

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER**

ORDER

Under Sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992, against the past Director of Sunplant Forgings Limited, viz. Shri Ameet Singh (PAN: BWIPS3911H; DIN: 02885973).

1. Securities and Exchange Board of India ("**SEBI**") vide an Order bearing no. WTM/PS/07/ERO/APR/2015 dated April 29, 2015 ("**Final Order**"), passed certain directions as mentioned at **paragraph 23** thereof, against Sunplant Forgings Limited ("**SFL**") and its Directors, viz. Shri Abhinandan Kumar Singh, Shri Sumanta Sinha and Shri Neeraj Pathak, for violating the provisions of Section 56, Section 60 read with Section 2(36), Section 73 of the Companies Act, 1956 read with Section 27(2) of the SEBI Act, 1992 ("**SEBI Act**"), by engaging in fund mobilising activity from the public, through the *issue of Redeemable Preference Shares ("**Offer of RPS**")*.
2. As per the findings contained in the Final Order, the offer and allotment of *Redeemable Preference Shares* made by SFL to approximately 6658 investors during the Financial Year 2011–2012, has been held to be a '*public offer of RPSs*' in accordance with the *first proviso* to Section 67(3) of the Companies Act, 1956.
- 3.1 It has now come to SEBI's notice that the following person was earlier a Director of SFL during the *Offer of RPS* –

Sr. No.	Name	PAN	DIN	Date of Appointment	Date of Cessation
1.	<i>Ameet Singh</i>	<i>BWIPS3911H</i>	<i>02885973</i>	<i>January 15, 2011</i>	<i>February 28, 2012</i>

- 3.2 In this context, it is noted that –
 - i. Section 56(1) and 56(3) read with Section 56(4) of the Companies Act, 1956, imposes liability for compliance of the aforesaid provisions, on the company, every Director and other persons responsible for the issuance of the prospectus.

- ii. Section 60 of the Companies Act, 1956, imposes liability for compliance of the aforesaid provision, on the company and every person who is a party to the issue of the Prospectus.
 - iii. Section 73(2) of Companies Act, 1956, imposes liability for compliance of Section 73, on the company and every Director of the company who is an *Officer in default*.
 - iv. Section 27(2) of the SEBI Act provides SEBI with *inter alia* the power to proceed against Director(s) of companies who have illegally mobilized funds from the public through the issue of securities.
- 3.3 Upon a consideration of the aforementioned paragraphs, I am of the view that Shri Ameet Singh was also engaged in fund mobilising activity from the public, in his capacity as a Director of SFL, through the *Offer of RPS* and as a result of the aforesaid activity, has violated the aforementioned provisions of the Companies Act, 1956 and the SEBI Act.
4. In view of the alleged violations by the abovementioned past Director, I, in exercise of the powers conferred upon me under Sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following directions –
- i. The past Director of SFL, viz. Shri Ameet Singh (PAN: BWIPS3911H; DIN: 02885973), is prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;
 - ii. The abovementioned past Director of SFL is restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions;
 - iii. The abovementioned past Director of SFL shall provide a full inventory of all his assets and properties.
- 5.1 The abovementioned past Director of SFL is advised to show cause as to why suitable directions/prohibitions under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, Section 73(2) of the Companies Act read with Section 27(2) of the SEBI Act including the following, should not be taken/imposed against him:
- i. Directing him jointly and severally to refund money collected through the *Offer of Preference Shares* alongwith interest, if any, promised to investors therein;

- ii. Directing him not to issue prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, for an appropriate period;
 - iii. Directing him to refrain from accessing the securities market and prohibiting him from buying, selling or otherwise dealing in securities for an appropriate period.
- 5.2 The abovementioned past Director of SFL, may, within 21 days from the date of receipt of this Order, file his reply, if any, to this Order and may also indicate whether he desires to avail himself an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
6. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the abovementioned past Director of SFL in accordance with law.
7. This Order shall be read with the Final Order, copy of which is enclosed with this Order.
8. A copy of this Order shall be served on all recognized stock exchanges and depositories for necessary action.

Place: Mumbai
Date: November 20, 2015

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA