

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: G MAHALINGAM, WHOLE TIME MEMBER**

**ORDER**

**UNDER SECTIONS 11(1), 11(2)(j), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH SECTION 12A OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 IN THE MATTER OF NON-COMPLIANCE WITH THE REQUIREMENT OF MINIMUM PUBLIC SHAREHOLDING BY LISTED COMPANIES**

**IN RESPECT OF SANATHNAGAR ENTERPRISES LIMITED.**

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1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had passed an interim order-cum-show cause notice dated June 04, 2013 (hereinafter referred to as "the interim order ") with respect to 105 listed companies which did not comply with the Minimum Public Shareholding ("MPS") norms as stipulated under rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as "SCRR") within the due date i.e., June 03, 2013.
  2. Sanathnagar Enterprises Limited (hereinafter referred to as "the Company") is one such company against which the interim order was passed. The equity shares of the Company are listed on the Bombay Stock Exchange Limited ("BSE") and the Delhi Stock Exchange Limited (DSE) (which is now derecognized and granted exit vide SEBI order dated January 23, 2017).
  3. SEBI vide the interim order had *inter alia* issued, under para 17 thereof, the following directions, pending passing of final order:

*“17. Hence in exercise of the powers conferred upon me by virtue of Section 19 and under Sections 11(1), 11(2)(j), 11(4), and 11(B) of the Securities Contracts (Regulation) Act, 1956 ('SCRA'), pending passing of final order in these cases, I hereby:*

- a. direct freezing of voting rights and corporate benefits like dividend, rights, bonus shares, split, etc. of the promoter/ promoters group of the non-compliant companies, with respect to the excess of proportionate shareholding in respective companies, till such time these companies comply with the minimum public shareholding requirement;*
  - i. For the purpose of above direction, proportionate promoter/promoter group shareholding shall be computed on the basis of the public shareholding in the company; e.g. if public shareholding in a company; ..... ”*
  - ii. In case of more than one entity in the promoter/promoter group in a company, the excess promoter holding for the purpose of taking action shall be computed on a proportionate basis..... ”*
- b. prohibit the promoters/promoter group and directors of these non-compliant companies from buying, selling or otherwise dealing in the securities of their respective companies, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with the minimum public shareholding requirement till such time these companies comply with the minimum public shareholding requirement.*
- c. restraining the shareholders forming part of the promoter/promoter group in the non-compliant companies from holding any new position as a director in any listed company, till such time these companies comply with the minimum public shareholding requirement;*
- d. restrain the directors of non-compliant companies from holding any new position as a director in any listed company, till such time these companies comply with the minimum public shareholding requirement.”*

4. Taking into account the fact that the Company had not complied with the MPS requirements till date in breach of rule 19A of the SCRR and Clause 40 A of the Listing

Agreement read with section 21 of the SCRA, and such non-compliance being continuous in nature, and after considering the submissions given by the company vide letters dated June 14, 2013 and July 16, 2015, SEBI vide an Order dated September 29, 2015 confirmed the aforesaid directions passed vide interim order dated June 04, 2013.

5. Thereafter, the company, vide letters dated March 23, 2018 and April 03, 2018 filed further representations and requested SEBI as under:

*“Sanathnagar was a sick company since 2001 and was referred to the Board for Industrial and Financial Reconstruction (BIFR). BIFR, vide its order dated August 22, 2005 declared the Company as a Sick Company within the provisions of Sick Industrial Company (Special Provisions) Act, 1985 and also sanctioned a Rehabilitation Scheme (“the Sanctioned Scheme”). BIFR’s order sanctioning the Scheme was subsequently challenged before the Hon’ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) by M/s Bakelite Hylam Employees Union. The Hon’ble AAIFR passed its Order dated April 10, 2007 along with certain modifications to the Scheme. Pursuant to the compliance of the Scheme (which was sanctioned by BIFR and AAIFR) by the Company, the Discharge order was passed by BIFR on September 22, 2008. The management of the Company changed hands in the year 2010 where the present promoters (viz. Lodha Group) became co-promoters under the AAIFR Order dated April 10, 2007.*

