BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/PB/PP/2021-22/13171)

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

In respect of:
Core Capital Services Ltd.
(CIN: U74899DL1995PLC066243)
Plot No 3 Gali No 3
Eastguru Angad Nagar,
Laxmi Nagar, Delhi-110092

In the matter relating to the Initial Public Offering of ECO Friendly Food Processing Park Ltd.

FACTS OF THE CASE

1. Securities and Exchange Board of India (herein after referred to as "**SEBI**") conducted an investigation in the matter relating to the Initial Public Offering (**IPO**) of ECO Friendly Food Processing Park Ltd., (hereinafter referred to as '**ECO**' or '**the Company**'). On the basis of investigation conducted by SEBI, it was inter-alia alleged that Core Capital Services Ltd., (hereinafter referred to as "**Noticee**") and 18 other entities violated the provisions of sections 12A(a), 12A(b) and 12A(c) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**"), and regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). Accordingly, adjudication

proceedings was initiated against the Noticee and 18 other entities under section 15HA of SEBI Act for the alleged violations of the aforementioned provisions SEBI Act and PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

2. Shri K Saravanan, Chief General Manager was appointed as the Adjudicating Officer (AO), vide Communiqué dated June 29, 2017 under section 19 read with section 15-I(1) of the SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of section 15HA of the SEBI Act, the alleged violations of the relevant provisions of SEBI Act and PFUTP Regulations by the Noticee. Pursuant to the transfer of Shri K Saravanan, the undersigned has been appointed as the AO in the matter vide Communiqué dated July 14, 2021.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

3. A common show cause notice dated March 08, 2018 (hereinafter referred to as 'SCN') was issued, *inter-alia*, to the Noticee and 18 other entities in the matter, under the provisions of Rule 4(1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed on them under section 15HA of the SEBI Act for alleged violation of the relevant provisions of law. The allegations in the SCN *inter alia* are as follows:

1. It is observed that ECO came out with an IPO to raise Rs. 751.50 lacs by way of issue of 30,06,000 equity shares of Rs. 10 each at an issue price of Rs. 25 which got listed at BSE - SME segment on January 14, 2013. The price of the scrip opened at Rs 24.50 went up to a high of Rs 26 and closed at Rs 25.55 on the listing day. The issue size constituted 30.04% of post issue shares, of Rs.10 each.
2. It is alleged that certain entities including the Noticee were found to have connection with ECO directly / indirectly and have funded the IPO applicants.
3. Further, on perusal of bank accounts of the retail investors, it is alleged that out of 376 retail applicants, applications of 298 applicants were funded by the funding group entities including the Noticee who received the funds back from the IPO proceeds.
4. The table below summarizes the fund movement between the company, Noticee and IPO allottees.
Analysis of Funding of IPO Allottees:

SN	***Funding Entity***	***Bank A/c (Annexure -G)***	***Observations***

1	*Core Capital Services Ltd.*	*Axis Bank-* ***911020041813884***	• ***Core Capital Services Ltd*** *had receievd Rs. 101 lacs from AMS Powertronic Pvt. Ltd.* and further it had paid Rs. 60 lacs for ASBA application.* • *It had given fund of Rs. 1.50 lacs each to 2 retail allottees for making application in IPO of ECO. (2 allottees got allotment)*

**** Sumit Kumar is common Director in AMS Powertronic Pvt. Ltd. and Core Capital Services Ltd.***
AMS Powertronic Pvt. Ltd. had fund movement with ECO.

The table below shows the summary of number of shares allotted for which amount was funded by the Noticee:

SN	***Funding Entity***	***Amount funded (Rs. lacs)***	***No. of allottees got allotment***	***No of shares allotted***
1	*Core Capital*	*3*	*2*	*12,000*

5. It is inter alia alleged that out of 30, 24,000 shares allotted, 25, 92,000 shares i.e. 85.71% of shares were allotted to the entities who received funds to make application in IPO from entities directly/ indirectly connected with ECO.
6. It is observed that IPO of ECO would not have got minimum subscription had the funding group not funded the applicants. Thus, it is alleged that ECO and its Directors in connivance with the Noticee and other connected entities employed a fraudulent scheme to get the IPO subscribed in a fraudulent manner by directly/ indirectly funding the IPO applicants.
7. In view of the above facts and observations it is alleged that Noticee has violated section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of PFUTP Regulations.

4. The said SCN was sent through RPAD to the last known address of the Noticee as per the records. However, the SCN had returned undelivered with the comment "*left without address*".

5. Thereafter, during the course of the proceedings, the status of the Noticee was ascertained from the Ministry of Corporate Affairs (MCA) website. It was observed that the name of the Noticee has been struck off from the list of companies by the Office of Registrar of Companies, NCT of Delhi and Haryana (RoC). As per the Public Notice (Form No. STK-7 ref. no. ROC-DEL/248(5)/STK-7/5071 dated 01.09.2017), which was downloaded from the MCA website, a list of 24945 companies (Annexure "A") were attached as per the Notification issued by RoC, in terms of sub-section (5) of section 248 of the Companies Act, 2013 and rule 9 of the Companies (Removal of Names of companies from the Register of Companies) Rules, 2016. I find that the name of the Noticee was mentioned in the said list (at sl.no. 4350 under CIN U74899DL1995PLC066243). The Notification dated 01.09.2017

downloaded from the Ministry of Corporate Affairs (MCA), Government of India, (www.mca.gov.in) website *inter alia*, mentioned the following:
"…..Notice is hereby published that pursuant to sub-section (5) of Section 248 of the Companies Act, 2013 the name of the Companies as specified in Annexure "A" have this day i.e. 21st day of August 2017 been struck off the register of companies and the said Companies are dissolved."

6. It is an established fact that when a company's name is struck-off from the RoC list and the company is also dissolved, it is a non-existing company and the adjudication proceedings against the non-existing company is thus nullity. In this context, I would like to draw reference to a judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income Tax (CIT) vs Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 in which it was held that - *"When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*.
7. Further, Black's Law Dictionary explains 'dissolution' as termination or winding up. It further clarifies that the dissolution of a corporation is the termination of its legal existence. Strike off essentially means removing the name of the company from the Register maintained by the Registrar of Companies. It is like closure of the company and the company will not be in existence after being struck- off and cannot perform any operations.

8. It is pertinent to note that, in the context of the alleged manipulation in the matter of ECO; vide SEBI interim order dated June 29, 2015, certain entities including Noticee were put under restraint from accessing securities market

till further directions. Thereafter, SEBI in exercise of the powers conferred under sections 11(1), 11(4) and 11B read with section 19 of the SEBI Act, vide final order dated December 22, 2020 *inter alia*, directed as under-

"v. The Noticees, as mentioned below are hereby restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever manner, for the period specified in their respective columns":

"Sr. no.	***Name of the Entity***	***Debarred vide interim order***	***Period of debarment***
13	*Core Capital Services Ltd.*	*Yes*	*Till date of this order"*

9. Therefore, in view of the facts and circumstances noted in the preceding paragraphs and also the fact that the Noticee's name has been struck-off from the RoC list and also 'dissolved' as on 21.08.2017 as per the RoC notification. I conclude that the present adjudication proceedings initiated against the Noticee vide SCN dated March 08, 2018 cannot be proceeded with.

ORDER

10. In view of the above observations/findings and in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, I hereby dispose of the Adjudication Proceedings initiated against the Noticee viz. Core Capital Services Ltd. vide SCN dated March 08, 2018.

11. In terms of the provisions of rule 6 of the Adjudication Rules, copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai **PARAG BASU**

Date: August 27, 2021 **ADJUDICATING OFFICER**