



भारतीय प्रतिभूति
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Securities and Exchange
Board of India

SPEED POST WITH ACK DUE

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE

SEBI/NRO/SCN/SR/OW/P/2024/26710/1
August 22, 2024

Noticee No.	Name of the Noticee	PAN No.	Address of the Noticee
1	Weird Infrastructure Corporation Limited	AAACW9754E	1) Pathak Complex, Pathak Puram Colony Post : Ambedkar University, Raibareilly Road, Lucknow- 226025 2) Chittaranjan Seba Sangha Club Building At PO-PS- Kamardanga, HIT Road Howrah – 711104, west Bengal 3) 34C/24, Nawab Yusuf Road, Civil Line Allahabad – 211001 4) 29/8, Kendu main Road, PO- Garia, PS-Patuli Dist-24 Parganas, Kolkata- 700084, West Bengal
2	Mr. Avijit Chatterjee	AFIPC2205A	S/o Mr. Sukumar Chaterjee, 60/6, Kantapukur 3rd Bye Lane, 22 Byantra, Howrah – 711 101
3	Mr. Jadunath Jena	ANUPJ8465D	S/o Mr. Bishnu Jena Vill- Sarashankha, PS.- Soro, Dist – Balasore, Sarashankha, Orissa – 756045
4	Mr. Masrur Ahmed Basheer		1) 21/36, 3rd Cross, 7th A Main, 1st Stage, BTM Layout, Bangalore-560029 2) 13.14/119 1st Floor, Pantrapally, Mysore Road, Bangalore-560039

SCN in the matter of ~~Weird Infrastructure Corporation Limited~~

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उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किडवाई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



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Sub- Show Cause Notice under sections 11(1), 11(4) and 11B(1) of the Securities and Exchange Board of India Act, 1992 the matter of Weird Infrastructure Corporation Limited

1. Securities and Exchange Board of India ("SEBI") had passed an interim order cum show cause notice dated September 24, 2014 (**Annexure-1**), against Weird Infrastructure Corporation Limited ("WICL" or "Noticee No. 1" or "Company"), its Directors including Mr. Avijit Chatterjee ("Noticee No. 2") and Mr. Jadunath Jena ("Noticee No. 3") and its Debenture Trustee *inter-alia*, observing the following:-

- a. WICL mobilized an amount of Rs 16,27,94,215/- by allotting 1,62,794 Secure Non-Convertible Redeemable Debentures ("NCDs") of face value of Rs 1000 each.
- b. WICL is *prima facie* engaged in fund mobilizing activity from the public through the offer of NCDs and as a result of the aforesaid activity has violated the provisions of Section 56, Section 60 read with Section 2(36), Section 73, Section 117B, Section 117C) of the Companies Act, 1956 read with Section 465(1) of the Companies Act, 2013..
- c. In addition to the above, through the Offer of NCDs, which is a public issue of debt securities, WICL has *prima facie* violated the relevant provisions of SEBI (Issue and Listing of Debt Securities), Regulations, 2008.

2. SEBI vide interim order dated September 24, 2014 issued directions, mentioned therein, and provided an opportunity to WICL and its directors including the Noticee No. 2 and 3 to file their reply, if any, to the said order within 21 days from the receipt of the said order.

3. Pursuant thereto, SEBI passed an order dated July 24, 2015 (**Annexure-2**), *inter-alia*, observing as follows:

"8.....The advocate was also asked to submit the copies of the resolution passed by the Board of WICL with regard to the issuance of debentures, details with regard to the creation or modification of charge for the same, prospectus or any other documents/ details filed with regard to the debentures issued by the aforesaid company including terms for issuance of



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debentures, complete list of the allottees, balance sheet for the financial years 2009-10, 2010-2011, 2011-2012, 2012-2013, 2013-2014 and full inventory of all the assets and properties of the Company and its directors. For submitting the said details, the noticees were granted fifteen days time and the matter was adjourned. However, no details were submitted by the Company.

