this number is not conclusive as it is based on the documents received by SEBI from OOIL and OTMPL and the actual number of investors could be more than 35,286. I find that OOIL has mobilized at least an amount of Rs. 101,85,20,129 during the period from April 1, 2012 to June 19, 2014 which is not a conclusive value as it is based on the documents received from OOIL. Further, I find that OOIL has created a charge of Rs. 1,000 Crores on March 14, 2012. I also note that OTMPL has also issued NCDs of OOIL and collected and kept the funds in its account. The above findings lead to a reasonable conclusion that the *Offer of NCDs* by OOIL was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956.
35. Neither OOIL nor its directors have specifically contended that the *Offer of NCDs* does not fall within the ambit of first proviso of section 67(3) of Companies Act, 1956. Though, I note that the Interim order refers to the submissions made by Shri Vishal Masih vide letter dated October 1, 2013 that the Company had issued NCDs on private placement. I note that no evidence has been brought on record to show that the NCD issue was made to known persons or was a domestic concern Further, considering that OOIL has issued and allotted NCDs to at least at least 35,286 investors in the financial

years 2012-2013 and 2013-2014, I do not find that the NCD issue by the Company was a private placement.

36. 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".
37. I find that OOIL 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 OOIL is covered under the second proviso to Section 67(3) of the Companies Act, 1956.
38. Therefore, in view of the material available on record, I find that the *Offer of NCDs* by OOIL 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 OOIL was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.
39. 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.

40. The allegations of non-compliance of the above provisions were not denied by OOIL 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 OOIL has contravened the said provisions. OOIL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that OOIL 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.
41. 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, OOIL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that OOIL 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 OOIL has not complied with the provisions of section 60 of the Companies Act, 1956.
42. 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 OOIL 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, OOIL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.

43. 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.
44. 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 OOIL 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.
45. 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"

46. 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...”

47. In view of the above findings, I am of the view that OOIL 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 Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya) as the Debenture Trustee by OOIL is in violation of Section 117B of the Companies Act, 1956 and whether Option One Debenture Trust and Shri Devendra Pahadiya have violated Section 12(1) of SEBI Act and regulation 7 of the

Debenture Trustees Regulations?

48. Shri Devendra Pahadiya vide letter dated January 7, 2015 submitted that he will fully abide by the Interim Order and shall desist from any activity in the role of debenture trustee and shall not participate in any other debenture issue. He further submitted that there has been no violation and he is preparing his defense and will be ready to file his representation by last week of January, 2015 and requested for time till January 30, 2015 and not to give effect to contents of the Interim Order during pendency of his submissions. SEBI vide letters dated January 21, 2015 gave time till January 24, 2015 to Shri Devendra Pahadiya to file reply. Shri Subodh Gupta, Advocate, appeared on behalf of Shri Devendra Pahadiya on December 12, 2017 and requested for time to file his written submission. Shri Devendra Pahadiya was granted time till December 26, 2017 to make submissions. However, no further submissions have been received from Shri Devendra Pahadiya. I find that no submissions on merit has been made by Shri Devendra Pahadiya in response to the prima facie findings made against him in the Interim Order.
49. Further, I have perused the Form 10 filed with MCA and copy of the Debenture Trust Deed dated March 14, 2012 and find that OOIL had created a charge of Rs. 1,000 Crores for the Offer of NCDs by the Company on March 14, 2012. I further find that OOIL had appointed *Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* as the debenture trustee by way of trust deed dated March 14, 2012.
50. 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.*

51. *Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* 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 *Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* had received certificate of registration as per section 12(1) of the SEBI Act. In view of the above, I find that *Option One Debenture Trust* and Shri Devendra Pahadiya 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.
52. 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 OOIL has appointed *Option One Debenture Trust (represented by its trustee, viz. Shri Devendra Pahadiya)* who do 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 OOIL 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?

53. From the MCA records, I find that the present Directors in OOIL are Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai. The details of the appointment and resignation of the directors are as follows:

Name of the directors	Date of appointment	Date of cessation
Shri Vishal Masih	March 06, 2012	Continuing
Shri Anuj Jain	March 06, 2012	Continuing
Shri Rohit Singhai	March 06, 2012	Continuing

54. The details of appointment and resignation of directors of OTMPL and ATIPL are as follows:

OTMPL

Name of the directors	Date of appointment	Date of cessation
Shri Vishal Masih	March 6, 2012	December 31, 2013
Shri Anuj Jain	May 15, 2013	December 31, 2013
Shri Rohit Singhai	March 6, 2012	March 21, 2012
Shri Rajendra Agarwal	March 21, 2012	May 15, 2013
Shri Vivek Chaurasia	October 1, 2013	Continuing
Shri Vinod Kumar Shrivastava	October 1, 2013	Continuing

ATIPL

Name of the directors	Date of appointment	Date of cessation
Shri Sunil Pahadiya	March 23, 2009	Continuing
Shri Sachin Jain	March 23, 2009	Continuing

55. 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, OOIL and its directors are held liable for the violation of sections 56(1), 56(3) and 60 of the Companies Act, 1956.

56. 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%.
57. I note that OOIL was authorized to raise upto Rs.1000 crores by issue of debentures through private placement, however, OOIL has been operating through a network of agents & branches across India. I note from the letter dated June 12, 2014 received from OOIL that OOIL raised funds for deployment for various group company operations and OTMPL was used for logistical support and for deployment of amount collected and that “Option One Debenture account” belongs to OOIL and the debentures were issued by OOIL and proceeds were deposited into their bank account. I also note that OTMPL in its reply dated June 12, 2014 submitted that its role was to provide logistical support and assist OOIL in their placement of debentures. However, on perusal of Brochure cum Application Form of OTMPL, I note that it is inviting subscription for purchasing NCDs of OTMPL and payment is to be made in favour of “Option One Debenture Account.” Further, I note that OTMPL has submitted that “Option One Debenture account” belongs

to OOIL, however, funds mobilized were deposited in the bank accounts of OTMPL also and subsequent to the first phase of issue of debentures, OTMPL worked as logistical support provider for issue of debentures by OOIL and thereafter, the managements of OOIL and OTMPL entered into an agreement vide which management of OTMPL were given power to issue debentures and keep the funds in their account for long term deployment and that OTMPL has not been allotted any debentures other than 350000 debentures from July 17, 2012 to January 05, 2013. Therefore, it is noted that funds from public towards debentures were received in the bank accounts of both OOIL and OTMPL. Further, I note that though there is a brochure of OTMPL seeking for subscription of NCDs of OTMPL, the money payable for such debentures are to be credited in the "Option One debenture account" which admittedly is standing in the name of OOIL. It is further corroborated by the fact that the receipt for debentures given to the investors (for instance the receipt dated May 1, 2012) is showing that the OTMPL is issuing debentures of OOIL. I also note that in respect of debentures allotted to OTMPL, payment for 1,50,000 debentures of OOIL allotted to OTMPL on 5/1/2013 were received from another account of OOIL itself. However, in respect of other debentures of OOIL allotted to OTMPL, payments were received from bank accounts of various other persons who were apparently investors in debentures of OOIL.

58. As far as the liability for refund under section 73(2) of the Companies Act, 1956, this issuance of debentures has been made by the OOIL and OTMPL together in a peculiar way where the debentures of the OOIL are issued by OOIL and OTMPL together. In a peculiar way, OTMPL is issuing the debentures of OOIL. Though it does not stand to reason, how such an issuance is legally possible, the fact of the matter is the same has been done in violation of the deemed public issue norms. The case of the OOIL and OTMPL that OTMPL was only a sole collecting agency cannot be accepted as OTMPL vide its reply dated June 12, 2014 has submitted that it is collecting money on behalf of OOIL and is retaining the money with it for its purposes. This is further borne out by the fact that the managements of OOIL and OTMPL entered into an agreement vide which

management of OTMPL were given power to issue debentures and keep the funds in their account for long term deployment. Therefore, OTMPL cannot be considered as a mere collecting agency. It appears the argument is advanced only to escape the liability of refund by OTMPL which has received the substantial money from the debenture holders. Such a device by these companies go to show that the Companies have in utter disregard of deemed public issue norms have collected money from debenture holders to the extent of Rs. 101,85,20,129. In view of the peculiar facts and circumstances of the case, it would be appropriate that the refund liability should be extended to OOIL and OTMPL together. Therefore, OOIL and OTMPL and every director of OOIL and OTMPL who is an officer in default is jointly and severally liable, to repay all the money with interest at prescribed rate.