*The Sanctioned Scheme interalia envisaged writing off 90% of the existing subscribed equity share capital, conversion of existing promoter loans into equity, further infusion of capital by the promoters to revive the Company, and issue of new capital pursuant to demerger of two business units into separate units.*

*As a result of the aforesaid corporate actions effected pursuant to the BIFR Order and the Sanctioned Scheme, and certain equity shares acquired by the promoters’ by way of transfer, the promoters’ holding in the Company increased to 82.16%. Since the eventual promoters’ holding went beyond 75% then, the Company became non-compliant with the SEBI Minimum Public Shareholding requirements (“MPS”). The present promoters holding in the Company is 92.32% as on today.*

*The Company has made applications to BSE for listing the post BIFR share capital and revocation of trading suspension. It may be noted that the difference between the capital issued by the Company post BIFR and the listed capital has to be reconciled before the revocation application is processed by BSE.*

*BSE vide its letters dated March 6, 2018 has granted approval for listing the capital issued post BIFR and stating that trading approval shall be granted only once the confirmation of credit of shares to beneficiary accounts is given by CDSL and Registrar and Transfer Agent.*

*In view of the listing approval granted by BSE, the Company has made applications to CDSL for execution of following corporate actions relating to the capital changes pursuant to the BIFR Order:*

- 1. Reduction of 90% equity share capital;*
- 2. Allotment 77,76,104 equity shares to promoters;*
- 3. Allotment of 15,00,000 equity shares to non-promoters;*
- 4. New issue of capital in the ratio of 10:3, pursuant to scheme of demerger.*

*While executing the corporate actions for reduction of equity share capital, we understand that CDSL was unable to give credit to three individuals / entities belonging to the promoter / promoter group whose beneficiary accounts were frozen on account of the SEBI order WTM/PS/08/CFD/June/2013 dated June 4, 2013 and WTM/PS54/CFD/SEPT/2015 dated September 29, 2015 in relation to MPS non-compliance. CDSL had written to SEBI for guidance on the matter of unfreezing the three frozen beneficiary accounts, as the corporate actions are not for the purpose of or for the compliance of minimum public shareholding (MPS), but to be carried out pursuant to the BIFR Order.*

*We submit that the further issue of capital was made only for the purpose of compliance with the BIFR Order and the corporate actions proposed now are a mere updation, of the already issued capital, in the depository system. The credit of these corporate actions will not benefit the promoters / promoter group entities in any way whatsoever as these beneficiary accounts will continue to remain frozen till compliance of MPS is achieved. The public shareholders will however benefit as they will receive the equity shares they were entitled to receive post the issue of further capital by the Company pursuant to the BIFR order. Revocation of suspension in trading will benefit the public shareholders and is a very important and necessary pre-requisite to enable the Company to proceed to comply with the MPS requirements.*

#### ***Undertaking to comply with MPS regulations***

*We understand that the promoters' shareholding will be locked-in for a period of three months post the revocation of suspension by BSE. We undertake to comply with the guidelines for achievement of MPS as per the modes specified in the relevant SEBI circulars.*

*As per the SEBI order ref WTM/PS/08/CFD/June/2013 dated June 4, 2013 relating to MPS, there is a freeze on the voting rights and corporate benefits like dividend, rights, bonus shares, split etc. on the promoters' shareholdings. The depositories are permitted to unfreeze the beneficiary accounts of promoter/ promoter group only for the purpose of compliance with MPS requirements.*

*As explained above, the further capital was issued by the Company pursuant to the BIFR order during the period 2005-2008 i.e. prior to the freeze on the promoters' beneficiary accounts on account of MPS non-compliance, however, such further capital was not listed at that time. This, therefore, created a unique situation where there is a difference between the issued capital in the books of the Company and the listed capital on BSE, and in the records of CDSL and Registrar and Transfer agent. Reconciliation of this difference is an important and critical step in the revocation of suspension of trading.*

*The listing approval granted by BSE requires submission of a confirmation from CDSL / RTA that the corporate actions for credit of shares to the respective beneficiary accounts/ despatch of shares to the shareholders has been duly carried out.*

*We request your approval to effect a temporary unfreeze of the promoter/ promoter group beneficiary accounts with CDSL so as to enable CDSL to effect the Corporate Actions in the depository system, so that the credit of the capital issued, capital reduction and demerger actions done can be updated in the depository system. As mentioned in CDSL's email dated March 16, 2018, these beneficiary accounts will be frozen immediately after the Corporate Actions are effected."*

6. Subsequently, vide email dated April 04, 2018, certain clarifications were sought from the company to which the company has replied as under:

***"1. Change in shareholding pattern of the Company as per the sequence of events in the timeline starting from year 2001 till date and clarification as to how the promoter shareholding is 92.32% and not 82.16%***

***Response:***

*Shareholding pattern starting from the pre and post BIFR is enclosed at Annexure I. The promoters' shareholding pre BIFR was 54.60%. After the 4 corporate actions relating to BIFR, the promoters' shareholding increased to 82.16% viz:*

- 1. Reduction of 90% equity share capital*
- 2. Allotment 77,76,104 equity shares to promoters*
- 3. Allotment of 15,00,000 equity shares to non promoters*
- 4. New issue of capital in the ratio of 10:3, pursuant to scheme of demerger*

*Paraswanath Residential Paradise Private Limited (“Paraswanath”), a promoter entity which was holding 125,110 shares (3.29%), acquired a further 320,000 equity shares (10.16%) from public. After this, Paraswanath along with its nominees acquired 23,90,837 equity shares (75.90%) from the erstwhile promoters thereby taking their holding in Sanathnagar to 92.32% (i.e. on May 24, 2010) . It may be mentioned that in terms of the BIFR Order, exemption from the provisions of SEBI Act and related laws thereunder was also granted. Further, necessary disclosures with regard to the aforesaid acquisition were made under regulation 7(1) of the SEBI Substantial Acquisition and Takeover regulations, 1997.*

**2. Clarification as to whether as a result of implementing the corporate actions pursuant to BIFR order, there is any further change in shareholding pattern of the company?**

**Response:**

*After implementing the various corporate actions pursuant to the BIFR order (as referred to in (1) above, the issued, paid up and subscribed capital of the Company changed as follows:*

<i>Pre BIFR</i>	<i>122,38,964 equity shares of Rs 10 each aggregating to Rs 12,23,89,640</i>
<i>Post BIFR</i>	<i>31,50,000 equity shares of Rs 10 each aggregating to Rs 3,15,00,000</i>

**3. The BIFR order dated August 22, 2005 mentions about reduction in 90% of existing equity capital. However, same does not appear to specifically mention anything about allotment of 77,76,104 equity shares to promoters, allotment of 15,00,000 equity shares to non promoters and new issue of capital in the ratio of 10:3, pursuant to scheme of demerger. Therefore, you may like to bring to our notice the relevant paras in BIFR order which mention about such specific transactions;**

**Response**

**a. Preferential allotment of 77,76,104 equity shares**

*Para 5.0 (a) of the BIFR scheme stipulated a total fund infusion of Rs 9 crore into the Company (including Rs 6 crore already inducted from August 2003 to May 31, 2005). Out of this an amount of Rs 4.276 crore was to be converted into equity at par after write off of 90% of the share capital was effected.*

Accordingly, in order to bring up the issued capital to Rs 9 crore as stipulated in para 5.0 (a) of the Sanctioned Scheme, an amount of Rs 7.77 crore (being the differential between the post reduction share capital of Rs 1.22 crore and the required share capital of Rs 9 crore) was arrived at (Refer tabular representation below)