12.....I also note from the Form 20B (Form for filing annual return) filed by the Company with the RoC that 1,62,794 NCDs were issued till March 31, 2012 and the value of these was about 16.28 crore. A perusal of the balance sheet for the financial year 2011-2012, reveals that the value of NCDs issued by the Company till March 31, 2011 was ₹2,23,39,359. As per the list of debenture holders attached with the 'Form of Annual Return' it is noted that the Company had issued debenture to about 597 persons. The very number of investors to whom the Company has issued NCDs and mobilised funds, confirms the finding that the issue of NCDs was a 'public issue' of such securities in terms of the first proviso to Section 67(3) of the Companies Act, 1956.

13.....It is observed that the balance sheets were available only for the financial year 2011 and 2012. The balance sheets for further years were not submitted by the Company inspite of specifically asking for these. I note that these details are also not available on the 'MCA 21 portal'. The representative of the Company was specifically asked on February 10, 2015, during the course of personal hearing, to submit the balance sheet for the financial years starting from 2009-2010 till 2013-2014. A letter dated February 19, 2015, with respect to the same was also issued to the Company, which was returned undelivered. However, till date these details or the other details as asked during the course of personal hearing dated February 10, 2015, have not been submitted by the Company. The authorised representative of the Company who appeared on February 10, 2015, appeared before SEBI on March 10, 2015 and represented Mr. Avijit Chatterjee and Mr. Jadunath Jena. However, he stated that he was not representing the Company anymore.



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14.....There is no material on record to arrive at a finding that it has set up a Debenture Redemption Reserve. Accordingly, the Company is found to have contravened Sections 117B and 117C of the Companies Act, 1956.

15. The Company failed to comply with the Sections 56, 60 read with Section 2(36), 73, 117B and 117C of the Companies Act, 1956 and also of the provisions of the Debt Securities Regulations, which regulates the offer and issue of securities, including the issuance of NCDs.

16. I note that SEBI had also received various investor complaints against the Company and its directors wherein allegations were made that the promoters of the Company had collected amounts running into thousands of crores from the gullible and innocent public by adopting and putting in place devious 'ponzi schemes'. Copies of these complaints were also forwarded to the Company vide letter dated February 18, 2015, however, all these had returned undelivered. A perusal of these investor complaints reveals that the Company has continued the issuance of NCDs in the years 2012 and 2013, the details of which, were never filed with the RoC. I have seen the copies of the 'debenture certificates' enclosed with the investor complaints, which bears the signatures of Mr. Jadunath Jena as director.....

17. Considering the above, I note that Mr. Jadunath Jena, Mr. Avijit Chatterjee, Mr. Bajrang Lal Bohara and Mr. Bhabagrahi Behera were the directors of the Company when the impugned offer and allotments of NPS were made to the public. It can therefore be concluded that Mr. Jadunath Jena, Mr. Avijit Chatterjee, Mr. Bajrang Lal Bohara and Mr. Bhabagrahi Behera being the persons in-charge of the affairs and policies of the Company, were responsible for the contraventions committed by the Company as found above

19.... I have considered the 'Debenture Trust Deed' made on October 15, 2011, wherein Mr. Harish Chandra had agreed to act as 'Trustee' for the debenture holders of the Company. The deed stated that the Company had proposed to issue 'series of debentures' totalling 40 crore and