59. Ms. Purnima Gupta, Advocate appeared on behalf of Shri Sameer Agarwal and made oral submissions, *inter-alia*, that Shri Sameer Agarwal was engaged by OOIL as Market Motivator and Trainer and Event Organizer for the Company, was paid Rs. 2,97,60,161 as remuneration for his services; wasn't aware of the website of the Company and had no knowledge of whether his name appears on the said website and that he and his wife, Ms. Sania Agarwal hold 40% shares of OOIL. Shri Sameer Agarwal also filed submissions dated December 12, 2017 reiterating the aforesaid oral submissions as well as submitting that he was not served the Interim Order and got knowledge about the same from the Notice published in the newspaper for the hearing on December 12, 2017. He further submitted that he was working as Marketing Motivator, Event Organizer and Trainer and was no way connected with the day to day affairs of the Company, being in the field of marketing he was totally confined and busy in the marketing area and did not attend the office of the company. He further submitted that he did not know that the remuneration was out of the fund mobilized from the investors and he did not receive any money from the Company in an illegal manner. He also denied to be a member of the Advisory Board though he advised on marketing front, never attended any Board meetings in which resolution was passed for the issuance of the debentures and never

collected money from public on behalf of the Company. He also submitted that during the inception of the company, he had purchased 10,000 shares of the Company for profit and not with the intention to administer the day to day affairs of the Company. Shri Sameer Agarwal vide letter dated January 19, 2018 submitted affidavit, *inter-alia*, making submissions as stated in paragraph 24.

60. Shri Sameer Agarwal has admitted to a significant shareholding in OOIL and an ongoing pecuniary relationship with OOIL and OTMPL. Further, I note from the website of the Company, <http://www.optiononeindustries.com/Advisory%20Board.htm> that Mr. Sameer Agarwal was associated with Option One right from its inception and he was the C. D. M. looking after day to day affairs of the company and he is a moral force behind Option One group of companies. In this context, I do not find the submissions of Shri Sameer Agarwal that he wasn't aware of the website of the Company and had no knowledge of whether his name appears on the said website, tenable. I find that he had a substantial role in the company beyond being a market motivator, trainer etc. Further, he was advised to submit by an affidavit that he was not aware of the website of the Company and whether his name appeared on the same, however, I note that Shri Sameer Agarwal has submitted an affidavit but has not made any such statement. Even as on the date of the order the contents of the website shows him as the C. D. M. looking after day to day affairs of the company. There is no reason why he has to permit the website to contain the details about his role even after the interim order which makes such reference of his role, was served upon him. I also note from available records that another website of the company, <http://optiononebarabanki.weebly.com> shows that it has an Advisory Board in which Shri Sameer Agarwal was stated to be member. Further, I note from the bank accounts details available on record that out of funds mobilized from investors by OTMPL, large amounts of money was frequently transferred to Mr. Sameer Agarwal from the bank account of OTMPL. Shri Sameer Agarwal has submitted that these funds were paid to him as remuneration, incentives, however, I find it difficult to accept that such a large amount as Rs. 2,97,60,161 were paid to him over two years as remuneration

for working merely as a Marketing Advisor and Marketing Motivator and on oral appointment. Herein, I also note submissions of OOIL vide letter dated June 12, 2014 that Mr. Sameer Agarwal was working with their group as a “Marketing Advisor & Chief Administrator, Marketing Motivator” on a remuneration. However, the same is belied in view of the evidence. As per the details provided by RoC, Gwalior, Mr. Sameer Agarwal and his wife, Ms. Sania Agarwal, held a combined stake of 40% in OOIL (20% each). I also note Shri Sameer Agarwal’s submission that he did not pay any money against such shares, though, he has not submitted any proof thereto and on the other hand he submits that he had purchased the shares in the Company for profit. I find these submissions of Shri Sameer Agarwal contradictory. In regard to his submission that he never attended the meeting in which the resolution was passed for the issuance of debentures, I note from the MCA records that Shri Sameer Agarwal has consented to hold AGM/EGM on March 14, 2012 and the explanatory statement annexed to the Notice convening EGM proposes/seeks approval to issue NCDs raising upto Rs. 1000 crores. I also note that various websites and advertisements videos available on the internet show a large number of photographs of Shri Sameer Agarwal. Considering the aforesaid, I do not accept Noticees submissions and find that Shri Sameer Agarwal was in fact, as stated on the website, involved in day to day affairs of the company. Accordingly, I find it fit to consider him as director of OOIL in view of the definition of director as mentioned in section 2(13) of the Companies Act, 1956 which includes any person occupying the position of director, by whatever name called and further find that he is also liable to refund the amount collected by OOIL by issue of NCDs to the debenture holders.

61. Further, SEBI Act has also prescribed various measures under section 11B. Therefore, SEBI in the interest of investors can take various measures including issuing direction to a company, its directors or any other person to refund the money collected by them by issue of NCDs to public in violation of deemed public issue norms. Therefore, any company including its directors and any other person who have collected the money

from public in violation of deemed public issue norms are liable for repayment under section 11B of the SEBI Act and such liability is in addition to the Companies Act provisions and can be enforced by way of direction to make refund under section 11B of SEBI Act. In this regard, the holding of Hon'ble Supreme court in Sahara Judgement is worth reproduction. *"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"* I, therefore, find that OOIL, OTMPL and its directors during the issue of NCDs including Shri Sameer Agarwal are liable to refund money collected by issue of NCDs by OOIL and OTMPL under Section 11B of the SEBI Act in addition to the liability created under the Companies Act provisions.

62. It is also pertinent to note that though the Companies Act, 1956, has been repealed by the Companies Act, 2013, anything done or any action taken or purported to have been done or taken under the Companies Act, 1956, is deemed to have been done or taken under the corresponding provisions of the Companies Act, 2013, by virtue of Section 465(2) of the Companies Act, 2013, and is therefore saved regardless of the repeal of the Companies Act, 1956. Section 465(2)(a) of the Companies Act, 2013, provides that:

*"(2)Notwithstanding the repeal under sub-section (1) of the repealed enactments, -
(a) anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act;"*

63. From the material available on record and the details of the appointment and resignation of the directors of OOIL as reproduced in paragraphs 53 and 54 of this Order, it is noted

that, Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai were directors at the time of the issuance of NCDs. Further, Shri Sameer Agarwal was also effectively acting as director of OOIL at the time of the issuance of NCDs. It is also noted that Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia and Shri Vinod Kumar Shrivastava were directors of OTMPL 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 OOIL and OTMPL were 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 OOIL and OTMPL, 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. 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 OOIL, OTMPL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain and Shri Rohit Singhai, Shri Sameer Agarwal, Shri Rajendra Agarwal, Shri Vivek Chaurasia and Shri Vinod Kumar Shrivastava 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.

64. I note that OOIL and OTMPL through Offer of NCDs, had collected at least an amount of Rs. 101,85,20,129 during the period from April 1, 2012 to June 19, 2014 from various allottees. I note that Shri Vishal Masih has been director of OOIL since financial years 2012-2013, 2013-2014 till present date. I note that Shri Anuj Jain has been director of OOIL since financial years 2012-2013, 2013-2014 till present date. I note that Shri

Rohit Singhai has been director of OOIL since financial years 2012-2013, 2013-2014 till present date. I note that Shri Sameer Agarwal has been effectively acting as director of OOIL since inception and continuing till date. I note that Shri Vishal Masih has been director of OTMPL during financial years 2012-2013, 2013-2014. I note that Shri Anuj Jain has been director of OTMPL during financial year 2013-2014. I note that Shri Rajendra Agarwal has been director of OTMPL during financial year 2012-2013, 2013-2014. I note that Shri Vivek Chaurasia has been director of OTMPL since financial year 2013-2014 till present date. I note that Shri Vinod Kumar Shrivastava has been director of OTMPL since financial year 2013-2014 till present date. 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 OOIL, OTMPL and other directors are limited to the extent of amount collected during his/her tenure as director of OOIL and OTMPL.

