BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. ORDER/SM/AD/2021-22/15643]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of

Essar Steel India Limited

(Presently Known as ArcelorMittal Nippon Steel India Limited)

[PAN: AAACE1741P]

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), conducted an examination of listed company, Essar Steel India Limited (presently known as ArcelorMittal Nippon Steel India Limited) (hereinafter referred to as "**Noticee/Essar Steel/By Name**"), whose debt securities are listed on BSE Ltd. (hereinafter referred to as "**BSE**") in order to examine whether Noticee has complied with the provisions of Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"LODR Regulations"**) in respect of Non-Convertible Debt Securities (hereinafter referred to as "**NCDs**") bearing ISIN INE127A07234 issued by it. During the examination, it was observed that Noticee did not make

requisite disclosures under Regulations 51(1), 51(2) read with Part B of schedule III (Clause A1, A4, A9) of LODR Regulations and Regulations 52(1), 52(4), 52(5), 52(7), 54(2), and 57(1) of LODR Regulations.

2. Therefore, adjudication proceedings under Section 15A(b) of SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") were initiated against Noticee for aforementioned alleged violations of LODR Regulations by it

APPOINTMENT OF ADJUDICATING OFFICER

3. Vide order dated August 08, 2019, SEBI appointed Mr. V. S Sundaresan as Adjudicating Officer under section 15-I of SEBI Act read with rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules"**) to inquire into and adjudge, under section 15A(b) of the SEBI Act, the aforesaid alleged violations by Noticee. On transfer of Mr. V.S Sundaresan, Ms. Sangeeta Rathod was appointed as Adjudicating Officer in the matter vide order dated December 24, 2019. Thereafter, vide Order dated October 21, 2020, Mr. Prashant Mahapatra was appointed as Adjudicating Officer. Thereafter, Vide order dated December 04, 2020, SEBI appointed the undersigned as the Adjudicating Officer to inquire and adjudge in this matter.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show-cause notices bearing ref no. SEBI/EAD-3/VSS/CM/27607/2019 and SEBI/EAD-3/VSS/CM/27604/2019 dated October 18, 2019 (hereinafter referred to as **"SCN"**) were issued to Noticee at its two different addresses under Rule 4 of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against

Noticee and penalty, if any, not be imposed upon it under the provisions of Section 15A(b) of SEBI Act for the aforesaid violation alleged to have been committed by Noticee.

5. The allegations levelled against Noticee in the SCN are as summarised under:

a) *It was observed that Noticee had issued and listed Non-Convertible Debt securities (hereinafter referred to as "**NCDs**") during 2011, the details of which is as follows:*

ISIN	**Listing Date**
INE127A07234	19/07/2011

b) *With respect to above, SEBI vide emails dated July 18, 2017, July 20, 2017, July 25, 2017, July 26, 2017, August 22, 2017, August 28, 2017, September 29, 2017, January 16, 2018, January 31, 2018, February 22, 2019, and March 06, 2019 advised BSE to provide details as to whether Noticee has complied with the LODR Regulations and specific period of non-compliances, if any. BSE vide emails dated July 18, 2017, July 19, 2017, July 25, 2017, July 27, 2017, September 01, 2017, October 04, 2017, January 29, 2018, February 07, 2018, February 26, 2019 and March 07, 2019 replied in this regard.*

c) *On the basis of details received from BSE, SEBI vide email dated November 02, 2018 sought clarification from Noticee with respect to various non-compliances with LODR Regulations, as indicated by BSE. However, no reply has been received from Noticee despite SEBI communications vide emails dated November*

02, 2018 and reminders dated November 13, 2018, November 19, 2018 and November 28, 2018.

d) *From the above, it was observed that Noticee had not made disclosures as required under LODR Regulations in regard to aforesaid NCDs issued and listed by Noticee. Based on the observations, following are alleged:*

   i *Noticee has failed to promptly inform BSE of the default in payment of interest/principal in respect of NCDs issued by it. Thus, Noticee has alleged to have violated Regulation 51(1) of the LODR Regulations.*

   ii *Noticee has failed to disclose the expected default and/or the action that shall affect adversely in timely payment of interests/principal in respect of NCDs. Noticee has also failed to disclose the delay/default in payment of interest/principal amount for a period of more than three months from the due date. Thus, Noticee has alleged to have violated Regulation 51(2) read with Part B of Schedule Ill (Clause Al, A4, A9) of the LODR Regulations.*

   iii *Noticee has failed to submit un-audited/audited financial results on a half yearly basis to BSE since June 2016. Thus, Noticee has alleged to have violated Regulation 52(1) of the LODR Regulations.*

   iv *Noticee while submitting the half yearly/annual financial results to BSE has failed to disclose the line items as required under Regulation 52(4) of the LODR Regulations in respect of the NCDs. Thus, Noticee has alleged to have violated Regulation 52(4) of the LODR Regulations.*

v *Noticee has failed to submit to BSE, the certificate signed by the debenture trustee stating that the debenture trustee has taken note of the information as required under Regulation 52(4). Thus, the Noticce has alleged to have violated Regulation 52(5) of the LODR Regulations.*

vi *Noticee has failed to submit to BSE on a half yearly basis along with the half yearly financial results, a statement indicating material deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document. Thus, Noticee has alleged to have violated Regulation 52(7) of the LODR Regulations.*

vii *Noticee has failed to disclose to BSE in its financial statements, the extent and nature of security created and maintained with respect to its listed NCDs. Thus, Noticee has alleged to have violated Regulation 54(2) of the LODR Regulations.*

viii *Noticee has failed to submit a certificate to BSE within two days of the interest/principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the NCDs. Thus, Noticee has alleged to have violated Regulation 57(1) of the LODR Regulations.*

e) *In view of the above, it is alleged that Noticee has violated Regulations 51(1), 51(2) read with Part B of schedule III (Clause A1, A4, A9) of LODR Regulations and Regulations 52(1), 52(4), 52(5), 52(7), 54(2), and 57(1) of LODR Regulations.*