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created an equitable mortgage of four properties to secure the issue of debentures. The trust deed has been signed by Mr. Avijit Chatterjee, on behalf of the Company in the presence of Mr. Jadunath Jena. Mr. Harish Chandra has argued that the referred 'trust deed' was never effectuated as the security creation in favour of him was never executed. He also said that the title deeds of the properties of WICL were not made/ marked against the said NCDs and the same were not handed over to him. It has also been said that he had submitted his resignation to the Company vide letter dated April 11, 2012 and the Company had confirmed him about the acceptance of his resignation and his discharge from the obligations. Along with his submissions, he has also submitted a copy of another 'Trust Deed' dated June 15, 2012, wherein it has been recorded that after acceptance of the resignation of Mr. Harish Chandra, Mr. Masrur Ahmed Basheer has been appointed as 'Debenture Trustee'. This trust deed also bears the signature of Mr. Avijit Chatterjee as director of the Company. Mr. Harish Chandra has relied upon the letter dated April 03, 2013 issued by the Company (copy submitted along with the submissions dated November 27, 2014), signed by Mr. Avijit Chatterjee, that no secured debenture in terms of the debenture trust deed dated October 15, 2011, have been issued by the Company. Vide this letter the Company requested Harish Chandra to release the charge created on October 15, 2011, on the land and other assets of the Company, for securing the debenture issue of 40 crores.

Further, from the trust deed dated June 15, 2012 (submitted by Mr. Harish Chandra), it is noted Mr. Masrur Ahmed Bashreer became the 'debenture trustee' for the issue of NCDs of the Company from this date. SEBI needs to inquire into the status of Mr. Masrur Ahmed Basher as a debenture trustee and initiate action if such appointment was in violation of any law/rule/regulations.

24. As mentioned above, SEBI may inquire into and initiate separate proceedings against Mr. Masrur Ahmed Basheer for the contravention of SEBI (Debenture Trustees) Regulations, 1993 and Section 117B and 117C of the Companies Act, 1956."



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4. In light thereof vide Order dated July 24, 2015, SEBI was *inter-alia*, directed to *inquire into and initiate proceedings against Mr. Masrur Ahmed Basheer for the contravention of SEBI (Debenture Trustees) Regulations, 1993 and Section 117B and 117C of the Companies Act, 1956*

Brief background about WICL:

5. WICL is a public company incorporated on June 04, 2010. It is classified as Non-Government Company and is registered at Registrar of Companies, Kanpur. As per the Ministry of Corporate Affairs ("**MCA**") website, its authorized share capital is Rs. 7,00,00,000 and its paid up capital is Rs. 3,20,00,000.
6. Registered office of WICL is at Pathak Complex, Pathak Puram Colony, Post – Ambedkar University, Raibereilly Road, Lucknow – 226025. As per MCA website, WICL's Annual General Meeting (AGM) was last held on September 30, 2020 and date of balance sheet is March 31, 2020.
7. Pursuant to SEBI Order dated July 24, 2015, in order to ascertain the status of Mr. Masrur Ahmed Basheer ("**Noticee No. 4**") as a Debenture Trustee for the NCDs issued by WICL, information was sought from the company/ its directors/ Mr. Masrur Ahmed Basheer. Details of which are as under:

a) Following letters were issued to WICL seeking information regarding the appointment of Noticee No. 4 as debenture trustee:

- i. Letters dated May 23, 2018 (**Annexure 3**) were sent to WICL at addresses bearing pincode 26025 and 211001, which have returned undelivered.
- ii. Letters dated June 29, 2018 (**Annexure 4**) and August 23, 2018 (**Annexure 5**) were sent to WICL at address bearing pincode 711104, which have returned undelivered.