65. I note that Shri Rohit Singhai has been director of OTMPL from March 6, 2012 to March 21, 2012 which is prior to issue of NCDs by OOIL and OTMPL and no material has been brought before me to show collection of funds during his tenure as director of OTMPL, therefore, he is not liable for refund in his capacity as director of OTMPL. In any case, he is liable to refund the amount collected by issue of NCDs by OOIL and OTMPL in his capacity as director of OOIL.
66. I also note from letters dated June 27, 2014 from OOIL, OTMPL and ATIPL wherein it was, *inter alia*, submitted that services of ATIPL were utilized for promotion and collection of proceeds of the debentures and ATIPL issued debentures of OOIL for settlement of part of the payment of amount payable with the approval filed online by investor and ATIPL was only acting as a service provider of OOIL and has been assisting OOIL in its private circulation offers and ATIPL provided its annual report for FY 2009-10 to 2011-12, which showed following advances from customers:-

Year	2009-10	2010-11	2011-12
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Advance from customers (in Rs.)	10,24,09,368	32,58,83,950	42,53,83,950
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67. I also note SEBI has received complaints from investors of ATIPL that payment due to them was reinvested in NCDs of OOIL. It is noted that from the bank statement of ATIPL (A/c No. 12010200000716 with Bank of Baroda) for the relevant period, Rs.2,59,65,978 which appears to be for the customers of ATIPL has been paid to various persons. ATIPL vide its reply dated June 27, 2014 also stated that it had given the certificates of NCDs of OOIL in lieu of its partial repayment liability towards investors. On perusal of the documents enclosed by Vijay Moreshwar, (one of the investor of ATIPL) which includes the “statement” issued by ATIPL, “certificate” of ATIPL and the “allotment certificate” of OOIL issued by OOIL for ATIPL which is signed by Anuj Jain who is a common director between OTMPL and OOIL, I find the issuance of NCDs of OOIL towards part settlement of its repayment dues to ATIPL customers should be considered as issuance by OOIL for settling the part-payment liability of ATIPL towards its customers. It may be noted OOIL has undertaken by way of this issuance the part payment liability of ATIPL towards its customers. However, the extent of liability so undertaken is not ascertainable from the material available on record. Further, there is no material available on record, to indicate that equivalent money for undertaking this liability passed from ATIPL to OOIL. However, it is clear that in view of the issuance of NCDs of OOIL for part payment liability of ATIPL, the recipients of such NCDs of OOIL becomes the debenture holders of OOIL and therefore entitled for repayment. Hence OOIL should have the claim from ATIPL for satisfaction of its liability towards the NCD holders (who got their debentures in satisfaction of their partial dues towards ATIPL). Therefore, ATIPL is liable to pay such amount of money to OOIL for discharging the refund obligation of OOIL in respect of NCD holders who have received the NCDs in partial satisfaction of its dues from ATIPL under Section 11B of SEBI Act. Section 11B of the SEBI Act gives broad encompassing power to SEBI to take such measures as required in the interest of investors and securities market. An appropriate

direction in this regard is given in this order. I find that ATIPL has actively assisted OOIL in promotion and collection of funds by issue of NCDs and is liable for aiding and abetting the issuance of NCDs by OOIL to public. Further, I find that ATIPL's directors, Shri Sunil Pahadiya and Shri Sachin Jain are also liable considering that they have been directors during the time of NCD issue by OOIL and for the role played by ATIPL in the collection and promotion of NCDs of OOIL.

68. Further, I find from available records that ATIPL appears to be engaged in deposit mobilisation in the garb of travel packages scheme in violation of Rule 3((1)(e) of Companies (Acceptance of Deposits) Rules, 1975 and Section 58A of Companies Act, 1956 without necessary approvals. Considering the complaints received by SEBI from investors of ATIPL that payment due to them was reinvested in NCDs of OOIL and the huge advance collected by it aggregating to Rs. 42,53,83,950 over FY 2009-2012, I find it necessary to refer the matter regarding ATIPL to MCA and RBI.
69. 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, OOIL 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 Option One Debenture Trust *and* Shri Devendra Pahadiya are liable for the violation of section 12(1) of the SEBI Act read with regulation 7 of the Debenture Trustee Regulations.
70. With respect to the provisions of the respective regulations of the ILDS Regulations enumerated on paragraph 44 of this order, the liability is on the Company to comply with the requirements therein. 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 OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai and Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava to refund

the monies collected, with interest to such investors. Further, in view of the violations committed by the Company, its Directors and others, 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.

71. I also note that, vide the interim order dated December 16, 2014, OOIL was directed to provide a full inventory of all the assets and properties belonging to the Company. Similarly, all the other Noticees 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 OOIL or the other Noticees despite the notifications of issuance of the interim order through newspaper publications as stated in paragraph 17 of this Order.
72. In view of the discussion above, appropriate action in accordance with law needs to be initiated against OOIL, OTMPL and ATIPL and their directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava; Shri Sunil Pahadiya and Shri Sachin Jain and Debenture Trustee, Option One Debenture Trust (*represented by its trustee, viz. Shri Devendra Pahadiya*).
73. 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) OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava shall forthwith refund the money collected by OOIL and OTMPL, 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) OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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.
- (d) OTMPL’s past directors Shri Vishal Masih, Shri Anuj Jain and Shri Rajendra Agarwal are directed to provide a full inventory of all their 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.
- (e) OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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.
- (f) Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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.

- (g) OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava in their personal capacity to make refund, 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.
- (h) After completing the aforesaid repayments, OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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.
- (i) In case of failure of OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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 73(a) of this Order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.

- (j) OOIL and its Directors, viz., Shri Vishal Masih, Shri Anuj Jain, Shri Rohit Singhai, Shri Sameer Agarwal; OTMPL and its directors, Shri Vishal Masih, Shri Anuj Jain, Shri Rajendra Agarwal, Shri Vivek Chaurasia, Shri Vinod Kumar Shrivastava 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.
- (k) ATIPL shall forthwith pay the equal amount of money to OOIL for discharging the refund obligation of OOIL in respect of NCD holders who have received the NCDs in partial satisfaction of its dues from ATIPL. Further, ATIPL and on its behalf, its directors, Shri Sunil Pahadiya and Shri Sachin Jain are prevented from selling the assets, properties and holding of mutual funds/shares/securities held in demat and physical form of ATIPL to the extent of its refund obligation in regard to NCD holders who have received the NCDs in partial satisfaction of its dues from ATIPL. In case of failure of ATIPL 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 ATIPL in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.
- (l) ATIPL and its directors, Shri Sunil Pahadiya and Shri Sachin Jain 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 compliance with paragraph 73 (k). 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 compliance with paragraph 73 (k).

(m) Option One Debenture Trust and Shri Devendra Pahadiya 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.

74. I find that Interim order dated December 16, 2014 has not provided for the directions as well as some of the charges against some of the Noticees listed herein. In view of this, this order will take effect as final order against all the Noticees on the expiry of 45 days from the date of service of this order against the respective Noticees, unless any of the said Noticees, within such period of 45 days from the date of service of this order file their objections. If no objections are filed, the interim directions vide Interim order dated December 16, 2014 shall continue against the said Noticees till the time of said forty-five days period, after which this order will come into effect. If objections are filed by any of the said Noticees, the interim directions vide Interim order dated December 16, 2014 shall continue qua that Noticee till disposal of the said objections qua that Noticee and the directions passed herein against that Noticee shall be made applicable subject to the determination on the objections.

75. Copy of this Order shall be forwarded to the recognised stock exchanges and depositories and registrar and transfer agents for information and necessary action.

76. 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. Further, reference in regard to AT IPL shall be specifically made to MCA and RBI in terms of paragraph 68 of the Order.

77. A copy of this Order shall also be forwarded to the Local Police/State Government for information.

-Sd-

DATE: March 28, 2018

PLACE: Mumbai

**MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**