6. SCNs were sent to Noticee through Speed Post Acknowledgement due (herein after referred to as '**SPAD**') on October 18, 2019 at its two different addresses, and the same were duly served on Noticee. Noticee was given fourteen (14) days' time from the date of receipt of SCN to make its submissions in respect of the allegations made in the SCN. Vide emails dated January 26, 2021, Noticee submitted its reply to the SCN. The relevant extracts of same are as reproduced hereunder:

- *Noticee was incorporated on June 1, 1976. On account of financial stress and failure to satisfy various financial repayment obligations, insolvency proceedings were initiated by certain banks against Noticee before the Hon'ble National Company Law Tribunal, Ahmedabad Bench (the "NCLT") after the introduction of the Insolvency and Bankruptcy Code, 2016 ("IBC").*

- *The Hon'ble NCLT pursuant to an order dated August 2, 2017 admitted the insolvency proceedings leading to the commencement of the corporate insolvency resolution process under the IBC with respect to Noticee. As a part of the IBC process, ArcelorMittal India Private Limited ("AMIPL") expressed interest in acquiring Noticee and submitted a resolution plan for the revival of Noticee. The Hon'ble NCLT pursuant to an order dated March 8, 2019 approved the resolution plan submitted by AMIPL. Such approval was subsequently confirmed by the Hon'ble National Company Law Appellate Tribunal (the "NCLAT") pursuant to an order dated July 4, 2019 and thereafter by the Hon'ble Supreme Court of India (the "Supreme Court") pursuant to its judgment dated November 15, 2019 (the "SC Judgment"). In compliance of the SC Judgment, AMIPL implemented its resolution plan and acquired Noticee. The implementation of the resolution plan was completed in December 2019. Presently, the ownership, management and control of Noticee is entirely different and unconnected with the ownership,* *management and control of Noticee at the time of the violations alleged in the SCN.*

- *Noticee submits that the offences alleged in the SCN relate to non-disclosure of information pertaining to the NCDs issued by Noticee back in 2011. These NCDs were privately placed and subscribed by and allotted to Axis Bank alone. No retail investors were allotted any NCDs or involved in the transaction at all. Noticee understands that the tenure of the NCDs was for a period of seven (7) years and they were to be redeemed in four equal instalments beginning from June 13, 2015 to June 13, 2018, subject to exercise of the put/call option provided. Around September 2016, Axis Bank sold the outstanding 3120 NCDs to Edelweiss Asset Reconstruction Company Limited. Pursuant to the implementation of AMIPL's resolution plan on December 16, 2019, AMIPL had entered into an assignment agreement with certain creditors and debts owed by Noticee (including the debt owed to Edelweiss) were assigned to AMIPL. Therefore, it is abundantly clear that the NCDs in question were assigned from Axis Bank to Edelweiss and ultimately to AMIPL, which is the entity that had submitted a resolution plan to revive Noticee. In view of the facts stated above, it is submitted by Noticee that no concerns in relation to the interests of any investor being prejudiced or adversely affected arise in this case.*

- *The SC Judgment while stressing that the resolution applicant whose plan is accepted must be able to carry on the business of the corporate debtor on a fresh slate. Noticee further submits that the SEBI is obliged to fully implement the SC Judgment approving the resolution plan which is binding on all local and governmental authorities, including the SEBI under Section 31 of the IBC. Noticee further submits that in another case with similar facts,* *the Hon'ble Securities Appellate Tribunal, Mumbai (the "SAT") in Monnet Ispat & Energy Limited v. SEBI (Order dated October 29, 2020 in Appeal No. 238 of 2020) has recognised this principle. Noticee submits that no proceedings or prosecution against it can be initiated for any offences alleged to have been committed prior to approval of the resolution plan.*

- *Noticee submits that no proceedings or prosecution against it can be initiated for any offences alleged to have been committed prior to approval of the resolution plan. Section 32A of the IBC expressly provides that a corporate debtor shall not be prosecuted for an offence committed prior to the corporate insolvency resolution process, from the date on which a resolution plan is approved by the Adjudicating Authority, as long as the resolution plan results in change in the management or control of the corporate debtor. Section 32A of the IBC further clarifies that if a prosecution is instituted during the 9 corporate insolvency resolution process against a corporate debtor, it shall stand discharged from the date of the approval of the resolution plan. The exemptions from liability as mentioned above are subject to the following two conditions being fulfilled (neither of which are applicable in the present case): (a) The new persons in management or control of the corporate debtor should not have been a promoter or in management or control of the corporate debtor prior to the implementation of the resolution plan, or a related party of such a person; and (b) The relevant investigating authority should not have any reason to believe, on the basis of any material in its possession, that the new persons in the management or control of the corporate debtor had abetted or conspired for the commission of the alleged offence with the erstwhile promoters or persons in management or control of the corporate debtor. Further, the relevant authority is required to submit or file a report or complaint to the* *relevant statutory authority or court in relation to such abetment or conspiracy to continue with the prosecution against the corporate debtor.*

- *Noticee submits that a huge amount of money has been invested in an attempt to revive Noticee. The SCN and the adjudicatory proceedings pursuant thereto would only serve to unjustly penalise the new management, investors and shareholders of Noticee for the alleged defaults of the erstwhile management and defeat the purpose of Section 32A of the IBC, which is to provide a fresh start to the business of the corporate debtor.*

7. In the interest of natural justice, through hearing notice dated March 02, 2020, Noticee was granted an opportunity of personal hearing in the matter before erstwhile Adjudicating Officer, Ms. Sangeeta Rathod, on March 17, 2020. The aforesaid hearing notice was sent to Noticee through SPAD and the same was duly served on Noticee. Thereafter, through hearing notice dated December 24, 2020, an opportunity of personal hearing was granted to Noticee before the undersigned on January 28, 2021. On the scheduled date of hearing, Authorised Representatives of Noticee i.e. Mr. Pankaj S. Chourasia, Company Secretary of Noticee, Adv. P.N Modi, Adv. Sudip Mahapatra, Adv. Shahezad Kazi, Aditi Agarwal and Adv. Gladwin Issac, (hereinafter referred to as "**ARs**") attended/appeared for the hearing and reiterated the contents of Noticee's earlier reply dated January 26, 2021. During the hearing, ARs mentioned that they were not able to locate the copies of Annexure I and Annexure II of SCN in their records. In this regard, I note that vide email dated January 28, 2021, Noticee was provided with copy of SCN along with Annexures-I and Annexures-II. Pursuant to the hearing, Noticee submitted additional submissions in the matter vide its email dated February 05, 2021. The relevant extracts of the aforementioned submissions of Noticee are as summarised hereunder:

a. *It is respectfully submitted that as per the law settled by the Hon'ble Supreme Court in Essar Steel's own case, no proceedings can lie or continue against the Noticee or its present management for any violations which are alleged to have occurred during a time prior to the new ownership and management taking over in December 2019. As per the aforesaid judgment of the Hon'ble Supreme Court, the new management must have a "clean slate" as stipulated under Sections 31(1) and 32A of the IBC.*

b. *Essar Steel's approved resolution plan inter alia provides that:*

"9. From the Plan Approval Date, all inquiries, investigations and proceedings suits, claims, disputes, Proceedings in connection with the Corporate Debtor or affairs of the Corporate Debtor, <u>pending or threatened, present or future in relation to any period prior to the Plan Approval Date, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and</u> all liabilities and obligations therefore, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters should apply to the Corporate Debtor or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or <u>other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor</u> in relation to any period prior to the Effective Date."

c. *Subsequent judgments also have followed and confirmed the law laid down by the Hon'ble Supreme Court in the case of Essar Steel.*

Following the judgment of the Supreme Court in Essar Steel, the Securities Appellate Tribunal (the "SAT") also set aside the order of SEBI's Adjudicating Officer imposing a penalty in the case of Monnet Ispat Limited. The facts of the present case and Monnet Ispat case are almost identical. In that case also the alleged violation related to failure to make disclosures as required by the SEBI LODR Regulations. The Monet Ispat judgment of the SAT expressly refers to and relies on the Hon'ble Supreme Court's judgment in the Essar Steel case and holds that :-

"*18. ……. Once a resolution plan has been approved it becomes binding on all creditors including the government and local authorities including the respondent* [the SEBI] *under section 31(1) of the IBC. It is no longer open to the respondent* [the SEBI] *to issue a show cause notice or adjudicate and pass an order of penalty upon the appellant. Consequently, the impugned order cannot be sustained and is quashed. The appeal is accordingly allowed with no order as to costs."* (Emphasis supplied)

a. *The Monnet Ispat judgment was thereafter followed by the SAT in the case of Alok Industries Limited also to quash and set aside the penalty order of the AO therein on the same said grounds that it could not have been passed in view of the provisions of the IBC and the law as settled the Hon'ble Supreme Court in the case of Essar Steel.*

8. Thereafter, since more than six months had elapsed since the last date of hearing, vide email dated January 04, 2022, Noticee was granted another opportunity for filing additional written submissions in the matter, if any. Pursuant to the aforementioned email, vide email dated January 11, 2022, Noticee submitted additional written

submissions in the matter. The relevant extracts of the aforementioned submissions of Noticee are reproduced hereunder:

a) *The Noticee states that judicial pronouncements issued after the hearing held on January 28, 2021 continue to support the preliminary issue raised by the Noticee. In these additional written submissions the Noticee wishes to place before the Adjudicating Officer two such decisions in the case of Dewan Housing Finance Corporation Limited.*

b) *Firstly, in its judgment dated November 16, 2021 the Hon'ble Bombay High Court in Dewan Housing Finance Corporation Limited v. Union of India discharged the successful resolution applicant under the IBC from criminal charges filed by the Central Bureau of India against the corporate debtor for offences under the Indian Penal Code, 1860 and the Prevention of Corruption Act, 1988. The court observed:*

"*20. Herein, subsequent events indisputably caused change in management and control of Corporate Debtor. The immunities sought by the Corporate Debtor though conditional; yet all these conditions have been fulfilled and satisfied; viz*

(i) Resolution Plan in regard to Corporate Debtor has been approved by the Adjudicating Authority under Section 31 IBC.

(ii) Resolution Plan approved caused and resulted in change in management of Corporate Debtor.

(iii) change in management is in favour of persons who were not related to party of Corporate Debtor.

21Thus, in my view, immunities under 32A of IBC, cannot be denied to Corporate Debtor.

22. For these reasons, I hold that, the petitioner-DHFL, stands discharged from the CBI Special Case No. 830 of 2021 pending before the CBI Cases Sessions Court, Mumbai."

c) *Secondly, the SEBI Adjudicating Officer pursuant to its order dated July 29, 2021 issued pursuant to a show cause notice dated May 7, 2021 to Dewan Housing Finance Corporation Limited for violations of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (the "SEBI PFUTP Regulations") disposed of the show cause notice without any adverse orders, while observing that:*

"13. In light of the above, I am of the view that once a resolution plan has been approved, it becomes obligatory on all creditors including the Central Government, State Government and Local Authorities under Section 31 of the IBC and no proceedings can be initiated or proceeded against the corporate debtor. Therefore, the present proceedings cannot be continued against the Noticee, since the resolution plan in respect of the Noticee has already been approved by the Hon'ble NCLT, vide order dated June 07, 2021, under Section 31 of the IBC."

9. Noticee in its reply dated January 11, 2022 has also stated that if the undersigned decided to pursue the present matter on merits, then Noticee may be informed of the reasons for the rejection of its preliminary objections submitted in its replies to the SCN and be given a further hearing to deal with the same, including the merits of the case. Vide email dated February 16, 2022, Noticee was informed that submissions of Noticee would be necessarily considered and examined in the adjudication order to be passed in the matter and vide the same email, a final opportunity of hearing was granted to Noticee before the undersigned on February 23, 2022. On the scheduled date of hearing, ARs of Noticee appeared before the undersigned and reiterated the

earlier replies of Noticee dated January 26, 2021, February 05, 2021 and January 11, 2022. Additionally, Noticee quoted the decisions of Hon'ble Supreme Court in Manish Kumar v. Union of India, (201) 5 SCC 1 and Ghanashyam Mishra and Sons v. Edelweiss Asset Reconstruction Company Limited in support of its contentions.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

10. I have carefully perused the charges levelled against Noticee in the SCN, replies of Noticee and the material available on record. The issues that arise for consideration in the present case are:

    I Whether Noticee has violated the provisions of Regulations 51(1), 51(2) read with Part B of schedule III (Clause A1, A4, A9) of LODR Regulations and Regulations 52(1), 52(4), 52(5), 52(7), 54(2), and 57(1) of LODR Regulations?

    II Do the violations, if any, attract monetary penalty under Section 15A(b) of the SEBI Act?

    III If yes, what should be the quantum of penalty?

11. Before proceeding to examine the case on its merits, I find it appropriate to deal with preliminary submissions made by Noticee in the present matter. Noticee in its submissions has stated that it is an Indian company engaged in the business of steel manufacturing and on account of financial stress and failure to satisfy various financial repayment obligations, insolvency proceedings were initiated by certain banks against Noticee before the Hon'ble National Company Law Tribunal, (hereinafter referred to as "**NCLT**"). As a part of the proceedings under Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "**IBC"**), ArcelorMittal India Private Limited ("AMIPL") expressed interest in acquiring Noticee and submitted a resolution plan for the revival of Noticee. The Hon'ble NCLT, pursuant to an order dated March 8, 2019, approved the resolution plan submitted by AMIPL. Such approval was subsequently

confirmed by the National Company Law Appellate Tribunal (hereinafter referred to as "**NCLAT**") pursuant to an order dated July 4, 2019 and thereafter, by the Hon'ble Supreme Court of India pursuant to its judgment dated November 15, 2019.

12. Pursuant to the implementation of aforementioned corporate resolution plan in accordance with provisions of IBC, Noticee had been taken over by a new management with effect from December, 2019. In this regard, Noticee in its submissions has contended that no proceedings or prosecution against it can be initiated for any offences alleged to have been committed prior to approval of the resolution plan. Noticee has also contended that Section 32A of IBC expressly provides that a corporate debtor shall not be prosecuted for an offence committed prior to the corporate insolvency resolution process, from the date on which a resolution plan is approved by the Adjudicating Authority, as long as the resolution plan results in change in the management or control of the corporate debtor. Noticee in its submissions has also contended that Hon'ble Supreme Court of India in its judgement in Essar Steel India Ltd.,Committee of Creditors v. Satish Kumar Gupta dated November 15, 2019, wherein by which resolution plan of Noticee was approved had expressly stated as under " *107. …A successful resolution applicant cannot suddenly be faced with "undecided" claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant who successfully take over the business of the corporate debtor*". Noticee also contended in its submissions that SEBI is obliged to fully implement the aforementioned judgement of Hon'ble Supreme Court of India approving the resolution plan which is binding on all local and governmental authorities, including the SEBI under Section 31 of IBC. In its submission, Noticee has placed reliance on decisions of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in Monnet Ispat &

Energy Limited v. SEBI, Alok Industries Limited v SEBI and on the decision of Adjudicating Officer, SEBI in the matter of Dewan Housing Finance Corporation Limited in this regard. Further, I note that reliance has also been placed by Noticee in judicial pronouncements, in the matter of Dewan Housing Finance Corporation Limited v. Union of India, Tata Steel BSL Limited and another v. Union of India , Manish Kumar v. Union of India, Ghanashyam Mishra and Sons v. Edelweiss Asset Reconstruction Company Limited etc.

13. Before addressing the aforementioned preliminary objections, I find it pertinent to specify hereunder the following timeline of events relating to the instant matter such as the period of alleged violations, initiation and completion of corporate insolvency proceedings, issue of SCN in the present adjudication proceedings etc. as noted from material available on record:-

S.No	**Event**	**Date**
1.	Period of alleged violations	December 2015 – March, 2019
2.	Admission of Essar Steel India Limited into insolvency under the IBC	August 02, 2017
3.	Approval of the resolution plan submitted by ArcelorMittal India Private Limited by the NCLT under Section 31 of the IBC	March 8, 2019

4.	Delisting of the NCDs from the BSE	April 01, 2019
5.	Confirmation of the order of the NCLT by the NCLAT	July 04, 2019
6.	Issuance of SCN to Noticee	October 18, 2019
7.	Confirmation of the order of the NCLT by the Hon'ble Supreme Court of India	November 15, 2019
8	Management of Essar Steel transferred to the new management i.e., a joint venture between ArcelorMittal Group and Nippon Steel	December 16, 2019

14. I observe from the table above that the alleged disclosure violations in the SCN pertains to the period prior to the confirmation of corporate insolvency resolution plan of Noticee by the Hon'ble Supreme Court of India.

15. I have considered the preliminary objections raised by Noticee in the present matter. I have also perused the judicial pronouncements which Noticee has placed reliance on. I also note that Noticee in support of its contentions has placed reliance on Sections 31(1) and 32A of IBC. The text of aforementioned sections of IBC are reproduced hereunder:

31. (1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, [including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed,] guarantors and other stakeholders involved in the resolution plan.

[Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.]

Section 32A: Liability for prior offences, etc.

32A. (1) Notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease, and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan has been approved by the Adjudicating Authority under section 31, if the resolution plan results in the change in the management or control of the corporate debtor to a person who was not—

(a) a promoter or in the management or control of the corporate debtor or a related party of such a person; or

(b) *a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court:*

Provided that if a prosecution had been instituted during the corporate insolvency resolution process against such corporate debtor, it shall stand discharged from the date of approval of the resolution plan subject to requirements of this sub-section having been fulfilled:

Provided further that every person who was a "designated partner" as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008, or an "officer who is in default", as defined in clause (60) of section 2 of the Companies Act, 2013, or was in any manner incharge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence as per the report submitted or complaint filed by the investigating authority, shall continue to be liable to be prosecuted and punished for such an offence committed by the corporate debtor notwithstanding that the corporate debtor's liability has ceased under this sub-section.

(2) No action shall be taken against the property of the corporate debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor, where such property is covered under a resolution plan approved by the Adjudicating Authority under section 31, which results in the change in control of the corporate debtor to a person, or sale of liquidation assets under the provisions of Chapter III of Part II of this Code to a person, who was not—

(i) a promoter or in the management or control of the corporate debtor or a related party of such a person; or

(ii) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court.

Explanation.—For the purposes of this sub-section, it is hereby clarified that,—

(i) an action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor;

(ii) nothing in this sub-section shall be construed to bar an action against the property of any person, other than the corporate debtor or a person who has acquired such property through corporate insolvency resolution process or liquidation process under this Code and fulfils the requirements specified in this section, against whom such an action may be taken under such law as may be applicable.

(3) Subject to the provisions contained in sub-sections (1) and (2), and notwithstanding the immunity given in this section, the corporate debtor and any person who may be required to provide assistance under such law as may be applicable to such corporate debtor or person, shall extend all assistance and co-operation to any authority investigating an offence committed prior to the commencement of the corporate insolvency resolution process.

16. With respect to Noticee's contention that present adjudication proceedings initiated against Noticee is barred by Section 32A of IBC, I note that Section 32A of IBC came into effect only on December 28, 2019 which is subsequent to the period of alleged violations and issuance of the SCN. Further, from plain reading of Section 32 A of

IBC , I find that the applicability of the same is restricted to criminal proceedings, as indicated by the following words " the corporate debtor <u>shall not be prosecuted for such an offence from</u> the date the resolution plan has been approved by the Adjudicating Authority" . In this context, I note that Hon'ble Supreme Court in the case of Manish Kumar vs. Union of India & Ors has held as follows:

> *"…. 252. Section 32A has been divided into three parts consisting of sub-Sections (1) to (3). Under sub-Section (1), notwithstanding anything contained, either in the Code or in any other law, liability of a corporate debtor, for an offence committed prior to the commencement of the CIRP, shall cease. Further, the corporate debtor shall not be liable to be prosecuted for such an offence. ………………………*
>
> *….257… It is not as if the wrongdoers are allowed to get away. They remain liable.* ***The extinguishment of the criminal liability of the corporate debtor is apparently important to the new management to make a clean break with the past and start on a clean slate.***
>
> *… 258.. It must be remembered that the immunity is premised on various conditions being fulfilled. There must be a resolution plan. It must be approved. There must be a change in the control of the corporate debtor. The new management cannot be the disguised avatar of the old management. It cannot even be the related party of the corporate debtor. …… Significantly every person who was associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of the offence in terms of the report submitted continues to be liable to be prosecuted and punished for the offence committed by the corporate debtor.* ***<u>The corporate debtor and its property in the context of the scheme of the code constitute a distinct subject matter</u>***

justifying the special treatment accorded to them. Creation of a criminal offence as also abolishing criminal liability must ordinarily be left to the judgement of the legislature.”

17. On perusal of the aforementioned judgement, I find that the Hon’ble Supreme Court of India has considered the immunity available to the new management of the corporate debtor under section 32A of IBC in the context of criminal liability/prosecution which is distinct from the present adjudication proceedings under securities laws which may result into monetary penalty. Therefore, I am not inclined to the view that Section 32A of IBC would be applicable to the present proceedings. I also note that judgements quoted by Noticee i.e. decision of Hon’ble High Court of Delhi in Tata Steel BSL Limited and Anr v. Union of India, Hon’ble High Court of Bombay in Dewan Housing Finance Corporation Ltd vs. Union of India pertains to matters involving criminal proceedings and therefore, do not merit further consideration.
18. Further, I note that Essar Steel’s approved corporate insolvency resolution plan inter alia provides that:

> *“9. From the Plan Approval Date, all inquiries, investigations and proceedings suits, claims, disputes, Proceedings in connection with the Corporate Debtor or affairs of the Corporate Debtor, pending or threatened, present or future in relation to any period prior to the Plan Approval Date, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters should apply to the Corporate Debtor or*

the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or <u>other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor</u> in relation to any period prior to the Effective Date."

19. I note that Noticee has contended that aforementioned resolution plan of Essar Steel is binding on proceedings initiated by SEBI by virtue of Section 31 of IBC. I note that in support of aforementioned contention, Noticee has placed, *inter alia,* reliance on decision of Learned Adjudication Officer, SEBI dated July 29, 2021 in respect of Dewan Housing Finance Corporation Limited Ltd. In this regard, I note that applicability of Section 31 of IBC to SEBI has been dealt with by Hon'ble SAT in its decisions in the matter of Monnet Ispat &Energy Ltd. (Appeal No. 238 of 2020), Alok Industries Ltd. (appeal no. 300 of 2020) and Raj Oil Mills Ltd. (Appeal no. 54 of 2019. Hon'ble SAT in its decision in Monnet Ispat &Energy Ltd has held that "………*15. In view of the aforesaid, it is clear that once the resolution plan is approved by the appropriate authority the same is binding on all concerned including the respondent……………………………...*

    ……. 18. In the light of the aforesaid, we are of the opinion that once a resolution plan has been approved it becomes binding on all creditors including the government and local authorities including the respondent under section 31(1) of the IBC. It is no longer open to the respondent to issue a show cause notice or adjudicate and pass an order of penalty upon the appellant. "

20. However, I note that Orders passed by Hon'ble SAT in the matter of Monnet Ispat & Energy Ltd., Alok Industries Ltd. and Raj Oil Mills Ltd. have been challenged by SEBI before the Hon'ble Supreme Court of India and the same are pending.

21. The purpose of the present proceedings is to determine if Noticee has violated any of the alleged provisions of the LODR Regulations in relation to the issue of above NCDs and if so, to assess applicable penalty, if any. However, the enforcement of this order, if applicable, shall be subject to the outcome of the aforesaid appeals before the Hon'ble Supreme Court of India. Having clarified regarding the said contentions of Noticee regarding instant proceedings, I shall now deal with the allegations levelled against Noticee, on merits of the case for the violations alleged in the SCN.

Issue I: Whether Noticee has violated the provisions of Regulations 51(1), 51(2) read with Part B of schedule III (Clause A1, A4, A9) of LODR Regulations and Regulations 52(1), 52(4), 52(5), 52(7), 54(2), and 57(1) of LODR Regulations?

22. Moving on to the merits of the case, I note from available records that Noticee had issued NCDs, with ISIN INE127A07234 and same were listed on June 30, 2011 at BSE. I note that being a listed entity, Noticee is under an obligation to comply with obligations imposed on it under LODR Regulations in relation to the issue of the above NCDs. I note that it has been alleged in the SCN that Noticee has violated Regulations 51(1), 51(2) read with Part B of schedule III (Clause A1, A4, A9) and Regulations 52(1), 52(4), 52(5), 52(7), 54(2), and 57(1) of LODR Regulations. The aforementioned provisions of LODR Regulations are reproduced hereunder:

Disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information.

51. (1) The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares.

<u>Explanation.</u> -The expression 'promptly inform', shall imply that the stock exchange must be informed as soon as practically possible and without any delay and that the information shall be given first to the stock exchange(s) before providing the same to any third party.

(2) Without prejudice to the generality of sub-regulation (1), the listed entity who has issued or is issuing non-convertible debt securities and/or non-convertible redeemable preference shares shall make disclosures as specified in Part B of Schedule III.

Schedule III

<u>Part B: Disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information: non-convertible debt securities & nonconvertible redeemable preference shares</u>

<u>[See Regulation 51(2)]</u>

A. The listed entity shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares including:

(1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;

…………...

4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;

…………...

(9) delay/default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;

52(1)The listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by the Board within forty five days from the end of the half year to the recognised stock exchange(s)

[Provided that in case of entities which have listed their equity shares and debt securities, a copy of the financial results submitted to stock exchanges shall be provided to Debenture Trustees on the same day the information is submitted to stock exchanges.]

4)The listed entity, while submitting half yearly /annual financial results, shall disclose the following line items along with the financial results:

(a) credit rating and change in credit rating (if any);

(b) asset cover available, in case of non-convertible debt securities;

(c) debt-equity ratio;

(d) previous due date for the payment of interest/dividend for non-convertible redeemable preference shares/repayment of principal of non-convertible preference shares/non-convertible debt securities and whether the same has been paid or not; and,

(e) next due date for the payment of interest/dividend of non-convertible preference shares/principal along with the amount of interest/dividend of non-convertible preference shares payable and the redemption amount;

(f) debt service coverage ratio;

(g) interest service coverage ratio;

(h) outstanding redeemable preference shares (quantity and value);

(i) capital redemption reserve/debenture redemption reserve;

(j) net worth;

(k) net profit after tax; (l) earnings per share:

Provided that the requirement of disclosures of debt service coverage ratio, asset cover and interest service coverage ratio shall not be applicable for banks or non-

banking financial companies registered with the Reserve Bank of India. Provided further that the requirement of this sub-regulation shall not be applicable in case of unsecured debt instruments issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.

(5) While submitting the information required under sub-regulation (4), the listed entity shall submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents.

(7) The listed entity shall submit to the stock exchange on a half yearly basis along with the half yearly financial results, a statement indicating material deviations, if any, in the use of proceeds of issue of non convertible debt securities and non-convertible redeemable preference shares from the objects stated in the offer document.

54. (2) The listed entity shall disclose to the stock exchange in quarterly, half-yearly, year-todate and annual financial statements, as applicable, the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities.

57. (1) The listed entity shall submit a certificate to the stock exchange within two days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.

23. It has been alleged in the SCN that Noticee had failed to disclose information that have bearing on performance/operation of listed entity, price sensitive information or any action that shall affect the payment of interest or dividend and also fail to disclose the expected default/actions that affect adversely in timely payment of interests/principal in respect of NCDs issued by it and thereby has allegedly violated

Regulation 51(1), Regulation 51(2) read with Part B of Schedule III (Clauses A1, A4, A9) of the LODR Regulations. I note from emails dated February 07, 2018 and January 29, 2018 received by SEBI from BSE that Noticee had not submitted any information under Regulation 51(1) of LODR Regulations and Regulation 51 (2) read with Part B of Schedule III (Clauses A1, A4, A9) of the LODR Regulations to BSE. I observe from Noticee's submission that it had undergone corporate insolvency resolution process (CIRP) due to its inability to pay its debts and had also defaulted in payment of interest with respect to NCDs issued by it. In this regard, I note that since the aforementioned factors fall within the meaning of "*information that had bearing on performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares",* Noticee was under an obligation to promptly inform the same to BSE as required under Regulation 51(1) and Regulation 51 (2) read with Part B of Schedule III (Clauses A1, A4, A9) of the LODR Regulations. I note that Noticee, in its submissions, has not disputed the alleged violations of Regulation 51(1) of LODR Regulations and Regulation 51 (2) read with Part B of Schedule III (Clauses A1, A4, A9) of the LODR Regulations charged against it in the SCN. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. In light of the foregoing observations, I find that allegation in the SCN that Noticee has violated Regulation 51(1) and Regulation 51 (2) read with Part B of Schedule III (Clauses A1, A4, A9) of LODR Regulation stands established.

24. As per Regulation 52(1) of LODR Regulations, the listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by SEBI within forty five days from the end of the half year to the recognised stock exchange. With regard to alleged violation of Regulation 52(1) of

LODR Regulations, I note that BSE in its email to SEBI dated March 07, 2019 had stated that BSE was not in receipt of any filings related to financial results of Noticee from half year ending June 30, 2016 till the date of the aforementioned communication (March 07, 2019). I also note from Noticee's submissions that Noticee was admitted to CIRP from August 02, 2017. I note that Noticee in submissions has not disputed the alleged violations of aforementioned regulation. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. In light of the above observations, I find that Noticee has not filed any financial results after half year ended June 30, 2016 and thereby, Noticee has violated Regulation 52(1) of LODR Regulations.

25. I further note that Noticee is required to disclose line items prescribed under Regulation 52(4) of LODR Regulations along with the half-yearly/ annual financial results. I note from the communication from BSE dated February 07, 2018 and January 29, 2018 that the same has also not been disclosed to it by Noticee. I note that Noticee has not disputed the allegations nor has he shown evidence to show compliance. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. In light of the above observations, I am of view that allegation that Noticee has violated Regulation 52(4) of LODR Regulations stands established.

26. With regard to the alleged violation of Regulation 52(5) of LODR Regulations, I note that BSE vide its February 07, 2018 and January 29, 2018 has informed SEBI that Noticee had not submitted to it certificate signed by the Debenture Trustee as required under the aforementioned provision. The same has also not been disputed by Noticee in its submissions. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. In light of the above observations, I

find that the allegation that Noticee has violated Regulation 52(5) of LODR Regulations stands established.

27. I note that in terms of Regulation 52(7) of LODR Regulations, as applicable at the time of alleged violations, a listed entity has to submit to the stock exchange on a half-yearly basis along with the half-yearly financial results, a statement indicating material deviations, if any, in the use of proceeds of issue of non convertible debt securities and non-convertible redeemable preference shares from the objects stated in the offer document. I note from the wordings of the above provision that the LODR Regulations require issuers to submit a statement in case of material deviations in the use of proceeds on half yearly basis. In the absence of any evidence to show that there was material deviations in the use of proceeds from the issue of NCDS, I note that submission of statement as required under Regulation 52(7) of LODR Regulations is not applicable to Noticee. Therefore, I find that the allegation that Noticee has violated Regulation 52(7) of LODR Regulations does not stand established.

28. Further, as per Regulation 54(2) of LODR Regulations, the listed entity shall disclose to the stock exchange in quarterly, half-yearly, year-to-date and annual financial statements, as applicable, the extent and nature of security created and maintained with respect to its secured listed NCDs. It is alleged in SCN that Noticee did not make disclosure to BSE in its quarterly financial statements for the listed NCDs. In this regard, I note from the reply received by SEBI from BSE that Noticee had not submitted required disclosures under the Regulation 54(2) of the LODR Regulations to BSE. Further, I also note that in its submissions, Noticee has not disputed the aforementioned violations alleged against it in the SCN. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. Therefore, I find that by not making the required submission

within the prescribed time as specified in the regulation, Noticee violated the provision of regulation 54(2) of LODR Regulations.

29. I note that in terms of Regulation 57(1) of LODR Regulations, a listed entity is under an obligation to submit a certificate to the stock exchange within two days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities. In this regard, I note from the communication dated February 07, 2018 and January 29, 2018 from BSE to SEBI that Noticee had not submitted a certificate to it as mandated under Regulation 57(1) of LODR Regulations. Further, I note that Noticee in its submissions has not disputed the aforementioned allegations levelled against it in the SCN. In absence of any defense/evidence presented by Noticee, I am inclined to accept the evidence available on record. Therefore, by not making the required submission within the prescribed time as specified in the regulation, I find that Noticee has violated the provision of regulation 57(1) of LODR Regulations.

Issue II. Do the violations, if any, on the part of Noticee attract monetary penalty under section 15A(b) of the SEBI Act, 1992 for the alleged violations by Noticee?

30. It has established in the preceding paragraphs that Noticee has violated Regulations 51(1), 51(2) read with Part B of schedule III (Clauses A1, A4, and A9),52(1), 52(4), 52(5), 54(2) and 57(1) of LODR Regulations.

31. In context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court had held "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty*

in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not."

32. Therefore, in view of the violations of aforementioned provisions of LODR Regulations by Noticee and placing reliance on the aforesaid judgement, I find that monetary penalty under Section 15A(b) of SEBI Act is attracted. The text of Section 15A(b) of SEBI Act is reproduced below:

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made thereunder,—*

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations [or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents][1], he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

Issue No. III: What would be the monetary penalty that can be imposed upon Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act?

33. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:

SEBI Act

[1] With effect from March 08, 2019

Factors to be taken into account by the adjudicating officer.

Section 15J *- While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

Explanation- For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

34. In view of the charges established, the facts and circumstances of the case, the quantum of penalty would depend on the factors referred in Section 15-J of the SEBI Act, stated as above. In the instant case, I find that, it is not possible from the material on record to quantify the amount of disproportionate gain or unfair advantage resulting from the default of Noticee in making disclosure. I note that material available on the record also does not indicate the amount of specific loss caused to an investor or investor group. I note from material available on record that NCDs issued by Noticee were privately placed and subscribed by and allotted to Axis bank alone and no retail investors were involved in the same. Further, I note that there is no evidence on record to indicate that violations of Noticee are repetitive in nature. I consider these to be mitigating factors for determination of penalty.

ORDER

35. Having considered all the facts and circumstances of the case, the material available on record, and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a penalty of Rs. 2,00,000 (Rupees Two Lakh Only) on Noticee i.e. Essar Steel India Limited (Presently Known as ArcelorMittal Nippon Steel India Limited).

36. I am of the view that the said penalty is commensurate with the lapse/omission on the part of Noticee.

37. Payment of penalty can be through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

38. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - IV, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	

6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

39. As mentioned earlier in the paragraph 21 of the order, the enforcement of this order shall be subject to the outcome of the appeals in Monnet Ispat & Energy Ltd, Alok Industries Ltd and and Raj Oil Mills Ltd before the Hon'ble Supreme Court.

40. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee and also to SEBI.

Place: Mumbai **SOMA MAJUMDER**
Date: March 28, 2022 **ADJUDICATING OFFICER**