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- iii. Letters dated August 23, 2018 (**Annexure 6**) and October 09, 2019 (**Annexure 7**) were sent to WICL at another additional address available on MCA bearing pincode 700084. Among these, letter dated October 09, 2019 was delivered to WICL at 29/8, Kendua Main Road, PO-Garia, PS-Patuli, Dist-24 Parganas, Kolkata-700084.
- iv. Letters dated August 23, 2018 were sent to WICL at addresses bearing pincode 211001 and 226025, which have returned undelivered (**Annexure 8**).
- v. Letters dated October 09, 2019 (**Annexure 9**) was also sent to WICL at addresses bearing pincode 226025, 211001, 711104. All the letters have returned undelivered.
- vi. Letter dated October 17, 2019 (**Annexure 10**) was sent to WICL at address bearing pincode 226025, however, the letter has returned undelivered.
- vii. Letter dated October 17, 2019 (**Annexure 11**) was issued to the then present directors of WICL namely, Mr. Arup Ghosh Mr. Ananda Das and Mr. Sukomal Sahoo advising them to furnish the information/documents w.r.t Debenture trustee to SEBI. These letters were delivered to all three directors.
- viii. Letters dated August 23, 2018 (**Annexure 12**) and October 09, 2019 (**Annexure 13**) were also sent to advocate Mr. B. N. Muni, who appeared before the Hon'ble Whole Time Member, SEBI ("WTM") on behalf of WICL. Letter dated August 23, 2018 was delivered to advocate Mr. B. N. Muni.
- ix. Letters dated June 29, 2018 (**Annexure 14**) was also sent to Noticee No. 4 at 21/36, 3rd Cross, 7th 'A' Main, 1st Stage, BTM Layout, Bangalore 560029, however, the letter has returned undelivered. Further, letters dated August 23, 2018 (**Annexure 15**) and October 09, 2019 (**Annexure 16**) were sent to Noticee No. 4 at two addresses - 21/36, 3rd Cross, 7th 'A' Main, 1st Stage, BTM Layout, Bangalore 560029 and 13.14/119, 1st Floor, Pantrapally, Mysore Road, Bangalore 560039. However, both the letters have returned undelivered.



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- x. SEBI, vide letter dated October 17, 2019 (**Annexure 17**) requested ROC-Kanpur to provide the information regarding the filings made by WICL with MCA and particularly about the issuance of debentures by WICL and the related filings
- xi. Letters dated November 22, 2019 (**Annexure 18**) and March 03, 2020 (**Annexure 19**) were also issued to WICL's directors including Noticee No. 2 and 3. Letters dated March 03, 2020 were delivered to Noticee No. 2 and 3.

I. Response Received:

8. Response received from WICL / directors are mentioned below:

- a) **WICL/Directors**- Mr. B. N. Muni, Advocate, Calcutta High Court has submitted the response vide letter dated November 28, 2019 (received on December 02, 2019) (**Annexure 20**) on behalf of WICL, represented by the directors namely Mr. Arup Ghosh, Mr. Ananda Das and Mr. Sukomal Sahoo, primarily addressing the letter of representation of one Shri Manoj Tantubai and providing certain information with regard to creation of charges/mortgages by WICL
- b) **ROC-Kanpur**- RoC-Kanpur, vide letter dated November 06, 2019 has provided documents pertaining to WICL and the same were analyzed to obtain the information about the company and the issuance of NCDs.

Details of NCDs issued by WICL

- 9. WICL, vide letter dated November 28, 2019, provided copy of Board Resolution, passed by the then directors of WICL, for appointment of Debenture Trustee and issue of Debentures, Trust Deed, and land details, as submitted with RoC. Further, Form No. 10 filed with RoC and the relevant certificate for Registration of charges as well as satisfaction of charges issued by RoC, were provided.



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10. Further, the relevant documents relating to WICL were downloaded from MCA portal. As observed from Form 20B for FY 2012, FY 2013, FY 2014 and Form MGT-7 for FY 2015, FY 2016, FY 2017, FY 2018, the details of Non-Convertible Debentures issued by WICL are as under:

FY	Number of units (NCDs)	value per unit	Total Value of NCDs (₹)	No. of Debenture Holders
2011			2,23,39,359*	
2012	1,62,794	1000	16,27,94,215	
2013	1,62,794	1000	16,27,94,215	
2014	1,62,794	1000	16,27,94,215	
2015	1,62,794	1000	17,57,10,075.21	8615
2016	1,62,794	1000	17,57,10,075.21	8615
2017	1,62,794	1000	17,57,10,075.21	8615
2018	1,62,794	1000	20,29,20,407.66**	8615

*As per Form 23AC/AOC-4 (2015 onwards), WICL has shown Rs 2,23,39,359 under "Secured Loans" in the balance sheet for FY 2011. As noted in Form 23AC for FY 2012 onwards and under Form AOC-4 (2015 onwards), under "Long Term Borrowings" in the balance sheet, the amounts stated thereunder are observed to Rs 2,23,39,359 for FY 2011, 16,27,94,215 for FY 2012; Rs 17,33,00,630.21 for FY 2013, Rs 17,57,10,075.21 for FY 2014; Rs 17,57,10,075.21 for FY 2015; Rs 17,57,10,075.21 for FY 2016; Rs 17,57,10,075.21 for FY 2017; Rs 20,29,20,407.66 for FY 2018.

*Para 12 of SEBI Order dated 24.07.2015 inter-alia states that 1,62,794 NCDs were issued till March 31, 2012 and the value of these was about 16.28 crore. A perusal of the balance sheet for the financial year 2011-2012, reveals that the value of NCDs issued by the Company till March 31, 2011 was 2,23,39,359. As per the list of debenture holders attached with the 'Form of Annual Return' it is noted that the Company had issued debenture to about 597 persons.

**On perusal of the directors' report for FY ending 31.03.2018, as observed from Form MGT-9 enclosed with the report, Secured Loans are Rs. 16,27,94,215 at the end of the financial year 2018 and the details are as under:

Particulars	Secured loans excluding deposits (₹)
Principal amount	16,27,94,215
Interest accrued but not due	1,29,15,860
Total	17,57,10,075

Role of Masrur Ahmed Basheer as a Debenture Trustee

11. As per documents downloaded from MCA portal, WICL had filed for creation of charges and obtained Approval of Charge/Mortgage for Rs 30 crores as per Certificate for Memorandum of charges dated February 10, 2011 issued by RoC, Uttar Pradesh and another certificate for Memorandum of charges for Rs 40 crores issued on October 21, 2011.

Assets under charge	Charge Amount (₹)	Date of Creation	Date of Modification	Status
Immovable property or any interest therein	40,00,00,000	15/10/2011		CLOSED
Immovable property or any interest therein	30,00,00,000	14/12/2010		OPEN

From the year 2011 to 2013, WICL has filed two times for creation of charges and accordingly obtained approval from RoC.

12. As per the information received from RoC-Kanpur, it is noted that RoC-Kanpur has provided Form-10 filed at 4 different times by WICL with RoC. The Form-10 is filed by the company for the Registration of Charges created by the company on its assets in favor of the Debenture Trustee appointed by it. Following are the details of Form-10:

Form No. 10 (filing date)	Date of creation of charge	Date of Resolution Authorizing the issue of series	Amount secured by the charge (₹)	Debenture Trustee	Debenture Trust deed dated	Signature on the debenture trust deed
25/01/11	14/12/10	14/12/10	300000000	Masrur Ahmed Basheer	14/12/10	Avijit Chatterjee, on behalf of the company and Masrur Ahmed



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						Basheer as a Trustee of WICL.
21/10/11	15/10/11	15/10/11 (as per Form 10, Board Resolution dtd. 15.10.2011 on MCA portal at 14/10/2011 (as per Form 23 on MCA portal	400000000	Harish Chandra	15/10/11	Avijit Chatterjee, as director, on behalf of the company
Not Available	10/04/12	10/04/12	400000000	Harish Chandra	10/04/12	Avijit Chatterjee, as director, on behalf of the company
Not Available	Modificati on of charge		400000000	Masrur Ahmed Basheer	15/06/12	Avijit Chatterjee, as director, on behalf of the company

Copy of trust deeds dated 14/12/10, 15/10/11, 10/04/12 and 15/06/12 placed at **Annexure 21**.

13. Mr. Harish Chandra, erstwhile Debenture Trustee, vide letter dated November 27, 2014 (**Annexure 22**), provided the following:

- a) Letter dated April 11, 2012 addressed by him to WICL, wherein, he had, inter-alia, submitted his resignation to the Company. In the said letter, he informed that he was appointed as Debenture Trustee for the Debentures issued by WICL vide Trust Deed dated October 15, 2011 and April 10, 2012. He requested WICL to accept his resignation from the Debenture Trusteeship
- b) Letter dated May 30, 2012, addressed by him to Masrur Ahmed Basheer, wherein, he informed about his no objection to the appointment of Mr. Masrur Ahmed Basheer as a Debenture Trustee of WICL for an amount of Rs 40 crores.



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- c) Letter dated July 25, 2012, addressed by him to WICL, wherein, he had informed the company about the issuance of NOC to the appointment of Masrur Ahmed Basheer as a Debenture Trustee of WICL for an amount of Rs 40 crores and informed that the letter sent to Masrur Ahmed Basheer has returned undelivered. He had requested company to deliver the letter to Masrur Ahmed Basheer. He had also requested company to send him company's acceptance of his resignation letter and to file the form for amendment in charge with ROC.
- d) Copy of 'Trust Deed' dated June 15, 2012, wherein, it is recorded that after acceptance of the resignation of Mr. Harish Chandra, Mr. Masrur Ahmed Basheer has been appointed as 'Debenture Trustee'. It is noted that the said trust deed also bears the signature of Mr. Avijit Chatterjee as director of the Company.
- e) Letter dated April 03, 2013, issued by WICL to him, thereby, informing that his resignation w.e.f 15.06.2012 has been accepted in the board meeting held on 15.06.2012.
- f) WICL letter dated April 03, 2013, issued to him signed by Mr. Avijit Chatterjee, inter-alia, stating that:

"the company has not issued any secured debentures out of the series of Rs 40 crores in terms of debenture trust deed 15.10.2011....no money has been collected till date on account of issue of above said secured debentures by company in terms of above trust deed dated 15.10.2011. Further in terms of decision taken by the board of directors at its meeting held on 03.04.2013 that not to intend to issue any debenture in near future and consequently the said issue has been cancelled/aborted."

"In view of your resignation, as debenture trusteeship from the above-said series of Debentures, we wish to inform you that the company has filed modification of charges vide SRN B42549779 dtd. 04/07/2012 with regard to change of Debenture Trusteeship which was not approved due to unavoidable/technical reason. We on behalf of the Company as well personally hereby indemnify /absolve you from all the consequences relating to the issue of above-said series of debenture of Rs. 40.00



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Crores. We request you to give your No OBJECTION for filing satisfaction of the said charge"

g) WICL letter dated April 03, 2013, signed by Mr. Avijit Chatterjee, wherein, Company has requested Harish Chandra to give no objection for filing satisfaction of charge created vide charge ID 10312339.

h) Memorandum of Satisfaction of Mortgage dated April 30, 2013 filed by WICL with RoC for "Satisfaction of Charge/ Mortgage dated October 15, 2011, made between WICL and Harish Chandra", Form under 'Description of the instrument modifying the charge' stated as follows:-

"As per agreement dated 15.06.2012 appointment of new Trustee i.e. Masrur Ahmed Basheer in the place of old Trustee i.e. Harish Chandra".

14. In view of the above, it is noted that Noticee No. 4 was appointed as a Debenture Trustee of WICL vide Trust Deed dated December 14, 2010 and June 15, 2012. WICL had issued NCDs during 2010-12 during which period WICL had appointed Mr. Masrur Ahmed Basheer as its Debenture Trustee. However, Noticee No.4 is not registered with SEBI as a Debenture Trustee. In view thereof, it is alleged that Noticee No. 4 violated Section 12(1) of SEBI Act, 1992 and Regulation 7 of SEBI (Debenture Trustees) Regulations, 1993 ("**Debenture Trustees Regulations**").

15. Extracts of relevant provisions of SEBI Act and Debenture Trustee Regulations are reproduced hereunder –

Provisions of SEBI Act:

12. (1) No stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market 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 43[regulations] made under this Act:



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Provided that a person buying or selling securities or otherwise dealing with the securities market as a stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market immediately before the establishment of the Board for which no registration certificate was necessary prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application:

Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995, shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration

Provisions of Debenture Trustees Regulations :

Eligibility for being debenture trustee

7. No person should act as a debenture trustee unless it is:-

- a) A scheduled bank carrying on commercial activity; or
- b) A public financial institution a defined sub-section (72) of section 2 of the Companies Act, 2013; or
- c) An insurance company; or
- d) body corporate as defined under sub-section (11) of section 2 of the Companies Act, 2013

Role of WICL and its directors

16. SEBI, vide order dated July 24, 2015 held that the NCDs issued by WICL were in the nature of public issue and that WICL has not complied with various provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 ("ILDS Regulations") and the companies Act, 1956, detailed therein. Further, it was held that Noticee No. 2 and 3, being the persons-in-charge of the affairs and policies of the Company, were responsible for the contraventions committed by WICL.



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17. WICL, vide trust deed dated December 14, 2010 appointed Noticee No. 4 as debenture trustee. WICL also appointed the Noticee No. 4 as debenture trustee vide trust deed dated June 15, 2012. Both the said trust deeds were signed by the Noticee No.2. Noticee No. 3 had acted as witness for appointment of Mr. Harish Chandra as debenture trustee under trust deed dated October 15, 2011. Subsequent to resignation of Mr. Harish Chandra, trust deed dated June 15, 2012 was executed in furtherance of trust deed dated October 15, 2011 for appointment of Noticee No. 4 as Debenture Trustee. Noticee No.3 acted as director of WICL from August 27, 2010 to May 26, 2015. In view thereof, it is noted that Noticee No. 1, 2 and 3 acted in violation of Regulation 4(4) of ILDS Regulations and Section 117B of Companies Act, 1956 read with section 71(5), (6) (9) and section 465 of the Companies Act, 2013 by appointing Noticee No. 4 as debenture trustee.
18. Extracts of relevant provisions of the ILDS Regulations, 2008 and Companies Act, 1956 are reproduced hereunder –

a) Provisions of Regulation 4 (4) of SEBI ILDS Regulations:

"The issuer shall appoint one or more debenture trustees in accordance with the provisions of Section 117B of the Companies Act, 1956 (1 of 1956) and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993."

b) Provisions of Section 117B of Companies Act, 1956:

1[117B. APPOINTMENT OF DEBENTURE TRUSTEES AND DUTIES OF DEBENTURE TRUSTEES

(1) 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 :

Provided that no person shall be appointed as a debenture trustee, if he -

(a) beneficially holds shares in the company ;

(b) is beneficially entitled to moneys which are to be paid by the company to the debenture trustee;

(c) has entered into any guarantee in respect of principal debts secured by the debentures or interest thereon.

(2) Subject to the provisions of this Act, the functions of the debenture trustees shall generally be to protect the interest of holders of debentures (including the creation of



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securities within the stipulated time) and to redress the grievances of holders of debentures effectively.

(3) In particular, and without prejudice to the generality of the foregoing functions, a debenture trustee may take such other steps as he may deem fit -

(a) to ensure that the assets of the company issuing debentures and each of the guarantors are sufficient to discharge the principal amount at all times ;

(b) to satisfy himself that the prospectus or the letter of offer does not contain any matter which is inconsistent with the terms of the debentures or with the trust deed ;

(c) to ensure that the company does not commit any breach of covenants and provisions of the trust deed ;

(d) to take such reasonable steps to remedy any breach of the covenants of the trust deed or the terms of issue of debentures ;

(e) to take steps to call a meeting of holders of debentures as and when such meeting is required to be held.

(4) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the 2[Central Government] and the 2[Central Government] may, after hearing the company and any other person interested in the matter, by an order, impose such restrictions on the incurring of any further liabilities as the 2[Central Government] thinks necessary in the interests of holders of the debentures.

3[Provided that in the case of revival and rehabilitation of a sick industrial company under Part VIA, the provisions of

this section shall have effect as if for the words "Central Government", the word "Tribunal" had been substituted;]

1. Inserted by the Companies (Amendment) Act, 2000 w.e.f. 13-12-2000.

2. Substituted for "Company Law Board" by the Companies (Second Amendment) Act, 2002 (w.e.f. a date yet to be notified).

3. Inserted by the Companies (Second Amendment) Act, 2002 (w.e.f. a date yet to be notified).

19. In view of the foregoing, Noticees are hereby called upon to show cause as to why suitable directions including direction for restraint and prohibition from accessing securities market under sections 11(1),11(4) and 11B(1) of SEBI Act, 1992 should not be issued against them for the aforesaid alleged violations.

20. This show cause notice is issued without prejudice to the rights of SEBI to issue a supplementary notice and to initiate any other proceedings/actions of the aforesaid violations in terms of the SEBI Act and rules or regulations made thereunder.



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21. The reply of the Noticees, if any, should reach the undersigned, at the address given below, as well as through email at gyanendran@sebi.gov.in and suchishmitar@sebi.gov.in (in MS-Word format), within 21 days from the date of receipt of this notice, failing which it shall be construed that the Noticees have no reply to submit and the matter shall be proceeded on the basis of the material available on record.

Securities and Exchange Board of India

Northern Regional Office,

8th floor, Plate B, Tower 1,

NBCC Complex

East Kidwai Nagar, New Delhi - 110023.

22. If you are desirous of a personal hearing before the Quasi Judicial Authority, SEBI, the same may be intimated in writing accordingly.

23. You are advised to keep SEBI informed about the change in your correspondence address, if any, and provide updated email-id and phone numbers, till present proceedings are complete.

24. You are also advised to submit a photocopy of your Income Tax Permanent Account Number card (PAN Card) for our records.

25. Documents relied upon in the notice have been annexed as per the list of enclosures.

You may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If you wish to opt for the settlement process, you may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, it may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

Gyanendra Niraj



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Enclosures: List of Annexures**Enclosures:**

Annexure No.	Particulars
1.	SEBI Interim order dated September 24, 2014 inter-alia, against WICL
2.	SEBI order dated July 24, 2015 inter-alia , against WICL
3.	Letter dated May 23, 2018 sent to WICL addresses bearing pin code 26025 and 211001.
4.	Letter dated June 29, 2018 sent to WICL at address bearing pin code 711104.
5.	Letter dated August 23, 2018 sent to WICL at address bearing pin code 711104.
6.	Letter dated August 23, 2018 sent to WICL at additional address available on MCA bearing pincode 700084
7.	Letter dated October 09, 2019 sent to WICL bearing pin code 700084
8.	Letter dated August 23, 2018 sent to WICL at two addresses.
9.	Letter dated October 09, 2019 sent to WICL at three addresses.
10.	Letter dated October 17, 2019 sent to WICL bearing pin code 226025
11.	Letter dated October 17, 2019 sent to WICL three directors.
12.	Letter dated August 23, 2018 sent to advocate Mr. B.N Muni.
13.	Letter dated October 09, 2019 was also sent to advocate Mr. B.N Muni.
14.	Letter dated June 29, 2018 sent to Noticee No. 04 at bearing pincode 560029
15.	Letter dated August 23, 2018 sent to Noticee No. 04 at bearing pincode 560029.
16.	Letter dated October 09, 2019 sent to Noticee No. 04 at bearing pincode 560039.
17.	Letter dated October 17, 2019 sent to ROC-Kanpur for seeking information.
18.	Letter dated November 22, 2019 sent to WICL's directors.(Noticee no. 02 and 03)
19.	Letter dated March 03, 2020 sent to WICL's directors. (Noticee no. 02 and 03)
20.	Letter dated November 28, 2019 received from Mr. Bichitra Nanda Muni, Advocate, Calcutta High Court
21.	Copy of trust deeds dated 14/12/10, 15/10/11, 10/04/12 and 15/06/12
22.	Letter dated November 27, 2014 received from Mr. Harish Chandra