<b>Capital details</b>	<b>Issued capital (Rs)</b>
<i>Pre BIFR order</i>	12,23,89,640
<i>Post Capital reduction (A)</i>	122,38,960
<i>Requirement as per para 5.0 (a) (B)</i>	9,00,00,000
<b>Amount of funds required to bring up the paid up capital to Rs 9 crore (B)-( A)</b>	<b>7,77,61,040</b>

This amount of Rs 7,77,61,040 was funded by way of conversion of unsecured loans into equity of Rs. 4.276 crore and balance Rs. 3.5 crore by way of fresh capital:

Accordingly, the Company made a preferential allotment of 77,76,104 equity shares of Rs 10 each aggregating to Rs 7.77 crore on September 6, 2005 in accordance with the BIFR Scheme.

**b. Allotment of 15,00,000 equity shares**

Clause 5 (b) of the Sanctioned Scheme states as under:

*“To arrange for additional funds in the form of debt / convertible preference shares / equity at par for meeting the funds requirement of the Company from banks / FIs / Venture Capital funds /**other sources**, against collaterals to be arranged by the promoters, with a period of three years granted for dilution of equity to meet the listing norms”.*

*This Clause of the BIFR Order required the Incoming Promoters to:*

- a. To arrange additional funds;*
- b. Such funds can be in the form of debt/equity at par/convertible preference shares;*
- c. Such funds can be raised from banks/FIIs/Venture Capital Funds and **other sources**; and*

- d. *The promoters to arrange for necessary collaterals to raise the funds from any of the sources as provided in the (c) above.*

*Accordingly, ADM Maculus Fund LLP invested an amount of USD 330,000 (Rupee equivalent Rs 1,52,55,900 on June 28, 2006 as FDI (equity) against which the Company allotted 15,00,000 equity shares on July 1, 2006.*

***c. Further issue of capital in the ratio 10:3 pursuant to scheme of demerger***

*The BIFR scheme (read with the AAIFR order) envisaged demerger of the residual BHL, Nacharam and the Balarshah units of Bakelite Hylam Limited into separate entities.*

*Clause 4.0 (d) of the BIFR order stipulates that “to issue fresh equity shares in the new companies on a proportionate basis (i.e. 3 shares in residual BHL (which is subsequently renamed as Sanathnagar Enterprises Limited), 2 shares in Nacharam unit (Bakelite Pyro Insulation Ltd) and 5 shares in Balarshah unit (Bakelite Woodpro Ltd) for every 10 shares of BHL.*

***4. Date and reasons for which name of the company was changed from Bakelite Hylam Ltd to Sanathnagar Enterprises and clarification as to whether the company has complied with applicable provisions of the Listing Agreement and Companies Act, 1956/2013 for the said purpose.***

***Whether the name change was done pursuant to BIFR order? Whether any announcement of name change was done in BSE website? Copy of name change approval by ROC?***

***Response:***

*The demerged entities of Nacharam and Balarshah units viz; Bakelite Resins & Forms Limited and Panel Boards & Laminates Limited were to carry on manufacture and sale of forms and resins business and particle board business. The term “**Bakelite Hylam**” was actually the trade name and mark under which the erstwhile promoters were selling their products. In view of the demerger, it was agreed that brand name “**Bakelite Hylam**” would belong to and be transferred to the said demerged entities, The name “Bakelite Hylam Limited” was, therefore, changed to “Sanathnagar Enterprises Limited” on October 7, 2009. It may also be mentioned that the name of one of the demerged entities was later changed from Backlite Resins & Forms Limited to Bakelite Hylam Limited. Copies of the certificates of incorporation issued by the Registrar of*



*Companies, Hyderabad consequent to change in names as aforesaid are enclosed at Annexure II and III.*

***5. Vide letter dated April 03, 2018, you have inter alia mentioned that the management of the company changed hands in the year 2010 where the present promoters (viz. Lodha Group) became co-promoters under the AAIFR Order dated April 10, 2007. However, the said order does not mention the name of 'Lodha Group'.***

***The said AAIFR/BIFR order mentions names such as Bakelite Pyro Insulations Limited and Bakelite Woodpro Limited.***

***Response:***

*The name of the Lodha Group is not specifically mentioned in the AAIFR order. However, the AAIFR order passed on April 10, 2007, stated that “the Sanathnagar lands to be developed as an IT / industrial / commercial / residential park through reputed developers inducted as co-promoters through additional equity issue as well as by acquisition of equity of existing promoters / shareholders.*

*The AAIFR order provided for the induction of a new promoter specifically for development of the Sanathnagar land.*

*Pursuant to the said AAIFR order and demerger taking place, Lodha Group became the co- promoter of Sanathnagar Enterprises Limited by acquisition of equity from the erstwhile promoters.*

*With regard to your 2<sup>nd</sup> query, we understand from the erstwhile promoters, that Bakelite Pyro Insulations Limited and Bakelite Woodpro Limited (which are referred to in the BIFR / AAIFR orders as the probable entities for the purpose of demerger of the Nacharam and Balarshah units) were not incorporated at the time of BIFR / AAIFR orders.*

*At the time of demerger the names Bakelite Pyro Insulations Limited and Bakelite Woodpro Limited apparently were not made available by the Registrar of Companies and therefore the actual demerger was done in two other companies viz Panel Boards & Laminates Limited, incorporated on 22<sup>nd</sup> October, 2007 (for Balarshah unit) and Bakelite Resins & Forms Limited (for Nacharam unit) incorporated on 24<sup>th</sup> October, 2007.*

***6. Further, from the perusal of the shareholding patterns available in BSE website, the names of the promoters of the company are shown as Siddhnath Residential***

*Paradise Pvt. Ltd., Continous Forms (Calcutta) limited, Arihant Premises Private Limited and Microtech Constructions Pvt. Ltd. Further there have been change in names of promoters of the company since March 2010 and after the SEBI order dated June 04, 2013 was passed. For instance, as on March 2010 quarter, there were 20 promoters/promoter group, as on June 2010 quarter there were eight promoters/promoter group and as on December 2017, there are six promoters. Clarification as to how the said number of promoter entities have reduced particularly when there is SEBI order prohibiting the promoters/promoter group of the company from directly/indirectly dealing in securities of the company in any manner.*

*Clarification as to how these entities are related to Lodha Group and*

*Whether the promoter entities (which have changed since 2005) have been issued shares in accordance with AAIFR/BIFR order.*

**Response:**

	<i>Promoters / Promoter Group holding in Sanathnagar</i>		
	<i>Quarter ended</i>		
	<i>December 2017</i>	<i>June 2010</i>	<i>March 2010</i>
1.	<i>Siddhnath Residential Paradise Pvt. Limited</i>	<i>Paraswanath Residential Paradise Pvt Ltd <sup>1</sup></i>	<i>Paraswanath Residential Paradise Pvt Ltd <sup>2</sup></i>
2.	<i>Continous Forms (Calcutta) Limited</i>	<i>N P S Shinh <sup>2</sup></i>	<i>Paraswanath Residential Paradise Pvt Ltd <sup>2</sup></i>
3.	<i>Arihant Premises Private Limited</i>	<i>N P S Shinh <sup>2</sup></i>	<i>Mangal Prabhat Gumanmal Lodha <sup>4</sup></i>
4.	<i>Microtech Constructions Private Limited</i>	<i>Manita Shinh</i>	<i>Abhisheck Mangal Prabhat Lodha</i>
5.	<i>N P S Shinh</i>	<i>Continuous Forms (Calcutta) Ltd</i>	<i>Abhinandan Mangal Prabhat Lodha</i>
6.	<i>Manita Shinh</i>	<i>Mangal Prabhat Gumanmal Lodha</i>	<i>N P S Shinh</i>
7.		<i>Abhisheck Mangal Prabhat Lodha <sup>5</sup></i>	<i>Manita Shinh</i>
8.		<i>Abhinandan Mangal Prabhat Lodha <sup>6</sup></i>	<i>Continuous Forms (Calcutta) Ltd</i>
9.			<i>Vijay Garg <sup>3</sup></i>
10.			<i>A L Ananthanarayanan <sup>3</sup></i>
11.			<i>Sachinder Pal Singh Shinh<sup>3</sup></i>
12.			<i>Harsimran Shinh<sup>3</sup></i>
13.			<i>Jaideep Singh Shinh <sup>3</sup></i>

