National Stock Exchange of India
Circular

Department: Investigation	
Download Ref No: NSE/INVG/58832	Date: October 09, 2023
Circular Ref. No: 216/2023	

To All NSE Members

Sub: **SAT Order in the matter of Helios Corporation Limited and Helios Chemicals Limited**

This is with reference to NSE Circular No. NSE/INVG/31185 dated November 20, 2015 in respect of SEBI Order No. WTM/PS/90/ERO-PLO/NOV/2015 dated November 20, 2015 and NSE Circular No. NSE/INVG/37142 dated March 7, 2018 in respect of SEBI order no. WTM/MPB/EFD-1-DRA-III/148/2018 dated March 06, 2018 wherein SEBI had restrained following entities from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, for period mentioned in SEBI order.

Name of Entity	PAN
Mr. Sanjeet Kumar Sharma	AQAPS4323C

Hon'ble SAT vide its order dated October 09, 2023 has directed that, the impugned order in so far as it relates to the above appellant is quashed. The appeal is allowed.

The detailed order is available on SAT website (https://sat.gov.in/scripts/search.asp).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

National Stock Exchange of India

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SAT Order in the matter of Helios Corporation Limited and Helios Chemicals Limited

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved On: 05.10.2023
Date of Decision : 09.10.2023

Appeal No. 596 of 2022

Sanjeet Kumar Sharma
Raghu Hari Complex,
Flat No. 104, Saketpuri,
Vijay Nagar, Hanuman Nagar,
P. S. Patrakar Nagar, Patna …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400 051 …Respondent

Mr. Saurabh Bachhawat, Advocate with Mr. Yahya Batatawala, Ms. Meghna Rao, and Ms. Uma Chatterjee, Advocates i/b Mr. Yahya Batatawala, Advocate for the Appellant.

Mr. Vyom Shah, Advocate with Mr. Akash Jain and Ms. Daksha Kasekar, Advocates i/b Mansukhlal Hiralal & Co. for the Respondent.

CORAM: Justice Tarun Agarwala, Presiding Officer
Ms. Meera Swarup, Technical Member

Per: Justice Tarun Agarwala, Presiding Officer

1. The present appeal has been filed against the order of the Whole Time Member ("WTM" for convenience) of the Securities and Exchange Board of India ("SEBI" for

convenience) dated March 06, 2018 wherein a slew of directions has been issued against the Company and its Directors directing refund of the money collected through Optionally Convertible Debentures ("OCDs" for convenience) along with interest and further debarring the Directors for specified period. In so far as the appellant is concerned he has been debarred for a period of 4 years from the date of completion of refund to the investors.

2. The facts leading to the filing of the present appeal is, that SEBI undertook an enquiry to ascertain whether Helios Corporation Limited and Helios Chemicals Limited had made any public issue of securities without complying with the provisions of the Companies Act, 1956, SEBI Act, 1992 and SEBI (Disclosure and Investor Protection) Guidelines, 2003 ("DIP Guidelines" for convenience).

3. During enquiry it was observed that the Reserve Bank of India ("RBI") had issued a press release prohibiting Helios Corporation Limited from accepting deposits from any persons including existing depositors. SEBI also observed that the RBI had filed a Company Petition before the Patna High Court. On enquiry it was found that Helios Corporation had made an offer

of OCDs during 2003-2004 to 2008-2009 and raised an amount of Rs. 11,95,34,587 from more than 4,062 allottees. It was found that the offer of OCDs was violative of the SEBI Act, 1992, the Companies Act, 1956 and the DIP Guidelines.

4. SEBI accordingly passed an interim order dated November 20, 2015 issuing a slew of directions. After hearing the matter and after considering the objections a final order dated March 06, 2018 was passed directing the Company to refund the money collected through OCDs and further restrained the Directors from accessing the securities market for a period of 4 years.

5. We have heard Shri Saurabh Bachhawat, the learned counsel for the appellant and Shri Vyom Shah, the learned counsel for the respondent.

6. The only contention raised by the appellant who has been arrayed as noticee no. 7 is, that he was never a Director in the Company and that he has been falsely implicated. It was urged, that the Managing Director had played a fraud and had unauthorizedly used his digital signatures and wrongly placed a resignation latter when in fact the appellant was never appointed as a Director at any point of time. In this regard, the appellant

had filed a complaint on November 15, 2013 against the Managing Director, Sanjay Kumar Singh.

7. In this regard, we find that the WTM has proceeded on the basis that as per MCA-21 portal maintained by Ministry of Corporate Affairs the appellant was shown to have been appointed as a Director on May 30, 2007 and continued till December 03, 2012. On this basis, the WTM has proceeded and presumed that the appellant was a Director in the Company and has disbelieved the contention that the appellant was not a Director.

8. In this regard, we find that the appellant was given a DIN No. 03549592. This DIN is provided to all those persons who are appointed as a Director. This DIN No. is reflected in the impugned order as well. In this regard, the appellant raised an enquiry under the Right To Information Act, 2005 from the Ministry of Corporate Affairs and, in reply, the Ministry has informed that the said DIN No. 03549592 was allocated in the name of the appellant on June 10, 2011. On this basis, the appellant contends that if DIN No. was allocated in his name on June 10, 2011 in which case the finding that on the basis on MCA-21 portal the appellant was appointed as a Director on

May 30, 2007 is erroneous in as much as without a DIN number the appellant cannot be appointed as a Director in 2007.

9. The appellant has also filed the balance sheet obtained from the MCA portal from the year 2006 onwards till 2012 which does not show the appellant as a Director in the Company. The appellant when he came to know about the digital signatures being used for his resignation purpose, had filed a police complaint on November 15, 2013 against the Managing Director of the Company, Sanjay Kumar Singh. This complaint was filed prior to the investigation initiated by SEBI and prior to the passing of the interim order on November 20, 2015.

10. In view of the aforesaid evidence which has been filed by the appellant, we are of the opinion, that entries made in the MCA portal showing the appellant as a Director cannot be taken as the gospel truth when such entries are disputed and, therefore, SEBI is required to consider other additional evidence to support their case that the appellant was a Director. Additional evidence could be in the form of Board Resolutions showing his presence, appointment letter, acceptance letter and such other documentary evidence which can be obtained from the Company itself.

11. In the light of the aforesaid, we are of the opinion, that when a specific stand has been taken by the appellant from the inception that he was never a Director in which case it was the obligation of the respondent to get additional evidence to prove that the appellant was a Director in the Company. In the absence of additional evidence, we are of the opinion, that the impugned order against the appellant cannot be sustained.

12. Considering the aforesaid, the impugned order in so far as it relates to the appellant is quashed. The appeal is allowed. The matter is remitted to the WTM to decide the matter a fresh after considering the evidence that has been filed by the appellant before this Tribunal and such other evidence that the WTM may obtain from further enquiry regarding the directorship of the appellant. In the circumstances of the case, parties shall bear their own costs.

Justice Tarun Agarwala
Presiding Officer

Ms. Meera Swarup
Technical Member

09.10.2023
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