14.			Gurmit Singh <sup>3</sup>
15.			NPS Shinh HUF <sup>3</sup>
16.			Avaya Holdings & Trading Pvt Ltd <sup>3</sup>
17.			Mountain Holdings & Trading Pvt Ltd <sup>3</sup>
18.			Manbhav Investments Pvt Ltd <sup>3</sup>
19.			Shiv Prasad Financial Consultants Pvt Ltd <sup>3</sup>
20.			Harsimran Shinh <sup>2</sup>

**Notes:**

1. The name of Paraswanath Residential Paradise Pvt. Limited changed to Siddhnath Residential Paradise Private Limited.
2. Names are appearing twice as folios are different
3. On May 25, 2010, pursuant to the AAIFR order, certain promoter / promoter group entities / individuals (nos 9 -20) transferred their shares to Paraswanath Residential Paradise Pvt. Limited. Relevant disclosures were made under the Sebi Acquisition and takeover guidelines
4. Mangal Prabhat Lodha transferred his shares to Lodha Novel Buildfarms Pvt. Ltd, which in turn transferred the shares to Arihant Premises Private Limited in Oct – Dec 2012
5. Abhishek Lodha transferred his shares to Microtech Constructions Private Limited in Oct – Dec 2012
6. Abhinandan Lodha transferred his shares to Arihant Premises Private Limited in Oct – Dec 2012

Siddhnath Residential Paradise Pvt. Limited, Arihant Premises Pvt. Limited and Microtech Construction Pvt. Limited are wholly owned subsidiaries and are part of the Lodha group.

It may be noted that the initial transfers were (a) inter-se the erstwhile promoters and Lodha Group as envisaged in the BIFR/ AAIFR orders and (b) inter-se the Lodha group individuals and entities.

***All the aforesaid inter-se transfers as aforesaid were before the MPS order of June 4, 2013 and there have been no transfers after that order was passed.***

*Promoter / Promoter group entities were allotted 77,76,104 equity shares of Rs. 10/- each on 6<sup>th</sup> September 2005 and 9<sup>th</sup> November 2005 in accordance with BIFR/AAIFR orders.”*

7. I have considered the submissions made by the Company. I note that the directions passed vide SEBI order dated June 04, 2013 read with order dated September 29, 2015 are in force against the company, its promoters/promoter group and directors except for the purpose of compliance with MPS requirement and till such time the company complies with MPS requirement. The Company had an obligation to comply with MPS requirement on or before June 03, 2013. I note that the public shareholding of the Company as on quarter ended March 31, 2018, as available on BSE website, is 7.68%. Therefore, the company remains non-compliant with MPS requirement as on date.
8. I note that pursuant to the order dated August 22, 2005 of the BIFR and the order dated April 10, 2007 of the AAFIR, which provided for capital reduction to the extent of 90% of capital, preferential allotment of 77,76,104 and 15,00,000 equity shares to promoters and non-promoters respectively and new issue of capital in the ratio of 10:3 pursuant to scheme of demerger, the company's promoter shareholding had increased from 54.59% to 92.32%. As a result of implementation of the said BIFR scheme in the year 2005-2006, the company's promoter shareholding increased from 54.59% to 92.32% resulting in non-compliance with MPS requirement by the company.
9. I note that the company is suspended from trading in exchange since 2001. I further note that the company has made application to BSE for listing of post BIFR scheme share capital and revocation of trading suspension. However, as per the company's submissions, the difference between the share capital issued by the company post BIFR scheme and the listed capital has to be reconciled before the revocation application is processed by BSE.

10. I note that BSE vide letters dated March 06, 2018 has granted listing approval for the following equity shares pursuant to implementation of the BIFR order:

- a. 12,23,896 equity shares of Rs. 10/- each pursuant to reduction of capital under BIFR order;
- b. 77,76,104 equity shares of Rs. 10/- each issued on preferential basis to incoming promoters pursuant to BIFR order;
- c. 15,00,000 equity shares of Rs. 10/- each issued on preferential basis to non-promoters pursuant to BIFR order; and
- d. 31,50,000 equity shares of Rs. 10/- each issued pursuant to Scheme of Demerger under BIFR order.

11. I note from the aforesaid letters of BSE that trading approval by it shall be granted subject to *inter alia* confirmation of credit of aforesaid shares to beneficiary accounts by CDSL and dispatch of shares issued in physical form by RTA. BSE has further stated that equity shares of the company are currently suspended from trading and thus the trading in aforesaid equity shares would commence only after the revocation of suspension.

12. I note that CDSL, vide emails dated March 16, 2018 and April 11, 2018, has also written to SEBI *inter alia* stating that since the corporate action is not completed in its entirety, the exchange will not be in a position to issue the trading approvals and subsequently revoke the suspension. I further note that CDSL has, therefore, proposed that the freeze on the three beneficiaries' (i.e. promoters) accounts be removed temporarily and on completion of corporate action, the freeze be re-imposed as the Company would continue to be non-compliant with the provisions of MPS after giving effect to the aforementioned unlisted capital issues. From the perusal of the submissions made the company, I note that CDSL was unable to give credit to three individuals/entities viz. Manita Shinh, N.P.S. Shinh, and Continuous Forms (Calcutta) Limited, belonging to the promoters/promoter group whose beneficiary accounts were frozen on account of SEBI order dated June 04, 2013 read with Order dated September 29, 2015.

13. I note that for the technical reasons mentioned above, the company has sought the temporary ISIN level de-freezing of accounts of the following shareholders belonging to the promoters/promoter group so that the credit of the capital issued, capital reduction and demerger actions pursuant to BIFR order can be updated in the depository system.

<b>S. No.</b>	<b>Name of the shareholder</b>	<b>PAN No.</b>
1	N.P.S. Shinh	ADDPS2283D
2	Manita Shinh	APVPS5972F
3	Continuous Forms (Calcutta) Limited	AABCC2698A

14. In view of the foregoing, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(1), 11(2)(j), 11(4) and 11B thereof and section 12A of the Securities Contracts (Regulation) Act, 1956, hereby issue the following directions which are in modification of the directions issued vide the interim order dated June 04, 2013 read with SEBI order dated September 29, 2015:

- (i) In respect of the beneficiary accounts of the three entities mentioned under para 13 above, the direction of restraint / prohibition contained in paragraph 17(b) of the interim order dated June 04, 2013 read with order dated September 29, 2015 shall stand modified to allow giving effect to the corporate actions in accordance with the aforesaid Sanctioned Scheme of BIFR / AAIFR.
- (ii) Upon giving effect to the corporate actions as stated in sub-para (i) above, the direction of restraint / prohibition contained in Para 17(b) of the interim order dated June 04, 2013 read with the order dated September 29, 2015 shall automatically take effect and remain in force till such time the company becomes compliant with the MPS norms.

15. Copy of this Order shall be served on the stock exchanges and the depositories for their information and necessary action.

**PLACE: Mumbai**

**DATE: April 19, 2018**

**G MAHALINGAM  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA**