BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/AS/RM/2024-25/31149-31166)

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:

Noticee No.	Name of the Noticee	PAN
1	M/s Urja Global Limited	AAACC0367M
2	Honey Gupta	ALLPG7605D
3	Yogesh Kumar Goyal	ASXPG 1218M
4	Aditya Venkatesh	AGHPV8923A
5	Dheeraj Sisodia	BCTPS9910B
6	Mohan Jagdish Agarwal	AGMPA0728K
7	Sunil Kumar Mittal	AXSPM4529P
8	Rajiv Gupta	AEQPG3549A
9	Mita Sinha	AGOPS8899K
10	Payal Sharma	ANUPS3895G
11	Prithwi Chand Das	AGTPD0404A
12	Gaurav Agarwal	ATFPA3651B
13	Arun Bhardwaj	AAMPB7890H
14	Akshay Mehta	BLAPM7077B
15	Manisha Jain	BMJPJ6349H
16	Niyukti Singh	GQWPS3470N
17	Preeti Kataria	AIOPV1812H
18	Kanika Arora	BVDPA10588

In the matter of Urja Global Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India ('hereinafter referred to as 'SEBI') upon receipt of certain complaints, carried out an examination to ascertain the authenticity of the announcements made by Urja Global Limited and also to ascertain whether the same is in accordance with requirements prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 **("LODR Regulations").** Based on the findings of examination, and observed non-compliances, SEBI initiated adjudication proceedings against:

   a) M/s Urja Global Limited (hereinafter referred to as **Noticee 1**/Company/Urja):

i. under Section 15HB of SEBI Act, 1992 for the alleged violation of Reg. 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of LODR Regulations; Regulation 30(2) of LODR Regulations read with SEBI Circular dated Sep 09, 2015; Regulation 17(7) of LODR Regulations read with Schedule II of LODR Regulations; Regulation 34(3) of LODR Regulations read with Schedule V of LODR Regulations; Regulation 30(7) of LODR Regulations.

ii. under Section 15HA of SEBI Act, 1992 for the alleged violation of Reg 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003

iii. under Section 15A(a) and 15A(b) of SEBI Act, 1992 for the alleged violation of 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of LODR Regulations

b) Honey Gupta (hereinafter referred to as **Noticee 2**), Yogesh Kumar Goyal (hereinafter referred to as **Noticee 3**), Aditya Venkatesh (hereinafter referred to as **Noticee 4**), Dheeraj Sisodia (hereinafter referred to as **Noticee 5**), Mohan Jagdish Agarwal (hereinafter referred to as **Noticee 6**), Sunil Kumar Mittal (hereinafter referred to as **Noticee 7**):

i. under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

ii. under Section 15HA of SEBI Act, 1992 for the alleged violation of Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003

c) Noticee 2, Noticee 5, Noticee 6, under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)iii(3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct; Regulation 4(2)(f)i(2) and 4(2)(f)ii(8), 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with

Clause A and C and Clause 2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct; Regulation 17(7) read with Schedule II of LODR Regulations.

d) Noticee 6 under Section 15A(a) of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)i(2) and 4(2)(f)ii(8), 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A and C and Clause 2,3 and 4of the Duties of Director Section in the Company's Code of Conduct

e) Notice 3 and Noticee 6 under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f) iii (3), 4(2)(f) iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct

f) Rajiv Gupta (hereinafter referred to as **Noticee 8**), Mita Sinha (hereinafter referred to as **Noticee 9**), Payal Sharma (hereinafter referred to as **Noticee 10**), Prithwi Chand Das (hereinafter referred to as **Noticee 11**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f) iii (3), 4(2)(f) iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations;

g) Noticee 8 under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct

h) Noticee 9, Noticee 10, and Noticee 11 under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 17(5)(b) of LODR Regulations read with 2015 read with Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6 III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013; Regulation 26(3) read with Clause 2,7,11 and 12 of the Duties of Independent Directors' Section of the Annual Report.

i) Noticee 5, Gaurav Agarwal (hereinafter referred to as **Noticee 12**), Arun Bhardwaj ((hereinafter referred to as **Noticee 13**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 26(3) of LODR Regulations read with Clause A,C,L,H and M of the Code of Conduct of for Directors and Senior Management Personnel;

j) Akshay Mehta (hereinafter referred to as **Noticee 14**), Manisha Jain (hereinafter referred to as **Noticee 15**), Niyukti Singh (hereinafter referred to as **Noticee 16**), Preeti Kataria (hereinafter referred to as **Noticee 17**), Kanika Arora (hereinafter referred to as **Noticee 18**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 6(2)(a) and 6(2)(c) of LODR Regulations, 2015; Regulation 17(7) read with Schedule II of LODR Regulations

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI appointed Mr. Shashi Kumar Valsakumar, Chief General Manager as Adjudicating Officer in the matter vide order dated November 17, 2023. Pursuant to the transfer of the erstwhile AO, undersigned was appointed as the Adjudicating Officer, vide order dated July 22, 2024, under Section 19 of the SEBI Act read with Section 15-I (1) of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules'**) to inquire into and adjudge under the provisions of the Section 15A(a), 15A(b), 15HA, 15HB of the SEBI Act for the violations alleged to have been committed by the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice bearing reference no. SEBI/HO/EAD-8/SV/RM/2024/11131/1-24 dated March 19, 2024 (hereinafter referred to as **'SCN'**) was issued to the Noticees in terms of the provisions of Rule 4(1) of the SEBI Adjudication Rules read with Section 15-I of the SEBI Act, requiring the Noticees to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed upon the Noticees under Section 15A(a), 15A(b), 15HA,15HB of the SEBI Act for the alleged violations. The allegations levelled against the Noticees in the SCN are summarized in the following paragraphs:

4. Urja Global Limited was incorporated on May 29, 1992 and as stated in its Annual Report for the FY 2021-22, the Company is primarily engaged in the business of "Design, Consultancy, integration, supply, installation, commissioning & maintenance of off-grid and grid connected Solar Power Plants and decentralized Solar Application."

5. SEBI was in receipt of a complaint regarding misleading disclosures by Urja, specifically with respect to the agreement with Nippon Shinyaku Co. Ltd., having its registered office in Japan, for supply of product i.e. Zacobite for five years. Having examined the above complaint along with disclosures of MOUs by M/s Urja Global Ltd. from April 01, 2018 to August 21, 2019, SEBI issued order no. WTM/AB/CFD/CMD-2/16388/2022-23 dated May 13, 2022 against the company and 6 other entities directing as under:

a) *Urja Global Limited was restrained from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and is further prohibited from accessing the securities market by raising money from public, for a period of 2 years from the date of this order.*

b) *Mr. Yogesh Kumar Goyal (Noticee no. 2), Mr. Sunil Kumar Mittal (Noticee no. 3), Ms.Priya Bhalla (Noticee no. 6) and Mr. Avinash Kumar Agarwal (Noticee no. 7) were restrained from buying selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and are further prohibited from being associated with any registered intermediary / listed company or any public company which intends to raise money from public in the securities market, for a period of 2 years from the date of this order.*

c) *For a period of three years from the date of this Order, prior to making any corporate announcement under Regulation 30 of the LODR Regulations:*

(i)The Company shall obtain certification of authenticity of such corporate announcement from a practicing Company Secretary.

(ii)The Company shall include in such certificate as referred to in sub-clause (i) above, the status of previous corporate announcements made by it in the last 10 years under Regulation 30 of the LODR Regulations, except for the periodical financial results declared from time to time. The Company shall also ensure strict compliance of the provisions of Regulation 30(8) of the LODR Regulations.

6. During the course of above examination, SEBI was in receipt of further complaints regarding the following alleged misleading/manipulative disclosures by the company:

S No.	Announcement/Disclosure made on Exchange	Date of disclosure
1	Urja Global Ltd. signs MoU with Malbro Group, Africa	March 21, 2016
2	Urja Global Ltd. enters in a JV with Shenxian Ganghang Automobile Sales Co. Ltd (China) for development of Electric car	December 07, 2019
3	Urja Global Ltd. enters in a JV with Ogata Motors India Pvt Ltd. (Gurgaon)	July 01, 2020
4	Urja Global Ltd. signs MoU with FVM Industries Ltd.	October 20, 2020

5	Update On Set Up Of Assembling Unit In Nashik, Maharashtra (Western Zone)	March 22, 2022
6	MOU with Govt. of UP	March 03, 2023

7. During the examination, it was noticed that the company made one more announcement under Regulation 30 of LODR on June 8, 2023, wherein it was inter-alia mentioned that Urja signed an agreement with Tesla Power India Pvt Ltd. for the purpose of Manufacturing and Supply of batteries under Tesla Power USA brand. The agreement of Urja with Tesla Power India Private Limited was also taken up for examination.

8. The examination period was taken as March 21, 2016 to March 28, 2016 and December 07, 2019 to June 15, 2023. The examination was done on the following announcements/disclosures made on BSE:
   a) Urja Global Ltd. signs MoU with Malbro Group (hereinafter referred to as Malbro), Africa vide disclosure dated March 21, 2016
   b) Urja Global Ltd. enters in a JV with Shenxian Ganghang Automobile Sales Co. Ltd (China) (hereinafter referred to as Shenxian), for development of Electric car vide disclosure dated December 07,
   c) Urja Global Ltd. enters in a JV with Ogata Motors India Pvt Ltd. (Gurgaon) (hereinafter referred to as Ogata), dated July 01, 2020
   d) Urja Global Ltd. signs MoU with FVM Industries Ltd (hereinafter referred to as FVM), dated October 20, 2020
   e) Update On Set Up of Assembling Unit in Nashik, Maharashtra (Western Zone) dated March 22, 2022
   f) Urja Global signs MOU with Govt. of UP dated March 03, 2023
   g) Intimation for signing of agreement dated June 08, 2023 regarding agreement with Tesla Power India Private Limited

9. Inter-alia following documents were also relied upon during the examination:
   a) Comments from the Company to SEBI and to the Stock Exchange.
   b) Exceptional Report of the Exchange and site visit of FVM conducted by BSE.
   c) Comments from the counter-parties to the MOU/agreement.
   d) Background check of the counterparties and verifying the claim of the Company through internet searches.
   e) Certificate of authenticity provided by the Practicing Company Secretary (PCS) dated February 07, 2023.

10. The complaint of fake disclosures was examined by BSE. BSE submitted exceptional report in the matter on September 20, 2022. The general findings of the BSE in the exceptional report were as under:

a) The Company was making disclosures regarding orders awarded to it, accompanied with forward looking statements that the orders would help the Company gain a multi fold rise in business and also entered into various MOUs with counter parties.

b) The claims made by the Company in the announcements are not supported by actual financials.

c) Company has not submitted all the material details and continuous disclosures about the MOU it had entered into.

d) Company has not submitted adequate and timely information to recognized stock exchange(s) and investors.

11. Upon receipt of the exceptional report by the BSE, comments were sought from the Company by emails. The documents sought from the Company, inter-alia, included the copy of the JV agreements/MOU, the reasons for delay in implementation of the MOU, clarifications on certain other queries with supporting documents. The copy of the JV agreement with Shenxian and MOU with FVM, Ogata, Malbro and Govt. of UP and agreement with Tesla were placed on records.

12. The details of the announcements with respect to entering into MOU/JV agreement made under Regulation 30 are as under:

Particulars of the Announcement made by Urja	**Contents of the announcement /Observations on the announcement**
Joint Venture Agreement between Urja and Shenxian dated December 07, 2019 Announcement dated December 07, 2019	*The company (Urja) had entered into a joint venture Agreement with Shenxian Ganghang Automobile Salés 'Co. Ltd., a Chinese company (hereinafter referred to as Shenxian).* *The purpose of the joint venture agreement is sales and development of E-Dream (Electric Car).*
Announcement regarding MOU between Urja and FVM dated October 20, 2020	*The company(Urja) had entered into a MOU with one Indian entity, named M/s FVM Industries (India) Private Limited, having address at SORO, Balasore, Odisha 756045 for sale of 1,00,000 pieces of E-Scooty annually worth INR 480 crores.* *FVM Industries shall devote their full time and strength as a distributor of Urja Global Limited in the state of Maharashtra and eastern region states of Odisha, Bihar, West Bengal and Jharkhand)*
Announcement regarding MOU between Urja and Ogata dated July 01, 2020	*Urja Global Limited has signed a Memorandum of Understanding (MOU) with Ogata Motors India Private Limited, Plot No. 97, Sector – 8, IMT Manesar, Gurgaon, Haryana – 122051 for manufacturing of*

	Electric Vehicles (E – Scooters, E- Autos and E – Cars) in the National Capital i.e. Delhi on June 23, 2020.
Announcement regarding MOU between Urja and Malbro Energy Limited dated March 21, 2016.	*The company had entered into a MOU with one African entity, named M/s Malbro Energy Limited (Malbro Group) on March 16, 2016.* *Malbro is engaged in energy, power projects and is interested in the business of designing, developing, manufacturing, and distributing the solar products which include Solar lantern, solar home lighting system, solar street lighting system, solar water heater, LED lights, solar roof top systems, solar power packs, solar batteries, inverter batteries, automotive batteries in Malawi, Mozambique, Democratic Republic of Congo, Zambia, Zimbabwe and Tanzania.*
Announcement dated March 22, 2022 regarding assembling unit in Nashik, Maharashtra	*Urja has set up an Assembling unit for E-Scooters at 441/1/A Plot No. 1, Kadambvan Society, Ambad Link Road, Nashik 422007 on 22nd March 2022 for supply in western zone of India.*
Announcement regarding MOU between Urja and Govt. of Uttar Pradesh (UP) dated March 03, 2023	*MOU has been entered for the project for the project namely Solar Based charging stations & Electric Car Manufacturing Unit.*
Announcement regarding signing of agreement with Tesla Power India Private Limited	*Urja has entered into Agreement on 07th June, 2023 with Tesla Power India Private Limited for the purpose of Manufacturing and* *Supply of batteries under the TESLA POWER USA brand. The details, as required under the SEBI circular CIR/CFD/CMD/4/2015 dated September 09, 2015 are mentioned in the announcement.*

13. In terms of Regulation 30 of LODR Regulations read with SEBI Circular dated Sep 9, 2015, the following details needs to be disclosed regarding the agreement.

    i. *shareholding, if any, in the entity with whom the agreement is executed;*

    ii. *significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;*

    iii. *whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;*

    iv. *whether the transaction would fall within related party transactions*

    v. *any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;*

14. In view of the above, it was observed that all the aforesaid announcements, except the announcement with Tesla Power India Private Limited, made under Regulation 30 of LODR

Regulations regarding the MOU/JV agreement with the entities were allegedly incomplete and lack the details as mentioned above.

15. Therefore, the aforesaid announcements by Noticee 1 (other than that with Tesla Power India Private Limited) were allegedly not in compliance with Regulation 30 of LODR read with SEBI Circular dated September 09, 2015. Hence, Noticee 1 was allegedly in violation of Regulation 30(2) of LODR Regulations read with SEBI Circular dated Sep 09, 2015.

16. Further, the Compliance Officer is responsible to ensure that the information filed by the listed entity is correct and authentic. Therefore, Compliance Officers (Akshay Mehta (Noticee 14), Manisha Jain (Noticee 15), Niyukti Singh (Noticee 16), Preeti Kataria (Noticee 17), Kanika Arora (Noticee 18) of the company at the relevant time were allegedly in violation of Regulation 6(2)(c) of LODR Regulations.

17. In regard to the procedures followed by the Company for approval of the aforesaid announcements, observations made are described herein below.

18. It was observed from the submissions of Urja that the date of the agreement and the date of post ratification by the Board is as under:

Date of Agreement	**Date of Ratification by the Board**
March 16, 2016- MOU with Malbro	May 28, 2016
December 07, 2019- JV agreement with Shenxian	February 10, 2020
June 23, 2020- MOU with Ogata	June 27, 2020
October 17, 2020- MOU with FVM	November 11, 2020
MOU with Govt. of UP-February 18, 2023	Not provided by the Company till date
Agreement with Tesla Power India Pvt. Ltd- June 07, 2023	Not provided by the Company till date

19. Further, it was observed that the minutes of the Board meeting in which the agendas pertaining to the aforesaid MOUs/JV agreement have been approved stated as under:

Agenda	**Relevant extract of minutes of meeting**
JV agreement with Shenxian dated December 07, 2019, approved by Board on February 10, 2020	The Company has entered into a JV agreement with M/s Shenxian Ganghang Automobile Sales Co. Ltd dated December 07, 2019 having its registered office at No. 318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province for electric car. The Board took note of the same.
MOU with FVM dated October 17, 2020,	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with FVM, Balasore, Odisha on October 17, 2020 in Delhi for

approved by Board on November 11, 2020	distribution of electric vehicles in the states of Maharashtra and eastern region states (Odisha, Bihar, West Bengal and Jharkhand). The Board hereby took note of the same.
MOU with Ogata dated June 23, 2020, approved by the Board on June 27, 2020	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with Ogata Motors India Private Limited on June 23, 2020 in Delhi for manufacturing of electric vehicles. The Board hereby took note of the same.
MOU with Malbro energy Limited dated March 16, 2016 and approved by the Board on May 28, 2016	The Company has entered into a MOU with one of African party, namely M/s Malbro Energy Limited, a group company of Malbro Industries. The Company plans to expand its business in various African countries through Malbro Group. The Board took note of the same.
Announcement dated March 03, 2023 regarding MOU with Govt. of UP.	Company did not provide the minutes of the Board meeting in which the instant agenda was approved.
Agreement with Tesla Power India Private Limited	Company did not provide the minutes of the Board meeting in which the instant agenda was approved.

20. It was observed during the examination, which is detailed in paragraphs below, that the minutes of the respective Board meetings in which the agendas pertaining to the MOUs/JV agreement were approved, that it contain no additional details other than those which are mentioned in the announcement itself.

21. In terms of Secretarial Standards-1 (SS-1), brief description of the discussions which took place should be recorded in the Minutes of the Board Meetings, as evidence of the fact that the Board has considered and deliberated the matter before taking any decision on the same. Considering that minutes of the Board meetings do not contain any record of discussion/deliberation, it was alleged that no discussion on financials, plan of implementation etc. took place on the agenda item of the MOUs/JV agreement. The Board merely took note of the same.

22. Clarification was sought from Urja seeking the procedure for selection of the counter-parties with whom the MOUs/JV agreement was entered. Urja was not able to provide any reason or logic for entering into MOU/JV agreement with these entities as the selection of these entities was not backed by any study, research report etc. Accordingly, the agenda papers placed before the Board for ratification of the Board were sought from Urja.

23. The agenda papers with respect to the aforesaid MOUs stated as under:

MOU/JV agreement	Content of the agenda papers placed before the Board
JV agreement with Shenxian dated December 07, 2019	The Company had entered into a Joint Venture Agreement M/s Shenxian Ganghang Automobile Sales Co. Ltd. having its registered office at No.318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province for Electric Car. The Board may take the note of the same.
MOU with FVM dated October 17, 2020	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with FVM Industries(India) Private Limited, Balasore, Odisha on October 17, 2020 in Delhi for distribution of Electric Vehicles in the state of Maharashtra and eastern region states (Odisha, Bihar, West Bengal, Jharkhand). The Board may take the note of the same.
MOU with Ogata dated June 23, 2020	The Board may review, discuss and approve the MOU with Ogata Motors India Private Limited, Manesar, Haryana for manufacturing of Electric Vehicles. The Board is requested to note and take on record the same.
MOU with Malbro dated March 16, 2016	The Company has entered into a Memorandum of Understanding (MOU) with one of African Party, namely M/s Malbro Energy Limited, a group company of Malbro Industries. The Company plans to expand its Business in various African Countries through Malbro Group. The Board is requested to take note of the same.
MOU with Govt. of UP and agreement with Tesla Power India Private Limited	Details not provided by the Company.

24. Upon perusal of the agenda papers placed before the Board for the approval/ratification of the aforesaid announcements regarding Urja entering into aforesaid MOUs/JV agreement, it was observed that complete details of the MOU/agreement, i.e. the basis for selection of the counter-party, profile of the counter-party, business expansion areas, synergies proposed to be achieved through the agreement/MOU, financial impact of the MOUs, plan of implementation etc. had not been stated in the agenda papers placed before the Board.

25. The agreement/MOU itself was not placed before the Board for its consideration. Moreover, the Board of Directors also did not call for any additional information regarding the agreements/MOU and ratified the same without any discussion or deliberation.

26. The minutes of the Board meetings in which there were deliberations on the MOU/JV agreement other than the Board meetings in which the agendas pertaining to the MOUs were approved, was sought from the Company vide email dated May 09, 2023. However, the

Company failed to provide the same. In view of the same, it was alleged that neither any discussion had taken place on the MOUs after their ratification post facto by the Board nor did the Board seek any update or deliberate upon the same.

27. Considering the above, it is not clear how these entities were shortlisted and MOUs have been entered into.

28. Further, the lack of discussion and deliberation by the Board on the agenda items relating to the MOUs reflects poorly on the functioning of the Board, especially on the functions of Independent Directors (IDs). It is also observed that no further update on the agenda items pertaining to MOUs/JV agreement was placed before the Board nor the Board members sought any update on the same.

29. The responsibility of the Board of Directors (BOD) is to take an informed decision and to act with due diligence and care, in the best interests of the company and its shareholders. It is observed that BOD, including the IDs, simply endorsed and took note of what was placed by the management instead of deliberating and taking a considered view.

30. The function of the independent directors is to bring in objectivity, balance the conflicting interests of the stakeholders, safeguarding the interests of minority shareholders, ensure that adequate deliberations are held and raise concerns about any unethical behavior or suspected fraud in the affairs of the Company.

31. In the instant matter, independent directors of Urja allegedly failed to take an independent and objective view on the issues placed before it and also allegedly failed to ensure that adequate deliberations are held by not seeking additional information w.r.t. incomplete agenda items placed before it.

32. Hence, the Board (Noticee 2, 3, 4, 5, 6, 7, 8) did not effectively discharge their responsibility and therefore, they were alleged to be in violation of principle 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, Regulation 26(3) of LODR Regulations read with Clause A, C, H and M of the Company’s Code of Conduct.

33. The Independent Directors (Noticee 9, 10, 11), did not effectively discharge their responsibility and therefore, they were alleged to be in violation of principle 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, Regulation 26(3)

of LODR Regulations read with Clause A, C, H and M of the Company's Code of Conduct. Further, the independent directors (Noticee 9, 10, 11) allegedly failed to comply with Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013. The IDs have also allegedly not complied with Regulation 26(3) read with Clause 2, 7, 11 and 12 of the *Duties of Independent Director* in the Company's Code of Conduct.

34. In this context, it may be further noted that Managing Director of the Company is involved and responsible for day to day activities and obligated to keep the entire Board informed of complete and accurate information for a healthy and objective decision making process. MD while being the signatory of most of the MOUs failed to apprise the Board of complete information.

35. Further, Mr. Dheeraj Sisodia (Noticee 5) (who was Managing Director of the Company at the time of FVM, CEO at the time of JV agreement/MOU with Shenxian and Additional Director at the time of Ogata) and Mr. Honey Gupta (Noticee 2) (who was MD at the time of Malbro) also allegedly failed to effectively discharge their obligations by placing incomplete information to the Board and also failed to maintain operational transparency and ethical standards within the Company. Hence, the Noticee 2 and 5 were alleged to have not complied with 4(2)(f)i(2), 4(2)(f)ii(8), 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations. The Noticee 2 and 5 are also alleged to be in non-compliance of Regulation 26(3) of LODR Regulations read with Clause A and C and Clause 2, 3 and 4 of the *Duties of Directors* Section in the Company's Code of Conduct.

36. Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors under Schedule II Part A of LODR Regulations, wherein it is stated that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. Considering that requisite information was not placed before the Board, Urja was alleged to be in violation of Regulation 17(7) of LODR Regulations.

37. The Managing Director (Noticee 2 and 5), being signatory to the agreement and in-charge of day to day operations of the Company, were alleged to be in violation of Regulation 17(7) of LODR Regulations by failing to place the minimum information before the Board of directors to enable them to take an informed decision in the interests of the stakeholders of the Company.

38. Further, the Compliance Officer ((Akshay Mehta (Noticee 14), Manisha Jain (Noticee 15), Niyukti Singh (Noticee 16), Preeti Kataria (Noticee 17), Kanika Arora (Noticee 18), being secretary to the Board of the Company allegedly failed to place complete information and the agenda item before the Board to facilitate efficient decision making by the Board and was, therefore, in violation of Regulation 17(7) of LODR Regulations.

Observations on the authenticity of the MOUs/agreements in light of the modifications in the object clause as mentioned in MOA of Urja

39. Upon perusal of the corporate announcement dated August 02, 2021 [explanatory statements to the notice to shareholders], it was observed that Urja had placed before its shareholders an agenda for amendments in the MOA of the Company. The same was approved by the shareholders in the AGM held on August 25, 2021. The copy of the previous MOA and the altered MOA of the Company is placed on records.

40. The relevant extract of the aforesaid corporate announcement is produced below:

The following new Clauses III (A) 5 and 6 be <u>hereby added to</u> the existing main clauses be numbered accordingly.

"5. To carry on the business of manufacturing, dealing, trading, fleet operating, leasing and renting of all:

I. Electric Vehicles i.e. Two, Three, four and multi wheeler including electric Cycle, electric Scooters, Electric cars, Electric Buses, Electric heavy weight vehicles and other battery operated vehicles that can be charged through solar energy or electricity generated through any renewable/ non-renewable source of power and

II. Spare parts thereof inclusive of any equipment (like motors, controllers, power trains, batteries or any advanced energy storage devices like lithium-ion battery, Aluminium-- ion battery, lead acid battery, super capacitors, which can store energy in form of electrical, chemical and mechanical.

III. To carry on business such as manufacturing, installation, import, export, re-licenses, periodic inspections of sweeping/ charging station of all kinds of electric vehicles & batteries and to provide fleet services.

To open Urja Kendra to provide training to the unemployed youth for trading, marketing of solar products, panels, batteries, e-vehicles and other products including installation of charging stations."

41. It is observed that the Company had entered into JV agreement with Shenxian in December 2019 for sales and development of electric cars, with FVM in October 2020 for distribution of e-scooters in the eastern states and with Ogata in June 2020 for manufacture of electric vehicles. However, the requisite amendments, to include the business line of electric vehicles, were made in the MOA only on August 25, 2021, i.e. 1-2 years after entering onto agreement/MOU.

42. According to Section 4(1)(c) of the Companies Act, 2013, every MOA must contain the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. The object clause of the company defines the activities which will be carried on by the company and that outlines the scope of business.

43. Considering the above, it was alleged that at the time of entering into JV agreement/MOU with Shenxian, FVM and Ogata, Urja was not authorized by its MOA to enter into the business of electric cars and therefore, the agreements itself were allegedly ultra-vires and void. Further, it is observed that the same was neither pointed nor acted upon by the Board of Directors, Managing Director and the Compliance Officer.

44. In view of the above, the Board of Directors (Noticee 2, 3, 4, 5, 6, 7, 8) of the Company allegedly failed to exercise objective independent judgment, to maintain high ethical standards and to take into account the interests of the stakeholders and are therefore in violation of 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f) iii(13) of LODR Regulations. The BOD (Noticee 2, 3, 4, 5, 6, 7, 8) have also allegedly not complied with Regulation 26(3) of LODR Regulations read with Clause A, C, H, L and M and Regulation 26(3) read with Clause 1, 2 and 3 of the *Duties of Directors* Section in the Company's Code of Conduct.

45. The Managing Director (Noticee 5), being signatory to the MOU/agreement also allegedly failed to act with due diligence and care, thereby violating 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f) iii(13) of LODR Regulations. The MD (Noticee 5) had also allegedly not complied with Regulation 26(3) of LODR Regulations read with Clause A and C and read with the Clause 1,2 and 3 of *Duties of Directors* Section in the Company's Code of Conduct.

46. The Compliance Officers (Akshay Mehta (Noticee 14), Manisha Jain (Noticee 15), Niyukti Singh (Noticee 16), Preeti Kataria (Noticee 17), Kanika Arora (Noticee 18) allegedly failed to ensure that the MOUs/JV agreement entered into by the Company are in conformity with the Objects of the Company, as mentioned in the MOA, thereby violating Regulation 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

47. The Company, not abiding by its defined Object Clause, is therefore, alleged to be in violation of Regulation 4(1)(g) of LODR Regulations, 2015.

Status of Compliance with SEBI Order dated May 13, 2022

48. SEBI vide its order dated May 13, 2022 directed Urja Global Limited that prior to making any corporate announcement under Regulation of LODR, Urja shall obtain a certificate of authenticity from a practicing company secretary prior to making such corporate announcement for a period of three years from the date of SEBI Order. In this regard, it is noted that Urja complied with the SEBI Order only upon being pointed upon by SEBI and submitted the certificate of authenticity on February 07, 2023**.**

49. Further, it is observed that the following announcements have been made under Regulation 30 of LODR pursuant to SEBI Order dated May 13, 2022.

Details of announcement under Regulation 30 made after SEBI Order dated May 13, 2022	
Announcement Date	Subject
06-06-2022	Appointment of CS and compliance officer of the Company
06-06-2022	Appointment of Statutory Auditor, M/s Uttam Abuwala Ghosh & Associates
20-06-2022	Resignation of Company Secretary and Compliance Officer, i.e. Neha Shukla
29-06-2022	Resignation of Statutory Auditors- M/s ASHM & Associates
30-06-2022	Reasons for Resignation of Statutory Auditors- M/s ASHM & Associates
27-07-2022	Update on MOUs with various entities
03-03-2023	Appointment of Ms. Priyanka as the Compliance Officer of the Company.
03-03-2023	Cessation of the CEO- Gaurav Agarwal
03-03-2023	Appointment of Additional Director- Gajanand Gupta

50. Clarification was sought from the PCS, i.e. Nitesh Singh and Associates whether the Company has obtained certificate of authenticity on the aforesaid announcements, as mandated under the SEBI Order. PCS, vide email dated April 10, 2023 informed that the Company has not obtained the certificate of authenticity with respect to the aforesaid announcements. Therefore, Urja allegedly violated the directions of the SEBI Order dated May 13, 2022.

51. Further, as already mentioned at Para 48, the certificate of authenticity, as was required in compliance with SEBI Order dated May 13, 2022, was provided only after being pointed upon SEBI during the instant examination. The aforesaid SEBI Order was disclosed on the website of the Stock Exchanges, as it was material event in terms of Regulation 30 of LODR Regulations.

52. However, it is noted that Board of Directors (BOD) allegedly failed to implement the directions contained in the aforesaid SEBI Order and the same was done only after the insistence of SEBI on the same. The BOD also failed to seek update from the Company on the status of compliance with the SEBI directions contained in the Order in the ensuing Board meetings. Therefore, the BOD allegedly failed to exercise due diligence and professional conduct and did not effectively discharge its duties. Further, the members of the BOD (Noticee 2, 3, 4, 5, 6 and 7) allegedly failed to comply with Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct.

53. Hence, the Company, the compliance officer of the Company and the Managing Director of the Company allegedly failed to ensure conformity with the regulations. Therefore, the MD (Noticee 6) was allegedly in violation of Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct.

54. Further, in view of above, the Compliance Officer (Noticee 17) was allegedly in violation of Regulation 6(2)(a) and 6(2)(c) of LODR Regulations. By failing to ensure compliance with the directions mentioned in the SEBI Order, Urja allegedly not complied with Regulation 5 of LODR Regulations.

55. The PCS has also mentioned that the announcements pertaining to MOUs/JV agreement do not give a true and fair view.

Announcement dated December 07, 2019: JV agreement of Urja with Shenxian dated December 07, 2019

56. From various submissions of Urja and its correspondence with various entities, chronology of events is described in the following paragraphs.

57. Urja had entered into a JV agreement with Shenxian on December 07, 2019. The above JV agreement was based on the series of discussions and deliberations which Urja had with Mr. Gao Lihu, General Sales Manager [Email ID: zuojunevcar@qq.com] regarding the cost and profitability of the electric car, wherein Mr. Gao had shared a Proforma Invoice No. "Zuojun in November 2019" dated 6th November 2019 for the sale of electric car model zuojon Z60,

5 seats, RHD with 7.5kw motor at a price of USD 2853/- per unit. The aforesaid price was found to be competitive by Urja in the Indian Market and subsequently an agreement was entered into.

58. Mr. Gau lihu provided Urja an irrevocable declaration to BSE vide email dated December 27, 2019 stating that M/s Shandong Zuojun New Energy Electric Vehicle Co Ltd. (Shandong) is the manufacturing company and associated to M/s Shenxian Ganghang Automobiles Sales Co. Ltd, China for the purposes of this Joint Venture Agreement dated 07th December 2019.

59. In the aforesaid declaration provided by Urja, it was mentioned that the website of the Shandong, the manufacturing company who is associated with Shenxian, is zuojunqc.cn.

60. During the period of June 25-26, 2020, Urja was informed by David [15306355531@163.com] of Shandong Company that Mr. Gao has left and David and Zhang are in charge of the business regarding the JV agreement. [Reference communication trail dated June 24-25, 2020**.** From this communication between Urja and David, the following is noted:

(i) Urja sought the website address of the Shenxian from David and in turn it was informed that the website is being updated.

(ii) Urja also communicated to David that they are facing problems connecting with the Company and Mr. Gao.

(iii) Urja communicated to David that Dheeraj Sisodia, on behalf of Urja, will go to meet David and Zhang once COVID problems are solved. Urja enquired about the samples of car for "Indian department documentations registration."

61. In light of the difficulties faced to connect with the Company/ David or Zhang, Urja then communicated with Mr. Gao [zuojunevcar@qq.com] in January 2021 and requested for whatsapp number for implementation of the agreement. In reply, Urja was informed by Gao Lihu on January 01, 2021 that due to the impact of COVID, the situation of the world has changed and the that the parent company [name not mentioned] of their group had gone bankrupt and it was taken over by another company [name of the company not mentioned] who could produce the same model. Mr. Gao further informed Urja that he had went to a more powerful company [name of the company not mentioned] who can produce the same model.

62. Urja however, communicated with Mr. Gao during January 2021 to July 2021 regarding the supply of cars in CKD condition without tyres and batteries. Having heard the news of bankruptcy of parent Company of Shenxian and movement of Mr. Gao to a more powerful

Company, Urja tried to explore the email ID of the headquarters of the Shexian for implementation of the agreement and connected with Fu Zhixiang [fzx04190419@163.com] [and David (in CC)] during the period March 16-17, 2021.

63. The communication of Urja with Fu Zhixiang and David continued during June 2021 to September 2021**.** From the communication, the following is noted:

(i) The communication of Urja with Gao Lihu stopped when Gao Lihu informed Urja about the bankruptcy of M/s Shandong Zuojun New Energy Electric Vehicle Co Ltd, the parent company of Shenxian.

(ii) Urja then requested Fu Zhixiang and David to send the revised Performa Invoice (PI) to execute the agreement.

(iii) As per the new PI received from David, there was four-fold increase in the prices of the car to be imported in SKD condition. Urja conveyed to David that the above increase in the prices has made the bid uncompetitive for Urja and therefore, Urja then got involved in negotiation with David to bring down the cost as earlier agreed with Mr. Gao Lihu, representing Shenxian, so that the project can be implemented.

(iv) Urja also insisted for telephonic conversations, video conferencing with David. However, none of them could be made due to unavailability of WeChat in India and inactive whatsapp number provided by David, citing internet connectivity issues and poor English of the Chinese Officials.

(v) Urja vide email dated August 23, 2021 inquired with David about the requirement of E-Scooters and attached along with the required specifications of the models, “E-Life” and “E-Zess”. David vide email dated August 24, 2021 confirmed that they do not know about the e-scooters producer in China.

(vi) Thereafter, Urja vide email dated September 03, 2021 again insisted on implementation of the JV agreement for e-cars. In reply, David vide email dated September 06, 2021 intimated Urja that they are not clear about the agreement prices and now the fresh price for whole vehicle export is being quoted.

64. All the aforesaid developments of the parent company of Shenxian going bankrupt and being taken over by another company, increase in the prices of vehicles subsequent to entering into agreement were not disclosed to the Stock Exchanges.

65. From December 2019 to May 2021, there was no disclosure made by the Company to the Exchanges regarding the material developments to the aforesaid agreement.

66. On June 08, 2021 and August 13, 2021 upon repeated follow up by BSE regarding update on the MOU, Urja submitted the following on BSE in relation to the instant JV agreement with Shenxian:

(i) Urja is constantly in touch with the General Sales Manager, Mr. Gau Lihu, and requested for further technical details of the product for implementing the agreement for completing the statutory formalities in India mandatory for conducting the sale of electric cars.

(ii) Covid-19 pandemic which started in the month of December 2019 in china and subsequently in the month of March 2020 in India has impacted the market conditions and lead to nationwide lockdown. Further the relationship between both countries is also not good at the border. All of the above reasons lead to the delay in implementation of the agreement.

(iii) Urja came to know that the parent company of M/s Shenxian Ganghang which is the manufacturing company of their group was taken over by another company to produce the same model.

(iv) The sudden increase in cost quoted by them has made this project uncompetitive. The company is now in discussion with them to bring down the cost as agreed so that the project can be implemented.

67. Thereafter, again no disclosure regarding the material developments in the JV agreement was provided by Urja to the Stock Exchanges in the period September 2021-June 2022. On repeated follow up by BSE during its examination regarding the reason for not implementing the MOU, Urja vide letter dated July 12, 2022 submitted that "*the MOU with the Shenxian Ganghang Automobile was done for import of e-vehicles. But due to COVID 19 and border disputes the relationship between both the countries is not good since 2020. According to Government Policy, investment or any dealings from India's neighbouring countries would be allowed only after federal government approval, even in sectors where "automatic" clearances were previously permitted which leads to the delay in the implementation of the agreement however we are trying to do the things as required*."

68. Thereafter, in response to SEBI's query during examination, Urja vide email dated November 10, 2022 to SEBI stated that the corona virus crisis had severely hurt the Chinese economy and businesses. A report has suggested that around 2.47 Lakh companies in the country have declared bankrupt during the first two months of 2020. Shenxian is one of the companies that went bankrupt during the time of COVID.

69. Urja vide email dated December 15, 2022 to SEBI provided a status update on the agreement, wherein it was informed that they are in constant conversations with Mr. Gau Lihu and the company is now discussing the price with some specifications of the electric car.

70. On seeking the copy of the JV agreement, Urja provided the same vide email dated December 11, 2019. Upon perusal of the agreement dated December 7, 2019, the following was noted:

(i) Purpose: To provide a cooperation framework for the project of assembling 4 wheelers, viz., cars in India. Shenxian shall provide cars to Urja on Semi Knocked

Down (SKD) basis and Urja shall assemble the same and sell in India on mutually profitable basis.

(ii) The key features of the agreement are as under:

a. Urja shall provide detailed information including layout and geographical location for setting up of an assembly plant for electric cars in India. Shenxian shall provide the technical assistance and guidance for vehicle assembly and shall train local workers for the same.
b. Monthly production schedule arrangement and model selection shall be determined by both the parties in negotiation.
c. Advance Payment to the tune of 50% and the remainder 50% though Letter of Credit to be paid within 90 days for import of e-vehicles in SKD/CKD condition.
d. Shenxian shall provide assistance and technical support to Urja and send engineers to assist Urja to ensure that the work environment is safe for the workers.

71. It is observed that the agreement was unstamped and unregistered and was signed by Dheeraj Sisodia, then Chief Executive Officer and later promoted to Managing Director, on behalf of Urja, and Gao Lihu, on behalf of M/s Shenxian Ganghang Automobiles Sales Co. Limited having its registered office at No.318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province

72. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS dated February 07, 2023 regarding the instant announcement, wherein it was mentioned that *"the JV agreement appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the agreement. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*

73. BSE sought confirmation from the counter-party to the Shenxian whether the agreement was actually entered into. It is stated in the BSE exceptional report that Shenxian Ganghang Automobile Sales Co. Ltd., has informed BSE that the Shenxian has gone bankrupt. Accordingly, it was stated in the report that there are serious concerns on the veracity of disclosure made by Urja with respect to the instant agreement.

74. As the basic details about Shenxian were not furnished by Urja, Internet search was conducted for - Shenxian, the counter-party to the JV agreement, Shandong Zuojun New Energy, the parent company of Shenxian. The results of the internet searches are as under:

(i) No matching results were found for the counter-party, i.e. Shenxian.

(ii) Address of Shenxian as provided in the agreement could not be traced on the Google Maps.

(iii) The so called parent Company of Shenxian - Shandong Zuojun New Energy, is also not present in the google maps.

(iv) An internet search of the website address of the manufacturing Company, Shandong, i.e. zuojunqc.cn, which was provided by Urja in the irrevocable declaration furnished by Mr. Gao Lihu was also conducted. It is observed from the internet search that the website provided belongs to Wenzhou Weicheng Environmental Protection Technology Co. Limited and it is located at No. 188 Lanjiang Road, Wenzhou Economic and Technological Development Zone. The aforesaid site is linked with Wenshou Weicheng Environmental Protection Technology Co. Limited since 2002. Therefore, the possibility of the same website being used/taken over any another company is ruled out.

(v) No result on website address of Shenxian or it going bankrupt was thrown in internet searches.

75. In view of the various submissions made by Urja as mentioned above, during the examination the following issues arose, examination of which are detailed in the subsequent paragraphs:

A. Whether the contention of the Urja regarding Shenxian being taken over by another company is correct.
B. Whether the persons with whom Urja was communicating, i.e. Gau Lihu and David truly represent Shenxian and Shandong Zuojun respectively and whether the communication exchange is authentic.
C. Whether the submissions made by Urja regarding its ongoing communication with Gau Lihu and delay in implementation of the agreement on account of federal government approval is correct
D. Whether the JV agreement is authentic.

<u>Issue A: Whether the contention of the Urja regarding Shenxian being taken over by another company is correct.</u>

76. It was observed from the communication trails furnished by Urja that it was informed by Mr. Gao Lihu in January 2021 that Shandong , i.e. the parent company of M/s Shenxian Ganghang, has gone bankrupt and was taken over by another Company.

77. The name of the Company taking over has not been mentioned and Urja was further informed by Mr. Gao that he went to a more powerful company, which can produce the same model.

78. Further, it was observed that upon receipt of communication of bankruptcy of parent Company of Shenxian, Urja got in touch Fu Zhixiang [Email ID explored on the internet] to produce the same model and started its negotiation [Reference: Email communication exchange between Urja and David dated June 03, 2021 to September 06, 2021]. It was observed from the communication records that Fu Zhixiang belonged to Shandong Ruijie

New Material Co.,Ltd, which implies that Shandong Ruijie New Material Co.,Ltd is the taking over company.

79. An internet search was conducted on Shandong Ruijie New Material Co.,Ltd. From the result of the search, it was noted that the business line activity of the Shandong Ruijie New Material Co is production of synthetic aster, which is altogether different and not related to electric vehicles.

80. It was further noted that despite several clarifications/reminders, no documentary evidence was produced by Urja to prove the bankruptcy of its parent Company and it's being taken over by Shandong Ruijie New Material Co. Ltd.

81. BSE had sought clarification with respect to bankruptcy of Shandong Zuojun New Energy Vehicle Co. Ltd., parent Company of Shenxian from the taking over Company, i.e. Shandong Ruijie New Material Co. Ltd. [Company to which Fu Zhixiang belonged to as per the communication trail provided by Urja] and also from email ID of Mr. Gau Lihu, i.e. zuojunevcar@qq.com, with whom Urja had been initially communicating.

82. No response was received from the taking over company, i.e. Shandong Ruijie New Material Co. Ltd. However, a reply was received on July 27, 2022 from email ID of Mr. Gao Lihu, i.e. zuojunevcar@qq.com, wherein it was stated that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.

83. The above submission and the submission which Urja made initially are different from each other. Earlier, it was submitted by Urja that Shandong Zuojun New Energy Electric Vehicle Co Ltd had gone bankrupt, which is different from the submission of the response received from Mr. Gau Lihu to BSE stating that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt.

84. Further, Shandong Zuojun New Energy Automobile Co., Ltd came into picture all of a sudden and it has not been a party to the JV agreement and neither its name was mentioned in any earlier communications provided by the Company.

85. Urja in its submission to SEBI vide email dated November 10, 2022 has submitted that Shenxian has gone bankrupt. However, from the communication trail provided by Urja, it is observed that the parent company of Shenxian has gone bankrupt.

86. From the communication of Urja with Gao Lihu, it is observed that the parent company of Shenxian, Shandong Zuojun New Energy Vehicle Co., Ltd. went bankrupt.

87. Even from the communication of Urja with David, it is noted that the parent company of the group, i.e. Shandong Zuojun New Energy Electric Vehicle Co. Limited went bankrupt. Moreover, Gao Lihu submitted to BSE a completely different information, i.e. Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.

88. It may be noted that nowhere in the communication records, except that submitted by Urja to SEBI, it is explicitly stated that Shenxian went bankrupt.

89. Clarification was sought from Urja vide email dated October 17, 2022 on whether any new agreement was entered into as Shenxian had gone bankrupt. Urja vide email dated October 18, 2022 replied that no new agreement was entered into and they are in discussion with Shenxian for certain product specifications and price of e-cars.

90. Bankruptcy in China is governed by The Bankruptcy Law, which has formal procedures like creditors' committee, meetings, restructuring and settlement etc. However, Urja failed to furnish any of the relevant statutory documents/proofs evidencing bankruptcy of Shenxian or its parent company.

91. An internet search was conducted on bankruptcy of Shenxian. It is noted from the internet searches that Shenxian no results were found related to Shenxian or its bankruptcy. Considering that Shenxian or its parent Company is not evidenced by Urja, it allegedly appears to be a mere façade.

92. In view of the above, it was alleged that Urja has made false submissions to SEBI regarding Shenxian's going bankrupt.

93. Further, it is noted from the communication records furnished by Urja that the parent company of Shenxian, i.e. Shandong Zuojun New Energy Electric Vehicle Co., Ltd. had gone bankrupt and it had been acquired by another company. However, when the same was cross-verified from Gao Lihu, it was found that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.

94. In view of the contrary submissions, it was alleged that the in addition to making false submissions to SEBI, Urja had furnished manipulated communication records to SEBI.

95. Considering the above, it was alleged that the entire story of bankruptcy of Shenxian, its parent company was orchestrated by Urja with a mala fide intention to demonstrate the delay in execution of the so-called JV agreement.

Issue B: Whether the persons with whom Urja has been communicating, i.e. Gao Lihu, David and Fu Zhinag truly represent Shenxian, Shandong and Shandong Ruijie New Material Co. Ltd respectively.

96. It was observed from the agreement that the agreement was signed between Urja and Gao Lihu, representing Shenxian. Initially, Urja had been communicating with Mr. Gao Lihu [Email ID: zuojunevcar@qq.com].

97. It was noted from the above that Urja suddenly started to communicate with David during the period of June 2020 and did not provide any basis for the same. The source of the email id 15306355531@163.com, i.e. from where did Urja get access to the same is also not recorded anywhere in the communication trail nor has it been provided to SEBI by Urja.

98. Ideally, if there is any change in the person in charge of the business, the email ID of the new person, i.e. David in the instant case, should have been provided by the outgoing person, Mr. Gau Lihu, who was the signatory to the agreement with Shenxian.

99. It is noted that Urja has been communicating with Gao Lihu till July 2021 even after being informed that Mr. Gao Lihu had moved to a more powerful company and also about the bankruptcy of the parent company of Shenxian. Considering that Urja has been informed that Gao had left and David and Zhang are in charge of the business with Urja for the purpose of the JV agreement, the reason for communication with Gao Lihu to discuss price and specifications of the car is beyond comprehension.

100. It was noted from the above that Urja is communicating with two different persons at the same time for implementation of the agreement with Shenxian, where none of the persons belong to Shenxian, as Gao Lihu moved out of Shenxian after so-called bankruptcy of its parent company and Fu Zhixiang belongs to Shandong Ruijie New Material Co. Ltd., which is in the business activity of synthetic aster.

101. Further, Urja was unable to provide any communication trail wherein it was informed to communicate with David and then again start its communication with Gau Lihu, which implies that Urja allegedly orchestrated a fraud and later trying to hide the same under the garb of impending discussions.

102. Result of the internet searches of the email IDs of David, Fu Zhixiang and Gau Lihu: Upon internet search of the email ID with whom Urja has been communicating with David , i.e. <15306355531@163.com> and Fu Zhixiang <fzx04190419@163.com>, it is noted that the aforesaid email-ids belong to Shandong Weiwei Power New Energy Technology Co., Ltd. and does not belong to Shandong Ruijie New Material Co., Ltd.. Further, upon internet search of zuojunevcar@qq.com, it was found that there was no information available. Internet search was made for qq.com and it was found that QQ is an instant messaging software service and web portal developed by the Chinese technology company Tencent.

103. Considering the above that the two persons, David and Fu Zhixiang with whom Urja has been communicating, represent the Shandong Weiwei Power New Energy Technology Co., Ltd., which is not the party to the agreement and neither in any way is involved with agreement for the purposes of this JV agreement, it was alleged from the above that none of the persons with whom Urja has been communicating is actually representing Shenxian and the communication records furnished by Urja to SEBI are manipulated and forged.

104. Even the persons with whom the Urja (Dheeraj Sisodia on behalf of Urja) has been communicating, i.e. Gau Lihu, Fu Zhixiang and David are not traceable on the internet. It appears that Urja has used dummy names and companies to orchestrate the scheme of making misleading announcements, which casts serious aspersions on the authenticity of the agreement.

105. Considering that the story of bankruptcy of the Shenxian is not true, switching communication from one person to another on the grounds of fake story was allegedly an attempt by Urja to furnish incorrect and manipulated records to SEBI and consequently to misguide the process of examination.

Issue C: Whether the submissions made by Urja regarding delay in implementation of the agreement on account of federal government approval is correct

106. Urja submitted to BSE that according to Government Policy, investment or any dealings from India's neighboring countries would be allowed only after federal government approval, even

in sectors where “automatic” clearances were previously permitted which leads to the delay in the implementation of the agreement however we are trying to do the things as required. However, Urja was unable to substantiate its claim with any acknowledgement letter or application filed with GOI for such approval.

107. The instant submission read in conjunction with the failure of Urja to provide any documentary evidence to demonstrate that the approval was applied for implies that Urja was submitting false information/misleading statements to SEBI and BSE.

108. In view of the above, it was alleged that Urja had made false submission to BSE regarding delay in implementation of the agreement on account of federal government approval

Issue D: Whether the JV agreement is authentic

109. It was noted from the result of the internet search that no company was found by the name of Shenxian. Further, the website address of the manufacturing company of their group, i.e. zuojunqc.cn belongs to some other third company, i.e. Weicheng Environmental Protection Technology Co. Limited which is not related to the JV agreement and also not in the same line of business.

110. As per the submissions of Urja, the MOU is still in discussion stage and business as proposed has not started yet and no transfer of goods and money has taken place. Further, no update on the implementation of the MOU was provided by the Company till date. Even after three years from the date of the MOU, no progress was made and none of the information, i.e. layout, monthly production schedule etc. was shared by Urja with Shenxian or any of the other Company with whom Urja was communicating, to take forward the agreement.

111. Moreover, no document evidencing the transfer of technical assistance and visit of engineers to India, as stipulated in the MOU, was provided by Urja.

112. It was also noted that the JV agreement was executed for import of electric cars in CKD/SKD condition. However, the enquiry made by Urja vide email dated August 23, 2021 to Fu Zhixiang and David was regarding supply of e-scooters, which itself raises concerns over the authenticity of the MOU as so-called Shenxian was not in the business of making electric scooters, as confirmed by Fu Zhixiang vide email dated August 24, 2021.

113. Further, it was noted from the same email sent by Urja to Fu Zhixiang dated August 23, 2021 that Urja had shared product specifications of scooters, i.e. E-Life and E-Zess, for the purpose of import of e-scooters. The same models are manufactured by Urja itself. Therefore, an enquiry of a similar product which itself is being manufactured in-house by Urja from a Chinese company with whom JV agreement was entered for import of electric cars is in itself a sufficient evidence to demonstrate that the MOU is not genuine.

114. It was noted that such basis details like product profile of the counter-party to the agreement should have been known to Urja from day one. Further, as illustrated above, the story of bankruptcy of Shenxian and its parent company is proven to be fake and moreover, the justifications submitted by the Urja for delay in implementation of the agreement are also proved to be not authentic.

115. Having considered the aforementioned facts regarding non-availability of basic details regarding profile of Shenxian, Urja not authorized by its MOA to enter into the business of electric cars, no progress made in the MOU, untraceable Shenxian and its non-existent address on Google Maps, failure to demonstrate any evidence by Urja regarding visit of Gau Lihu to India, framed story on bankruptcy, manipulated communication records etc., it was alleged that both the agreement and the counter-party to the agreement are not genuine and are unauthentic.

116. Considering the comments of the PCS that the JV agreement appears to be untraceable and doesn't seem to be in effect and the examination of BSE, it was alleged that the JV agreement and its corporate announcement is made with a mala-fide intention of misleading the shareholders by making forward looking statements of the Company.

117. The members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	**Designation**
Yogesh Kumar Goyal	Whole Time Director with effect from May 12, 2015.
Sunil Kumar Mittal	Whole Time Director; resigned on May 05, 2020.
Mita Sinha	Independent Director
Prithwi Chand Das	Independent Director

118. In view of the above, it was alleged that the Board of Directors (Noticee 3, 7, 9 and 11) failed to exercise due diligence, independent and objective judgement at the time of signing of JV agreement and also failed to call for additional information relating the JV agreement. The

members of the Board (Noticee 3, 7, 9 and 11) have also allegedly failed to adhere to the Company's code of conduct for directors and senior management personnel and therefore not complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

119. The details of CEO who signed the JV agreement are as under:

Dheeraj Shishodia	Chief Executive Officer with effect from November 13, 2019, who was later promoted as Managing Director on June 27, 2020.

120. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the agreement was signed by the CEO and the same is un-authentic and the Company was not authorized by its articles/objects, it was alleged that CEO has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 5) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct.

121. Mr. Dheeraj Sisodia, [CEO, who was later promoted to Managing Director] has signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Further, the members of the Board of Directors (Noticee 3, 7, 9 and 11) have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity.

122. Therefore, it was alleged from the above that Mr. Dheeraj Sisodia (Noticee 5) and the members of the Board ((Noticee 3, 7, 9 and 11)) acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, Mr. Dheeraj Sisodia and the BOD (Noticee 3, 7, 9 and 11) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

123. The Compliance Officer at the time of signing of the JV agreement is as under:

Kanika Arora	Company Secretary; appointed with effect from May 28, 2019 till March 05, 2020.

124. The signatory to the announcement dated December 07, 2019 is Kanika Arora, the compliance officer of Urja. Considering that the announcement is not authentic, the Compliance Officer of the Company (Noticee 18) allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

MOU with FVM dated October 17, 2020

125. A copy of the MOU executed between Urja and FVM Industries (India) Limited [hereinafter referred to as **“FVM**”] was sought from Urja. Urja vide email date August 13, 2021 provided a copy of the MOU executed between Urja and FVM. Observations on the MOU during the examination are as under:

126. The terms of the MOU dated October 20, 2020 are as under:

a) Purpose: The purpose of the MOU was sale of 1,00,000 pieces of E-scooters annually worth INR 480 crores for mutual benefit of both the parties to the MOU, i.e. Urja and FVM.

b) Key features of the MOU are as under:

i. FVM shall act as distributor of Urja Global Limited.
ii. The production, planning and sourcing of vehicles shall be discussed mutually by both the parties in terms of quality and pricing, on monthly basis.
iii. Cost of marketing/advertisement/promotion expense of vehicles shall be incurred by both parties.

c) It was observed that the MOU was executed in New Delhi between Urja Global Limited (First Party) and FVM (Second Party). The MOU was unstamped and signed by Dheeraj Sisodia on behalf of Urja and Mohammad Tarique Quadri, on behalf of FVM on October 20, 2020. The address of FVM was mentioned as SORO, Balasore, Odisha 756045, which is incomplete.

127. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS regarding the instant announcement, wherein it was mentioned that *“the JV agreement appears to be untraceable and doesn’t seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the agreement. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view.”*

128. BSE conducted site visit of the FVM at the address mentioned in the MOU on May 12, 2022. The office of the Company was not found. BSE then asked the correct address of FVM from Urja and then again conducted the site visit at the new address on July 28, 2022 at 8, Mubarakpur, SORO, Dist. Baleshwar, Orissa 756045.

129. Neither any office nor any Board carrying the name of the company was found. Inventory of e-scooters was also not found. Mr. Md. Tarique Quadri, Director of M/s. FVM Industries (India) Private Limited was not present at the aforementioned address. However, Mr. Santana Behera, was present at the site address, who runs a local ice cream shop at the site address. He informed that, Mr. Md. Tarique Quadri had duped local people a large sum & fled from that area.

130. BSE also submitted that there was no inventory of e-scooters at that place and Mr. Behera stated that there was no scooter selling done from this address. Further BSE made following Observations in its Exceptional Report on MOU with FVM

a) M/s. Urja Global Limited is not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022, wherein it has submitted that the delay in the execution of agreement was due to the spreading news of fire in battery in summer season in different e-scooter available in market. But now the agreement is under implementation.

b) There is no presence of M/s. FVM Industries (India) Private Limited at Dist. Baleshwar, Orissa, and hence the Exchange could not trace any proof of M/s. FVM Industries (India) Private Limited selling e-scooters on behalf of M/s. Urja Global Limited as agreed in the MOU executed between the parties.

131. Upon website search of FVM, it was observed from the MCA that the registered office address of FVM is C/O-SANATANA BEHERA AT/PO: SORO DIST.BALASORE Baleshwar OR 756045 IN. Santana Behera himself informed BSE during the site visit that Mr. Tarique Quadri, director of FVM, has duped local people with large sums of money and fled that area.

132. It was noted from the exceptional report that upon repeated follow up and insistence by BSE, the company disclosed an update on July 27, 2022 to the Stock Exchanges that the agreement is now under implementation. Therefore, further details with regard to implementation was sought from the company by SEBI to verify the claim of Urja that the agreement is actually under implementation. Company in response vide email dated October

18, 2022, provided copies of invoices and e-way bill for supply of the e-vehicles to Sri Ram Enterprise, Bihar.

133. An internet search was conducted for Sri Ram Enterprises, Siwan, Bihar. A contact number was available on the website (9771116462). Telephonic conversation was made with the number, during which it was informed that E-vehicles are being supplied to them by Urja Digital World Limited and they place order directly with Urja Digital World Limited (with the person named Rohit) and there is no role of FVM and Urja Global Limited in the entire process.

134. Further, clarification was sought from the Company vide email dated November 04, 2022 regarding the role of FVM and the invoices being issued by Urja Digital World Limited. Urja vide email dated November 10, 2022 submitted the following to SEBI:

   a) Urja Digital World Limited is Subsidiary of Urja Global Limited and marketing of the E-scooters with FVM is done through Urja Digital World Limited.
   b) FVM Industries India Limited works as distributor with the Company. Mr. Tariq gets the commission on the sale of E-scooters by introducing the buyers to the Company.
   c) Mr. Tariq introduces the buyers with direct communication with the company.

135. Urja provided the evidence of selling of e-vehicles by Urja Digital World Limited, to Sri Ram Enterprises. However, Urja failed to provide any detail/document to prove that any deal was done through FVM by the Company or any amount being paid to FVM. Urja also failed to furnish any proof/evidence of how Mr. Tariq introduces the buyers with the company or any amount paid to Mr. Tariq.

136. Urja vide email dated December 15, 2022 submitted to SEBI that they are selling the e-scooters in Odisha, Bihar, West Bengal and Jharkhand and commission is payable to FVM on half yearly basis. However, Urja failed to provide any invoices or proof of payment of commission to FVM since the date of entering into MOU.

137. An internet search was conducted on FVM. It was observed that FVM is engaged in the business of manufacture of food products and the paid up capital of the company is one lakh rupees. It was noted that the line of business activity of Urja and FVM are different and moreover, the size of the MOU does not commensurate with the size of the FVM.

138. An internet search was conducted on Md. Tarique Quadri. It is noted from the results of the internet search that Tarique Quadri is associated with three companies, i.e. FVM, FVM advisory and consultants (India) Private Limited and Fundviser Management Services LLP.

139. The site visit report of the FVM conducted by BSE also reports that there was no office, no company board, no employees, no stock of goods at the mentioned address of FVM. Further, BSE was informed during its site visit that Md. Tarique Quadri had duped local people a large sum & fled from that area.

140. Taking into account the aforesaid findings, it was alleged that the instant MOU of Urja with FVM is not genuine. The submissions made to SEBI were allegedly false and incorrect. It is also alleged that both the MOU and the counter-party to the MOU, i.e. FVM are not genuine and such announcement has only been made to mislead the shareholders.

141. The members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	Designation
Yogesh Kumar Goyal	Whole Time Director; re-appointed with effect from June 01, 2020 till May 31, 2021.
Dheeraj Shishodia	Whole Time Director, Managing Director appointed with effect from June 27, 2020.
Mita Sinha	Independent Director
Payal Sharma	Independent Director

142. In view of the above, it was alleged that the Board of Directors (Noticee 3, 5, 9 and 10) failed to exercise due diligence, independent and objective judgement at the time of ratifying the MOU by not calling for additional information relating to the MOU and simply endorsing and taking on record what was placed before them by the management. The Managing Director (Noticee 5), being in charge of day to day operations of the Company was obligated to act with diligence and exercise independent judgement, which he allegedly failed to do. The members of the Board (Noticee 3, 5, 9 and 10) have also allegedly failed to adhere to Company's Code of Conduct for Directors and Senior Management Personnel and therefore not complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

143. Mr. Dheeraj Sisodia (Noticee 5), Managing Director of Urja, signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Further, the members of the Board of Directors (Noticee 3, 5, 9 and 10) have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity.

144. Therefore, it was evident from the above that Mr. Dheeraj Sisodia (Noticee 5), MD, and the members of the Board (Noticee 3, 5, 9 and 10) acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the members of the BOD ((Noticee 3, 5, 9 and 10)) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

145. The Compliance Officer at the time of signing of the MOU is as under:

Niyukti K Singh	Company Secretary; appointed with effect from 07 October, 2020 and resigned on 08 January 2021.

146. The signatory to the announcement dated October 20, 2020 is Niyukti Singh (Noticee 16), the Compliance Officer of Urja. Considering that the announcement is not authentic, the Compliance Officer (Noticee 16) of the Company allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

MOU with Ogata dated June 23, 2020.

147. A copy of the MOU dated June 23, 2020 executed between Urja and Ogata was sought from Urja. Urja vide email date August 13, 2021 provided a copy of the MOU executed between Urja and Ogata. The observations during examination on the MOU are as under:

148. The MOU was executed in New Delhi on June 23, 2020 between Urja Global Limited (First Party) and Ogata Motors India Private Limited (Second Party). The MOU is stamped and signed by Dheeraj Sisodia on behalf of Urja and Raj Kumar Sharma, on behalf of Ogata on June 23, 2020.

a) The address of Ogata Motors, as mentioned in the MOU is Plot No 97, Sector-8, IMT Manesar, Gurgaon, Haryana-122051.

b) The purpose of the MOU was manufacturing of electric vehicles, wherein Urja shall provide the raw materials of e-vehicles, lithium-ion batteries for assembling and manufacturing of e-vehicles and Ogata shall act as a manufacturing unit for Urja.

c) The key features of the aforesaid MOU are as under:

   i. Cost of the goods shall be reviewed after every three months.
   ii. Profits shall be distributed on quarterly basis among Urja and Ogata in the ratio of 90:10.
   iii. The MOU shall remain in force for a period of five years unless mutually extended by both the parties.
   iv. Detailed pricing and technical know-how for the purpose of the MOU may be entered into after consideration with the Board of both the companies, wherein Urja intends to provide technical inputs and batteries to Ogata for assembling of e-vehicles.
   v. Both the parties shall work under the name and style of Urja Global Limited.

149. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS regarding the instant announcement, wherein it was mentioned that *"the MOU appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the MOU. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*

150. BSE in its Exceptional Report on MOU with Ogata, observed that Urja Global Limited is not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022 and therefore BSE raised concerns over the veracity of the disclosures made by Urja.

151. Urja vide its various submissions to BSE dated July 20, 2022 and July 27, 2022 submitted that Urja has placed the proforma invoice with Ogata for selling of e-rickshaw and the business has started.

152. On the basis of the above submissions of Urja to BSE, documentary evidences were sought from the Urja regarding the start of the business and the implementation of the MOU.

153. Urja vide its email dated October 18, 2022 to SEBI provided a communication trail wherein it has ordered 6 E- Rickshaws on urgent basis from Ogata and also sought bank account details for remittance of money.

154. Thereafter, SEBI vide email dated November 04, 2022 sought clarifications regarding the shipping bills, proof of payment of six e-rickshaws as was ordered by Urja. In reply, Urja vide email dated November 10, 2022 stated that it has received proforma invoice from Ogata and they are in the process of finalizing the supply of material with improved quality but did not provide any documentary evidence corroborating its previous submissions.

155. Urja vide email dated December 15, 2022 to SEBI further clarified that Urja and Ogata are in constant communication for high speed scooter and other products and are making changes as per the requirement. The same was reiterated by Urja vide its email dated January 18, 2023.

156. Urja was unable to provide any documentary evidence regarding proof of payment or invoices generated towards transfer of raw materials to Ogata for e-rickshaws.

157. Further, it was noted from the above communications that Urja is oscillating between ordering e-rickshaws and then e-scooters within a period of a month. It has changed its stand from placing orders for six e-rickshaws to negotiating for high speed scooters.

158. It was observed that previously on June 08, 2021 and August 13, 2021 Urja submitted the following to BSE, with respect to its MOU with Ogata Motors:
Due to *ongoing Covid-19 pandemic our own manufacturing activity has been hampered along with the imports. Now, we have got approvals for two base models of Electric Two Wheelers – E-Zess and E-Life from ICAT on 27th May, 2021***.** *we are in process of resuming manufacturing activity with the Ogata.*

159. It is noted from the ICAT approval certificate that the maker of motor and engine of vehicle is mentioned as Urja Global Limited. As per the terms and conditions of the MOU, Urja were to supply raw materials for e-vehicles and lithium ion batteries to Ogata for manufacture of electric vehicles. Therefore, for the purpose of sample vehicle prepared for ICAT exemption, Urja should have supplied batteries/raw materials to Ogata and Ogata would have in turn manufactured the vehicle, as contemplated in the MOU, and applied for ICAT certification.

160. However, not a single document has been provided by Urja wherein it is evident that Ogata is the manufacturer of the e-vehicles, as contemplated in the MOU. Even in the ICAT certificate, the maker of motor and engine is mentioned as Urja Global Limited. Though the

Company/Urja has provided the ICAT certificate, it was unable to demonstrate that business is actually taking place through Ogata and that there was any progress on the MOU.

161. Comments of the counter-party, i.e. Ogata: Email IDs of the concerned persons were retrieved from the public domain, i.e. 'raajkumar@ogatamotors.com and vikashbansalhm@gmail.com' and emails dated June 29, 2022 and July 14, 2022 were sent to them by SEBI. Further, several emails were written to Ogata by BSE vide emails dated July 27, 2022. However, no response was received from Ogata, which raises serious concerns over the authenticity of the MOU.

162. Considering that no progress was made in the MOU despite receipt of the ICAT approval, Urja renegotiating e-scooters specifications, failure to demonstrate supply of raw materials to Ogata for the e-rickshaws and e-scooters and failure to provide any specific documentary evidence showing that the manufacture of vehicles is Ogata, it was alleged that Urja has no intention to implement the MOU and it has made a misleading announcement. Further, Urja was making false submissions to SEBI and shareholders.

163. The members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	Designation
Yogesh Kumar Goyal	Whole Time Director; re-appointed with effect from June 01, 2020 till May 31, 2021
Dheeraj Shishodia	Whole Time Director, Managing Director
Mita Sinha	Independent Director
Payal Sharma	Independent Director

164. In view of the above, it was alleged that the Board of Directors (Noticees 3, 5, 9, 10) failed to exercise due diligence, independent and objective judgement at the time of ratifying the MOU by not calling for additional information relating to the MOU and simply endorsing and taking on record what was placed before them by the management. The members of the Board (Noticees 3, 5, 9, 10) have also failed to adhere to Company’s Code of Conduct for Directors and Senior Management Personnel and therefore not complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company’s Code of Conduct.

165. The details of CEO who signed the JV agreement are as under:

Arun Bhardwaj	Chief Executive Officer with effect from May 18, 2020 to September 02, 2020

166. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the agreement was entered into even when the Company was not authorized by its articles/objects, it was alleged that CEO (Noticee 13) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 13) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct.

167. Mr. Dheeraj Sisodia (Noticee 5), Additional Director of Urja, has signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Further, the members of the Board of Directors (Noticees 3, 5, 9, 10) allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity.

168. Therefore, in view of the above the members of the Board (Noticees 3, 5, 9, 10) allegedly acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the members of the Board (Noticees 3, 5, 9, 10) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

169. The Compliance Officer at the time of signing of the MOU is as under:

Manisha Jain	Company Secretary; Appointed w.e.f. 18.05.2020 and resigned w.e.f. 15.09.2020

170. The signatory to the aforesaid announcement w.r.t. MOU with Ogata is Manisha Jain (Noticee 15), the Compliance Officer of the Company. Considering the announcement is not authentic, the Compliance officer (Noticee 15) failed to ensure conformity with the regulations and also failed to ensure that correct procedures were followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

<u>MOU with Malbro dated March 16, 2016</u>

171. A copy of the MOU executed between Urja and Malbro was sought from Urja. Urja vide email date August 13, 2021 provided a copy of the same. Our observations on the MOU are as under:

172. Upon perusal of the MOU dated March 16, 2016, the following was observed:

a) The MOU is executed in New Delhi on March 16, 2016 between Urja Global Limited (First Party) and Malbro Energy Limited (Second Party). The MOU is unstamped and signed by Abhitansh Gupta on behalf of Urja and Noel Maluza, on behalf of Malbro Energy Limited.

b) The address of Malbro Energy Limited mentioned in the MOU is incomplete and is only mentioned as Lilongwe, Malawi.

c) The purpose of the MOU is to provide technical knowhow support for designing and manufacturing of solar products to the Malbro for replicating in the agreed region of Malawi, Mozambique, Zambia, Zimbabwe and Tanzania.

d) The key features of the aforesaid MOU are as under:

i. The detailed pricing shall and technical know-how shall be entered into after consideration of the terms by both the companies.

ii. First Party, i.e. Urja shall provide the support for manufacturing, designing of the solar products in the agreed region.

iii. Second Party, Malbro shall be liable to not disclose any of the confidential information provided to it during the execution of the MOU.

iv. The production, planning and sourcing of vehicles shall be discussed mutually by both the parties in terms of quality and pricing, on monthly basis.

v. Cost of marketing/advertisement/promotion expense of vehicles shall be incurred by both parties.

173. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS regarding the instant announcement, wherein it was mentioned that *"the JV agreement appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the agreement. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*

174. BSE observed in the Exceptional Report on MOU with Malbro that Urja Global Limited was not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022 and therefore BSE raised concerns over the veracity of the disclosures made by Urja.

175. The MOU is signed between Urja and Malbro Energy Limited. However, upon internet search of Malbro Energy Limited, it is observed that there is no company found on the internet search by the name of Malbro Energy Limited belonging to Malbro Group.

176. It was observed from the MOU that the agreement was signed by Abhitansh Gupta, Authorized signatory on behalf of Urja. However, it was noted from the Annual Report of the FY 2015-16 that Abhitansh Gupta is not a KMP or any director in Urja Global Limited. Internet search was also conducted for Abhitansh Gupta and no result were found for Abhitansh Gupta being related to Urja in any capacity. Clarification was sought from Urja regarding the delegation of authority to sign such MOUs. Urja failed to provide the delegation of authority to any specific official for entering into such MOUs.

177. A website search was conducted for Mr. Noel Maluza, representative of Malbro in the MOU. It is observed that Noel Maluza is related to Malbro Group, which is engaged in diversified projects, i.e. Corn Starch Production Plant Project, pharmaceuticals, warehouses, maize production, etc.

178. It was observed from the various publicly available documents from the Common Market for Eastern and Southern Africa (COMESA) that Mr. Noel Maluza is only associated with Wet Milling Corn Starch Production in Malawi and Development of Kanengo Northgate Industrial Park in Malawi. The business line activity of Malbro Group and Urja are completely different.

179. During the course of examination of the matter, correspondence of Urja with Malbro was sought from Urja. Urja vide email dated September 10, 2021 provided the communication trail with Malbro to SEBI. There were communications between Urja and Malbro during the month of March, 2016-July 2016 wherein Urja provided specifications of solar exports and batteries to Malbro. The gist of the communications is as under:

180. The following projects were deliberated between Malbro and Urja:

a) Waste to Energy Projects
b) Mining Projects

c) Corn Starch Project

d) Real Estate Project Malawi

e) Gold and Copper concessions Zambia

It was observed from the communication trail that there was also a meeting held at the Taj Conclave regarding the MOU

181. It was noted from the communication exchange that Urja provided expunged communication trail wherein the name of the recipient in all the emails sent by Urja to Malbro was obliterated.

182. A software was used to remove the black obliteration hiding the names of the recipient. Upon removal of the obliteration on the names of the recipient, it was observed that all the emails which were shown to be sent by Urja to Malbro were actually addressed to Chacha Ji < gng.urja@gmail.com > and gng@ikftech.in. None of the emails were sent from Urja to Malbro. Further, the email received from Malbro was also de-obliterated and it was found that emails from Malbro were received from the email ID gng@ikftech.in.

183. Result of the internet search of email IDs to which emails were addressed is summarized below:

(i) Upon internet search, it was observed that *gng@ikftech.in* belongs to Mr. Sunil Kumar Goyal, who is a director in IKF Technologies Limited. In all, he is associated with 9 companies and prima-facie, he is not related to Malbro in any manner.

(ii) Further, no matching results were found for the email ID of gng.urja@gmail.com. However, the email of the recipient, “gng.urja” contained the name of Urja giving an impression that the recipient is in some way connected to Urja.

184. Considering that Urja had shared expunged communication records, possibly with the purpose of hiding the names of the recipients and that Sunil Kumar Goyal [email ID: gng.urja@gmail.com] is not in any way linked to Malbro, it was alleged that the communication exchange furnished by Urja intentionally falsified to mislead SEBI and Stock Exchanges.

185. It is observed from the communication that representatives of Urja met with Noel Maluza during the Taj Conclave in March 2016 and the MOU was signed during the same period. Upon internet search, it was observed that 11th CII EXIM Bank Conclave on India Africa Project Partnership was conducted during March 14-15, 2016 at Taj Palace Hotel, New Delhi. The aforesaid conclave was hosted by Exim bank and CII. Mr. Noel Maluza attended the event and the sectors in which the collaboration was intended included Steel & Iron

Construction, Mining, Real Estate Dev. Engg., Agro Processing and Procurement. It was noted that Urja is in altogether different business line of industry and has no connection with the aforesaid sectors. Moreover, it could not be ascertained whether this Noel Maluza, who attended the meeting, is the same person who signed the MOU.

186. Thereafter, upon repeated follow-ups by BSE, Urja through its various submissions to BSE dated July 27, 2022 and to SEBI dated October 18, 2022, November 10, 2022, December 15, 2022 stated that Urja is in communication with Mr. Noel Maluza, Chairman of Malbro Energy Limited, and have shared updated products details for implementation of the MOU.

187. However, it was noted from the above that despite passing of more than seven years since the signing of MOU, no progress was made on the same.

188. Having considered that, no results were found for Malbro Energy Limited over the internet search, manipulated communication records, different business line of activity of Malbro Investment Group and Noel Maluza and in the view of PCS comments, it was alleged that the MOU is unauthentic. Further, it was alleged that Urja has used the name of the Noel Maluza and Malbro group fraudulently and orchestrated a scheme by making fake disclosures.

189. The members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	**Designation**
Yogesh Kumar Goyal	Whole Time Director; appointed w.e.f. May 12, 2015.
Aditya Venkatesh	Whole Time Director; appointed w.e.f. June 01, 2015 upto May 31, 2016.
Honey Gupta	Managing Director; appointed w.e.f. May 27, 2015.
Rajiv Gupta	Non-Executive Director
Payal Sharma	Independent Director

190. In view of the above, it was alleged that the Board of Directors (Noticees 2, 3, 4, 8 and 10) failed to exercise due diligence, independent and objective judgement at the time of ratifying the MOU by not calling for additional information relating to the MOU and simply endorsing and taking on record what was placed before them by the management. The Managing Director (Noticee 2), being in charge of day to day operations of the Company is expected to act with due diligence and exercise independent judgement, which he allegedly failed to do. The members of the Board (Noticees 2, 3, 4, 8 and 10) have also allegedly failed to adhere to Company’s Code of Conduct for Directors and Senior Management Personnel and

therefore not complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

191. The agreement was signed by Abhitansh Gupta, who is not even a KMP of Urja and the same was verified from the Annual Report of FY 2015-16. Further, the members of the Board of Directors (Noticees 2, 3, 4, 8 and 10) allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the signatory to the agreement is not a KMP at Urja.

192. The aforesaid act of omission by the BOD allegedly helped Company perpetrate the alleged fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticees 2, 3, 4, 8 and 10) were alleged to have violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

193. The Compliance Officer at the time of signing of the MOU is as under:

Akshay Mehta	Company Secretary; appointed with effect from February 13, 2016.

194. The signatory to the aforesaid announcement w.r.t. MOU with Malbro was Akshay Mehta (Noticee 14), the Compliance Officer of the Company. Considering the announcement was alleged to be not authentic, the Compliance officer (Noticee 14) allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

Findings in respect of the announcement regarding setting up of assembling unit in Nashik, Maharashtra.

195. BSE conducted site visit of Nashik facility on April 29, 2022. The following observations were noted by the BSE during the site visit.

a) Company/Urja has painted or affixed its name and the address of the registered office outside of the office.

b) Operational Head of the plant location was available on the day of site visit.

c) Company Secretary was not present on the day of visit.

d) Ownership of office and factory buildings was on lease for 36 months executed between Mansa Automation (Lessor) and Urja (Lessee) on March 22, 2022.

e) Electricity bills in the name of lessor were provided.

f) Sales/Purchase register/bank statements/GST receipts were not provided.

g) Pollution Board Approval Certificate taken on March 17, 2022 in the name of Lessor for Assembly of bicycles, baby carriages and other small non-motorizing vehicles

h) Factory License taken on January 31, 2021 in the name of the Lessor.

i) Stock was available for assembling 300 e-scooters. No details of vendors or consignee have been provided.

j) 2 E-scooters were available as stock of finished goods.

k) Office infrastructure, i.e., 5 laptops, 1 personal computer and 1 sofa set was also present.

196. In view of the findings of the site visit conducted by BSE, it was observed that the disclosure regarding setting up a new plant at Nashik facility appears to be genuine.

197. Setting up of new plant at Nashik facility tantamount to capacity addition and therefore, in terms of SEBI Circular dated September 09, 2015 read with Regulation 30 of LODR, the following needs to be disclosed to the Stock Exchanges:

Capacity addition:
a) existing capacity;
b) existing capacity utilization;
c) proposed capacity addition;
d) period within which the proposed capacity is to be added;
e) investment required;
f) mode of financing;
g) rationale.

198. However, as observed from the disclosure, the aforesaid details were not disclosed to the Stock Exchanges. Therefore, the announcement lacked the basic details and was allegedly in violation of SEBI Circular dated Sep 09, 2015.

199. Further, the relevant details, i.e. proposed capacity after setting up the new plant, period within which the proposed capacity is to be added etc. were also not disclosed in the Annual Report for the FY 2021-22 and there was no discussion of the same in the Management Discussion and Analysis in the corporate governance section of the Annual Report.

200. Moreover, it is noted that regular updates to the material event, as specified under Regulation 30(7) of the announcement were also not disclosed to the Stock Exchanges, due to which

the shareholders were deprived of the crucial information. In view of the above, Urja allegedly violated Regulation 30(7) and Regulation 34 read with Schedule V Para 2 of the LODR Regulations.

Findings in respect of the MOU with Govt. of UP

201. Upon perusal of the MOU dated February 11, 2023 provided by Urja vide email dated March 28, 2023, it is observed that the key features of the MOU were as under:

(i) The purpose of the MOU is to set up Solar Based Charging Station Investment (Crore) Under PPP Model in every Gram Panchayat for INR 100 crores and to set up the electric Car & Scooter Manufacturing unit 100 for INR 100 crores. The total cost of investment is INR 200 crores. The aforesaid MOU is intended to create employment for 5000 people.

(ii) The proposed location for implementation of the MOU is Kanpur Nagar and the proposed time of commencement of the implementation of the MOU is July 2023

(iii) The objectives of the MOU are proposed to be achieved with the guidance of 6P's, i.e. public, private, Panchayat, progressive, profitable, partnership principles.

(iv) The MOU was signed by Shri Prathamesh Kumar, Additional Chief Executive Officer, Invest UP and Govind Mishra, Director Urja Global Limited.

202. It was observed that the MOU was signed by Govind Mishra, Director, on behalf of Urja. However, his name is not mentioned in the Annual Report of FY 2021-22 filed by Urja and CG Reports filed by Urja for the quarter ended December 2022 and March 2023.

203. Further, it was noted from the MOU that the signature of Govind Mishra was cropped and pasted on the MOU. Ideally it should have been physically signed or it should have been digitally signed. In this context, it is noted from the MOU that witness to the MOU, Shivansh Mishra, has wet signature on the MOU. Therefore, it appears that the document was created by Urja and signature of Govind Mishra was pasted on it.

204. The address of Govind Mishra, as mentioned on the MOU, is "*487/63, National Market, Peeragarhi"*, which is incomplete. Further, the aforesaid address is also the registered office address of Urja Global Limited. Upon telephonic conversation with Govind Mishra [at the mobile number mentioned in the MOU], it was gathered that he is not a director in Urja Global Limited but he works on various contracts of Urja Global Limited. Upon further queries, he denied to answer anything citing confidentiality issues. The Emails sent to him seeking certain additional clarifications remained unanswered.

205. It may also be noted that State Governments generally enter into an agreement on the basis of the tender process. Considering that the MOU has crystallized the amount of investment to the tune of INR 200 crores, clarification was sought from Urja regarding

discussions/negotiations held with the Govt. of UP regarding the same. Urja, however, failed to provide the same.

206. Internet search was conducted to ascertain whether there was any tender process/bidding process for finalizing the MOU on the etender.up.nic.in website. However, no relevant results were found.

207. A website search for the MOU was also done on the website of Invest UP, i.e. https://invest.up.gov.in. However, no reference to aforesaid MOU could be found on the website.

208. Considering all the above facts, it was alleged that Urja had orchestrated a fraudulent scheme wherein it has disclosed that it has entered into a MOU with Govt. of UP with a mala fide intention of misleading its shareholders about the performance of the Company.

209. Further, the instant announcement under Regulation 30 of LODR Regulations was made subsequent to SEBI Order dated May 13, 2022. Therefore, PCS certificate of authenticity was required to be taken prior to Urja disclosing the announcement to the Stock Exchanges. In this regard, Urja had submitted that inadvertently failed to comply with the provisions due to the resignation of Company Secretary and uploaded the same without obtaining Certificate from a Practicing Company Secretary. Therefore, Urja allegedly stands in non-compliance with the SEBI Order dated May 13, 2022.

210. Clarification was sought from Urja regarding the agenda papers and the Board approval of the instant MOU. However, no response was received from Urja till date of finalization of examination report.

211. The outcome of the Board meetings of the Urja have been perused to check whether the agenda pertaining to the instant MOU was approved by the Board. No such Board meeting was found on the corporate announcements page, wherein the instant MOU was approved. Therefore, it was alleged that neither prior approval of the Board nor the post facto ratification by the Board was taken in respect of the instant MOU till date.

212. Considering the above, it was noted that the Board was not adequately informed and a fraud was orchestrated with the help of Managing Director (Noticee 6), wherein a fake MOU was executed with the Govt. of UP by a person who has represented Urja as a director of Urja but who is not actually a director in Urja. Considering that MD is in charge of day to day

operations of the Company, the MD (Noticee 6) was allegedly responsible for perpetrating such a fraud.

213. Further, the signatory to the announcement is Mohan Jagdish Agarwal (Noticee 6), the Managing Director of Urja. Considering that the announcement is not authentic, the MD (Noticee 6) allegedly failed to discharge its duties effectively with due diligence and care. Therefore, the MD (Noticee 6) allegedly failed to comply with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct.

214. The agreement was signed by Govind Mishra, who is not even a KMP of Urja and the same was verified from the Annual Report of FY 2022-23. The MD (Mohan Jagdish Agarwal) (Noticee 6) being the signatory to the announcement to the stock exchange and the annual report has also allegedly aided and helped the Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the MD (Noticee 6) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

215. The details of CEO who signed the JV agreement are as under:

Gaurav Agarwal	Chief Executive Officer till March 03, 2023. Resigned on March 03, 2023.

216. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the Company was not authorized by its articles, it was alleged that CEO (Noticee 12) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 12) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

<u>Findings in respect of agreement of Urja Global Limited with Tesla Power India Private Limited</u>

217. Urja vide announcement dated June 08, 2023 informed that it had entered into an agreement with Tesla Power India Private Limited for the purpose of Manufacturing and Supply of batteries under the TESLA POWER USA brand.

218. As stated in the announcement, the purpose of the agreement with Tesla Power India Private Limited was to manufacture and supply various types of batteries under the Tesla Power USA brand. Urja Global Limited will be the Manufacturer and Supplier Partner of Batteries in India.

219. Further, it was stated in the announcement that Urja Global Limited will utilize the "Tesla Service center" for the promotion of their EV Battery Service requirements in respect to E-2 Wheeler Batteries.

220. It was observed that during the period of June 01, 2023 to June 12, 2023, a price rise of 63.12% (Close to close) was observed accompanied by spurt in volume since June 01, 2023 to June 12, 2023.

221. In view of the unusual volatility in the scrip of the Company, an article was published in Business Standard newspaper on June 12, 2023, which stated that Investors misinterpreted this deal with the real Tesla, leading Urja stock to rally. The article also stated that over 26 million shares were traded in three sessions starting June 6 in the run up to the order announcement by Urja, while about 9.4 million shares had been traded since the announcement.

222. Urja vide announcement dated June 14, 2023 clarified that the Tesla with which agreement was entered is Tesla Power India Private Limited, which is an associate company of Tesla Power USA LLC. The announcement also stated that Tesla power USA LLC Chairman Mr. John H. Vratsinas visited Urja global limited On 7th June 2023, along with the Managing Director of Tesla Power India Private Limited for signing the agreement.

223. Upon perusal of the agreement dated June 07, 2023 provided by Urja vide email dated June 20, 2023, it was observed that the key features of the agreement were as under:

(i) The agreement is stamped and signed by Managing Director, Kavinder Khurana on behalf of Tesla Power India Private Limited (First Party) and Yogesh Kumar Goyal on behalf of Urja Global Limited (Second party).

(ii) In the e-stamp, the name of the first party is mentioned as Tesla Power USA Private Limited.

(iii) It is stated in the agreement that the First party approached the second party for manufacturing and supply of various types of batteries under the Tesla Power USA Brand.

(iv) First party (Tesla Power) has appointed Second Party (Urja) as manufacturer and supplier of batteries and related products and accessories.

(v) Urja can utilize Tesla Service Centers for the promotion of their EV battery service requirement for the batteries purchased from the First party in respect of E-2 Wheeler batteries.

224. During examination following was observed w.r.t. the Agreement:

(i) In the e-stamp, the name of the first party is mentioned as Tesla Power USA Private Limited, which is incorrect, as the agreement was entered into between Tesla Power India Private Limited and Urja Global Limited.

(ii) At one place in the agreement, it is mentioned that Urja shall manufacture and supply batteries to Tesla Power under the Brand name of Tesla Power USA. At the other place, it is mentioned that Urja can utilize Tesla Service Centers for the promotion of their EV battery service requirement for the batteries purchased from the First party in respect of E-2 Wheeler batteries. The above clauses in the agreement, *prima-facie* appear contradictory as in one place, the manufacturer and supplier is Urja and at the other place, Urja is mentioned to be purchasing batteries from the Tesla Power.

(iii) The Board approval for the aforesaid agreement and the agenda papers have not been provided by the Company, so it cannot be ascertained whether the aforesaid item was placed before the Board for ratification.

225. Upon internet search of the counter-party to the agreement, it was observed that Tesla Power India Private Limited was incorporated on January 11, 2022. It is classified as Non-govt. company and is registered at Registrar of Companies, Delhi. Its authorized share capital is INR 1,500,000 and its paid up capital is INR 100,000. It is involved in Manufacture of other electrical equipment. The directors of the Company are Kavinder Khurana, Vertika Khurana and Ayushi Khurana and the website of the Company, as gather from internet search, is teslapowerusa.in.

226. Upon website search of teslapowerusa.in, it was observed that Tesla Power India Private Limited is the Indian entity of Tesla Power USA LLC) with its office at 1003-4-5, Tower-1, DLF Corporate Greens, Sector 74A, Gurugram, Haryana- 122004. The registered office of the Tesla Power USA LLC is at #35B / 3524 Silverside Road, Wilmington, Delaware, USA - 19810-4929 and its corporate office is at Suite # 635 S 4000 Hollywood Blvd Hollywood, Florida, USA – 33021.

227. Upon google search of the registered office address, it was observed that Tesla Power USA LLC could not be traced on the Google maps. There was another company known by the name of Advantage Delaware at the aforesaid registered office address. The only matching

results found are hosted by Teslapowerusa.com website and no other matching result is found in any other publicly available websites.

228. It was also observed from the Google search that the website of Tesla Power India Private Limited is teslapowerusa.in and the website of Tesla Power USA LLC is teslapowerusa.com. However, when both the websites were compared, it was found that the websites were identical.

229. Further, in the Contact tab on both the websites, it is mentioned that *"I agree to be* contacted *at the number provided with more information or offers about Tesla Power India Pvt. Ltd products."* It is noted from the above that on the both the websites, the queries are being directed to Tesla Power India Private Limited, which casts serious aspersions on the genuineness of the global presence of the Tesla Power India Private Limited. It was alleged from the above that the two websites have only been created to give an impression that the Indian entity, Tesla Power India Private Limited, is an Indian counterpart to a global company.

230. The website of teslapowerusa.in and teslapowerusa.com were tracked since their inception on Wayback machine website. It was found that the website "teslapowerusa.in" was first captured on July 14, 2021. Upon website tracking of "teslapowerusa.com", it was found that the website was first captured on February 02, 2021. Both the websites were first captured almost during the same time and the website "teslapowerusa.in", the website of the Indian entity, was captured even before the Indian Company was incorporated in January 2022. The above findings casts serious aspersions on the genuineness of the Company.

231. From the website "teslapowerusa.in" and "teslapowerusa.com", it was observed that the Chairman of the Tesla Power USA LLC and Tesla Power India Private Limited is John H Vrastinas. Further, on both the websites, he was described as to be a person who had established numerous global investment and operational enterprises spanning industries from Insurance to Agtech to Clean Energy. He has been *Named to the 40 under 40 list* by the Des Moines Business Record. He has served on multi philanthropic and civic boards. He was serving on the city of Lauderdale Fire Bond Commission.

232. However, upon linkedin search for the same, it was observed from the description that he is Insurance Executive Leader at Atlantic Speciality Risk and his contact number is mentioned as 9496780977. Upon truecaller search of the number, it was found that the number is BSNL

number and it belongs to Vidhya Sreejith. The aforesaid number was not reachable. The photograph of John Vrastinas, as available on the website of Tesla Power and LinkedIn is same.

233. It was also noticed from the internet search that that John. H Vrastinas has filed bankruptcy in 2013. In view of the above, it was alleged that John H Vrastinus's name has been used by Urja to give an impression that it had entered into an agreement with an entity which has global presence and is managed by a so-called Global Leader since the LinkedIn profile does not match with his description on the website of Tesla Power USA LLC and Tesla Power India Private Limited.

234. Upon further website search of teslapowerusa.in in the press release section, it was found that Tesla Power USA and Indian Oil Corporation Limited (IOCL) have announced a national strategic alliance for battery distribution. The partnership will enable Tesla Power USA batteries to potentially sell and service their batteries at over 36,000 IOCL petrol pumps across India beginning with Delhi-NCR region. The article.

235. The reading of the article gives and impression that the article has been caused to be published in the media by Tesla Power USA as it contains only positive and forward looking statements made by Tesla Power to establish the credence of the Company. The genuineness of the article was verified from the IOCL. IOCL vide email dated June 20, 2023 stated that IOCL entered into an agreement with the Tesla Power India Private Limited on February 16, 2023. The formal launch of the alliance took place in Delhi on April 26, 2023 at one of IOCL's RO.

236. IOCL, vide the aforesaid email further stated that it had received complaints regarding the credentials of Tesla Power India Private Limited's (Party) on April 28, 2023 and May 04, 2023. IOCL further informed that based on complaint received, IOCL on May 03, 2023 instructed the Party to put on hold all activities/transactions from IOCL ROs. On May 19, 2023, IOCL issued a show cause notice to the Party. The Party has responded to the show cause notice, along with subsequent clarifications as sought by IOCL. The party's response was being evaluated by IOCL.

237. The issue was also discussed over telephonic conversation with officials of IOCL namely, Mr. Manoj Bhagat and Mr. Samrat Sethia (Joint Company Secretary) wherein they informed that the agreement was about Tesla Power India Private Limited selling its batteries at the

IOCL petrol pumps. Clarification was sought from IOCL regarding the process of selection of the Company. IOCL informed that the Party approached IOCL with this business proposal and since it was Non-Fuel Revenue (NFR) for IOCL and very minuscule portion of the IOCL profits, the same was approved by the Regional Director of IOCL. During the telephonic discussion, it was also informed that owing to the complaint received and non-genuineness of the credentials of Tesla Power India Private Limited, the management of IOCL has decided not to continue with this agreement.

238. From the above, it was alleged that the aforesaid media article published by the company Tesla Power India and the agreement with IOCL appears to have been entered with the sole purpose of creating a false impression of its credibility, genuineness and gaining mileage out of the same.

239. The agenda papers and the minutes of the Board meetings in which the agreement was approved were sought from Urja vide email dated June 20, 2023. However, no response was received from Urja.

240. Considering all the above facts, it was alleged that Urja had orchestrated a fraudulent scheme wherein it disclosed that it has entered into a MOU with Tesla Power India Private Limited with a mala fide intention of misleading its shareholders.

241. Yogesh Kumar Goyal (Noticee 3), the Whole Time Director, being a signatory to the agreement was alleged to be aware that the agreement is discrepant and not genuine. He signed them despite the same and allegedly failed in effectively discharge his duties and failed to act in the interests of the shareholders of the Company. Considering that the Company has not provided the minutes of the Board meetings and the agenda papers, it was alleged that the agreement was not placed before the Board for ratification.

242. Further, the MD, Mohan Jagdish Agarwal (Noticee 6), being in-charge of day to day operations of the Company allegedly failed to act with due diligence and professional conduct. Thus, the Whole Time Director (Noticee 3) and the MD (Noticee 6) allegedly failed to comply with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 and 4 of the Duties of Director Section in the Company’s Code of Conduct.

243. Further, Yogesh Kumar Goyal, Whole Time Director (Noticee 3) and the MD (Noticee 6) allegedly helped Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations,

2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the MD and Yogesh Kumar Goyal, the Whole Time Director, (Noticee 3 and 6) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

Observations from the Annual Report of Urja Global Limited

244. Annual Report of Urja was examined since FY 2016-17 to FY 2021-22. Regulation 34 of LODR Regulations read with Schedule II of LODR Regulations provide for the information to be disclosed in the Annual Report. Clause B of Schedule II of LODR Regulations refers to the Management Discussion and Analysis section of the Annual Report and states that industry structure and developments, opportunities and threats, outlook, segment wise performance, risk and concerns etc. shall be discussed in the MDA section of the Annual Report.

245. In this context, it was noted that Urja has entered into various MOU for the purpose of overall business development. However, the discussion on the financial impact pertaining to the MOU, business proposed to be achieved through the MOU, risks and overall outlook were not mentioned anywhere in the Annual Report. Instead of the above, the Annual Report just contained a passing reference that a MOU/agreement was entered for the purpose of the respective MOU.

246. It was noted from the above that the discussion in the MDA section of the Annual Report was not adequate and the intended purpose for dissemination of information to the shareholders was not fulfilled.

247. Further, basis inadequate disclosures in the Annual Report read in conjunction with Urja making fake announcements regarding the MOUs, as detailed above, it was alleged that such MOUs were entered into by Urja with mala-fide intention and therefore, Urja was not able to provide adequate disclosures/discussion in the Annual Report.

248. Urja was, therefore, allegedly in violation of Regulation 34(3) read with Schedule V of LODR Regulations.

Observations on the role of Board of Directors

249. The Board of Directors (BOD), being the decision making body of the Company, is responsible for monitoring the performance of the Company and adhering to good corporate

governance practices and acting in the best interests of the shareholders. The major observations pertaining to the role of the Board of Directors in the instant matter were as under:

a) As observed from the minutes, the BOD had been simply endorsing the agendas post facto on the basis of incomplete information without having any further deliberation or calling for additional information. Neither the copy of the agreement/MOU nor the complete details i.e. the cost benefit analysis, schedule of activities, SWOT analysis etc. were placed before the BOD nor the same was asked for by any member of the BOD.

b) Further, in spite of multiple instances, neither there is any evidence to show that the BOD had shown its displeasure on the post-facto ratification of the MOU nor there was any effort from the side of MD or CS to go for approval of the BOD before signing such MOU.

c) BOD while ratifying the agreement/MOU never advised the management to come with further update on the MOU. BOD did not exercise any objectivity or independence in judgement while ratifying the MOUs.

d) It was mentioned in all the MOUs that the detailed planning and production schedule may be mutually decided by the Board of the Companies. However, the matter was never taken up by the BOD nor did the Board seek any updates on the JV agreement/MOUs from the Company.

e) JV agreement/MOU with Shenxian, FVM and Ogata have been entered for an activity which is not allowed as per the object clause of the Company. The object clause was amended on August 25, 2021 much later to the signing of the agreement/MOU. Despite the same, the BOD did not question the management or enquire on the same. It rather ratified the agendas which were placed before them without applying independent and objective judgment.

f) Further, all the announcements except pertaining to setting up assembly plant at Nashik are found to be not authentic. Such perpetration of fraud allegedly can only be possible by collusion between the Board of Directors, including the IDs and the management of the Company.

g) In the cases of MOU with Malbro and Govt. of UP, it was noted that the signatory to the MOU on behalf of Urja was shown as director of Urja, but it was found that the signatory is not even on the BOD of the Company, which implies gross negligence of duties by the BOD. This reflects poorly on the functioning of the BOD, especially with regard to keeping themselves updated on the affairs of the Company.

h) BOD also allegedly failed to oversee compliance with the regulatory action in respect of SEBI Order dated May 13, 2022.

250. The responsibility of the Board is to take an informed decision and to act in the best interests of the shareholders. It was observed that BOD, including the IDs, simply endorsed and took note of what was placed by the management instead of deliberating and taking a considered view.

251. In view of the above, the BOD, including the IDs, of the Company allegedly failed to:

(i) Act on a fully informed basis with due diligence and care in the best interests of the Company.
(ii) Maintain high ethical standards and to take into account the interests of the shareholders.
(iii) Exercise objective independent judgement on corporate affairs.
(iv) Failed to have access to accurate, relevant and timely information.
(v) Monitor the overall process of disclosure and communications of the Company.
(vi) Commit themselves effectively to their responsibilities.

252. In terms of Regulation 26(3) of LODR Regulations, the members of the Board of Directors shall affirm compliance with the Code of Conduct of Board of Directors and Senior Management personnel on an annual basis.

253. The Code of Conduct for Directors and Senior Management Personnel, as available on the website of the Company was perused and it was observed that the said code is applicable to all Directors/Senior Management personnel, who are expected to comply with the code in letter and spirit. The relevant clauses of the aforesaid Code of Conduct are as under:

a) As per the Clause A (“Accountability”) of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.
b) As per Clause C (“Compliance”) of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.
c) Clause L (“Safeguarding Company’s Assets”) casts the responsibility on SMPs to protect the Company’s assets regardless of whether the same is tangible or intangible and;

d) Clause M ("Financial Record Keeping and Reporting") casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.

e) Clause H ("Consumer Focus") states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

254. The Duties of Director Section of the Code of Conduct casts the responsibility on the Board to:

a) Act in accordance with the articles of the Company

b) Act in good faith in order to promote the objects of the Company for the benefit of members as a whole and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment

c) Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement.

d) Not involve in a situation in which he may have direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

255. Considering that the MOUs/JV agreement were entered even when the Company was not authorized by its articles to enter into such business activity, the announcements being unauthentic, requisite procedures not being followed by the Company w.r.t. Board approval, it was alleged that Board (Noticee 2, 3, 4, 5, 6, 7, 8) have also failed to adhere to Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2 and 3 of the Duties of Director Section in the Company's Code of Conduct.

256. Further, the members of the Board of Directors allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. The aforesaid act of omission by the members of the Board allegedly helped Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticee 2, 3, 4, 5, 6, 7, 8) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

257. Moreover, the function of the independent directors is to bring in objectivity, balance the conflicting interests of the stakeholders, safeguarding the interests of minority shareholders, ensure that adequate deliberations are held and raise concerns about any unethical behavior or suspected fraud in the affairs of the Company.

258. The role of Independent Directors (IDs) in such cases becomes very crucial to act as a balancing factor in avoiding any conflict of interest. But, as evident from the analysis above, allegedly the IDs too failed to take an independent and objective view on the issues placed before it and also failed to ensure that adequate deliberations are held by not seeking additional information w.r.t. incomplete agenda items placed before it.

259. IDs also allegedly failed to act responsibly and in the best interests of the Company. No question was raised from the management by the IDs regarding the aforesaid issues, which implies that the IDs also acted and abetted the management of the Company in such fake announcements. The IDs, therefore have failed to perform their following duties:

a) uphold ethical standards of integrity and probity;
b) act objectively and constructively while exercising his duties
c) exercise his responsibilities in a bona fide manner in the interest of the company;
d) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
e) bring an objective view in the evaluation of the performance of board and management;
f) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
g) keep themselves well informed about the company and the external environment in which it operates;
h) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

260. Hence, the Board (Noticee 2, 3, 4, 5, 6, 7, 8), including the Independent Directors (Noticee 9, 10, 11), allegedly did not effectively discharge their responsibility and therefore, they were alleged to be in violation of principle 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii (12) and 4(2)(f)iii (13) of LODR Regulations. Further, the independent directors (Noticee 9, 10, 11) allegedly failed to comply with Regulation 17(5)(b) of LODR Regulations, 2015 read with

Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013. The IDs (Noticee 9, 10, 11) allegedly also not complied with Regulation 26(3) read with Clause 2,7,11 and 12 of the Duties of Independent Director's Section in the Company's Code of Conduct.

Observation on the role of Managing Director

261. The Managing Director (MD) is responsible for managing overall operations, and setting the company's strategic direction. In other words, both the MD and Board of Directors are jointly and severally responsible for effective functioning of the Company and therefore, obligated to act in the best interests of the shareholders.

262. Considering that agreements have been entered into by Urja with various counter-parties and most of them (Shenxian, FVM and Ogata) have been signed by the MD, the responsibility to ensure that the agreements signed are in accordance with Memorandum of Association of the Company lies with the MD. Further, MD, who is in charge of day to day operations of the Company, should also have ensured that complete information is placed before the Board to facilitate efficient decision making by the Board. Therefore, the MD allegedly failed to maintain operational transparency in the functioning of the Company.

263. MD, being a signatory to the fake MOUs/JVs was allegedly aware that the agreements were discrepant and not genuine. He signed them despite the same and failed in effectively discharging his duties and failed to act in the interests of the shareholders of the Company.

264. It was also noted that Managing Director of the Company is obligated to keep the entire Board informed of complete and accurate information for a healthy and objective decision making process. MD while being the signatory of the MOUs allegedly failed to apprise the Board of complete information.

265. Moreover, the Managing Director of the Company (Mr. Dheeraj Sisodia (Noticee 5) [MD at the time of MOU with FVM] and Mr. Honey Gupta (Noticee 2) [MD at the time of Malbro]) also allegedly failed to effectively discharge its obligations by placing incomplete information to the Board for ratification of the said agendas and also failed to maintain operational transparency and ethical standards within the Company. Further, with respect to the MOU with Govt. of UP, the MD (Noticee 6) allegedly failed to place the agenda before the Board of Directors for approval or ratification. MD being in-charge of day to day operations of the Company allegedly failed to adhere to SEBI Order dated May 13, 2022.

266. Hence, the Managing Director (Noticee 2, 5 and 6) of the Company allegedly not complied with 4(2)(f)i (2), 4(2)(f)ii (8), 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (12) and 4(2)(f)iii (13) of LODR Regulations.

267. The Code of Conduct for Directors and Senior Management Personnel, as available on the website of the Company was perused and it was observed that the said code is applicable to all Directors/Senior Management personnel, who are expected to comply with the code in letter and spirit. The relevant clauses of the aforesaid Code of Conduct are as under:

a) As per the Clause A ("Accountability") of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.
b) As per Clause C ("Compliance") of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.
c) Clause L ("Safeguarding Company's Assets") casts the responsibility on SMPs to protect the Company's assets regardless of whether the same is tangible or intangible and;
d) Clause M ("Financial Record Keeping and Reporting") casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.
e) Clause H ("Consumer Focus") states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

268. The Duties of Director Section of the Code of Conduct casts the responsibility on the members of the Board to:

a) Act in accordance with the articles of the Company
b) Act in good faith in order to promote the objects of the Company for the benefit of members as a whole and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment
c) Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement.

d) Not involve in a situation in which he may have direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

269. MD (Noticee 2, 5 and 6) allegedly not complied with *Accountability*, *Compliance* and *Consumer Focus* Clauses of the Code of Conduct by failing to act with honesty, diligence and independent judgement and also not complied with the applicable rules and laws.

270. Further, the repeated instances of such fake announcements serve the purpose of misleading the shareholders of the Company, thereby denting the image of the Company and diminishing the brand value of the Company. Though not been materialized, such fake MOUs have the potential to deteriorate the Company's tangible assets also by utilizing the resources towards fulfillment of a fraudulent agreement. Such transaction can only be conflicting in nature and not in the interests of minority shareholders. In view of the same, the MD allegedly stands in non-compliance of Clause L of the Code of Conduct. Considering that the information placed before the Board was incomplete and inadequate and no information was placed before the Board w.r.t. MOU with Govt. of UP, the MD has also allegedly violated Clause M of the Company's Code of Conduct.

271. Therefore, the Managing Director (Noticee 2, 5 and 6) allegedly also not complied with Regulation 26(3) of LODR Regulations read with Clause A, C, H, L, M and Clause 1,2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct.

272. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors under Schedule II Part A of LODR Regulations, it is stated that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation.

273. Therefore, the Managing Director (Noticee 2, 5 and 6), being signatory to the agreement and in-charge of day to day operations of the Company, allegedly not complied with Regulation 17(7) of LODR Regulations by failing to place the minimum information before the Board of directors to enable them to take an informed decision.

274. Considering that MD had replied to the Stock Exchange on the clarifications raised by the BSE, MD is also allegedly guilty of submitting false information to the BSE and SEBI, thereby misleading the entire examination of the matter. Therefore, the MD (Noticee 2, 5 and 6) were allegedly in violation of Section 15A(a) and 15A(b) of SEBI Act, 1992.

275. Further, as per Schedule V of the LODR Regulations, the details of the Industry structure and developments, opportunities and threats and segment wise performance needs to be discussed in the Management Discussion and Analysis Section of the Annual Report. However, it is noted from the Annual Report that no such discussion were made in the Annual Report for the respective financial years in which MOU was executed and only a passing one-liner reference stating that Urja has entered into a MOU with respective counter-party is mentioned. Considering that the annual report/Directors' report is signed by Whole Time Directors (Noticee 3 and 7) they allegedly violated 4(2)(f)i(2), 4(2)(f)ii(8), and 4(2)(f)iii(6) of LODR Regulations. The details of the Whole time directors for the Annual Report during the period from FY 2016-17 to FY 2021-22 are as under:

Financial Year	Signatories to the Annual Report
2016-17	Honey Gupta (MD) and Yogesh Kumar Goyal (WTD)
2017-18	Aditya Venketesh (WTD) and Yogesh Kumar Goyal (WTD)
2018-19	Sunil Kumar Mittal and Yogesh Kumar Goyal (WTD)
2019-20	Dheeraj Kumar Sisodia (MD) and Yogesh Kumar Goyal (WTD)
2020-21	Dheeraj Kumar Sisodia (MD) and Yogesh Kumar Goyal (WTD)
2021-22	Mohan Jagdish Agarwal (MD) and Yogesh Kumar Goyal (WTD)

Observations on the role of Chief Executive Officer

276. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company.

277. In terms of Regulation 26(3) of LODR Regulations, the members of the Board of Directors shall affirm compliance with the Code of Conduct of Board of Directors and Senior Management personnel on an annual basis.

278. The Code of Conduct for Directors and Senior Management Personnel, as available on the website of the Company was perused and it was observed that the said code is applicable to all Directors/Senior Management personnel, who are expected to comply with the code in letter and spirit. The relevant clauses of the aforesaid Code of Conduct are as under:

a) As per the Clause A ("Accountability") of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.

b) As per Clause C ("Compliance") of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

c) Clause L ("Safeguarding Company's Assets") casts the responsibility on SMPs to protect the Company's assets regardless of whether the same is tangible or intangible and;

d) Clause M ("Financial Record Keeping and Reporting") casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.

e) Clause H ("Consumer Focus") states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

279. Considering the announcements regarding the MOUs/JV agreement were allegedly not authentic and have been entered into by Urja even when it was not authorized by its Object Clause in its Articles to enter into such activity, it was alleged that CEO has not complied with *Accountability*, *Compliance* and *Consumer Focus* Clauses of the Code of Conduct by failing to act with honesty, diligence and independent judgement and also not complying with the applicable rules and laws.

280. Further, the repeated instances of such fake announcements serve the purpose of misleading the shareholders of the Company, thereby denting the image of the Company and diminishing the brand value of the Company. Though not been materialized, such fake MOUs have the potential to deteriorate the Company's tangible assets also by utilizing the resources towards fulfillment of a fraudulent agreement. Such transaction can only be conflicting in nature and not in the interests of minority shareholders. In view of the same, the CEO were alleged to be in non-compliance of Clause L of the Code of Conduct.

281. Moreover, CEO being in-charge of day to day functioning of the Company were obligated to ensure that the records are complete, accurate and reliable. Considering that CEO directly reports to the Board/MD and apprises the Board for efficient decision making. Considering that the information placed before the Board was incomplete and inadequate and no information was placed before the Board w.r.t. MOU with Govt. of UP, the CEOs (Noticee 5, 12 and 13) allegedly violated Clause M of the Company's Code of Conduct.

282. The CEOs (Noticee 5, 12 and 13) have also allegedly failed to ensure compliance with SEBI Order dated May 13, 2022 which was allegedly in violation of Clause C of the Company's code of Conduct.

283. In view of the above, the CEOs (Dheeraj Sisodia, Arun Bhardwaj and Gaurav Agarwal) (Noticee 5, 12 and 13) allegedly violated Regulation 26(3) of LODR Regulations read with Clause A,C,H,L and M of the Code of Conduct policy of the Company.

Observations on the role of Company Secretary

284. A company secretary (CS) acts as secretary to the Board and is responsible for ensuring conformity with the regulatory provisions applicable to the company and for ensuring that correct, authentic and comprehensive information, statements is filed by the company.

285. Considering that the incomplete announcements were disclosed on the website of Stock Exchanges and further that the announcements given were unauthentic and no material updates were provided on them and the signatories to the announcements in case of Shenxian, FVM, Ogata and Malbro was Compliance Officer, it was alleged that the Company Officer erred in his/her duties towards the Company and failed to ensure that the information provided regarding the JV agreement/ MOU is correct, adequate and comprehensive.

286. Further, discrepant and incomplete information was placed before the Board of Directors for approval/ratification of the MOU despite the fact that the Company was not authorized to enter into the MOU by the objects of the Company. Therefore, the allegedly Company Secretary has not exercised professional conduct.

287. The Company secretary (Noticee 14, 15, 16, 17, and 18) allegedly also failed to ensure compliance with the SEBI Order dated May 13, 2022. In view of the above, the compliance officer (Noticee 14, 15, 16, 17, and 18) allegedly violated Regulation 6(2)(a) and 6(2)(c) of the LODR Regulations.

288. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors. Schedule II Part A of LODR Regulations, states that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. In this regard, the Compliance Officer (Noticee 14, 15, 16, 17, and 18), being secretary to the Board of the Company failed to place complete information and the agenda item before the Board, thereby allegedly violating Regulation 17(7) of LODR Regulations.

Non-compliances by the Company

289. As noted from the paragraphs above, the JV agreement/MOU entered into between Urja and the counter-parties were allegedly not genuine, are fake and intended to mislead the shareholders. Further, the information in the announcement is not complete and adequate. Therefore, Urja allegedly violated Regulation 4(1)(c), 4(1)(d) and Regulation 4(1)(e) of LODR by providing misleading information to the shareholders and by failing to ensure that the disclosures are adequate and accurate.

290. Considering the series of events like entering into MOU without requisite due diligence, giving false submissions to SEBI for not being able to implement the MOUs/JV agreement, it was alleged that Urja had no intention to implement the MOU since beginning and it had just made an announcement to provide a good image of itself to its shareholders. Therefore, Urja had allegedly failed to act in the best interests of the shareholders and to ensure that relevant information is disseminated to enable the shareholders track the performance of the Company. Thus, Urja is also allegedly in violation of Regulation 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of SEBI LODR Regulations.

291. It may also be noted that in respect of the clarifications sought from the Company during the examination of the MOUs/JV agreement, the company allegedly submitted false and misleading information to SEBI and BSE and also submitted the falsified communication records. In view of the same, Urja allegedly not complied with Regulation 4(1)(c) of LODR Regulations.

292. Further, by not disclosing information in the MDA section of the annual report, Urja has not allegedly complied with Regulation 34 read with Schedule V of LODR Regulations.

293. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors, as specified in Schedule II of LODR Regulations. Schedule II Part A of LODR Regulations states that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. The Company, has therefore allegedly failed to comply with the specified requirement as complete information was not placed before the Board for deliberation and discussion.

294. Further, Urja had allegedly failed to give material updates to the MOUs till their conclusion. Therefore, Urja was alleged to be in violation of Regulation 30(7) of LODR Regulations.

295. Moreover, the Company was alleged to have intentionally disclosed the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the Urja allegedly violated Reg. 3 (a),(b),(c),(d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

296. I note that SCN was issued to Noticees, and was duly served upon the Noticees and the Noticees (except Noticee. No. 5, Mr. Dheeraj Sisodia) submitted their responses to SCN. I further note from the records that the SCN and Hearing Notice was served to Noticee 5 through email at email address of the Noticee 5 available on records, i.e. 'dheershi07@gmail.com', and as abundant precaution also through publication in Newspapers 'Hindustan' and 'The Times of India' on 28.11.2024 through editions circulated in the area of last known address of the Noticee. Despite the same, Noticee 5 did not avail the opportunities for personal hearing on August 21, 2024 and December 05, 2024 nor submitted response to the SCN. The Noticees and / or their Authorised representatives attended the personal hearings before the undersigned.

297. The details of the replies received and hearing attended are as follows:

Noticee No.	**Filed reply vide letter dated**	**Personal Hearing Date**	**Represented by in personal hearing / Details of Service of SCN and HN**
1	11.04.2024, 19.08.2024, 26.09.2024	19.09.2024	Mr. Sumit Agrawal,Advocate along with Mr. Kavish Garach and Ms. Aditi Sahu, Advocates *i/b* RegstreetLaw Advisors
2	11.04.2024, 19.08.2024, 26.09.2024		
3	11.04.2024, 19.08.2024, 26.09.2024		
4	11.04.2024, 26.09.2024	21.08.2024	Himself appeared
5	NA	Not availed on 21.08.2024	SCN and Hearing Notice served through email at email address 'dheershi07@gmail.com', and through

		and 05.12.2024	publication in newspapers ‘Hindustan’ and ‘The Times of India’ on 28.11.2024
6	11.04.2024, 19.08.2024, 26.09.2024	19.09.2024	Mr. Sumit Agrawal, Advocate along with Mr. Kavish Garach and Ms. Aditi Sahu, Advocates *i/b* Regstreet Law Advisors
7	11.06.2024, 15.11.2024	21.08.2024	Mr. Piyush Gupta, CA
8	11.04.2024, 19.08.2024,	19.09.2024	Mr. Sumit Agrawal, Advocate along with Mr. Kavish Garach and Ms. Aditi Sahu, Advocates *i/b* Regstreet Law Advisors
9	11.04.2024, 19.08.2024, 26.09.2024	19.09.2024	
10	11.04.2024, 19.08.2024, 26.09.2024	19.09.2024	
11	11.04.2024,	NA	NA
12	24.07.2024	21.08.2024	Himself appeared
13	05.04.2024	21.08.2024	Himself appeared
14	01.06.2024	21.08.2024	Himself appeared
15	26.09.2024, 19.08.2024, 15.04.2024	19.09.2024	Mr. Sumit Agrawal, Advocate along with Mr. Kavish Garach and Ms. Aditi Sahu, Advocates *i/b* Regstreet Law Advisors
16	14.06.2024	21.08.2024	Herself appeared
17	08.04.2024	21.08.2024	Herself appeared
18	18.06.202	20.09.2024	Mr. Anand Kankani, CA, Ms. Mansi Dubey, Ms.Payal Sudra

298. I note that vide reply dated April 11, 2024, company along with certain other Noticees have submitted Death Certificate of Mr. Prithwi Chand Das (Noticee 11) issued by Department of Health and Family Welfare, Government of West Bengal.

KEY CONTENTIONS OF NOTICEES 1, 2, 3, 4, 6, 8, 9, 10 and 15

Allegation I: Incomplete disclosures for MOUs/JV agreements (excluding Tesla Power India).-

299. Noticees contend that Regulation 30(2) of LODR Regulations mandates disclosure of material agreements, particularly those binding and not routine business transactions. SEBI’s circular dated September 9, 2015 specifies detailed disclosure requirements for such agreements. All the MOUs and agreements executed were part of Noticee 1’s normal business operations and did not deviate from its ordinary course of business. Routine agreements do not meet the threshold for mandatory disclosure under Regulation 30(2).

300. Referencing Seksaria Biswan Sugar Factory Ltd. v. CIT (1950), Noticee contends that to determine if an act is done in the normal course of business, it must be connected to the normal operations of the company and be performed as part of its ordinary activities.

301. Noticee 1's Memorandum of Association (MOA) supports that the agreements were routine and aligned with its business objectives. The MOA of the Company (as it existed then) read as follows:

"(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on all or any of the business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, stores, procurers, carriers and dealers in electricity or otherwise deal in all forms of energy and any such product and byproducts derived from such business Including without limitation, steam, coal, solar power, fuels; ash, and any product derived from or connected with any other form of energy, including, without limitation to conventional such as heat, thermal, hydel and / or from non-convention sources such as tidal wave, wind, solar, geothermal, biological, biogas and bio-fuel or any of the business of purchasers, creators, generators, manufacturers, producers, procurers, developers, stores, carriers and dealers in, design or otherwise acquire to use, sell or transfer or otherwise dispose of electricity, steam, oil, gas, hydro or tidal, water, wind, solar, hydrocarbon, coal, fuels, handling equipments and machinery and fuel handling facilities thereto and an products or by products derived from any such business(including without limitation, suppliers, distributors, converters, processors, distillate. fuel oil and natural gas whether in liquefied or vaporized form), or other energy of every kind and description and solar energy equipments and other energy devices, cells, new and renewable energy developers and researchers like solar, wind, magnet, radium and others devices, solar plates, photovoltic and photosynthesis plates and equipments, stoves, cookers, heaters, geysers, biogas, plants, steam turbines, boilers, generators, alternators, diesel generating sets and other energy devices and appliances of every kind and description. …….

4. To establish laboratories, research and development facilities, conduct search and survey and to act a consultant, broker, advisors for all or any of the activities as mentioned under the aforesaid object clause 1 to 3."

302. A bare perusal of the language of the MOA, MOU entered into with Malbro reflects that the agreement was entered into for the purposes of facilitating the replication of Urja's technology by the Counter Party. A bare reading of the object clause extracted above makes it readily apparent, when it is considered what the nature of the activity was, that such a tentative agreement to enter into a transaction with the Counter Party is in the ordinary course of business, and hence, the aforementioned regulation is not applicable for the instant MOU. MOUs, being non-binding agreements, are not enforceable in the same way as formal contracts and therefore do not require detailed disclosures.

303. Similarly, other MOUs and agreements entered by Urja with other counterparties fall under the category of 'normal course of business' and therefore, there is no violation of Regulation 30(2) of LODR Regulations read with SEBI Circular dated September 09, 2015, since it is not even applicable at the first place. It’s only for transparency and best interest of investors, the disclosures were made to the stock exchange as a good governance, and the agreements/MOUs entered into by the company is no way impacting the management and control of the company. Further the additional information as per Para A of Schedule III of SEBI LODR gives no details.

304. In any case, it is submitted that MOUs entered with Malbro, Ogata, FVM Industries (India) Ltd. and Government of UP do not qualify as "agreements" as contained under Para A of Part A of Schedule III and SEBI Circular dated September 09, 2015. Hence, there is no violation by Noticee 1 and Noticee 15 in this regard.

Allegation 2: Lack of deliberation during Board Meetings and endorsement of incomplete MoU/JV agreement

305. SEBI under the impugned SCN has alleged that the Board of Directors (BOD) (Noticee 2, 3, 6, 7 and 8) failed to responsibly to take an informed decision and acted without due diligence and care in the best interests of the company and its shareholders. It is alleged that that BOD, including the IDs (Noticee 9 and 10) simply endorsed and took note of what was placed by the management regarding the aforesaid MOUs/Agreements instead of deliberating and taking a considered view. The impugned SCN further alleges that Ms. Honey Gupta (Noticee 2) (who was MD at the time of Malbro) failed to effectively discharge her obligations by placing incomplete information to the Board and also failed to maintain operational transparency and ethical standards within the Company.

306. It has further alleged that Noticee 1 failed to place minimum information that must be placed before the Board of Directors under Schedule II Part A of LODR Regulations. Further, MD (Noticee 2) being signatory to the agreement and in- charge of day-to-day operations of the Company failed to place the minimum information before the Board of directors. Further, Compliance Officers including Noticee 15 have also failed to place complete information and the agenda item before the Board.

307. It is submitted that the board minutes recorded the MOUs and agreements as 'noted' as part of the routine documentation process. This recording style does not fully capture the depth and detail of the discussions that took place during the meetings. While the minutes may appear minimalistic, they do not reflect the full scope of deliberations that were conducted by the Board.

308. The Company had deputed some official members to study and research of companies before entering MOU/ Agreement/ JV agreement. MOU/ Agreement/ JV Agreements were done after series of discussions and deliberations with the official members on finding, research. The official members were constantly in touch with the team members of the MOU/ Agreements/ JV Companies. The Board members were informed about all the study and reports given by the officials during the research, and this is normal course of business. Complete MOU/ Agreement in front of the Board Meeting and after detailed discussion, the same were taken on record.

309. The Board of Directors and Independent Directors were engaged in discussions concerning the strategic importance and implications of the MOUs and JV agreement. Although the minutes may not explicitly document the discussions, the Board acted in good faith, ensuring that the company's interests and those of its shareholders were prioritized. The absence of detailed minutes does not amount to an oversight in good governance. All agreements were presented to the Board of Directors for deliberation and recorded in the minutes. Further, Noticees contend that decisions regarding the inclusion or exclusion of discussions in the minutes rest solely with the meeting's chairman as per the Companies Act, 2013.

310. Further, any gaps in the documentation provided were inadvertent and arose from a focus on facilitating timely decision-making during a period of strategic significance for the company. Noticee 2 acted in good faith, with no intent to mislead or withhold critical information from the Board.

311. The allegations made on Independent Directors are irrelevant as our Independent Directors undertake appropriate induction and regularly update their skills, nobility and familiarity with the Company and actively attended all the Board/ Committee meetings. The Directors of the Company and Independent Directors have followed the integrity, honesty towards the Company and its stakeholders with bonafide intentions. In the meetings also, they have properly inquired the matter and asked for complete details in the best interest of the stakeholders.

312. As per regulation 17(7) of SEBI LODR, Schedule II – Corporate Governance, Part-A (Minimum Information to be placed before Board of Directors) point - J talks about the details of any Joint Ventures and collaborations agreements only. It is submitted that Noticee 1 had placed copy of the MOU/ JV Agreement with all details before the meeting and based on the same, the Board had discussed and took decisions. Accordingly, the same were informed to the stock exchange. So, there is no violation of Regulation 17(7) of the LODR.

Allegation 3: Ultra vires and void JV/MoU agreements due to lack of authorization in MOA

313. The Show Cause Notice has alleged that at the time of entering into JV agreement/MOU with Shenxian, FVM and Ogata, Noticee 1 was not authorized by its MOA to enter into the business of electric cars and therefore, the agreements itself are allegedly ultra-vires and void. Further, it has been alleged that the same was neither pointed out nor acted upon by the Board of Directors, Managing Director and the Compliance Officer. The Compliance Officers including Noticee 15 allegedly failed to ensure that the MOUs/JV agreement entered into by the Company are in conformity with the Objects of the Company. Noticee 1 did not abide by its defined Object Clause.

314. The previous MOA of Urja Limited was drafted with a broad and comprehensive object clause that included the business of producing, manufacturing, generating, and dealing in all forms of energy and related products. This included a focus on renewable and non-renewable energy sources, such as solar energy, which forms a critical component of electric vehicles. Relevant clause of the previous MOU is reproduced below:

(A) THE MAIN OBJECTS TO BE PERSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on all or any of the business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, *developers, stores, procurers, carriers and dealers in electricity or otherwise deal in all forms of energy and any such product and byproducts derived (rom such business including without limitation, steam, coal, solar power ... , and any product derived from or connected with any other form of energy, including, without limitation to conventional such as heat,.. or non-convention sources such as tidal, wave, wind, solar...*

(B) Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

"3. To buy, repair, alter, improve, exchange, let on hire import, export and deal in all factories, work plants, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on and to manufacture experiment, with rendered market and deal in all products residual and by-products incidental to or obtained in the business carried on by the Company ..

315. As can be observed from above, the key phrases used in the above object clause 'all forms of energy' and 'deal in all products residual and by-products incidental to or obtained in the business carried on by the Company': It allowed Urja Global to engage in all forms of energy production, distribution, and related activities, which implicitly includes electric vehicles, as they are powered by electricity, a form of energy mentioned in the original MOA. The company's involvement in the production, distribution, and sale of electric vehicles can be seen as consistent with its original objectives to deal with energy and energy-related products.

316. The commercial interpretation of solar and renewable energy products as subsets of electrical equipment supports the argument that engaging in the EV sector falls within the company's original business scope. To substantiate this inference, following reference is given from the website of e-Amrit, Niti Ayog which helps to establish the connection between solar energy, electricity, and the EV sector:

Electric vehicles use electricity to charge their batteries instead of using fossil fuels like petrol or diesel... The electricity cost can be reduced further if charging is done with the help of renewable energy sources installed at home, such as solar panels.. "

317. In light of the above, it is submitted that alterations made to the MOA on August 25, 2021, were undertaken to provide greater clarity and explicitly enumerate the Company's activities

in the EV sector. The previous MOA implicitly allowed the company to engage in activities related to electric vehicles, and the subsequent amendment to the MOA was merely a clarification rather than a necessary legal prerequisite for entering into the agreements.

318. Thus, it is submitted that Urja Ltd. was, and continues to be, in compliance with Section 4(l)(c) of the Companies Act, 2013. The specific inclusion of clauses related to electric vehicles in the amended MOA was a matter of further clarification and was not a reflection of a previously unauthorized activity. The business activities concerning electric vehicles, such as those undertaken with Shenxian, FVM, and Ogata, were well within the scope of the previous MOA also and therefore do not fall within the purview of being ultra vires or void.

Allegation 4: Non-compliance with SEBI Order dated May 13, 2022

319. The impugned SCN alleged that the certificate of authenticity, as was required in compliance with SEBI Order dated May 13, 2022, was not complied with. It is submitted before Ld. AO that there was no intention to deliberately disregard SEBI's order. The delay was purely unintentional, with no malicious intent or attempt to mislead anyone. The Company took immediate corrective action once the oversight was brought to its attention by SEBI. The submission of the certificate of authenticity on February 7, 2023, proves the Company's willingness to comply with the aforesaid direction under the given SEBI order.

320. It is once again reiterated that COVID-19 pandemic severely impacted the Company's operations, including the availability and consistency of professional services such as those provided by Company Secretaries. This situation led to unavoidable delays and disruptions in ensuring timely compliance.

321. The Hon’ble SAT has recognized the exigencies of the situation and accorded leniency to companies facing delays in compliance with regulatory norms due to the pandemic. Reference is aptly made to the decision in the matter of Shree Pushkar Chemicals & Fertilisers Limited v. NSE and Anr.2 It is noteworthy that despite the Noticee therein being a company equipped with a qualified team for ensuring compliance, the Hon'ble SAT granted relief due to the impact of Covid-19.

322. Therefore, given the proactive measures undertaken and the lack of any intent to violate the SEBI order, it is submitted that the allegations against Noticee 1 and the other directors should be reconsidered and dismissed.

Allegation 5: Non-genuine and unauthentic agreement with Shenxian dated December 7, 2019

323. The SCN has alleged that both the agreement and the counter- party to the agreement are not genuine and are unauthentic because of many fold reasons including non-- availability of basic details regarding profile of Shenxian. Considering the comments of the PCS that the JV agreement appears to be untraceable and doesn't seem to be in effect and the examination of BSE, it is alleged that the JV agreement and its corporate announcement is made with a mala-fide intention of misleading the shareholders by making forward locking statements of the Company. In this regard, it is alleged that the Board of Directors (Noticee 3 and 9) failed to exercise due diligence, independent and objective judgement at the time of signing of JV agreement and also failed to call for additional information relating to the JV agreement.

324. It has been further alleged that Noticee 5 and the members of the Board (Noticee 3 and 9) acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc.

325. Inaccuracies in internet search conducted by SEBI: The Noticees submit that the internet searches conducted by SEBI to verify the existence of Shenxian Ganghang Automobile Sales Co. Ltd. do not provide a true picture. An internet search conducted by the Noticees, enclosed herewith as Annexure B has provided definitive proof of the company's existence. The registered office address of Shenxian, as found in Noticee's search, matches the address provided mentioned in the agreement with Shenxian. This confirms the authenticity of Shenxian's existence and counters the claim that the company is non-- existent.

326. Further, the irrevocable declaration dated December 24, 2019 provided by Mr. Gao Lihu, General Sales Manager of the company contains Shenxian's registered office address, locating the office at No. 318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province. The image referred to above in Annexure B lists Shenxian's registered office address as the same one provided by Mr. Lihu in the irrevocable declaration, word-for-word. From this, we can conclude that the internet search conducted from SEBI's side does not portray a true and fair image of Shenxian Ganghang

Automobile Sales Co Ltd. Copy of irrevocable declaration dated December 24, 2019 is placed on records.

327. In response to the observation in paragraph 74(ii) and (iii) of the SCN regarding the inability to locate Shenxian's address on Google Maps, the Noticees submit that the Ld. Adjudicating Officer should take into account the significant restrictions imposed on Google services, including Google Maps, in China due to the State's stringent internet control policies. As reported, Google Maps in China operates with limited functionality, and users attempting to access certain features may be redirected to local mapping services such as AutoNavi. This limitation severely impacts the reliability of Google Maps as a tool for verifying addresses within China, thereby necessitating a more cautious and context-specific approach when considering the use of Google Maps data in relation to Chinese locations. Copy of an article reporting about stringent restrictions on use of google maps in China is reported by Reuters, is placed on records.

328. Also, the Noticees' would like to point out that claiming an address is a voluntary matter any establishment or company has to undertake, and it is not involuntary, nor does it involve any automatic address upload, as has seemingly been assumed in the Show Cause Notice. Regardless, Noticees' have attached screenshots of Google Maps searches that confirm the addresses provided in the agreement are in fact, authentic. For this, the Noticees conducted a search using an alternative platform, CN Verify (https://www.cnverify.com/), which maintains a database of information on millions of Chinese companies. This search confirmed the existence and accuracy of the addresses provided in the agreement.

329. The whole case of the SEBI primarily rests on the alleged fact that since existence of Shenxian could not be found so the agreement with Shenxian is unauthentic as well as the counterparty to the said agreement is not genuine. The lack of internet search results for its website and information pertaining to the company is not sufficient proof to make the claim that Shenxian does not exist at all. Further, as can be observed from the aforementioned paragraphs, internet searches confirm that Shenxian as a company does exist and is not some imaginary company as SEBI has alleged.

330. Furthermore, the Noticees have hereby attached the certificate of incorporation of the Shenxian Ganghang Automobile Sales Co. Ltd. which is marked as Annexure E which proves the legal existence of the said company in China.

331. No intent to mislead by providing information relating to the bankruptcy: The Noticees' would like to draw the attention of the Ld. AO to the disclosures dated October 29, 2022, November 10, 2022, and December 15, 2022 made by Urja on BSE. Relevant extract of the disclosures is reproduced below:

Disclosure dated October 29, 2022

S.No.	***Announcement***	***Date of Agreement***	***Status of Agreement and Timeline***
I.	*MOU with Shenxian Ganghang Automobiles Sales Co. Limited*	*December 07. 2019*	*No new agreement is entered between Urja and Shenxian. About the bankruptcy news we get the information from Shenxian's Director that their parent company got bankrupt in January, 2021. We are enclosing their mail communication for your reference.*

Disclosure dated November 10, 2022

4. MOU of Shenxian Ganghang Automobiles Sales Co. Limited

The corona virus crisis severely hurting the Chinese economy and businesses a report has suggested that around 2.47 Lakh companies in the country have declared bankrupt during the first two months of 2020. Several reports have recently said that many Chinese companies especially small businesses are feeling the heat as the pandemic brought consumer activity to a halt. Almost 36 per cent of the private-owned firms that responded to a survey conducted by Tsinghua University in February said that they were hammered by the economic fallout from the outbreak and did not expect to survive after a month.

Shenxian is one of the companies that go Bankrupt during the time of COVID. We have already shared the mail communication received from Mr. Gao that Shenxian went bankrupt in January 2021. The mail communication with Mr. Gao is enclosed for your reference as Annexure c.

Disclosure dated December 15, 2022

S.No.	***Announcement***	***Date of Agreement***	***Status of Agreement and Timeline***
I.	*Company entered into a joint venture agreement with Shenxian Gang hang Automobile Sales Co. Ltd.*	*December 07, 2019*	*We are in constant conversations with Mr. Gao and the company is now discussing the price*

332. It is submitted that the initial disclosure on October 29, 2022 correctly reported that Shenxian's parent company had gone bankrupt in January 2021 based on the information received from Shenxian's Director. However, during the preparation of the second disclosure this detail was mistakenly conveyed as referring to Shenxian itself. This confusion was purely unintentional.

333. The company rectified this confusion in its third disclosure on December 15, 2022 where it was clearly stated that Urja Global Limited was in ongoing discussions with Mr. Gao from Shenxian regarding the pricing and specifications of the electric car. The Noticees submit that these factors be considered and the allegations of false submissions and manipulated records be dismissed in light of the company's efforts to correct the record and maintain accurate communications with SEBI and other stakeholders.

334. Also regarding allegation that bankruptcy was used as a tool to delay the implementation of the MOU it is submitted that upon receiving information about the bankruptcy the Noticees acted promptly and responsibly by contacting the concerned person from Shenxian to continue the business relationship and ensure the continuity of the project. This clearly shows the Noticees' intention to maintain business continuity rather than using bankruptcy as a pretext for delay.

335. <u>Authentic representation of Shenxian and Shandong Zuojun by Mr. Gao Lihu and Mr. David</u>: The email correspondence suggests that Mr. Gao Lihu resumed his role at Shenxian as of July 12, 2021. This is evidenced by a communication dated on that day in which Mr. Gao himself confirmed his return. The timeline and details of this can be traced through the email trails and supporting documents referenced in SCN annexures 38, 31, 29 and 30 (page 4). Therefore, Noticees' discussions with him remain relevant contrary to the conclusion approached in paragraph 99 of the SCN deeming him an immaterial person to the MoU with Shenxian.

336. Additionally, furthermore Fu Zhixiang held the position of export manager at Shandong Ruijie. This is supported by communications exchanged with Urja, as detailed in SCN annexures 38, 31, 29, and 30 (page 14).

337. In light of these communication trails, it cannot be said that either of these persons are irrelevant to the Agreement with Shenxian. Mr. David has also confirmed that he is

communicating with Urja on behalf of Shandong Zuojun. This is evidenced by an email dated June 25, 2020, in which he states that he represents the Overseas Department of Shandong Zuojun and is overseeing the JV Agreement in coordination with Mr. Zhang. This can be verified through annexures of the SCN containing email trails- 38, 31. 29, 30 (page 17). These email trails suggest that all three people are related to the JV Agreement.

338. With reference to paragraphs 102-104 of the SCN, it is submitted that SEBI has relied on the current employment status of certain individuals to suggest they do not work for the companies as claimed. It is important to note that the MoU was signed in December 2019, nearly five years ago. During this period, it is reasonable to expect that employment situations may have changed.

339. This leads to one important conclusion that allegations of fraud based on current employment status are not substantiated by reliable evidence. As a result, using current employment status to connect these individuals with Urja is not a credible approach, especially given the time that has passed, and the challenges posed by China's restrictive browser policies. Therefore, the allegations raised by SEBI in the impugned SCN with respect to the above are outrightly denied.

340. <u>Agreement with Shenxian is authentic:</u> It is clear that the internet search conducted by SEBI is inaccurate, as the internet searches Noticees' conducted turned up matching office addresses as those in the Agreement. It is further submitted that email trails have evidenced a difficulty in pricing during later negotiations (with reference to SCN annexures- 38,31,29,30 (page 41 and 42). This along with the nature of the pandemic and its effects on business of the partners and export operations provides a reasonable explanation as to why the business mentioned in the MoU has not been carried out yet. The price increase was more than 4 times the original quotation due to which business with Shenxian turned uncompetitive for Urja. Further, with reference to Paragraph 111 of the SCN, providing evidence of visitation or transfer of technical assistance would have been impossible during the pandemic, when Urja and Shenxian were conducting business. It is therefore unreasonable to expect that we would be able to provide evidence of the same.

341. In reference to the Shenxian agreement, we again clarify that the agreement executed on December 07, 2019, is both genuine and involves a party that is fully operational and in existence. The legitimacy of this transaction is supported by the details included in the Show

Cause Notice, which references multiple email addresses, phone numbers, the names of involved parties, and regular correspondence over various dates. Since, in March 2020 due to Corona it was not practically possible to get the JV stamped and both parties merely agreed the terms on paper and the signed the agreement, which was sufficient to execute the proposed assignments, further non-stamping of agreement doesn’t invalidate its authenticity.

342. In light of the above, the evidence relied upon by SEBI to assert that Shenxian do not exist or are not bona fide is refuted and completely denied. Hence, the allegation of fraud under relevant provisions of PFUTP regulations also fails. The Noticees' once again submit that all transactions were conducted in the utmost good faith.

Allegation 6: Misleading announcement - Non-genuine MOU and counterparty with FVM Industries (India) Limited

343. SEBI under the impugned SCN has alleged that the instant MOU with FVM is not genuine. The submissions made to SEBI are allegedly false and incorrect. It is further alleged that both the MOU and the counterparty to the MOU, i.e. FVM are not genuine and such announcement has only been made to mislead the shareholders. Further, it has been alleged that the members of the Board of Directors have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. Thus, members of the Board have acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfil etc.

344. Any change in FVM's address post-signing of the MoU was not under the direct control of Urja : It is important to emphasize that any subsequent changes to FVM's address or operational activities following the signing of the MoU were entirely beyond the direct control and management of Noticee 1. The company relied on the information provided by FVM at the time of the agreement and had no authority or involvement in FVM's internal decisions or relocations. The inability to trace FVM's operations or Mr. Tarique's actions post-MoU cannot be attributed to Urja's negligence or intent to deceive. A copy of GST Certificate is

placed on records which clearly shows Mr. Tarique Quadri as the director of FVM Industries (India) private Limited.

345. Additionally, the Exceptional Report, Annexure 10 to the SCN observes the following:

"When we tried to inquire about his current location over phone he told us that he is operating & staying in multiple cities within India since 2 years."

This suggests that Mr. Quadri likely moved offices.

346. Further regardless of the current status of FVM Industries Urja cannot be held liable for the following reasons:

a) FVM Industries at the time of signing the MoU on October 17, 2020 was established in Balasore. Orissa, as per its Memorandum of Association which was duly approved by the appropriate Registrar of Companies.

b) Any non-compliance or operational discrepancies related to FVM Industries and its directors fall solely on FVM Industries since it is established as a separate legal entity is responsible for maintaining its office.

c) Urja has fully disclosed all relevant information pertaining to its MoU with FVM Industries to SEBI upon inquiry, as evidenced by several emails dated October 18, 2022, October 30, 2022, November 10, 2022, and November 29, 2022.

347. <u>Function of FVM Industries was limited to being a distributor:</u> It is submitted that FVM acted as a distributor. It was primarily engaged in an intermediary capacity, where Mr. Tarique introduced potential buyers and earned commissions for successful transactions. Vide email dated November 10, 2022, annexure 34 to the SCN, it was already clarified by the company that FVM Industries (India) Limited works as distributor with the Company and that Mr. Tarique gets the commission on the sale of e-scooters by introducing the buyers to the Company.

348. The role performed by Mr. Tarique does not extend to making actual deliveries and neither do the offices of FVM Industries make sale of e-scooters. This structure explains the lack of physical inventory at the site.

349. Hence, while no evidence of sale of e-scooters was found by the BSE it is not proof of any fraudulence with respect to the MOU. In fact, when read with the clarifications provided vide

email dated November 11. 2022, it does not lead to any rational basis for making adverse inferences with respect to the instant MOU.

350. Role of Urja Digital World Limited: Urja Digital World Limited is a subsidiary of Urja Limited. Urja Digital World Limited handles the marketing and distribution aspects of the e-scooters in collaboration with FVM. The distribution chain involves multiple entities, and FVM's role as a distributor may not involve maintaining inventory at every operational site.

351. It is submitted that vide disclosure dated November 10, 2022, role of Urja Digital World Limited and FVM Industries acting as merely a distributor was already clarified on the stock exchange. The said disclosure is placed on records. The relevant extract is reproduced below for convenience:

3. With respect to MOU of FVM Industries India Limited

i. Urja Digital World Limited is Subsidiary of Urja Global Limited and marketing of the E-scooters with FVM is done through Uria Digital World Limited.

ii. FVM Industries India Limited works as distributor with the Company. Mr. Tariq gets the commission on the sale of E-scooters by introducing the buyers to the Company.

iii. The invoices are generated from Uria Digital World Limited. We are enclosing the Bank Statement in which the payment was received from the buyers as Annexure B.

iv. Mr. Tariq introduces the buyers with direct communication with the company.

352. The clarification that Urja Digital World Limited was directly involved in the supply of e-scooters to Sri Ram Enterprises does not negate FVM's role but highlights the operational structure where subsidiaries handle marketing and distribution. Therefore, it is rightly acknowledged in paragraph 134 of the impugned SCN.

353. Evidence of transaction: In the email dated October 18, 2022 Urja provided evidence of sales by submitting the Sale Sheet for the e-scooters sold along with additional supporting documents. This was followed by a detailed statement showing amounts credited to the selling entity's account by buyers including Sri Ram Enterprises.

354. For services rendered Urja transferred a sum of INR 47,500 to FVM which is documented in an invoice generated by FVM to Urja which is placed on records in the reply filed by Urja.

355. Additionally, the ledger account of FVM Industries from April 01, 2020 to March 31, 2024 reflects these transactions. Pre-2024 ledger entries include a record under the particulars 'Sale IGST 12%' amounting to INR 1,904, with proof provided in the form of screenshots from the GST User forum where the 'Returns' section reflects the same amount being recorded as documented in additional submissions on June 22,2024. Copy of the proof of payment related to paying commission is placed on records.

356. As observable from the SCN itself, particularly at paragraph 133. "it was informed that E-vehicles are being supplied to them by Urja Digital World Limited," bona fide sales of e-scooters have been made and the existence of the sales themselves have also not been disputed.

357. In light of the bona fide sales, as well as the evidence furnished over the course of the investigation, it is submitted that the MOU with FVM Industries is genuine and that following delays which were outside of the control of the company, it is being implemented and executed. It is also submitted that to the best of the Company's determination, the counter party was genuine as of the date of entering into the MOU, and the Board undertook due diligence and care before approving the signing of the same.

<u>Allegation 7: Urja has no intention to implement the MoU with Ogata dated June 23, 2020</u>

358. It is alleged that Noticee 1 has no intention to implement the MoU with Ogata dated June 23, 2020 and thus it has made a misleading announcement. Further, it has been alleged that members of the Board have acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003.

359. The signatory to the said MOU with Ogata is Noticee 15, the Compliance Officer of the Company. Considering the announcement is allegedly not authentic as per the SCN, she allegedly failed to ensure conformity with the regulations and failed to ensure that correct procedures were followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity.

360. <u>MOU with Ogata was executed in good faith:</u> The MOU dated June 23, 2020, between Urja and Ogata Motors India Private Limited was executed with the genuine intention of

establishing a collaboration for the manufacturing of electric vehicles. The detailed provisions within the MOU, such as profit-sharing ratios, supply of raw materials, and duration, prove the seriousness and legitimacy of the instant MOU.

361. It is submitted that it is standard in corporate transactions for MOUs to lay the groundwork for future, more detailed agreements. The clause in the MOU stating that "detailed pricing and technical know-how... may be entered into after consideration with the Board of both the companies" indicates an understanding that further negotiations and agreements were anticipated.

362. Urja has already provided a copy of the MOU with Ogata, which includes all the terms and conditions agreed upon between the parties. Additionally, Urja has supplied copies of all relevant email communications with Ogata, which are on record (Annexure 34 of the SCN). Further, a copy of the GST certificate and Addendum to MOU which shows that Mr. Raj Kumar Sharma truly represents Ogata is placed on records.

363. Impact of the Covid-19 pandemic: The instant MOU with Ogata was signed during the height of the COVID-19 pandemic, a period marked by significant disruptions in global supply chains, manufacturing, and business operations. Urja's own manufacturing activities and imports were hampered, as communicated to BSE on June 08, 2021, and August 13, 2021.

364. The pandemic qualifies as a force majeure event, which can justifiably delay or alter business plans and agreements. The delays and challenges faced in implementing the MOU were largely attributable to circumstances beyond Urja's control.

365. The Noticees' would like to draw the attention towards the latest progress made in this regard. Copy of invoice dated March 31, 2024 is placed on records.

366. Efforts taken by Urja to implement the MOU: The Noticees' would like to draw attention of the Ld. AO that Urja engaged in continuous communication with Ogata regarding orders for e-rickshaws and e- scooters. Emails dated October 18, 2022, shows Urja ordering six e-rickshaws, seeking bank details for remittance, and discussing product specifications.

367. Further, Urja obtained approvals for two models of electric two-wheelers (E-Zess and E-Life) from ICAT on May 27, 2021. This proves the proactive steps towards product development and compliance with regulatory standards.

368. Also, this reflects adaptability to market demands and conditions. Such strategic decisions are commonplace in business and do not indicate a lack of commitment to the MOU.

369. <u>Non-responsiveness of Ogata cannot be attributed to Urja</u>: Ogata Motors India Private limited is an independent entity. Their non-responsiveness to SEBI and BSE communications cannot be attributed to Urja or its management. Further, as shown above, Urja made genuine efforts to engage with Ogata, as evidenced by email communications and orders placed. Any lapses on Ogata's part are beyond Urja's control.

370. <u>Misinterpretation by SEBI regarding shift in focus from e-rickshaws to e-scooters:</u> The assertion that Urja has shifted its stance from ordering e-rickshaws to e-scooters is incorrect. As stated in email (Annexure 35 of the SCN), Urja has been in continuous communication with Ogata regarding high-speed scooters and 'other products'. The MOU with Ogata encompasses a broad range of electric vehicles, which includes e-scooters. Therefore, there is no inconsistency in our communications or intentions. Urja remains committed to exploring all viable product lines within the scope of the MOU.

371. <u>Clarification regarding ICAT Approval in Urja's Name:</u> The MOU explicitly states that all business will be conducted in the name of Urja Limited. Consequently the ICAT approval was obtained in Urja's name, consistent with the terms of the agreement. This does not undermine the involvement of Ogata in the manufacturing process, as the approval process required the use of Urja's brand and identity.

<u>Allegation 8: Fraudulent use of the names of Noel Maluza and Malbro Group in fake disclosures regarding MOU with Malbro Energy Limited Dated March 16, 2016</u>

372. It has been alleged by SEBI that the MOU is unauthentic considering that no results were found for Malbro Energy Limited over the internet search, manipulated communication records, different business line of activity of Malbro Investment Group and Noel Maluza and in the view of PCS comments. Further, it is alleged that Urja has used the name of the Noel Maluza and Malbro group fraudulently and orchestrated a scheme by making fake disclosures.

373. Disclosure of status in relation to the MOU with Malbro Energy Limited: The Company had executed MOU with Malbro on 16th March, 2016. The Company officials and technical team visited the 11th CII Exim Bank Conclave on Indian Africa Project Partnership, conducted at Taj Palace Hotel, New Delhi. The technical team of Urja approached the delegates from various African compam.es and Mr. Noel Maluza was interested in the renewable energy business expansion with partnering Urja. As reflected in the email shared to SEBI, its clearly stated that Mr. Noel Maluza visited the battery unit for having a brief of Urja's Business. Various meetings were held with them and in support of the same, various photographs which were clicked at the time of meeting attended by him at factory premises is placed on records, which would ascertain that Noel Maluza signed the MOU and the company has not used the name of Noel Maluza for making fake disclosures.

374. Further, as the technical head and Finance head available at the factory premises briefed him in detailed about the products and a tour of factory was also given to him, hence after the complete satisfaction of Mr. Noel, the MOU was signed. Further the agreement was signed by the ex-employees of Urja. It is agreed that the Malbro group main line of business was not renewable energy business, they were looking for expansion in this line of business which reflected in discussions that they had approval of 150 megawatt Solar Power plant in Zimbabwe, costing USD 350 million for which the legal rights were already granted to them. The recent emails written to him for a meeting for furtherance of the business in January, 2024, is placed on records. The company's vision is business expansion in India and across the globe for the benefit of all the stakeholders of the Company at large. So company put efforts in making new partnerships and creating business synergies for the continuous growth of the Company.

375. Urja in its disclosure to BSE dated June 11, 2021 transparently communicated the status of various MoUs, including the one with Malbro Energy Limited. It was clearly stated that progress on this MoU had been halted due to non- responsiveness from Malbro, demonstrating the company's commitment to keeping the Exchange and its stakeholders informed.

376. Further, it is to be noted that the instant MOU dated March 16, 2016, was exploratory, with the intention of supporting Malbro in manufacturing and providing technical know-how for

their region. The detailed terms were to be negotiated later, but due to Malbro's non-responsiveness, no further agreements or negotiations were entered into.

377. Veracity of claims and ongoing communications: It is reiterated that Urja provided continuous communication records and proof of the same to BSE, as seen in Annexures 3 and 3A of the Reply to the SCN. These communications validate the legitimacy of the transaction and address any doubts about the genuineness of the MoU with Malbro.

378. Further, submission of communications to SEBI was not intended to obscure any details. The visible communications demonstrate the recipient's involvement, and the company has provided additional evidence to substantiate ongoing discussions with Malbro.

<u>Allegation 9: Incomplete disclosures in respect of the announcement regarding setting up of assembling unit in Nashik, Maharashtra</u>

379. SCN has alleged that although the announcement is genuine but it lacked the basic details and was allegedly in violation of SEBI Circular dated September 09, 2015 read with Regulation 30 of LODR. Further, SCN alleges that regular updates to the material event, as specified under Regulation 30(7) of the announcement were also not disclosed to the Stock Exchanges, due to which the shareholders were deprived of the crucial information.

380. In respect of the incomplete disclosures relating to assembling unit in Nashik, it is submitted that Noticee 1 inadvertently failed to disclosure the information in accordance with SEBI Circular dated September 09, 2015. Further, failure to provide certain information in accordance with a circular cannot be considered to be non- compliance of information or withholding of information. It is further submitted that it is not disputed by SEBI that no disclosure was ever made with respect to the assembling unit.

<u>Allegation 10: False disclosure regarding MOU with Government of UP dated February 11, 2023</u>

381. It is alleged that Urja had orchestrated a fraudulent scheme wherein it disclosed that it had entered into a MOU with the Government of UP with a mala fide intention of misleading its shareholders about the performance of the Company. Further, considering that the announcement is not authentic, the MD (Noticee 6) has allegedly failed to discharge its duties effectively with due diligence and care.

382. Further, the SCN observed that the agreement was signed by Govind Mishra, who is not even a KMP of Urja and the same was verified from the Annual Report of FY 2022-23. Thus, the MD (Mohan Jagdish Agarwal) (Noticee 6) being the signatory to the announcement to the stock exchange and the annual report has also allegedly aided and helped the Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc.

383. Validity and execution of the MOU with Government of UP: The MoU in question was signed during the UP Global Investors Summit 2023 which took place in February 2023. Urja Limited has provided documentary evidence including emails confirming the registration link and the subsequent registration confirmation for the summit. These documents are placed on records.

384. It is submitted that the MOU was signed by Govind Mishra on behalf of Urja Limited. It is clarified that Govind Mishra was acting in the capacity of a representative of Urja and had the necessary authorization to sign the MOU. The cropped signature was an inadvertent error in the documentation process and was not intended to mislead.

385. It should be noted that the witness to the MOU Shivansh Mishra has provided a wet signature confirming the authenticity of the agreement. The allegation that the MOU is fraudulent based on the signature issue is unfounded as the intention and substance of the agreement remain legitimate. Mr. Mishra was duly authorized by the company as per the letter of authority. There is documentary evidence like Letter of Authority dated February 09, 2023 which authorises him to take part in the summit and enter into contracts on behalf of Urja which is already on record as part of Annexure 4 of the Reply dated April 11, 2024.

386. Absence of proof of tendering process does not undermine the authenticity of MOU: It is clarified that the MOU was a result of direct negotiations with Invest UP and no public tender process was involved. The lack of tender process references on the e tender or Invest UP websites does not invalidate the MOU as the terms were agreed upon mutually by both parties.

387. At that UP Invest summit, 18,643 MoU were signed and it is not possible to trace all the MoU on that website. It was a summit and hence the MoU signed is not a part of the tender

process. (CII UP Annual Session 2023). There is a specific website "Nivesh Sarathi" to trace the MoU and the credentials are only available for the registered investors. Noticees' have the screenshot of the login page of Nivesh Sarathi to authenticate this MoU, which is placed on records.

388. Recent progress supports the stand of Urja: In light of recent developments, Urja Limited would like to highlight the progress made towards the setup of the EV Manufacturing Plant in Uttar Pradesh. On July 22, 2024, Urja received confirmation from the Uttar Pradesh Invest UP team regarding the site visit for the EV manufacturing plant project. The communication detailed that Urja should connect over Nivesh Mitra to apply for the incentives offered by the Government of Uttar Pradesh. This interaction further proves Urja's active engagement with the authorities and its commitment to advancing the project as planned. A copy of the email dated July 22, 2024 is placed on records.

389. The ongoing discussions and actions, as evidenced by the communication from the Invest UP team, align with Urja's announcements and commitments regarding the EV manufacturing plant. This demonstrates that Urja is making significant strides towards realizing its objectives and adhering to the regulatory requirements.

390. In light of the aforesaid, Noticees' categorically denies any involvement in a fraudulent scheme. The MOU with the Government of UP was entered into with genuine intention to create value for shareholders and contribute to regional development. The allegation that the MOU was orchestrated with a malafide intention is baseless and unsupported by any legitimate evidence

Allegation 11: MOU with TESLA Power India Limited is not genuine

391. It is alleged that Urja had orchestrated a fraudulent scheme wherein it disclosed that has entered into a MOU with Tesla Power India Private Limited with a mala fide intention of misleading its shareholders. Whole Time Director (Noticee 3) and the MD (Noticee 6) have allegedly helped Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Further, it is alleged that Urja has made inadequate disclosures in the Annual Report.

392. The allegation regarding orchestrating a fraudulent scheme by signing an MoU with Tesla Power India Private Limited, are outright denied and refused. SEBI seems to have misinterpreted Noticees' intentions and has wrongfully leveled allegations based on aspersions cast on the character of Tesla Power India Private Limited.

393. Tesla power India Private Limited has received foreign direct investment from Tesla Power USA hence while receiving FDI, the Authorised Dealer had received all KYC on behalf of Tesla Power USA. The agreement is made on behalf of Tesla Power India Private Limited (TESLA India) and the Stamp paper might have taken in the name of TESLA POWER USA by oversight. Further, so far as concerned about the term mention in Agreement is EV battery SERVICE Requirement which can be done at tesla service Centers.

394. This is pertaining to the Service of Battery only, URJA will manufacture the battery for TESLA in India and after production facility, (Service of battery is required to be done after 2 years) service, maintenance and other services will be done by URJA at TESLA Service Centers. So, there is no contradiction in these terms.

395. Website Teslapowerusa.com is only related to TESLA USA, while opening this anyone can easily access that this only related to HQ of TESLA in they mentioned about there all office and summary or description mentioned there only talks about TESLA USA. After in offices Button they clearly mentioned about their APAC office of INDIA. About us part of this website only talks about TESLA USA. Rest about WEBSITE TESLAPOWER.IN, this only relates to TESLA POWER INDIA PVT LTD in about us button they are only talking about Indian entity only. So it is clear that both the websites have their different domain and related to TESLA USA and TESLA INDIA only.

396. With regard to Tesla India, we submit that the Company is incorporated on January 11, 2022 and if Ministry of Corporate Affairs website is referred, Tesla India has received loan of Rs.17 crore from Choice Finserve Private Limited for its business during the FY 2022-23hence you may agree that Tesla India is expanding its operation in India for its battery business, Copy of MCA master data of Tesla India is placed on records.

397. Recent press report in Financial Express and Economic Times on Feb 19, 2024 stated that Tesla India will employ 2000 persons for its operations and also created a brand name as ReStore. Copy of ET and FT news report is also placed on records.

398. Noticees will not comment on the business of Tesla USA and other details like Mr. John H Vrastinas Bankruptcy etc. For Urja agreement entered with Tesla India is valid and enforceable hence the Company confirms that the agreement is genuine. The Agreement of URJA and TESLA are valid and not forged. Further Agenda and minutes in which this agreement was approved is placed on records.

399. To clarify the sequence of events, it is duly submitted that on June 08, 2023, Urja made a disclosure to the Bombay Stock Exchange and the National Stock Exchange concerning an agreement signed with Tesla Power India Private Limited. The disclosure explicitly stated that the agreement was entered into with the above company to manufacture and supply batteries under the "TESLA POWER USA LLC" brand. However in the days leading up to this disclosure there was an increase in the volume of our scrip being traded.

400. Media misinterpretation and subsequent clarification issued by Urja: A newspaper article June 12, 2023, published by Business Standard, quoted Mr. Prashanth Tapse (also mentioned in Paragraph 221 of the Show Cause Notice) who clarified that investors had misinterpreted the deal we had arranged leading to a rally in our stock. The article even featured a photograph of a Tesla Inc. dealership a company entirely unrelated to us. Recognizing the potential confusion this could cause among shareholders of Noticee 1, Noticees' promptly issued a follow-up disclosure on the June 14, 2023.

401. The above disclosure dated June 14, 2023 clarified that Tesla Power India Private Limited was an associate company of Tesla Power USA LLC, reaffirming commitment to good corporate governance.

402. In light of the above, SEBI's allegations attempt to shift liability on the Noticees for what might have merely been an unintended consequence of the agreement are unfounded, as Noticees' have taken the necessary measures within reasonable time to avoid misinterpretation by our shareholders.

403. Lack of evidence and due process: Furthermore, no records of telephonic conversation between officials of IOCL and SEBI were made available to the Noticees. It is one of the primary pieces of evidence which has been used to cast aspersions on the genuineness and

character of Tesla Power India Limited. Without reviewing the evidence, Noticees' cannot be assured that the allegations against Tesla India are true.

404. <u>SEBI's repeated reliance on unverified information:</u> It is submitted that SEBI, throughout the contents of the impugned SCN, has relied on unsuccessful Google Maps address searches to invalidate the existence of counterparty to the given MOUs I agreements. It is reiterated that companies need to verify their address on Google Maps where their registered office address is, by creating a Google Business profile and claiming a certain address for the company to appear on searches conducted on Google Maps. The fact that Tesla Power USA did not verify its address on Google Maps is no offence, certainly no evidence to back up a claim invalidating its existence.

405. Copies of all tax invoices raised, purchase order and communication trails in regard to the transaction with TESLA Power India Limited are placed on records. These are enough evidence to prove that the transaction with TESLA Power India Limited are genuine and are not there to mislead any investor.

406. <u>Refutation of Allegations of Unfair Trade Practices:</u> With reference to Paragraph 243 of the Show Cause Notice, the Managing Director (MD) and a Whole-Time Director of the company (Noticees 3 and 6) have been accused of unfair trade practices. However, it is categorically submitted by the Noticees' that there was no misrepresentation in company's transaction with Tesla Power India Private limited, nor in the disclosure made to the stock exchanges. Despite submitting a clarification to mitigate any misleading portrayals in the media that could have misled shareholders, Noticees' have been unjustly accused of operating in bad faith and orchestrating a fraudulent scheme. SEBI has no substantial evidence to support these claims.

407. Allegations of such nature appears to be aimed at discrediting Tesla Power India Private Limited, without providing any factual basis to accuse of perpetrating a fraudulent scheme. Noticees humbly submit that the allegations under the SEBI PFUTP Regulations are baseless, as there was no intent to mislead shareholders on our part.

<u>OTHER REPLIES ON MERIT</u>

408. <u>Examination of alleged violations under PFUTP Regulations:</u> The impugned SCN states that there is a violation of Regulation 3(a),(b),(c),(d), and 4(1), 4(2)(k) of PFUTP Regulations. In

the landmark case of Securities and Exchange Board of India v. Shri Kanaiyalal Baldevbhai Patel, the Supreme Court of India emphasized the importance of establishing causation to prove violations under PFUTP Regulations. The Court noted the following:

"39. A crucial aspect which needs to be observed at this point is the element of causation which is embedded under regulation 2(1)(c) read with regulations 3 and 4. In order to establish the aforesaid charges in this case, it is required by the SEBI to establish that the harm was induced by the materialization of a risk that was not disclosed because of the tippee's fraudulent practice. Further the charges under the FUTP 2003 needs to be established as per the applicable standards rather than on mere conjectures and surmises."

"56. A person can be said to have induced another person to act in a particular way or not to act in a particular way if on the basis of facts and statements made by the first person the second person commits an act or omits to perform any particular act. The test to determine whether the second person had been induced to act in the manner he did or not to act in the manner that he proposed, is whether but for the representation of the facts made by the first person, the latter would not have acted in the manner he did. This is also how the word inducement is understood in criminal law. The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. "

This understanding highlights the necessity of proving that any alleged misconduct directly caused harm or induced specific actions in the securities market.

409. Further, in the case of N. Narayanan v. SEBI, the following was observed by the court:

"... 33. Prevention of market abuse and preservation of market integrity is the hallmark of securities law. Section 12-A read with Regulations 3 and 4 of the 2003 Regulations essentially intended to preserve "market integrity" and to prevent "market abuse". The object of the SEE! Act is to protect the interest of investors in securities and to promote

the development and to regulate the securities market, so as to promote orderly, healthy growth of securities market and to promote investors' protection. Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner on which it is made available to market. "Market abuse" impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices giving out incorrect or misleading information, so as to encourage investors to jump into conclusions on wrong premises which is known to be wrong to the abusers.... "

410. In the present case, there were no fraudulent disclosures, nor did any sale or purchase of securities occur based on such disclosures that would result in unlawful gains. Additionally, the Supreme Court, in T. Takano v. SEB/,5 stressed the obligation of SEBI to provide a comprehensive investigation report when alleging violations under PFUTP. The Court held as follows:

"29. ...the purpose of disclosure of information is not merely individualistic, that is to prevent errors in the verdict but is also towards fulfilling the larger institutional purpose of fair trial and transparency. Since the purpose of disclosure of information targets both the outcome (reliability) and the process (fair trial and PART C transparency), it would be insufficient if only the material relied on is disclosed. Such a rule of disclosure, only holds nexus to the outcome and not the process. Therefore, as a default rule, all relevant material must be disclosed. "

411. It highlights the necessity for SEBI to provide all relevant material in its investigation, ensuring that any allegations of fraudulent or unfair trade practices are substantiated by clear and comprehensive evidence.

412. It is humbly submitted that there is no allegation in the impugned SCN that there was any fraudulent trading or any activity that would violate the PFUTP Regulations. Also note that the Company or any of its directors have not gained anything. The allegations are not supported by sufficient evidence, and hence the alleged charges under PFUTP need to be strictly proved by SEBI.

<u>Consideration of impecuniosity and proportionality while imposition of any penalty</u>

413. Without prejudice to the above, SEBI has on several occasions decided to adopt a lenient view while deciding upon the penalty to be imposed and has considered factors in addition

to the factors listed in Section 15J of the SEBI Act, 1992. In light of this, it is submitted that as per the Urja's Annual Report for 2023-24, its net profit is only INR 1,77,90,251/- and has a net worth of INR 1,45,01,26,885/- indicating that it is already in a precarious financial position.

414. Additionally, with 58 permanent employees, the imposition of a substantial penalty could significantly impair the company's ability to continue its operations. The financial burden could lead to layoffs, further eroding the company's capacity to generate revenue and potentially forcing the business to shut down, which would negatively impact both the shareholders and the employees who depend on the company for their livelihood.

415. Thus, in line with the legal principle of impecuniosity, any penalty imposed on Urja Limited be proportionate to its financial capacity. Given the company's current financial standing, a heavy penalty could have disproportionate consequences, potentially leading to insolvency.

416. In the landmark judgment SEBI v. Bhavesh Pabari, 6 the Hon'ble Supreme Court of India clarified the interpretation of Section 15-J of the SEBI Act, particularly regarding the conditions stipulated in clauses (a), (b), and (c) as being non- exhaustive.

> *" ... 11. Therefore, to understand the conditions stipulated in clauses (a), (b) and (c) of Section 151 to be exhaustive and admitting of no exception or vesting any discretion in the Adjudicating Officer would be virtually to admit/concede that in adjudications involving penalties under Sections 15A, 15B and 15C, Section 15J will have no application. Such a result could not have been intended by the legislature. We, therefore hold and take the view that conditions stipulated in clauses (a), (b) and (c) of Section 15 J are not exhaustive and in the given (acts of a case, there can be circumstances beyond those enumerated by clauses (a), (b) and (c) of Section 15 J which can be taken note of by the Adjudicating Officer while determining the quantum of penalty .. "*

<u>No penalty can be imposed on the Noticees for any alleged violation</u>

417. Without prejudice to the above, even if it was found that the Noticees' are in non-compliance of the provisions of the LODR and PFUTP Regulations as laid out in the SCN, no penalty can be imposed. It is abundantly clear that in absence of any investor complaint in this regard, that the actions of the Noticees' have not adversely affected any rights or obligations of a third party.

418. It is also relevant to mention herein that, without prejudice the submissions that there has been no contravention on part of the Noticees as alleged or otherwise, the Noticees made any gain or avoided any loss in course of the same.

419. It is a well settled law that power to impose penalty includes power to impose no penalty in the given facts and circumstances. It is not that every breach or error is culpable even though it is possible to construe the same as a contravention. In a case, where a Noticee demonstrates its bona fide and an authority is not able to demonstrate a Noticee's mala fide, at the very least, discretion needs to be applied to provide benefit of doubt to such a Noticee. The case of Noticees is squarely covered in this undisputed, settled principle.

420. The Noticees also respectfully submits that imposition of any penalty whatsoever is totally unjustified in the given facts and that the case of the Noticees requires serious consideration. The Noticees respectfully submits that any imposition of penalty would be completely contrary to canons of securities laws and jurisprudence. Further any imposition would irreparably prejudice the Noticees' reputation in the industry which has been built on the basis of integrity and excellence in rendering services to its clients. The violations alleged in the SCN are neither repetitive nor has the Noticees made any gain or avoided any loss in course of the same.

421. The Noticees have not defrauded any investor or client company. They have always adhered to the business ethics of the industry. It is also relevant to mention herein that, without prejudice the submissions that there has been no contravention on part of the Noticees as alleged or otherwise. Further, the Noticees have not made any gain or avoided any loss in course of the same.

422. Section l5J Factors: Section 15J of the SEBI Act specifies the factors that SEBI must consider when determining the amount of penalty to be levied, which include the amount of gain or unfair advantage resulting from the default, the loss caused to an investor or group of investors, and the repetitive nature of the default. Even if it is assumed that there is a violation, the same could only mean to be merely a technical violation for which no penalty is warranted. That failure to perform a statutory obligation was a matter of discretion upon the Authority while imposing penalty and that penalty cannot be imposed merely because it was lawful to do so.

Statutory provisions	Inapplicability of the same to the Noticee
15J (a) the amount of disproportionate gam or unfair advantage, wherever quantifiable, made as a result of the default;	There is no finding or allegation by SEBI that the Noticees have made any disproportionate gain or had any unfair advantage.
15J(b) the amount of loss caused to an investor or group of investors as a result of the default;	There is no finding or allegation by SEBI that the actions of any of the Noticees caused any loss to an investor or of investors group.

423. Likewise, in the matter of P.G. Electroplast and others v. SEBI the Hon'ble SAT while setting aside the monetary penalty imposed by the AO held:

"18... Even if a minimum penalty is prescribed, the authority after considering the circumstances of the case and other factors enumerated in Section 151 would be justified in refusing to impose penalty when there is a technical or venial breach of the provisions of the act."

424. It is further submitted that all the Noticees have an unblemished record. Therefore, any penalty no matter how small, shall have an adverse impact on the Noticees. It is also pertinent to note the further observations of the Hon'ble SAT in Piramal Enterprises Limited v. SEBI which has observed as under:

"...The imposition of penalty, even though meagre will leave an indelible mark and leave a blot on their spotless image. "

425. Thus, it is humbly submitted that in the present case, that the present SCN has failed to establish any of the alleged violations. In light of the same and Noticees adherence to SEBI Act and regulations made therein, it is humbly urged that the Adjudicating Officer should dispose of the SCN in respect of the Noticees without levying any penalty.

<u>SEBI has imposed minimum penalty in the past for alleged violations</u>

426. Without prejudice to the above allegations, it is pertinent to note that SEBI has previously in various instances considered such violations leniently. There have been numerous cases where listed entities alleged to have violated LODR Regulations and I or PFUTP Regulations, were imposed with minimum penalties. There appears to be no justification for SEBI to deviate from this approach in the present case.

427. Hon'ble Supreme Court and the Securities Appellate Tribunal, on multiple occasions have held that the adjudicating officers of SEBI are required to be uniform, non-discriminatory and

consider the proportionality principle, while adjudging the quantum of the penalty. Reliance is placed on the decision of the Hon'ble Supreme Court of India in the matter of Securities and Exchange Board of India v. Sunil Krishna Khaitan which held as under:

.. 52. It is important for the regulator to be consistent and predictable.
... Any good regulatory system must promote and adhere to principle of certainty and consistency, providing assurance to the individual as to the consequence of transaction forming part of his daily affairs.

428. Therefore to examine the question of inconsistency, the analysis is to ascertain the need and functional value of the change, as consistency is a matter of operational effectiveness. Sometimes changes are desirable and necessary. Referring to these aspects, in some cases, the Indian courts have applied the doctrine of substantive legitimate expectation observing that the change in policy should not be irrational or perverse or one which no reasonable person could have made. In other words, principles of Wednesbury 's reasonableness would apply. Such a principle stems but is somewhat different (rom the foundational idea of procedural legitimate expectation, which applies where a particular mode is prescribed (or doing an act and there is no impediment in adopting the procedure, the deviation to act in similar manner without any reasonable principle, can be labelled as arbitrary. "

Observation / query of the Adjudicating officer and response thereto:

Tenure of individual Noticees

429. During the personal hearing, the Learned Adjudicating Officer's attention was specifically drawn to the tenure of individual Noticees with Urja Global Limited during the examination period [(March 21, 2016, to March 28, 2016 – a span of 7 days) and (December 07, 2019, to June 15, 2023)].

430. It was submitted that the SCN does not adequately takes into account the respective tenures, roles, or responsibilities of the individual Noticees while alleging violations. The allegations are made in a broad and generalized manner without regard to these critical factors. Certain Noticees had no involvement in the alleged violations, while others were associated with the company for brief periods, as short as four months. Nevertheless, the SCN imposes allegations seeking to impose penalties under the same sections covering the entire investigation period against all Noticees indiscriminately. The examination into the alleged

violations miserably fails to segregate their role and responsibilities while connecting it to the allegations. Hence, the foundational facts have not been determined and the SCN ought to be withdrawn on this ground alone. Accordingly, the table below is referred:

S. No.	Noticee	Designation	Date of Appointment	Date of Cessation
1.	Ms. Honey Gupta (Noticee No. 2)	Managing Director	27.05.2015	20.12.2017
2.	Mr. Yogesh Kumar Goyal (Noticee No.3)	Whole-Time Director (WTD)	12.05.2012	Continuing as WTD
3.	Mr. Mohan Jagdish Agarwal (Noticee No.6)	Managing Director (MD)	11.08.2021	Continuing as MD
4.	Mr. Rajiv Gupta (Noticee No.8)	Independent Director (ID)	11.01.2014	28.09.2016
5.	Ms. Mita Sinha (Noticee No.9)	Independent Director	14.02.2018	Continuing as ID
6.	Ms. Payal Sharma (Noticee No.10)	Independent Director	27.05.2015	Continuing as ID
7.	Ms. Manisha Jain (Noticee No.15)	Company Secretary	18.05.2020	15.09.2020

<u>Invoking different penal provisions for same allegations is perverse</u>

431. The SCN has alleged violation of the following provisions in respect of the Noticee 1 and 6. It is respectfully submitted that the simultaneous invocation of both Section 15A and Section 15HB for the same set of allegations demonstrates a clear non-application of mind by the investigating authority and the WTM while approving enforcement action. Section 15HB is a residual penalty provision, intended to apply only in cases where no specific penalty has been prescribed. In the present case, Section 15A, which specifically addresses violations under the LODR Regulations, has already been invoked for the alleged infractions. Therefore, the application of Section 15HB is not only redundant but legally untenable.

432. The dual invocation of these provisions leads to an unjust duplication of charges, subjecting Noticees 1 and 6 to perverse penal consequences. It is well established that a regulatory authority cannot impose penalties under both a general and specific provision for the same offense, as this contravenes the principles of fairness and proportionality, resulting in excessive and repetitive punishment. The inclusion of Section 15HB alongside Section 15A is contradictory, unnecessary, and inconsistent with the established legal framework.

<u>Past SEBI orders imposing minimum penalty in similar circumstances</u>

433. Without prejudice to the above, and without admitting to the allegations made under the SCN, it is submitted that SEBI, on several occasions, has taken a lenient view when deciding upon

the penalty to be imposed on companies and individuals for alleged violations of LODR Regulations and PFUTP Regulations, often imposing minimum penalty or complete exoneration.

434. Complete Exoneration without penalty in more serious cases: In recent instances, even when serious irregularities and violations of LODR Regulations were alleged, SEBI has opted not to impose penalties. Instead, parties were issued warning to exercise caution in the future. A notable example is the case of Vedanta Ltd., where a related party transaction worth Rs. 1407 Crores was executed without prior approval from the Audit Committee, which was later ratified. Despite the significant amount involved, SEBI issued a warning letter on October 28, 2021. This case illustrates SEBI's approach of issuing warnings even in substantial cases of related party transactions where the same were undertaken without the prior approval of audit committee / Board and naturally were not disclosed at the relevant point in time, even when the secretarial auditors had specifically asked for the same.

435. The relevant para of the warning letter issued in the case of Vedanta Ltd. is reproduced below:

> *"2. With regard to the qualified opinion in respect of the company executing related party transaction worth Rs. 1407 Crores without prior approval of audit committee, the company has submitted that the said transaction was ratified later (after a period of approximately 47 days from the date transaction by the Audit Committee. The company has further submitted that the said transaction was done at an arm's length distance and in ordinary course of business. In this regard, attention may be drawn to Regulation 23(2) of SEBI (LODR) regulations, 2015, which states that all related party transactions shall require prior approval of the audit committee. Accordingly, the submission of the company that the transactions were done at arm's length distance is not tenable.*
>
> 3. *With regard to Secretarial Auditor's observation pertaining to delay in disclosure of Outcome of Board Meeting dated October 03, 2020, the Company has submitted that the delay was due to unforeseen circumstances and that it will ensure that the same is not repeated.*
>
> *4. The aforesaid non-compliances are viewed seriously. You are hereby warned and advised to ensure compliance with all applicable provisions of SEBI Regulations…"*

436. A copy of the Warning Letter dated October 28, 2021, disclosed on Stock Exchanges as per the direction of SEBI by Vedanta Ltd. on October 29, 2021, is placed on records.

437. Tata Consultancy Services Limited: Similarly, a Warning Letter has been issued by SEBI against the Tata Consultancy Services Limited (TCS). TCS's initial disclosure to the stock exchanges did not explicitly mention the $940 million penalty awarded by the jury in the Epic Systems lawsuit. SEBI noted that TCS's disclosures should have been more explicit and emphasized the impact of the jury verdict. Nevertheless, rather than pursuing punitive measures, SEBI issued a formal warning to TCS, advising the company to exercise greater diligence and accuracy in future disclosures. A copy of the Warning Letter dated May 28, 2020, disclosed on Stock Exchanges as per the direction of SEBI by TCS on May 29, 2020, is placed on records.

438. Further, even in serious cases as mentioned below, SEBI has imposed least penalty. The relevant SEBI orders details are placed on records.

439. Further, the Hon'ble Supreme Court has held in Securities and Exchange Board of India v. R.T. Agro (P.) Ltd. that SEBI was not justified in penalizing a Company by taking a 'hyper-technical view' of the law and not considering the absence of 'ill- intent on the part of' Noticees.

440. The aforementioned judgments / orders and warning letters are pertinent to the present case involving the Noticees. The allegations, including the non-disclosure / inadequate disclosure did not result in any significant or adverse impact. Furthermore, no objections or complaints have been received from investors, and SCN does not indicate any loss caused to them. The violations alleged in the SCN are not repetitive in nature.

<u>Key Contentions of Noticee 7</u>

441. Out of said 7 alleged misleading corporate announcements made by the company, 5 corporate announcement / agreement executed by the company after Noticee's resignation. Further, one corporate announcement/agreement executed by the company before joining the company. My tenure with the company was from May 28, 2018 to February 24, 2020. Hence, Noticee role was limited only with regard to only 1 announcement (December 07,

2019) pertaining to company entering into JV with Shenxian for development of Electric Car. All other corporate announcements made by the company after and before Noticee's tenure.

442. Noticee was initially appointed as Director of Urja Batteries Limited to oversee the unit's operations starting from May 24, 2018. Subsequently; on May 26, 2018, Noticee was also appointed as a whole- time director of Urja Global Limited, solely to meet the legal requirement of maintaining the composition of the Board of Directors following the resignation of WTD Mr. Aditya Venkatesh, effective from June 4, 2018. Noticee's appointment as Whole Time Director (WTD) was primarily to fill the vacancy resulting from the resignation of Aditya Venkatesh.

443. Noticee joined Urja group only for the core manufacturing operations of Urja Batteries limited (subsidiary of Urja Global Limited) only. Subsequently, Board of Management of Urja Global Limited vide resolution No.3 dated May 28, 2019 (placed on records) had Noticee to independently handle the operations and finance of wholly owned subsidiary company i.e. Urja Batteries Limited as reward of my performance for Urja Batteries limited. Details of the same are as under:

"It is being approved & decided by Board of directors of Urja Global limited as under:

Agenda item 23 of Board Meeting dated 28th May 2019:

The Chairperson apprised the Board that Mr. Sunil Kumar Mittal whole time director of the company is independently handling the operations and finance of Urja Batteries Limited i.e. Wholly Owned Subsidiary of the company. The board considered & approved the remuneration of Mr. Sunil Kumar Mittal in consideration of Nomination & Remuneration Committee and subject to the shareholders approval of both the companies, if required………"

444. After completing chartered accountancy in 2009, Noticee worked as a salary-paid employee at Urja Batteries Limited but due to some close influences joined as WTD of Urja Global limited. However, Noticee was managing day-to-day operations and receiving remuneration from Urja Batteries Limited (salary Slips placed on records)

445. Noticee assert that he was managing the finance & operations of Urja Batteries Limited, wholly owned subsidiary of company Urja Global Limited (Noticee 1) and was not fully involved in the day-to-day operations of Urja Global Limited. Therefore, at the time of signing of the Agreement with M/s Shenxian dated 7th December 2019 Noticee was not handling

the operation of the business nor had any involvement in the transaction or negotiation in respect of the agreement with M/s Shenxian.

446. Agreement with M/s Shenxian dated 7th December 2019 was not signed by Noticee, even the minutes of the board meeting in which the said agreement was placed, not signed by Noticee. Further, Noticee was never part of any discussion related to this MOU and signing of the MOU. SCN also failed to establish Noticee's role in the said MOU.

447. On perusal of agendas papers which was provided to board pertaining for the approval/ratification of the announcements of the executing JV/MOU It was observed that complete details of MOU/agreement were not placed before the Board. Further, even the copy of the MOU even agreement/MOU itself was also not placed before the board. Thus, SCN clearly mentioned that details of the MOU were not placed before the board, in these circumstances, as a director who don't have complete information would not be responsible.

448. Further, it is important to note that Noticee attended only one meeting of February 10, 2020 and also important to note that in para 55 to 70 of the SCN that the communication between company and other entities (Shenxian Ganghang Automobile Sales Co. Ltd) pertaining to said announcement was going from December 2019 to September 19, 2021.

449. However, Noticee had already resigned in February 2020, hence, Noticee was not associated with the company till the end of full transactions, and was associated barely for just three months. Further, it is important to note that Noticee attended only one meeting of February 10, 2020. There were 12 board meetings subsequently held during the period December 2019 to September 2021 which Noticee have not attended.

450. Para 66 of SCN states that vide letter dated June 08, 2021 and August 13, 2021 company has provided clarification to the exchange, which was not relied upon by SEBI. It is important to note that that time Noticee was not part of company. Further, all the communication made by company with regard to agreement with Shenxian with the exchange or SEBI, Noticee was not part of discussions since Noticee already left the company. Para 71 of the SCN clearly state that the said agreement of December 07, 2019 was not signed by the Noticee.

451. Noticee had no direct or indirect interest in Urja Global Limited, apart from receiving remuneration for his professional services. Noticee has never been appointed as an

authorized signatory of Urja Global Limited in any bank or any other capacity besides Whole-time Director. Furthermore, Noticee never utilized any email address associated with Urja Global Limited, nor signed any Memorandum of Understanding (MOU) on behalf of the company or participated in any MOU-related discussions.

452. Further Noticee resigned on 24th February 2020 from the post of whole-time director of Urja Global Limited due to pre-occupation and commitments in Urja Batteries limited as Director but due to Covid-19 pandemic and want of requisite quorum, Company has accepted my resignation w.e.f. 5th May 2020. The notice of which was duly submitted to the exchange on 19th May 2020.

453. Throughout tenure, Notice diligently adhered to the applicable laws governing the company, served solely as an Employee Director and not as a Promoter Director of Urja Global Limited. The ownership of 3,265 shares of Urja Global Limited at that time, which is minimal considering the total equity shares of the company, was acquired before Noticee's tenure, and all necessary disclosures were promptly made to the stock exchanges.

454. Following resignation from Urja Global Limited and Urja Batteries Limited, Noticee joined another private limited company in July 2021 solely as an employee.

455. Moreover, Noticee have already been debarred by SEBI for two years already in last SEBI order dated 13th May 2022. Further Noticee object the Validity of point no. 52 page no 22 of the said SCN. As Noticee 7 was not part of the BOD after the SEBI order dated May 13, 2022 in which it was directed that board of directors shall seek the status from the company with regard to compliance of the SEBI order.

456. In the present show cause notice dated march 19, 2024, charges of fraud has been levied against Noticee. Fraud means willful representation of facts. However, in the present matter SCN failed to establish any act which establish Noticee's willful mis-representation.

<u>Key Contentions of Noticee 12</u>

457. Noticee's tenure in Urja Global Limited, Noticee was handling the Sales part only & rest all compliances, Audit etc was handled by MD (Managing Director) & Board of Directors only, since Noticee was not associated with the Notice company i.e. Urja Global limited since 02nd Mar 2023 due to this, Noticee is not aware of the current status of agreements.

Key Contentions of Noticee 13

458. The Noticee was appointed as Chief Executive Officer of the said Urja Global Ltd. on 18.05.2020 vide an MOU. Thus, effective the said date of appointment the Noticee was brought into the status Key Managerial Personnel ("KMP") of the said Company. The information thereof was duly provided to the concerned stock exchanges(s), a copy of the same is placed on records.

459. The Noticee resigned from the services of the said Urja Global Ltd. w.e.f. 02.09.2020, and thus the Noticee served the said Company for a small period of approximately 3.5 months. The information of resignation and relieving thereof was duly provided to the concerned stock exchanges(s), a copy whereof is placed on records.

460. That the Noticee had resigned from the services of the said Company during initial period of joining the office as Chief Executive Officer, and was neither handed over any major responsibilities nor given charge of any responsibilities as envisaged at the time of joining, as it was an ongoing business.

461. That as a matter of fact during the said short period of approximately 3.5 months i.e. between 18.05.2020 to 02.09.2020, the Noticee neither executed nor signed any contract (or such document) for & on behalf of the said Company, nor was a signatory in the bank, nor was in control of its affairs, as Noticee was still being inducted in the company.

462. The Noticee specifically denies of having signed the JV with Ogata Motors India Pvt. Ltd. as alleged in point 165 (refer page 49). The Noticee respectfully submits, and refutes the allegation of having erred in discharge of duties and / or not having acted in the best interest of the stakeholders of the company. Such an inference is wrong and devoid of merits and contrary to the factual records of the Company. Needless to say, the relevant records are available with SEBI.

463. The Noticee would like to draw the attention to point 167 (refer Page 49), point 148 (refer page 45) of the subject SCN, which specifically reiterates that the MOU with Ogata Motors alleged to have been signed by Noticee, is in fact signed by then Director / MD - Mr. Dheeraj Sisodia, on behalf of said M/s. Urja Global Ltd.

464. The information about the said MOU was shared by the Company Secretary – Ms. Manisha Jain with BSE and NSE on July 1st 2020. The said MOU was also approved by the Board of Directors on June 27th 2020. It was also shared in the list of MOUs signed by the company with BSE and NSE on July 27th 2020 by the Company Secretary – Ms. Preeti Kataria.

465. Therefore, from the above mentioned facts & circumstances and on the basis of records available with the Company as well the as Stock Exchanges concerned, it is evident that:

a) the Noticee did not sign / execute any MOU or JV for & on behalf of the Company much less an MOU with Ogata Motors India Pvt. Ltd. as alleged in SCN.

b) The Board of Directors had duly approved the said MOU dated 23.06.2020, which was later placed before the Board on 27.06.2020.

c) Due information of signing of the above stated MOU with M/s. Ogata Motors India Pvt. Ltd. was given to the concerned stock exchange(s).

d) Noticee was neither involved in the signing process of the said MOU with M/s. Ogata Motors India Pvt. Ltd. nor in any press release or any such authorization concerning the said MoU.

466. Neither the Noticee nor any of Noticee's immediate family members have ever traded in shares of said M/s. Urja Global Ltd., nor have benefited in any other form through the said Company or its associates. Fixed compensation as per the MOU signed by Noticee w/r/to appointment was only received by Noticee for the short tenure approximately 3.5 months of association with the said Company.

467. Some of the reasons for our leaving the organisation as KMPs were:

a) Email access of some of the KMPs was unilaterally withdrawn on 11th August, 2020, which is a clear breach of trust and violation of employment terms. Google message clearly stated that password was changed by the admin w/o our consent.

b) The KMPs were expected to discharge responsibility as per organisation chart mutually agreed but the MD failed to handover even a single document or function in almost 3 months.

c) The MD failed to involve the KMPs in any financial decisions and was operating unilaterally.

Key Contentions of Noticee 14

468. Reply is focusing on the MOU entered with Malbro Group, Africa and alleged violations. Regarding the allegations outlined in para 2(j), any violation of Regulation 6(2)(a) and 6(2)(c) of the LODR Regulations, 2015, and Regulation 17(7) read with Schedule II of the LODR Regulations is denied.

469. The importance of disclosure as outlined in the SEBI Circular dated September 09, 2015 is acknowledged. The details were inadvertently missed as the circular came into effect close to the announcement date. There were no malafide intentions to withhold such information, and Noticee regret this omission and request to take a lenient view as the omission was merely unintentional.

470. Additionally, providing these details was not relevant to the Company's circumstance as all the points were not applicable, and the disclosure would not have added any significant value or meaningful information to the shareholders.

471. It is submitted that all the available information regarding the MOU between Urja Global Limited and Malbro Group was included in the agenda. Also, if management had provided further updates on the matter, the same would also have been updated to the Board and the Stock Exchanges. Accordingly, the violation of Regulation 17(7) of LODR Regulations, 2015 is denied. The finalization of minutes rests within the jurisdiction of the Chairman of the Company. As stipulated by SS-1, the Chairman holds the right to exclude certain details from the minutes as deemed necessary.

472. In response to Para 46 of SCN, it is emphasized that the violation of the object clause is not pertinent to the issue concerning the Malbro Group. Hence, the allegations of non-compliance against Noticee No. 14 are unfounded and lack validity.

473. In response to Para 171 to 194 of SCN: MOU with Malbro dated March 16, 2016 the following is submitted:

a) Noticee do not possess a signed copy of the MOU mentioned, and given the passage of 8 years, unable to recall the terms and conditions.
b) Noticee do not have information regarding the compliance requirements of the SEBI order and the communication between the Company and the PCS. Consequently, unable to comment on the rationale behind the PCS's opinion formation.

c) Noticee do not have information regarding the communication between BSE and the Company, which prevents Noticee from providing a comment.

d) Mr. Abhitansh Gupta was a member of the management team at Urja Global Limited and likely to have authorization as a signatory of the Company due to his oversight of critical functions at the Bahadurgarh factory. However, Noticee lack access to the relevant documents to confirm.

e) To the best of Noticee’s knowledge, Noticee confirm that Mr. Noel Maluza visited the Company's factory situated at Bahadurgarh once, and all the senior management met him there. The senior management team informed Noticee that a detailed discussion took place with Mr. Noel Maluza regarding future projects of the Company, and they presented a signed MOU along with photographs. The provided evidence was sufficient for Noticee to authenticate the information. Consequently, Noticee filed the stock exchange intimation with BSE. Noticee do not possess any documentary proof to substantiate his claim, as all the relevant documents were retained by the Company.

f) The date of cessation of Noticee With company is April 30, 2017, Noticee served as the Compliance Officer at the time of signing the MOU. However, the date of my appointment, which is February 13, 2016, while the Stock Exchange disclosure was made on March 21, 2016, within one month of Noticee’s appointment. It is essential to note that Noticee was a fresher Company Secretary without prior internship experience in a listed company. Noticee was working under the guidance of Mrs. Honey Gupta, the then Managing Director, who is a seasoned Company Secretary with extensive experience in listed companies. Consequently, Noticee adhered to Mrs. Honey Gupta's instructions in fulfilling his duties.

g) It is reiterated that Noticee was informed of Mr. Noel Maluza's visit to the Company's factory, during which the MOU was signed after discussions with senior management. The management presented me the signed copy of MOU along with photographs, which was sufficient for authentication purposes. Afterwards, Noticee proceeded to sign the stock exchange intimation. Therefore, Noticee had ensured conformity with the regulatory requirements in letter and spirit and also correct procedures have been followed. Accordingly, the violations of Regulation 2(a) and Regulation 2(c) of LODR Regulations, 2015 are denied.

h) In reference to the announcement of Malbro, as mentioned in the preceding paragraphs, the said announcement was correct and authentic based on the available information. Furthermore, the management has not provided any updates on the matter; therefore, the same was not updated to the Stock Exchanges. Except for the omission of information as per the SEBI Circular dated September 09, 2015, Noticee consistently provided complete information to the stock exchanges during his tenure as Company Secretary & Compliance Officer.

i) The violation of the object clause is not pertinent to the issue concerning the Malbro Group. Hence, the allegations of non-compliance against Noticee No. 14 are unfounded and lack validity

j) For para 287- This clause is not applicable on Noticee no. 14 as the SEBI order came into effect on May 13, 2022, whereas Noticee ceased to be associated with the Urja Group as of May 01, 2017. Additionally, the intimation regarding the Malbro Group was in 2016, which was before the SEBI order.

<u>Key Contentions of Noticee 15</u>

474. Noticee is well-versed with the regulatory framework established by SEBI. Throughout Noticee's tenure in the securities market, Noticee consistently strived to ensure compliance with all relevant laws and regulations. Noticee while acknowledge that there might have been certain discrepancies in the matter under investigation, Notice want to emphasize that Noticee (Company Secretary and Compliance Officer of Urja Global Limited from 18.05.2020 to 15.09.2020).

475. MOU with Ogata dated June 23, 2020 was signed under Noticee's tenure of Urja Global Limited, but as a Company Secretary Noticee was treated as an employee of the Company and the MOU was not signed in Noticee's presence. Noticee only intimated the signing of the MOU to the BSE & NSE. Meanwhile when Noticee get to know that things are not in place, Noticee resigned in a very short span of time, any actions taken were inadvertent and unintentional. Noticee is committed to cooperating fully with SEBI in resolving this matter and ensuring that corrective measures are promptly implemented, if needed from Noticee's end.

<u>Key Contentions of Noticee 16</u>

476. During Noticee's tenure as a Company Secretary and Compliance Officer from 7th October 2020 to 8th January 2021 Noticee worked as per the sole discretion of the management and was mostly engaged in regular secretarial and quarterly and monthly filings to stock exchange.

477. As a result, Noticee was part of the company for only about 3 months and disclosures given in between 7th October, 2020 to 8th January 2021 were given after taking proper care and after conducting proper due diligence.

478. Any disclosures pertaining to regulation 30 or replies filed to the stock exchange were only done after critical evaluation of documents as furnished by them to Noticee. So Noticee was never aware that their conduct was malafide.

479. Further with respect to MOU signed with FVM Industries Private Limited dated 17th October 2020 it has been informed by the Management that the transaction has been carried out by the company in good faith for the future growth of the business of the company and the said MOU was not disclosed to Compliance Officer before initiating the procedure for signing documents.

Key Contentions of Noticee 17

480. Noticee joined the Company as Company Secretary and Compliance officer with effect from 20th June 2022 and within a short period of time i.e. around 7 months, resigned the company with effect from 25th January 2023.

481. Most of the Paras of Show Cause Notice contain Facts, Findings, and Status of the matter which are not related to Noticee as Noticee's association with the Company was only from 20th June 2022 to 25th January 2023. Noticee joined the company for a very short period of time and all disclosures for execution of MOUs took place before Noticee's joining in the company and after her resignation.

482. In Para 16 and 38 in SCN, Noticee is held responsible for violation of LODR Regulations. It is hereby submitted that the events and facts including agenda and execution of Agreements /JV/ MOUs and announcements mentioned in from Para 1 to Para 15 and para 17 to 37, took place before Noticee joining the Company and after Noticee resigned from the company. At the time of these events, Noticee was not associated with the Company and Accordingly, Noticee is not directly or indirectly responsible for the violation of LODR Regulations, and therefore, the allegation is denied.

483. Similarly for the events for which Noticee is alleged of LODR regulations violations in Para 46 of SCN, it is submitted that at the time of these events, Noticee was not associated with the Company and accordingly, not directly or indirectly responsible for the alleged violations.

484. In Para 54 of SCN, Noticee is held responsible for violation of the SEBI Order dated 13th May 2022 for not obtaining a certificate of Authenticity from the Practicing Company Secretary. With respect to the announcements mentioned in Para No. 49 of SCN, regarding the certificate of Authenticity, it is submitted that only following announcements were within the tenure of the Noticee, rest were either after or before the Noticee joined or left the company:

Date	Announcement	Reply on certificate of authenticity
29-06-2022	Resignation of Statutory Auditor- M/s. ASHM & Associates	Certificate of Authenticity was obtained from PCS Nupur Jain, Proprietor, Nupur Jain & Associates, Company Secretaries dated 29, June, 2022.
30-06-2022	Reason for Resignation of Statutory Auditor- M/s. ASHM & Associates	It was a revised announcement related to the announcement made on 29-06-2022 and a Certificate of Authenticity was already obtained from PCS Nupur Jain, Proprietor, Nupur Jain & Associates, Company Secretaries dated 29 June 2022. And said Certificate of Authenticity itself contains that detailed reasons for the resignation of the auditors shall be disclosed by the Company to the Stock Exchange. This announcement was just a revised Announcement containing a few more details related to the Auditor's Resignation.
27-07-2022	Update on MOUs with various entities	Before the date of this event, PCS Nupur Jain had denied to issue further certificates of Authenticity for the Company. Accordingly, Noticee had approached to the management of the Company including the MD and CEO and updated them regarding the requirement for another PCS to issue a further Certificate of Authenticity as PCS Nupur Jain had denied to issue further Certificate of Authenticity. But even after following up many times with them, neither a new PCS was approached or appointed by management nor Noticee was allowed to approach to new PCS. However, the Company did not deny to appoint another PCS but even after various reminders to management, no new

		PCS was appointed to issue Certificate of Authenticity.

485. After considering all replies in reference to respective corporate announcements, it is very clear that Most of the Announcement was not made by Noticee as these were made by another person before or after Noticee's association with the Company and accordingly, Noticee cannot be held responsible for actions of others.

486. One Certificate of Authenticity (placed on records) was also obtained from PCS which may not be in the record of the adjudicating officer. Further, Corporate Announcement/Replies made by Noticee during Noticee's duration were based on the proper scrutiny of documents and information available in the files of the Company and available on the emails. And as MOUs and updates on said MOUs took place before Noticee joining in the Company, Noticee also had a discussion with the CEO and MD of the Company regarding submissions/Reply. Accordingly, Noticee relied on said Documents/Information available in the Company's file and on email and information gathered from the management of the Company.

487. Furthermore, for the authenticity Certificate on the Corporate Announcement dated 27-07-2022 related to an Update on MOUs with various entities, all necessary steps were taken by Noticee to appoint a new PCS to issue further certificates of Authenticity including putting the matter in the Board Meeting held my duration, but Noticee's suggestion was not approved in this regard. As Noticee was also an employee only and was not authoritative in taking this decision for appointment of another PCS and even Noticee's continuous efforts and reminders, no PCS was appointed and a certificate of Authenticity could not be obtained by the Company.

488. It must also be considered that Noticee had obtained a Certificate of authenticity before this announcement and after this announcement also. It clearly shows that there was no negligence on my part and even there was no reason for Noticee for not to obtain a Certificate of Authenticity. Obtaining a Certificate of Authenticity was beyond Noticee's reach and authority in the company. Therefore, Noticee could not be held responsible for this violation of the SEBI order and therefore, the allegation is denied.

Key Contentions of Noticee 18

489. Noticee was appointed as Company Secretary and the Compliance officer in Urja Global Limited w.e.f. from 28th May 2019. Noticee's tenure was for approximately 9 months as she resigned from the Company on 17th February 2020 w.e.f. 5th March 2020.

490. The Inspection of Urja Global Limited was conducted to ascertain the authenticity of the Announcements made by Urja Global Limited and to ascertain whether the same is in accordance with requirements prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

491. Urja entered into Joint venture agreement on 7th December 2019 with Shenxian Ganghang Automobiles Sales Co Ltd ("SGA") for sale & development of Electric car. The relevant disclosure made by the Noticee during the Examination Period was for the above-mentioned Joint Venture Agreement on 7th December, 2019 that was signed by the Noticee.

JV agreement between Urja and SGA :

492. Urja Global Ltd. entered in a Joint Venture Agreement with SGA for development of Electric car. The agreement dated 7th December 2019 as informed to the Noticee was signed when both the parties of the agreement had agreed to their respective obligations & role in the agreement. It also articulated and future road map for its implementation & execution. The Authorised signatory for Urja was Mr. Dheeraj Sisodia who was the CEO of the company. The Authorized signatory of SGA was Mr. Gao Lihu. Further, Mr. Gao Lihu was also accompanying Urja in the EV Expo where Urja participated on 20th to 22nd December 2019. (The photograph of the EV Expo is placed on records). The intimation about the EV Expo was disclosed on BSE & NSE dated 5th December 2019. (The copy of the disclosures is placed on records).

493. There was a complaint filed with BSE & NSE regarding this disclosure, for which the exchange sought clarification was provided by the Noticee on 11th December 2019. BSE vide letter reference no. UGL/BSE/2019/133 sought the details of SGA and the authorized signatory of SGA in the JV Agreement. The Noticee submitted the details of the SGA along with the travel details (Tickets) of Mr. Gao Lihu who was visiting India for the EV Expo. Further clarification was sought by BSE on 26th December, 2019 to which the Noticee had replied on 27th December, 2019.

TIMELINE OF EVENTS REGARDING THE SHENXIAN AGREEMENT

Date	Particulars
May 28, 2019	Appointment of Kanika Arora as Company Secretary and Compliance Officer
December 07, 2019	Agreement entered with Urja and SGA
December 07, 2019	Intimation to BSE for entering into a Joint Venture for Electric car
December 11, 2019	Reply to BSE on the Complaint made by Mr Surendra Singh Rao in respect of the Agreement.
December 16, 2019	Clarification sought by BSE
December 18, 2019	Reply by the Noticee to BSE
December 20 – 22, 2019	Participation of Urja in the EV Expo
December 26, 2019	Clarification sought by BSE
December 27, 2019	Reply by Noticee along with the Irrevocable declaration by Mr. Gau Lihu submitted to BSE with the other details
February 10, 2020	Date of Board Meeting where the JV agreement was placed on record
February 17, 2020	Resignation letter from Post of Company Secretary and Compliance officer.
March 05, 2020	Relieving letter issued by the Management

494. At the outset, Noticee denies the allegation made in the captioned Show Cause Notice. Noticee was appointed as Company Secretary and Compliance Officer with effect from 28th May 2019 in Urja Global Limited. She resigned from the Company on 17th February 2020 with effect from 5th March, 2020. Noticee's tenure in Urja was for 9 months. The Noticee had drawn salary from the Company during Noticee's employment of Rs 2,84,776/-. Urja Global Limited entered into a Joint venture agreement with SGA, a Chinese company on 7th day of December 2019.

495. The purpose of Joint Venture agreement was to provide a co-operation framework for the project of assembling and then sale of E Dream (Electric Car). Further the agreement broadly outlined the rights & duties of parties and the preliminary actions to be taken by each party before the agreement is implemented. In order to implement the agreement, it was responsibility of Urja to make necessary arrangements and preparation for workshop construction. According to the agreement, Urja Global Limited was responsible for the handling of official procedures of the agreement.

496. The Noticee had taken appropriate care and diligence to ensure compliance with disclosure requirements, following correct procedures for disclosing all necessary details. She was also

promptly responding to the complaints and clarification sought by the exchanges regarding the disclosure w.r.t. the agreement.

497. Noticee intimated to BSE & NSE regarding the Joint Venture with SGA on 7th December 2019 in adherence to the SEBI Circular dated September 09, 2015. 22. As per the Circular, the applicable heads were disclosed regarding the Joint Venture agreement and it did not impact the management and control of Urja.

Name(s) of parties with whom the agreement is entered	Disclosed
Purpose of entering into the agreement;	Disclosed
Shareholding, if any, in the entity with whom the agreement is executed	Not Applicable
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Not Applicable
Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Not Applicable
Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	Not Applicable
In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not Applicable
Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;	Not Applicable

498. BSE sought clarification from the Company on receipt of complaint of Mr. Surendra Singh Rao. Noticee promptly replied via email dated 11th December 2019 enclosing copy of agreement in its reply. Thereafter, BSE sought further clarification on 16th & 26th December 2019 regarding the details of SGA. It was promptly responded on 18th & 27th December 2019 respectively by the Noticee to the satisfaction of BSE along with the relevant information available, travel details of Mr. Gao Lihu (Authorized Signatory of SGA) and the copy of irrevocable declaration.

499. Subsequently, owing to the multiple rounds of clarifications and actions of/by SEBI/BSE/NSE regarding the declarations made by the company for its agreements with SGA and earlier with Nippon Shinyaku Co. Limited for the product Zacobite, the Noticee discussed with the management and briefed them with the regulatory requirements. These discussions focused on enhancing transparency to prevent regulatory / exchange interventions and complaints. The Noticee emphasized that in the future, she would refrain

from making disclosures to the stock exchange unless she possesses complete details or adequate knowledge about the agreements executed by the Company. (The copy of the email is placed on records).

500. As the Joint venture was in its initial stages, only limited information was available, which was included in the agenda. Additionally, the copy of the Joint Venture agreement was presented before the Board for their consideration & perusal. It is submitted by the Noticee that all information conveyed by the CEO to the Noticee was duly included in the agenda.

501. The Board Meeting was convened on 10th February, 2020 during which the agreement was presented and acknowledged by the Board. The CEO, Mr. Dheeraj Sisodia, provided a briefing on the agreement, which the Board duly noted. This information was subsequently recorded in the minutes of the meeting.

502. Furthermore, a Company Secretary is expected to meticulously record the proceedings of the meeting exactly as they take place. Further, it must also be noted that the Chairperson of the Meeting finally signs the minutes of the meeting and also ensures that the proceedings of the meetings are correctly recorded at his / Noticee's discretion.

503. Therefore, Noticee has complied with all the provision regarding Secretarial Standard – 1 regarding the circulation of Agenda and recording of the Minutes. Further, the allegation that necessary information was not placed before the Board thereby violating Regulation 17(7) of SEBI (LODR) Regulation 2015 is denied.

504. During the decision-making process, despite not being directly involved in the transaction, the Noticee acted diligently to ensure that whatever disclosures were made by the Company's & Investors best interests. As a result, the disclosures signed by the Noticee did not include any forward-looking statements or exaggerated claims and only the requisite information was made in the disclosure that accurately reflected the actual event.

505. Mr. Dheeraj Sisodia (Noticee No. 5) served as the Chief Financial Officer of the Company and was a signatory to the agreement. The authorized signatory of the counterparty, Mr. Gao Lihu, was also present during the execution of this agreement. Additionally, Mr. Gao Lihu attended the EV- EXPO held from 20th to 22nd December 2020, where the company

participated. The disclosure of the EV Expo was also made by the Company under the signatory of Noticee to the Stock Exchange.

506. Therefore, the Noticee had no reasons to suspect (without prejudice) any malicious intent on the part of the Company regarding the Joint Venture Agreement.

507. Moreover, the Noticee had limited role in the said Joint Venture Agreement disclosure, as the Noticee resigned from the Company within one week after the Board Meeting/within less than 3 months of entering the Joint venture. The material events arising from the agreement occurred much later, well after Noticee's resignation. Therefore, any allegations of non-compliance or failure to conduct due diligence cannot be attributed to the Noticee.

508. The Annual report for the Financial Year 2019-2020 was neither prepared by the Noticee nor did Noticee have any role as she had resigned before the end of the financial year. The major reason for Noticee's resignation was belated payments of Noticee's salary and difference in the professional approach to work. (The copy of Noticee's resignation email is placed on records).

509. The Relieving cum Experience letter declares that Noticee was sincere, honest in handling compliances related to Listing, Corporate Secretarial and other event-based compliances and she will not be liable for any liabilities of the company. (Copy of Relieving letter is placed on records)

510. Noticee have been acting diligently to the best of their available framework in this regard. Emphasis must also be made that:

a. There has been consistent turnover in the office of the Company Secretary and Compliance officer of Urja.
b. During Noticee's 9-month tenure at Urja, subsequent to Noticee's resignation, the Noticee encountered regulatory action in the form of an A.O. Order bearing ref. no. ORDER/NH/KL/2022-23/20029-20031 dated September 30,2022, which imposed a penalty of Rs.1,00,000. This action was prompted by a disclosure she made in Noticee's first month (July 2019) on the job regarding Urja's agreement with Nippon Shinyaku Co. Limited for a product named Zacobite, based on information provided by management. Subsequent to the withdrawal of this announcement on August 21st, 2019 due to complaints and

regulatory scrutiny, the Noticee gained deeper insights into the Company's operations. Hence, she became more vigilant and acted meticulous in handling information provided by management for disclosures.

c. Lastly, due to differences in professional conduct and approach to function, she promptly resigned from Urja without awaiting another job opportunity.

511. However, if again any regulatory action is taken or adjudication proceeding are initiated, it will be highly prejudicial to the Noticee not just in monetary terms but even as a Professional / as a Company Secretary. Hence, any levy of penalty would cause utmost travesty of justice.

512. The Noticee has not made any gains or caused any loss to the market or any investor. Furthermore, neither the SCN nor the BSE Exceptional Report do not mention about any price / volume movement attributable to the disclosure made by the Noticee.

CONSIDERATION OF ISSUES AND FINDINGS

513. I have carefully perused the charges levelled against the Noticees in the SCN, submissions made by the Noticees and material available on record. The issues that arise for consideration in the present case are as follows:

I. Whether the Noticees have violated the provisions of the Act, Regulations and Circulars as indicated at Para 1?

II. Does the violation, if any, attract monetary penalty under Section 15A(a), 15A(b), 15HA and 15HB of the SEBI Act?

III. If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15-J of the SEBI Act read with Rule 5(2) of the SEBI Adjudication Rules?

514. The said provisions under which violations have been alleged against the Noticees are reproduced below:

SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015

Regulation 4(1): Principles governing disclosures and obligations

..

(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.

(d)The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.

(e)The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.

(g)The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.

(h) The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.

(i)Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.

(j) Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

Regulation 4(2)(f) Responsibilities of the board of directors:

The board of directors of the listed entity shall have the following responsibilities

Responsibilities of the board of directors:

(i)..

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii)…

(8) Overseeing the process of disclosure and communications.

(iii)….

(3) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

(6) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders

(7)The board of directors shall exercise objective independent judgement on corporate affairs.

(12)Members of the board of directors shall be able to commit themselves effectively to their responsibilities.

(13) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.

General obligation of compliance.

5. The listed entity shall ensure that key managerial personnel, directors, promoters or any other person dealing with the listed entity, complies with responsibilities or obligations, if any, assigned to them under these regulations.

Regulation 6(2) Compliance Officer and his/her Obligations.

The compliance officer of the listed entity shall be responsible for-

…

(a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

(c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

Regulation 17(5)

(5) (a) The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.

(b) The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Code For Independent Directors (As prescribed under Schedule IV of the Companies Act, 2013)

An independent director shall:

Guidelines for professional conduct
Clause I.1: uphold ethical standards of integrity and probity;
Clause I.2: act objectively and constructively while exercising his duties;.
Clause I.3: exercise his responsibilities in a bona fide manner in the interest of the company;

<u>Role and functions</u>
Clause II.1: help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
Clause II.2: bring an objective view in the evaluation of the performance of board and management;
Clause II.5: safeguard the interests of all stakeholders, particularly the minority shareholders;
Clause II.6: balance the conflicting interest of the stakeholders;

<u>Duties</u>
Clause III.2: seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
Clause III.11: report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

<u>Regulation 17(7)</u>

The minimum information to be placed before the board of directors is specified in Part A of Schedule II.

<u>Schedule II Clause J</u>
…
Details of any joint venture or collaboration agreement.
…

<u>Regulation 26(3)</u>
Obligations with respect to employees including senior management, key managerial personnel, directors and promoters.

26 (3) *All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.*

<u>Regulation 30(2) and 30 (7)</u>
Disclosure of events or information.
30.
(2) *Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.*

(7) *The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.*

Regulation 34: Annual Report

(3) The annual report shall contain any other disclosures specified in Companies Act, 2013 along with other requirements as specified in Schedule V of these regulations.

Schedule V Para B Clause 1 states as under:

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

(a) Industry structure and developments.

(b) Opportunities and Threats.

(c) Segment–wise or product-wise performance.

Schedule III Para A Clause 14 states as under

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

(14) Amendments to memorandum and articles of association of listed entity, in brief.

SEBI Circular dated Sep 09, 2015

No specific para or clause or segment of the Circular referred, hence circular is referred in its entirety.

Section 24 of SEBI Act, 1992

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to 121[ten years, or with fine, which may extend to twenty-five crore rupees or with both].

24 (2) If any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

SEBI (PFUTP) Regulations, 2003

Reg 2 (1) (b) *1["dealing in securities" includes:*

1 Substituted vide Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2018. w.e.f. from February 01, 2019 .

(i) an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any persons including as principal, agent, or intermediary referred to in section 12 of the Act;

(ii) such acts which may be knowingly designed to influence the decision of investors in securities; and

(iii) any act of providing assistance to carry out the aforementioned acts.]

2 1(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behaviour by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price. And "fraudulent" shall be construed accordingly;

3. Prohibition of certain dealings in securities No person shall directly or indirectly—(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a [manipulative,] fraudulent or an unfair trade practice in securities [markets].

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves [any of the following]:—

……

……

(k) ["disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;]

(r) [knowingly] planting false or misleading news which may induce sale or purchase of securities.

515. Based on perusal of the material available on record and giving regard to the facts and submission of the Noticees and circumstances of the case, I record my findings hereunder:

Issue I. Whether the Noticees have violated the provisions of the Act, Regulations and Circulars as indicated at Para 1?

516. I note that vide reply dated April 11, 2024, company along with certain other Noticees have submitted Death Certificate of Mr. Prithwi Chand Das (Noticee 11) issued by Department of Health and Family Welfare, Government of West Bengal. As per Death Certificate dated October 25, 2023, it's noted that Mr. Prithwi Chand Das passed away on August 23, 2023. The death certificate was verified through the utility given at the website of Health & Family Welfare Department, Government of West Bengal, i.e. at https://janma-mrityutathya.wb.gov.in/Bdvrnew.html. The website

confirms that the Death Certificate No: D/2023/0535298, in the name of 'PRITHWI CHAND DAS' with Date of Death as 23/08/2023 was issued. In view of the same it's concluded that the Noticee 11 had passed away on August 23, 2023, even before the issuance of SCN to the Noticee in the matter.

517. Before proceeding further in the matter w.r.t. Noticee 11 on merit, it would be in the fitness of things to first decide as to whether, the present adjudication proceedings against Noticee 11 would continue or abate on account of death of Noticee 11. In this context, it is worth mentioning that in *Girijanandini Vs Bijendra Narain (AIR 1967 SC 2110)*, the Hon'ble Supreme Court held that in case of personal actions, i.e., *the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives and in such cases the maxim actio personalis moritur cum persona (personal action dies with the death of the person) would apply*. It is also relevant to refer to the decision of Hon'ble Securities Appellate Tribunal in *Chandravadan J. Dalal vs. SEBI (Appeal No. 35/2004 decided on June 15, 2005)* wherein it was held that: "*The appeal abates since the appellant during the pendency of the appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates*."

518. In view of the foregoing, I am of the view that the instant **adjudication proceedings against the Noticee 11 are liable to be abated without going into the merits of the case qua him and accordingly the SCN dated March 19, 2024 is disposed of with respect to him.**

519. Before delving into the allegations or announcement specific issues and contentions of the Noticees, it is pertinent to note that multiple announcements were made during periods when the Noticees held various roles within the company. Furthermore, there were changes in the individuals occupying key positions such as Managing Director (MD), Whole Time Directors(WTD), CEOs, and Compliance Officers, as detailed in the table below:

Sr. no	Announcement	Date of announcement	During announcement and its related developments
1	Urja Global Ltd. signs MoU with Malbro Group, Africa	March 21, 2016	MD (Noticee 2), WTD (Noticee 3) and WTD (Noticee 4-appointed w.e.f. June 01, 2015 up to May 31, 2016), Independent Director (Noticee 10), Non-Executive Director (Noticee 8), Compliance officer (Noticee 14-appointed with effect from February 13, 2016)
2	Urja Global Ltd. enters in a JV with Shenxian Ganghang Automobile Sales Co. Ltd (China) for development of Electric car	December 07, 2019	MD (Noticee 2), WTD (Noticee 3), CEO (Noticee 5), Independent Directors (Noticee 9 and 11), Compliance officer (Noticee 18)
3	Urja Global Ltd. enters in a JV with Ogata Motors India Pvt Ltd. (Gurgaon)	July 01, 2020	MD (Noticee 5), WTD (Noticee 3), CEO (Noticee 13), Independent Directors (Noticee 9 and 10), Compliance officer (Noticee 15: Appointed w.e.f. 18.05.2020 and resigned w.e.f. 15.09.2020)
4	Urja Global Ltd. signs MoU with FVM Industries Ltd.	October 20, 2020	MD (Noticee 5), WTD (Noticee 3), Independent Directors (Noticee 9 and 10), Compliance officer (Noticee 16: appointed with effect from 07 October, 2020 and resigned on 08 January 2021)
5	Update On Set Up Of Assembling Unit In Nashik, Maharashtra (Western Zone)	March 22, 2022	MD (Noticee 6); WTD (Noticee 3), Independent Directors (Noticee 8, 9, 10), CEO (Noticee 12), Company Secretary (Noticee 17)
6	MOU with Govt. of UP	March 03, 2023	MD (Noticee 6); WTD (Noticee 3), Independent Directors (9, 10 and 11), CEO (Noticee 12: till March 03, 2023),
7	Agreement of Urja Global Limited with Tesla Power India Private Limited	June 08, 2023	MD (Noticee 6); WTD (Noticee 3), Independent Directors (8, 9, 10), CEO (Noticee 12: till March 03, 2023)

520. Now I proceed to deal the allegations or issues pertaining to Noticees in the SCN.

Incomplete disclosures with respect to entering into MOU / JV agreements (excluding Tesla Power India Private Limited)

521. I note that the SCN alleges that, with the exception of the announcement regarding the MOU/JV agreement with Tesla Power India Private Limited made under Regulation 30 of the LODR Regulations, Noticee 1's disclosures related to MOU/JV agreements with other entities were incomplete and lacked the necessary details as required under Regulation 30 of the LODR Regulations, in conjunction with the SEBI Circular dated September 09, 2015. Therefore Noticee 1 is alleged to be in violation of Regulation 30(2) of LODR Regulations read with SEBI Circular dated September 09, 2015. Further, since the Compliance Officers (Noticee 14, 15, 16, 17 and 18) have failed to ensure that the information filed by the listed entity is correct and authentic, therefore, Compliance Officers are allegedly in violation of Regulation 6(2)(c) of LODR Regulations.

522. In this regard, Noticee 1 has asserted that Regulation 30(2) of LODR Regulations requires disclosures in the specified format only for the agreements that are binding as well as not in normal course of business. Further, the impugned JV agreements, including MOUs, are routine and part of the normal course of business, supported by object clause of the Memorandum of Association (MOA), hence the aforementioned regulation is not applicable for the instant MOU. Further Noticee has contended that MOUs entered with Malbro, Ogata, FVM Industries (India) Ltd. and Government of UP do not qualify as "agreements" as contained under Para A of Part A of Schedule III and SEBI Circular dated September 09, 2015. Therefore Noticee is not in violation of aforementioned regulation and circular.

523. In this regard, I note that, the disclosure under Regulation 30(2) mandates that events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events. Further, Para A of Part A of Schedule III lists events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of LODR Regulations. Clause 5 of Para A, specifies following as one set of such events:

> ***5.*** *Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.*

524. On perusal of aforesaid, it is noted that the agreements which are binding and not in normal course of business, are to be disclosed under Regulation 30(2) of LODR Regulations.

525. Further, Annexure I of SEBI Circular dated September 09, 2015 specifies the details that needs to be provided while disclosing events given in Para A and Para B of Schedule III of LODR Regulations. Further, clause 5 of the Annexure I, mandates for '*Agreements which are binding and not in normal course of business*' to provide following details while making the disclosures:

> a. *name(s) of parties with whom the agreement is entered;*
> b. *purpose of entering into the agreement;*
> c. *shareholding, if any, in the entity with whom the agreement is executed;*
> d. *significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;*
> e. *whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;*
> f. *whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";*
> g. *in case of issuance of shares to the parties, details of issue price, class of shares issued;*
> h. *any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arisingout of such agreements, etc;*
> i. *in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):*
> i. *name of parties to the agreement;*
> ii. *nature of the agreement;*
> iii. *date of execution of the agreement;*

iv. details of amendment and impact thereof or reasons of termination and impact thereof.

526. In this regard, I have perused the impugned disclosures, MOUs, JV agreements and note the following:

S.No.	**Announcement with respect to**	**Regulation under which the disclosure/intimation is made to the exchange**	**Whether details as specified under Annexure I of SEBI Circular dated September 09, 2015 provided with disclosure**
1	JV with Shenxian	Letter dated December 07, 2019 is mentioned as 'Intimation' and no specific regulations mentioned	No
2	MOU with FVM	Letter dated October 20, 2020 is mentioned as 'Intimation' and no specific regulations mentioned	No
3	MOU with Ogata	In compliance of Para A and Part A of Schedule III and Regulation 30 of LODR	yes
4	MOU with Malbro	In compliance of Regulation 30 of LODR	No
5	Announcement regarding Assembling unit in Nashik	In compliance of Regulation 30 of LODR	No
6	MOU with Govt. of UP	In compliance of Part B of Schedule III and Regulation 30 of LODR	No

527. I note that Noticee 1 in the announcements mentioned at S. No. 3 to 6, mentioned that the announcements are made under Regulation 30 of the LODR Regulations. Further announcements at S. No. 3 and 6 specifically mentioned that they are in compliance of 'Para A and Part A of Schedule III and Regulation 30 of LODR' and 'Part B of Schedule III and Regulation 30 of LODR' respectively.

528. In view of the above, I note that the announcements from S.No. 3 to 6, clearly mentioned that they were made under Regulation 30, hence, acknowledging that these were material and needed to be disclosed under the LODR Regulations.

Therefore, now claiming that such disclosure was "voluntary" for good governance contradicts the stand taken by Noticee 1 earlier. I note that having disclosed the MOUs/announcement under Regulation 30, Noticees were obligated to provide complete details as per SEBI's September 9, 2015 circular, the incomplete disclosure undermines the spirit of transparency required under the regulation. It is noted that Noticee 1 disclosed the information as required under Annexure 1, only for announcement at S. No. 3 and, not for the other three announcements.

529. Further, while the MOA of Noticee 1 encompasses a broad range of activities, the agreements/MOUs in question seem to represent significant diversifications into areas not routinely engaged in by the company, such as joint ventures (JVs) for electric vehicles. A "normal course of business" must be consistent with historical operations, not merely covered under generic clauses in the MOA. The *Seksaria Biswan Sugar Factory* case relied on by Noticees emphasizes acts being connected to routine operations. The entry into technology replication agreements and JVs appears to venture into new fields and does not align with Noticees' historical business activities. The argument that the agreements were routine therefore lacks merit, as the diversification into electric vehicles (a departure from historical operations) introduces material changes requiring disclosure. This distinguishes the transactions from being "routine" under Regulation 30(2). The agreements, categorized as JVs or technology collaborations, inherently warrant disclosure due to their potential implications for the company's business model and investor interests.

530. I note that Noticees have contended that MOUs are non-binding and, therefore, do not qualify as "agreements" under Schedule III of LODR.

531. In this regard, I note that for the MOU with FVM, and the MOU with Ogata *inter alia* contained the provisions for following:
   a. The parties agreed to execute any further documents and to take necessary actions to complete this agreement.

b. For the disputes/differences/rights and obligations under the agreement shall be referred to Arbitration under the provisions of Arbitration & Conciliation Act, 1996, and the venue for arbitration shall be at New Delhi.
c. Regarding the severability of the agreement, i.e. for the parts of the agreement which if held unenforceable for any reason, the remainder of the agreement shall continue in full force and effect.

532. Further, I note that for the JV with Shenxian the JV agreement contained the provisions for following:
   a. Rights and obligations of both parties
   b. The agreement could only be terminated by either party by written notice under three circumstances specified in the agreement
   c. The JV agreement contained provisions for 'Force Majeure' events and the obligations of the parties.

533. From the above, I note that the announcement at S. No. 1 and 2 were about agreements which contained clauses which made these agreements binding on the parties w.r.t the rights, obligations and the procedures, hence the argument that these agreements were non-binding is not tenable. Further, despite Noticee 1 not specifying any regulations for these announcements, and mentioning the letters merely as intimation to the Stock exchanges, cannot obscure Noticees' recognition of their materiality, which led to Noticee 1 disclosing the agreements.

534. In view of the above, I note that the contentions of Noticees do not adequately refute the allegations. I find that the all 6 aforesaid announcements required disclosures providing details as required under Annexure 1, however the details were only provided for one such announcement. **Therefore, the violations of Regulation 30(2) of SEBI LODR Regulations read with SEBI Circular dated September 09, 2015 by Noticee 1, is established.**

535. I note that Regulation 6(2)(c) of LODR Regulations mandates that the compliance officer should ensure that correct procedures have been followed that would result in

the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations. I note that the Regulation mandates compliance officer to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed, whereas the SCN alleges that Compliance officers were responsible to ensure that the information filed is correct and authentic. I note that the SCN doesn't detail how the compliance officers failed to ensure procedures which lead to disclosures made by Noticee 1 being inadequate. In view of the same, there are insufficient details and evidences to establish that the compliance officers (Noticee 14, 15, 16, 17 and 18) during their respective tenure in the company, violated Regulation 6(2)(c) of LODR Regulations.

Endorsement of MOUs / JV agreement without adequate deliberations during Board Meetings

536. I note that the SCN alleges the following:

a. Board of Directors (BOD) (Noticee 2, 3, 4, 5, 6, 7 and 8) failed to responsibly take an informed decision and acted without due diligence and care, in the best interests of the company and its shareholders. It is alleged that that BOD, including the IDs (Noticee 9 and 10), simply endorsed and took note of what was placed by the management regarding the aforesaid MOUs / Agreements instead of deliberating and taking a considered view.
b. Ms. Honey Gupta (Noticee 2) (who was MD at the time of Malbro) and Mr. Dheeraj Sisodia (Noticee 5) (who was MD at the time of FVM, CEO at the time of JV agreement/MOU with Shenxian and Additional Director at the time of Ogata) failed to effectively discharge their obligations by placing incomplete information to the Board and also failed to maintain operational transparency and ethical standards within the Company.
c. Noticee 1 failed to place minimum information that must be placed before the Board of Directors under Schedule II Part A of LODR Regulations. Further, MD (Noticee 2 and 5) being signatory to the agreement and incharge of day-to-day operations of the Company failed to place the minimum information before the Board of directors.

d. Compliance Officers (Noticees 14, 15, 16, 17 and 18) have also failed to place complete information and the agenda item before the Board.

537. The SCN allege lack of due diligence, transparency, and deliberation by the Board, including the Independent Directors, in approving the MOUs/JV agreements. The concerns raised center on the adequacy of information provided, the absence of detailed records of discussions in Board minutes, and the alleged failure of the Board to act in an informed and proactive manner. Regulation 17(7) of the LODR Regulations, along with Secretarial Standards-1 (SS-1), emphasize the importance of providing comprehensive information and documenting deliberations to ensure informed decision-making. The allegations highlight significant gaps in these areas, including the absence of key details such as the basis for selecting counterparties, financial implications, and strategic synergies, which are critical for evaluating the MOUs/JV agreements.

538. Noticees have contended that while the Board minutes appear minimalistic, they do not capture the complete scope of discussions. They emphasize that the Board, including Independent Directors, acted in good faith and deliberated on the strategic implications of the agreements. They contended that any lapses in documentation were inadvertent and arose from a focus on timely decision-making. It is also contended that the absence of detailed minutes does not equate to governance lapses or a failure in oversight.

539. In this regard, I note that while Noticees assert that deliberations took place, the lack of detailed documentation in the minutes undermines the credibility of this claim. Regulation 17(7) specify that the details of the JVs and agreements should be placed before the Board, and the Secretarial Standards-1 require a clear record of discussions to demonstrate that the Board acted with due diligence. The absence of such records raises legitimate concerns about whether the Board adequately discharged its responsibilities. Further there are no details about the documents, if any, which were placed before the Board for these MOUs/Agreements was mentioned or referred in the agenda.

540. I note that the critical information like agreements/MOUs, detailed studies, including the rationale for selecting counterparties and the financial implications of the MOUs, were not provided to the Board despite their significance. This omission hinders the ability of the Board to take informed decisions. Noticees' argument that gaps in documentation was inadvertent and not intended to mislead does not absolve the responsibility to ensure operational transparency and compliance with regulatory requirements.

541. The role of Independent Directors is to provide objective oversight and ensure that decisions align with the interests of all stakeholders. The documents on records suggest a lack of proactive engagement by Independent Directors in seeking additional information and ensuring robust deliberations, despite the fact that these MOUs and JV agreements were of great magnitude financially and strategically for the company. While Noticees claim good faith actions, the absence of documented evidence of such engagement weakens their defense.

542. The allegations against the Managing Director and Compliance Officer regarding failure to provide complete information and maintain operational transparency are serious. These roles are critical in ensuring that the Board is equipped with all necessary details to make informed decisions, hence the regulatory obligations require a higher standard of diligence and accountability from them.

543. I note, while Noticees have sought to defend their actions by emphasizing good faith and strategic focus, the lack of compliance with regulatory requirements, inadequate documentation of deliberations, and failure to provide comprehensive information cannot be overlooked. These lapses reflect deficiencies in governance practices and accountability mechanisms, and disregard to governance standards by the Board, Independent Directors, Managing Director and the Compliance Officers.

544. I note that the Company's Code of Conduct for Directors and Senior Management Personnel (SMPs) *inter-alia* provides as follows:

a. As per the Clause A (“Accountability”) of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.
b. As per Clause C (“Compliance”) of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.
c. Clause H (“Consumer Focus”) states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.
d. Clause M (“Financial Record Keeping and Reporting”) casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.

545. Regulation 26(3) of LODR Regulations, mandates that the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis. In view of the same, the company’s code of compliance is applicable on Noticees. Further, I note that Noticee 2, 3, 4, 5, 6, 7, 8, 9 and 10 did not employ due diligence in seeking the necessary information pertaining to Agenda of the board meetings, during the board meetings or after, in non-compliance of Clause A. Further, the accounting and governance standards were not met, while just merely noting that the MOUs and JV agreements took place, in non-compliance of Clause C. Further, I note SCN does not provide detailed elaboration on how Noticees allegedly violated clause H and M of the Code of Conduct by failing to conduct adequate deliberations and by not seeking essential information during board meetings prior to ratification of MOUs/JVs/Agreements.

546. Furthermore, I observe that the SCN does not provide any specific details regarding the alleged violation pertaining to the non-adherence to ethical standards of integrity and probity by Independent Directors. It also lacks elaboration on the alleged failure to conduct an objective evaluation of the performance of the board and management, as well as adherence to the standards of conduct by Independent Directors. This omission underwhelms the allegations of violation of Clause I.1 and II.2 of Schedule IV (Code for Independent Directors) of the Companies Act, 2013, as incorporated in the Company's Code of Conduct.

547. In view of the above, I find that the Board of Directors (BOD) (Noticee 2, 3, 4, 5, 6, 7 and 8) failed to responsibly to take an informed decision and acted without due diligence and care, in the best interests of the company and its shareholders. The BOD, including the IDs (Noticee 9 and 10), simply endorsed and took note of what was placed by the management regarding the aforesaid MOUs / Agreements instead of deliberating and taking a considered view. Thereby it is established that:

   a. Board of Directors (BOD) (Noticee 2, 3, 4, 5, 6, 7 and 8) and IDs (Noticee 9 and 10) violated the following:

      a) Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;

      b) Regulation 26(3) of LODR Regulations read with Clause A and C of the Company's Code of Conduct.

   b. IDs (Noticee 9 and 10) have violated the following:

      a) Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.2, I.3, II.1, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013;

      b) Regulation 26(3) read with Clause 2, 7, 11 and 12 of the Duties of Independent Director in the Company's Code of Conduct.

548. I note that Regulation 17(7) of LODR Regulations mandates that the minimum information to be placed before the board of directors is specified in Part A of Schedule II, and the Part A of Clause J of Schedule II, specify that details of any joint venture or collaboration agreement, shall be placed before the Board of Directors.

From the perusal of the agendas and related papers pertaining to ratification of the MOUs/JV by the Board, it is observed that details of the MOU/agreement, i.e. the basis for selection of the counter-party, profile of the counter-party, business expansion areas, synergies proposed to be achieved through the agreement/MOU, financial impact of the MOUs, plan of implementation etc. had not been stated in the agenda placed before the Board. There are no annexures referred to in the agenda pertaining to the MOUs/JV put for ratification, establishing that neither the MOUs/JVs which were put up for ratification, nor any other details or documents in relation to MOUs/JVs were placed before the Board for its consideration. Therefore, I note that complete information pertaining to the agenda item was not placed before the Board to facilitate efficient decision making by the Board.

549. In view of the discussion above, I find that Noticee 1 failed to place minimum information that must be placed before the Board of Directors under Schedule II Part A of LODR Regulations and thereby is in violation of Regulation 17(7) of LODR Regulations.

550. Ms. Honey Gupta (Noticee 2) and Mr. Dheeraj Sisodia (Noticee 5) failed to effectively discharge their obligations by placing incomplete information to the Board and also failed to maintain operational transparency and ethical standards within the Company. Hence, Noticee 2 and 5 are in violation of :

a) Regulation 4(2)(f)i(2), 4(2)(f)ii(8), A(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;

b) Regulation 26(3) of LODR Regulations read with Clause A and C and Clause 2, 3 and 4 of the Duties of Directors Section in the Company's Code of Conduct.

551. Noticee 14 (pertaining to Malbro) has contended that all the available information pertaining to MOU between Urja and Malbro Group was included in the agenda. Noticee has further contended that on account of the passage of 8 years and cessation of Noticee's tenure at Company, Noticee is not in possession of copy of MOU and memory is limited. However, I note that there are no documents placed on

records to show that all available information was placed before the Board and in fact the lack of referencing to any documents in the agenda of the meetings weakens the assertion of Noticee. Further, as mentioned in para 548 it is already established that complete information was not placed before the Board and hence the contention of Noticee is not accepted.

552. Noticee 15 (pertaining to Ogata) has submitted that MOU was not signed in presence of Noticee, and Noticee only intimated exchange about the MOU, further that Noticee resigned in very short span of time. In this regard, I note that the allegation is about not placing adequate information before Board for ratification of MOU and not about its signing. Further, during the short span of time Noticee was responsible for compliance of the provisions as per Reg. 6(2)(a) of LODR. In view of the above, the contention of Noticee is not acceptable.

553. Noticee 16 (pertaining to FVM) has contended that Noticee's tenure was limited at the Company, and was done in good faith, after conducting proper due diligence. I note that the above submissions are not on merit, and that even during the short span of time Noticee was responsible for compliance of the provisions as per Reg. 6(2)(a) of LODR. In view of the above, the contention of Noticee is not acceptable.

554. Noticee 17 has contended that the events and facts including agenda and execution of Agreements /JV/ MOUs and announcements, took place before Noticee joining the Company and after Noticee resigned from the company. At the time of these events, Noticee was not associated with the Company and accordingly, Noticee is not directly or indirectly responsible for the violation of LODR Regulations. I note from the records, that Noticee 17 was not associated with the company at the time of impugned ratifications of the MOUs/JVs, therefore the contention of Noticee is accepted.

555. Noticee 18 (pertaining to Shenxian) has contended that Joint venture being at initial stages, only limited information was available including copy of the Joint Venture agreement which was included in the agenda, and presented before the Board.

Noticee as Company Secretary meticulously recorded the proceedings of the meeting exactly as they took place. Further, the Chairperson of the Meeting finally signed the minutes of the meeting and also ensured that the proceedings of the meetings are correctly recorded at his / Noticee's discretion. In this regard, I note that Noticee has nor placed any documents on records, in support of her contentions. Further, the lack of referencing to any documents in the agenda of the meetings weakens the assertion of Noticee, in fact even agreement which was to be ratified wasn't placed before the Board, hence the contention of Noticee is not accepted.

556. In view of the above, Noticees 14, 15, 16 and 18 are in violation of in violation of Regulation 17(7) of LODR Regulations.

Validity of MOUs/Joint Venture agreements in light of the modifications in the object clause as mentioned in MOA of Company

557. I note that the SCN essentially alleges that, at the time of entering into JV agreement / MOU with Shenxian, FVM and Ogata in December 2019, October 2020 and June 2020 respectively, Noticee 1 was not authorized by its MOA to enter into the business of electric cars, and the requisite amendments to include the business line of electric vehicles were made in the MOA only in August 2021; therefore, the agreements itself are allegedly *ultra-vires* and void. Further, it has been alleged that the same was neither pointed out nor acted upon by the Board of Directors, Managing Director and the Compliance Officer.

558. In this regard, Noticees have contended that the previous MOA of Company encompassed a broad range of energy-related activities and related products, implicitly including electric vehicles powered by renewable energy sources like solar power. In this regard, I note that while the MOA references "all forms of energy" and related products, its interpretation as authorizing EV-related activities is dubious and far-fetched. Manufacturing and dealing in EVs entail distinct processes, supply chains, and market dynamics that differ significantly from energy generation or distribution. Notably, the 2021 amendment to the MOA explicitly including EV-related

activities highlights that these activities were not adequately covered under the original provisions further weakens Noticees' contention.

559. It has been contended that the 2021 amendments were introduced to clarify and explicitly enumerate EV-related activities but were not legally necessary for the agreements already in place. Noticees' assertion that the amendments were for clarification rather than necessity does not align with the timing and substance of the changes. In this regard, I refer Section 4(1)(c) of the Companies Act, 2013 which requires companies to state 'the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof' in the MOA to define their scope of business. I note that Noticees did not adequately argue the strategic or economic rationale for entering into EV-related agreements before formal MOA amendment before the Board or in the instant proceedings.

560. Noticees cited the NITI Aayog's e-Amrit platform to substantiate the connection between solar energy and EVs. However, such general connections do not adequately justify that EV-related activities were covered by the original MOA. This contention lacks specificity and does not address the legal requirement for explicit authorization in the MOA.

561. The lack of explicit EV-related provisions prior to the 2021 amendment suggests that the agreements with Shenxian, FVM, and Ogata were not authorized under the original MOA. The retrospective claim that these agreements were valid despite the amendment undermines the principle of transparency and accountability expected of listed companies under the LODR Regulations.

562. Noticees further contend that the BoD, MD, and Compliance Officers acted in good faith, relying on a broad interpretation of the original MOA. However, I note that the BoD and Compliance Officers are responsible for ensuring that the company's operations align with the MOA, and failing to address the inconsistency between the agreements and the MOA represents a lapse in their duties. The explicit inclusion of EV-related clauses in the 2021 amendment underscores their awareness of the

authorization gap at the time of entering the agreements. Under the doctrine of ultra vires, any activity beyond the scope of the MOA is void. The necessity of the 2021 amendment confirms that the original MOA did not cover EV-related activities, and the broad language cited by Noticees does not justify these agreements.

563. The LODR Regulations mandate transparency and the safeguarding of stakeholders' interests. Engaging in unauthorized activities contravenes these principles. The BoD and Compliance Officers' failure to address the misalignment between the MOA and the agreements demonstrates inadequate due diligence and ethical judgment, constituting violations of multiple LODR provisions and the company's code of conduct.

564. Noticees have failed to substantiate that the agreements with Shenxian, FVM, and Ogata were within the scope of the original MOA. The necessity for the 2021 amendments unequivocally establishes that EV-related activities were not authorized at the time these agreements were executed. Further, I note that it is not elaborated in the SCN how by entering into ultra-vires agreements, Noticees have violated clause H, L and M of the Code of Conduct.

565. In view of the above, therefore it is established that Board of Directors (BOD) (Noticee 2, 3, 4, 5, 6, 7, 8) failed to exercise objective independent judgment, to maintain high ethical standards and to take into account the interests of the stakeholders and have therefore violated the following:

a) Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;
b) Regulation 26(3) of LODR Regulations read with Clause A and C of the Company’s Code of Conduct, and Clause 1, 2 and 3 of the Duties of Directors Section in the Company’s Code of Conduct.

566. In view of the discussion above, I find that Noticee 5 being signatory to the MOU/agreement failed to act with due diligence and care which is detrimental to the interests of stakeholders and company, and therefore is in violation of :

a) Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f) iii(13) of LODR Regulations.
b) Regulation 26(3) of LODR Regulations read with Clause A and C Company's Code of Conduct and Clause 1, 2 and 3 of Duties of Directors Section in the Company's Code of Conduct.

567. In view of the above, since the Company, has not abided by its defined Object Clause while entering the impugned agreements, it is established that Noticee 1 is in violation of Regulation 4(1)(g) of LODR Regulations, 2015

568. Regulation 6(2)(a) and 6(2)(c) of LODR Regulations, 2015 states the following:

> ***6 (2)*** *The compliance officer of the listed entity shall be responsible for-*
>
> ***(a)*** *ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.*
>
> *….*
>
> ***(c)*** *ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.*

569. I note that the SCN doesn't detail how the compliance officers failed to ensure procedures which lead to Noticee 1 entering into agreement which were beyond activities permitted under its MOA. In view of the same, there are insufficient details and evidences to establish that the compliance officers (Noticee 14, 15, 16, 17 and 18) during their respective tenure in the company, violated Regulation 6(2)(c) of LODR Regulations.

570. Further, as discussed above in the order, the agreements with Shenxian, FVM, and Ogata were not within the scope of the original MOA, as EV-related activities were not authorized at the time these agreements were executed. As compliance officer, it is expected from Noticees that they should have brought the same in the notice of Board of Directors and duly noted it in records. However, there are nothing placed

on records, by Noticees to indicate if such an efforts were made by them, during their respective tenure in the company.

571. I note that Noticee 14, was compliance officer at the time of Malbro, and SCN did not allege the agreement with Malbro to be ultra vires, hence Noticee 14 cannot be held in violation of alleged non-compliances. Further, Noticee 17's role in the alleged violation is not clearly provided in the SCN, hence, Noticee 17 cannot be held in violation of alleged non-compliances.

572. In view of the above, Noticees 15, 16 and 18 are found to be in violation of Regulation 6(2)(a) of LODR Regulations, 2015.

<u>Violation of SEBI Order dated May 13, 2022 regarding Certificate of Authenticity from practicing CS for corporate announcements</u>

573. I note that the SCN alleges that, the certificate of authenticity, as was required in compliance with SEBI Order dated May 13, 2022, was not complied with. In view of the same, the members of the BOD (Noticee 2, 3, 4, 5, 6 and 7) allegedly violated: (a) Regulation 4(2)(f)iii(3), 4(2)(f)ii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations; (b) Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct. Hence, the Company, the compliance officer of the Company and the Managing Director of the Company allegedly failed to ensure conformity with the regulations. Therefore, the MD (Noticee 6) was allegedly in violation of Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct. Further, in view of above, the Compliance Officer (Noticee 17) was allegedly in violation of Regulation 6(2)(a) and 6(2)(c) of LODR Regulations. Further, by failing to ensure compliance with the directions mentioned in the SEBI Order, Noticee 1 has allegedly not complied with Regulation 5 of LODR Regulations.

574. In this regard, I note that it is observed that the Company and its management did not obtain the required certificate of authenticity for corporate announcements under Regulation 30 of the LODR Regulations, as directed by SEBI’s Order dated May 13, 2022. Compliance was achieved only after SEBI's intervention, highlighting negligence and a lack of adherence to regulatory obligations. The recurrence of such lapses undermines any claim that the delay was an isolated or inadvertent oversight.

575. The Board of Directors failed to ensure timely compliance with SEBI's directives, demonstrating inadequate diligence and professional conduct. The absence of proactive measures or regular updates in board meetings regarding compliance with SEBI's directives indicates a systemic issue rather than an individual lapse. Moreover, the Managing Director and Compliance Officer did not ensure adherence to SEBI's directions and regulations. This lack of follow-through, especially in light of repeated non-compliance, underscores procedural deficiencies and neglect.

576. Noticees have argued that the delay was unintentional and corrective action was taken promptly upon realization of the oversight. However, repeated instances of non-compliance, even if assumed to be unintentional, point to systemic inadequacies and a lack of robust oversight mechanisms. Under regulatory law, intent is secondary to the obligation to ensure timely compliance.

577. Noticees have claimed that disruptions caused by the pandemic resulted in delays. However, I note that by May 2022, the impact of the pandemic had significantly diminished, with operational activities largely normalized. While Noticees have referred to leniency shown by the Hon’ble Securities Appellate Tribunal (SAT) in similar cases, Noticees have not provided any specific evidence, to substantiate disruptions faced by professionals responsible for compliance in the instant matter for consideration. Further, given that the announcements spanned over the years, and compliance was not done for any of the 6 announcements, the argument that the non-compliance was on account of hardships faced due to covid is not acceptable.

578. Precedents, such as the *Shree Pushkar Chemicals* case, are fact-specific and do not directly apply here. In the present case, the failure to ensure compliance spans multiple announcements, indicating a pattern of disregard rather than an isolated delay. While corrective measures have been taken, they do not absolve Noticees of responsibility for prior lapses. Compliance with regulatory orders is a continuous obligation and cannot be activated only in response to regulatory intervention.

579. Further, I note that Noticee 7's tenure as Whole time Director with the company was from May 28, 2018 to May 05, 2020, and the SEBI order was passed on May 13, 2022. Similarly Noticee 4 was WTD from June 01, 2015 to May 31, 2016, and ceased to be WTD of the company before passing of SEBI order. Similarly, Noticee 2 ceased to be MD of the company before the SEBI Order. In view of the above, Noticee 2, 4 and 7 cannot be held responsible for complying with SEBI order which was passed after their tenure.

580. In view of the same, I find that the BOD (Noticee 3, 5, and 6) failure to address compliance in board meetings reflects negligence and it is established that they violated LODR Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7) and 4(2)(f)iii(12) and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct by failing to ensure compliance and implement measures for effective oversight.

581. I note that the MD (Noticee 6) did not ensure timely and proper adherence to SEBI directions by the company, as there were repeated lapses in obtaining the mandated certificates of authenticity, as mandated vide the SEBI Order, therefore I find that Noticee 6 has violated Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct

582. By failing to ensure compliance with the directions mentioned in the SEBI Order, Noticee 1 failed to abide by Regulation 5 of the LODR Regulations, as evidenced by the repeated lapses in obtaining the mandated certificates of authenticity.

583. Noticee 17 has contended that most announcements mentioned in the SCN occurred before or after their association with the Company. For announcements during their tenure following may be noted:
    a. June 29, 2022 (Statutory Auditor Resignation): A Certificate of Authenticity was obtained from PCS Nupur Jain.
    b. June 30, 2022 (Revised Announcement): This was a revision of the previous day’s announcement, covered under the earlier certificate.
    c. July 27, 2022 (MOUs Update): Noticee made efforts to appoint a new PCS after the existing PCS refused further certifications. Despite follow-ups with management, no PCS was appointed, which hindered obtaining a Certificate of Authenticity for this update.

584. Noticee has contended that she took proactive steps taken during their tenure, including, discussions with the management (CEO and MD) about obtaining certificates of authenticity, reminders to appoint a new PCS after the previous PCS declined further involvement, raising the issue in a Board meeting. Despite these efforts, no action was taken by the management, limiting Noticee’s authority to ensure compliance.

585. I note that Noticee has essentially emphasized that certificates of authenticity were obtained for announcements both before and after the July 27, 2022 update, demonstrating due diligence and no negligence. The inability to obtain the certificate for one specific announcement was beyond Noticee’s authority, and lapses were attributable to the management's inaction.

586. I note that, the lapse of Noticee 1 not obtaining the certificate from the PCS was recurrent, and the tenure of Noticee 17 was of a short duration, and appointment of a PCS, in place of the existing PCS who refused to give certificates, was beyond the authority of Noticee 17, since the same could only be done by the Management of

Noticee 1. In view of the same, I am inclined to accept the contentions of Noticee 17, and find that the alleged violations against Noticee 17 are not established.

JV agreement of Urja with Shenxian - Dated Dec 07, 2019

587. I note that the SCN alleges that, both the agreement and the counter- party to the agreement are not genuine and are unauthentic and the JV agreement and its corporate announcement is made with a mala-fide intention of misleading the shareholders. In this regard, it is alleged that the Board of Directors (Noticee 3, 7 and 9) failed to exercise due diligence, independent and objective judgement at the time of signing of JV agreement and also failed to call for additional information relating to the JV agreement. Further, the members of the Board of Directors (Noticee 3, 7, and 9) have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. It has been further alleged that Noticee 5 and the members of the Board (Noticee 3, 7 and 9) acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Further it is also alleged that Noticee 1 furnished false submissions/manipulated communications to SEBI/BSE, during examination with respect to the said agreement. Considering that the announcement is not authentic, the Compliance Officer of the Company (Noticee 18) allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

588. Noticees contend that there were inadequacies in the internet search conducted by SEBI, and the google maps and other searches were limited on account of limitation in such search engines and utilities in China. In support Noticees have submitted search result from cnverify.com, wherein the company profile is given.

589. From the search results provided by Noticees and verified from the website 'cnverify.com', I note that as per cnverify.com details of the three companies are as follows:

Company Name	**Shenxian Ganhang Automobile Sales Co. Ltd**	**Shandong Zuojun New Energy Electric Vehicle Co. Ltd**	**Shandong Ruijie New Material Co. Ltd**
Country	China	China	China
Status	Active	Active	Active
company's shareholder and the	Zhang Genzhu	Zhang Cunfu	Shandong Letu Information Technology Co., Ltd.; Liaocheng Borui Management Consulting Co., Ltd.; Liaocheng Ruilian Enterprise Management Consulting Partnership (Limited Partnership); Qingdao Xinhai Financial Investment Co., Ltd.
local representative	Zhang Genzhu	Zhang Cunfu	Zhang Dianhua
industry	wholesale of automobiles and spare parts	tram manufacturing	Manufacturing of other basic chemical raw materials
founding date	May 27, 2019	May 27, 2014	July 30, 2005
email address	2794773958@qq.com.	2794773958@qq.com	lcruijie@163.com
Address	No. 318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province	North of Qinan Road, Provincial Road 324, Xuzhuang Town, Shen County, Liaocheng City, Shandong Province	No. 77, Mudanjiang Road, Liaocheng Economic Development Zone, Shandong Province

590. Further, the certificate of incorporation of the Shenxian Ganghang Automobile Sales Co. Ltd, placed on records by Noticees was perused and it was observed that the certificate is issued in Chinese, which was translated with the help of Google Translate in English and following was observed:

   a. certificate is issued in the name of 'Shenxian Port and Aviation Automobile Sales Co. Ltd.',
   b. Type – Limited Liability Company (Sole Proprietorship)

c. Legal Representative – Zhang Genzhu

d. Business Scope inter alia includes Automobiles, new energy vehicles and auto part sales etc.

e. Date of establishment – May 27, 2019

f. Address: No. 318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province

591. From the above, I note that the contention of Noticees pertaining to inadequacies in the online search conducted during investigation on account of limitations of google maps and its search engine in China along with supportive documents submitted by Noticees, refutes the findings of the investigation that there is no such firm, since there are third party evidences which indicate existence of Shenxian in China. However, there are some other observations from the same which are discussed later in the order.

592. Further, Noticees have contended that no intention to mislead by providing information relating to the bankruptcy of Shenxian's parents company bankruptcy. The initial disclosure on October 29, 2022 correctly reported that Shenxian's parent company had gone bankrupt in January 2021, however, in the second disclosure on November 10, 2022 this detail was mistakenly conveyed as referring to Shenxian itself. This confusion was purely unintentional. The company rectified this confusion in its third disclosure on December 15, 2022 where it was clearly stated that Urja Global Limited was in ongoing discussions with Mr. Gao from Shenxian regarding the pricing and specifications of the electric car. It is also contended that the bankruptcy was not used as a tool to delay the implementation of the MOU.

593. I note that the disclosure dated October 29, 2022 disclosed that Shenxian's parent company went bankrupt, but the disclosure did not mention the name of the parent company i.e. 'Shandong Zuojun New Energy Electric Vehicle Co. Ltd' as mentioned in the email dated January 01, 2021 from 'zuojunevcar@qq.com'. Further, there are no documents on records including the MOU to prove that the Shandong was the parent company of Shenxian, in fact it's only in irrevocable declaration dated

December 27, 2021 provided by Mr. Gao where its referred that Shenxian and Shandong are associated with each other as per business rules and regulations prevailing in China with reference to the JV Agreement entered with Urja. I also note that Mr. David in his email dated June 25, 2020 informed Urja that Mr. Gao has left the company, and now him and one Mr. Xhang is in charge of business with Urja. Infact , Mr. David informed that he is from Zuojon (i.e. Shandong), so it’s unclear why Urja started communicating with Shandong when the MOU was with Shenxian. Further, once it was informed that Mr. Gao has left the company it is not clear why his emails were still considered by Urja in January 2021.

594. I also note that there was no document attached or supporting document in the email to substantiate the claim that the company ‘Shandong Zuojun New Energy Electric Vehicle Co. Ltd’ (Shandong) has gone bankrupt. Further it is understood that in China, the People's Court approves bankruptcy proceedings for a company, however there is no order/declaration from the Court declaring Shandong bankrupt. Further, it is also noted that the process for bankruptcy in China involves making application to court by the debtor or their creditors, to start the bankruptcy proceedings in the People's Court where the business is located. As per studies available on the internet the bankruptcy process on average takes 1.5 to 1.6 years in China. Further, Urja rather than confirming the details of the bankruptcy, or making any other communication in regard to the future of MOU, simply sought the email id of Shandong. Given the scale of MOU and the financials involved, the lack of diligence, and subdued response of Urja given the sudden news of bankruptcy of Shandong to Urja, is very suspicious. Further, the certificate of incorporation provided by Noticees contradictorily claims the Shenxian to be LLC as well as a Sole Proprietorship. In view of the above, even if Shenxian does exist, the genuineness and the intent of the MOU is still in doubt.

595. Further, Urja got information of bankruptcy on January 01, 2021, whereas the disclosure was made on October 29, 2022 and thus there is inordinate delay in updating the stock exchanges, about a material event. The second update in November 10, 2022 rather than disclosing information created more confusion, by

referring that it was Shenxian itself who got bankrupt. Further, the third disclosure on December 15, 2022, which came more than after one month, did not clarify the mistake but simply referred that they are in touch with Mr. Gao. The above, does not portray any diligence or efforts by Urja to make accurate communications with investors through disclosures. The above also is in divergence with the claim of Noticees that they acted promptly upon receiving information about bankruptcy.

596. I also note that there are other facts which make the genuineness of the MOU with Shenxian and the credibility of the entire event of acquisition of electric vehicles by the Urja questionable:

a) Shenxian was established on May 27, 2019, and within just six months, in December 2019, a Memorandum of Understanding (MoU) was executed. The MoU reveals that Noticee 1 agreed to an arrangement where Shenxian would receive an advance payment amounting to 50% of the total value for the import of electric vehicles, with the remaining 50% to be paid through a Letter of Credit within 90 days of import, up to a limit of Three Million Dollars (approximately ₹21.30 crore, based on an exchange rate of ₹71/USD in December 2019). Entering into payment commitments of ₹21.30 crore with Shenxian—a newly established entity—raises significant concerns, particularly given that Urja was venturing into a completely new domain, namely electric vehicles, which demands cutting-edge technology and expertise.

b) It is noted that the email accounts of claimed representatives of the Shenxian were hosted on qq.com (an instant messaging software service and web portal), hence the company lacked its own website, and own email domain. it's very odd for a hi-tech company involved in manufacturing of electric vehicles to not to have its own website and email domain, given that nowadays it's pretty basic for even small businesses to have their own website and personal email domain,

c) Further, the websites of Shenxian is untraceable on the internet and footprints of Shenxian and its purported parent companies on internet are negligible, reinforcing allegations of authenticity.

d) Given the scale of the MOU, the limited records submitted by company to prove in regard to how Urja got satisfied with the existence of Shenxian and how it selected the company for the JV is unclear.

e) Even when the company received the news of bankruptcy of parent company, given that the Shenxian was a new company (founded in May 2019), Urja kept interacting with Shenxian. There are no details of the efforts made by Urja, to find out impact of parent company’s bankruptcy on Shenxian, and its ability to deliver.

f) There is lack of clarity about Identity of Acquiring Entity, despite Urja's claims of acquisition, no documentary evidence was furnished about the acquiring company. The alleged acquiring company, Shandong Ruijie New Material Co., Ltd., was unrelated to electric vehicles, which raises doubts about the claim (as evident from the records submitted by Noticee the entity was involved in Manufacturing of other basic chemical raw materials).

g) No acknowledgment or documentation was provided by Urja to support its claim of delay due to government approval for investments from neighboring countries.

h) Despite the MOU being signed, no tangible progress (e.g., layout, production schedule, or goods transfer) was evidenced. Discussions about importing scooters instead of cars, which Urja manufactures, highlight inconsistencies.

i) Urja’s behavior, such as inconsistent narrative about bankruptcy and providing SEBI manipulated communication records, aligns with the allegation of misleading shareholders through forward-looking statements.

597. I also note that the JV agreement's lack of proper legal formalities like stamping and registration is a significant red flag. This could imply that the agreement was not intended to be enforced as legally binding. In addition there is no evidence of technical collaboration, site visits, or any other operational progress, which would be expected in a genuine JV aimed at assembling of electric cars. The absence of these elements supports the claim of an unauthentic agreement.

598. While Notices claim that the agreement was genuine, the lack of formal legal steps like stamping during the time of signing (attributed to the impact of COVID-19) does not excuse the absence of these steps post-crisis when normal operations resumed. The absence of legal formalities and operational evidence lends credibility to the allegation that the agreement might have been created to mislead stakeholders or inflate the company's market perception.

599. I note that Urja failed to disclose material events like the bankruptcy of Shenxian's parent company, price revisions, and changes in business dealings in a timely and accurate manner. I note that the significant delay in informing exchanges about critical changes (like bankruptcy and price increases) breaches regulatory requirements for timely disclosure, impacting investor decisions. The pattern of delayed/incorrect disclosures and non-updation of material events points to a failure in maintaining transparency.

600. Further, from the result of the internet searches during investigation of the email IDs of David, Fu Zhixiang and Gau Lihu, the following was observed:
   a) For email ID of David, i.e. 15306355531@163.com _and email ID of Fu Zhixiang fzx04190419@163.com, it was noted that the aforesaid email-ids belonged to Shandong Weiwei Power New Energy Technology Co., Ltd. and does not belong to Shandong Ruijie New Material Co., Ltd. or Shenxian.
   b) For email Id of Mr. Gao i.e. zuojunevcar@qq.com, it was found that there was no information available.

601. From the above, it is noted that Mr. David and Mr. Fu Zhixiang were associated with Shandong Weiwei Power New Energy Technology Co., Ltd, and not with Shenxian.

602. I note that Noticee was making misleading statements regarding Shenxian's operational status, the identity, and roles of its representatives. Urja's simultaneous communications with individuals like David and Gao Lihu, both purportedly representing the same agreement, suggest fabrication or orchestration of fake

interactions. The lack of clarity on how new email IDs were obtained for communication undermines the authenticity of the records.

603. The shifting narrative around who represents Shenxian, coupled with unverifiable email addresses and employment status, raises significant doubts about the authenticity of the communications. The conflicting statements from Mr. Gao about the bankruptcy of Shenxian versus its parent company, without proper documentation, suggest possible manipulation or misinformation. Claims of legitimate representation are undermined by the lack of consistent, verifiable contact information or official company communications. The inconsistencies in communication and representation suggest a potential scheme to perpetuate false or misleading information about the JV's status and partners.

604. I note that there's no evidence in support of the contention of Noticee that Urja conducted thorough checks on Shenxian, such as verifying its operational capabilities, financial health, or even basic registration details. The Board's failure to question or investigate these matters points to a significant oversight or possible complicity in misleading disclosures. Noticees assert that due diligence was performed, but the lack of tangible proof or subsequent actions to rectify issues post-agreement suggests otherwise. The failure to exercise due diligence reflects poorly on corporate governance, possibly indicating a deliberate strategy to mislead or at least a profound lack of oversight.

605. When inquiry was made by SEBI and clarifications were sought, Urja was not able provide any detailed study/evaluation report, basis of which the MOU was entered into with Shenxian. Further, agreements were signed even before ratification/approval by the Board, wherein the board ratified the agreements while merely making remark ‘noted’ with inadequate deliberation. I also note no updates were given to exchange later on despite significant events like price revision, bankruptcy, non-viability of the arrangements etc. took place.

606. In view of the above, I find that the interactions pertaining to agreement and with the persons relating to the counter-party to the agreement are not genuine and there is lack of any credible action or progress on the MOU, I infer that the JV agreement and its corporate announcement is made with a mala-fide intention of misleading the shareholders by making forward looking statements for the Company.

607. As per SCN, the members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	***Designation***
Yogesh Kumar Goyal	Whole Time Director with effect from May 12, 2015.
Sunil Kumar Mittal	Whole Time Director; resigned on May 05, 2020.
Mita Sinha	Independent Director
Prithwi Chand Das	Independent Director

608. Noticee 7 has primarily contended that Noticee was only associated with this announcement dated December 07, 2019, and was not involved in managing day to day operations of Noticee 1. Noticee was not signatory to agreement pertaining to Shenxian, and Noticee attended only one meeting on February 10, 2020 in which also he is not signatory to the minutes of board meeting. Further, the communication between Noticee 1 and Shenxian happened from December 2019 to September 2021, of which Noticee wasn't part of, since Noticee had already left the company by then. Noticee has no interest in the company and his role in the alleged fraud is not provided in the SCN.

609. In this regard, I note that even if Noticee 7 was part of just one announcement, as member of the board, he merely took note of the agreement and not sought any additional information before ratifying it. The contention of Noticee 7 that he was not privy and involved with day to day operations of Noticee 1 is not acceptable as this does not limit his capability to diligently peruse what was put before him for

ratification, and the documents required for his satisfaction before, he as board member ratified it.

610. However, Noticee 7's contention w.r.t. to his limited role in the company and agreement is accepted, since Noticee 7 was not involved in managing day to day operations of Noticee 1, was not signatory to agreement, attended only one meeting on February 10, 2020, had left the company when the later part of developments w.r.t. Shenxian agreement happened from December 2019 to September 2021. Further, there are no details on records, on how Noticee was aware of the agreement being fraud, or being aware that the information was misleading.

611. In view of the above, I find that the Board of Directors (Noticee 3, 7, and 9) failed to exercise due diligence, independent and objective judgment at the time of signing/ratification of JV agreement and also failed to call for additional information relating the JV agreement. The members of the Board (Noticee 3, 7, and 9) have also failed to adhere to the Company's code of conduct for directors and senior management personnel and therefore not complied with Regulation 26(3) read with Clause A, C, and H and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

612. Dheeraj Shishodia (Noticee 5) was Chief Executive Officer with effect from November 13, 2019, and was later promoted as Managing Director on June 27, 2020 was the CEO of Urja who signed the JV agreement are as under, further, as CEO of the Company, he was in-charge of day to day operations of the Company and was obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the agreement was signed by the CEO and the same is made with malafide intention of misleading investors and the Company was not authorized by its articles/objects, I find that Noticee 5 as CEO has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 5) has therefore not complied with Regulation 26(3) read with Clause A, C, and H of the Company's Code of conduct.

613. Further, I note Noticee 9 was an independent director on the board, and there is no document on records to showcase, if the Noticee 9 was involved in the day to day affairs or the impugned agreement related activities, in view of the same, it cannot be established that the Noticee 9 aided the company in making false announcements despite being aware that the announcement is misleading.

614. I note that the Noticee 3 was the Whole Time Director, in the Board and aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. Therefore, in view of above I find that Mr. Dheeraj Sisodia (Noticee 5) and Mr. Yogesh Kumar Goyal (Noticee 3) acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, it is established that Noticees 3 and 5 violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

615. From the above, it is found that, announcement pertaining to JV agreement of Urja with Shenxian was not authentic, as the agreement was not genuine. In view of the above, Compliance Officer of the Company at the time, i.e. Noticee 18 was alleged to have failed to ensure conformity with the regulations and ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

616. I note that the SCN doesn’t detail how Noticee 18 as compliance officer failed to ensure procedures which could have stopped Noticee 1 entering into impugned agreement and inhibiting Noticee 1 from making misleading announcement. In view of the same, there are insufficient details and evidences to establish that the

compliance officer (Noticee 18) during her tenure in the company, violated Regulation 6(2)(c) of LODR Regulations.

617. The Noticee has contended that her tenure with the company lasted approximately nine months, from May 28, 2019, to March 5, 2020. She further stated that the agreement in question was signed on December 7, 2019, that she submitted her resignation in February 2020, and that she was relieved of her duties in March 2020. However, it is noted that there were significant material developments related to the agreement even after her departure from the company.

618. In this regard, I observe that the initial information about the bankruptcy of Shenxian's parent company was disclosed only on October 29, 2022. Consequently, the majority of developments pertaining to the joint venture (JV) agreement with Shenxian, which later revealed that the announcement was misleading, occurred after the Noticee (Noticee 18) had left the company. Furthermore, SEBI had to undertake a detailed investigation to conclude that the JV was non-genuine and that the related disclosures were misleading. This required analysis and examination that extended beyond a prima facie review of the documents.

619. In light of the above, I find it unreasonable to expect that Noticee 18 should have foreseen the resultant non-compliances by Noticee 1 with respect to Shenxian and ensured adherence to the regulations by Noticee 1. Accordingly, I find that there is insufficient evidence to establish that the compliance officer (Noticee 18), during her tenure with the company, violated Regulation 6(2)(a) of the LODR Regulations.

<u>Misleading announcement - Non-genuine MOU and counterparty with FVM Industries (India) Limited</u>

620. SCN alleges that the instant MOU with FVM is not genuine, and the submissions made to SEBI are allegedly false and incorrect. It is further alleged that both the MOU and the counterparty to the MOU, i.e. FVM are not genuine and such announcement has only been made to mislead the shareholders. In view of the above, Board of Directors (Noticee 3, 5, 9 and 10) are alleged to have violated Regulation 26(3) of

LODR read with Clause A, C, H, L, M and Clause 1, 2, 3 of the Duties of Director Section in the Company's Code of Conduct.

621. Further, it has been alleged that the members of the Board of Directors have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. Thus, MD and members of the Board have acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfil etc. Therefore, the members of the BOD (Noticee 3, 5, 9 and 10) have allegedly violated Regulations 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Regulations 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

622. SCN further alleges that the signatory to the announcement dated October 20, 2020 was Niyukti Singh (Noticee 16), the Compliance Officer of Urja and considering that the announcement is not authentic, the Compliance Officer (Noticee 16) of the Company allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

623. Noticees have contended that the MOU was executed based on the information available at the time, and FVM was a registered entity with the Registrar of Companies (ROC). Further, that Post-MOU changes in FVM's address or operational status are outside Urja's control and that the company disclosed relevant information regarding the MOU to SEBI upon request.

624. I note that though FVM was legally registered, the lack of operational evidence (e.g., office, inventory, or active participation by FVM) undermines the credibility of the

MOU. Urja's failure to independently verify FVM's operational capability before executing such a large-scale agreement suggests negligence.

625. I find that the MOU between Urja and FVM is not appropriately stamped in terms with local laws, the address details for FVM in the MOU is incomplete. Furthermore, the MOU's scope—such as the large-scale sale of 1,00,000 e-scooters worth INR 480 crores—does not align with the size and capabilities of FVM (paid up capital of Rs.1,00,000). The FVM primarily operates in food manufacturing (as per activity records in MCA records), whereas the MOU incorrectly mentions that it is engaged in business of marketing and sales of Electric Scooters and Vehicles. This raises doubts about the credibility and business rationale behind the MOU.

626. Further, Noticees have contended that FVM's role was limited to introducing buyers and earning commissions for successful sales, and the lack of inventory or operational presence does not negate FVM's function as a distributor. In this regard, I note the following from the MoU and other documents on record:

a. The purpose of the MOU mentions that *"The purpose of the understanding is that both the parties hereinafter referred as "URJA" and "FVM" coming together with their mutual benefit for sale of 100000 Pc's (One Lakh Pc's) Electric Scooty annually worth Rs.480 Crores approx.. Whereas, Urja desires to provide E-Scooty & Vehicles <u>on purchase orders from FVM</u>….."*. The purpose of the MOU itself reflects that the understanding was that FVM shall issue purchase order to Urja and then sell Electric Scooty.

b. The article 2 of the MOU- Distribution of Scooty specifies that *"The first and second parties shall agree to <u>sale & Purchase of Electric Scooty</u> as per the price decided by Urja and FVM. The Second Party <u>shall sale & distribute these vehicles</u> in above mentioned states as per the policy of the company i.e. 'Urja Global Limited'. <u>First party would release the products to second party only after receiving the full payment</u> as per terms & conditions."* This clearly reflect that the role of FVM was to distribute and sale the vehicles, which Urja would have released to FVM only upon receiving full payment.

c. Clause (e) of Term and conditions of the MOU, specifies that "*the production, planning and sourcing of Vehicles shall be discussed mutually by both the parties in terms of quality and pricing, on monthly basis"*. Further, Clause (f) of the MOU specifies that "the cost of marketing/Advertisement/promotion expenses of vehicles shall be incurred by both the parties.
d. Despite repeated queries, the absence of evidence for buyer introductions by FVM (e.g., transactions linked to FVM or commissions paid) from the Urja.
e. Further, the details of commission structure, payment frequency, mode and targets etc., related to engagement of commission based agent is missing in the MOU.

627. The above observation contradicts Noticees' defense, that the role of FVM was only introduction of clients on commission basis, and it is clear that FVM's role was of 'distributor' as per MOU. I also note that site visits revealed no activity associated with e-scooter distribution at FVM's addresses. This suggests that FVM did not fulfill its role as described in the MOU, supporting the allegation.

628. Noticees have contended that Urja Digital World Limited, a subsidiary of Urja, handled marketing and distribution in collaboration with FVM, and in support evidence of sales (e.g., invoices and payments from Sri Ram Enterprises) were submitted. I note that while evidence of transactions with Sri Ram Enterprises exists, the clarification highlights that Urja Digital World Limited—not FVM—was directly involved in sales and operations. This disconnect further suggests that FVM did not play the role outlined in the MOU, reinforcing the allegation of a non-genuine agreement.

629. Site visits to FVM's registered office revealed no evidence of operations. There were no offices, employees, or inventory of e-scooters at the address provided in the MOU. Further, Mr. Tarique Quadri, the director of FVM, was reported to have fled the area, and a local individual, stated that Tarique had defrauded local residents. These facts strongly suggest that FVM never functioned as a distributor of Urja's products,

undermining the validity of the MOU and supporting the allegations of fraudulent activity.

630. The absence of any substantive actions from FVM, coupled with the failure of the Board of Directors to verify the authenticity of FVM's operations, casts doubt on the integrity of the MOU. Despite Urja's assertions that the agreement was under implementation, no verifiable evidence supports these claims. This suggests that the announcement regarding the MOU was misleading, with the intention to deceive investors and regulators.

631. It was also alleged that the Board failed to exercise due diligence and ratified the MOU without verifying its legitimacy. In this regard, Noticees have contended that the Board relied on management's representations and acted in good faith. Further, the operational discrepancies of FVM came to light only after the MOU was executed. In this regard, I note that the Board's failure to verify FVM's operational capability and its lack of deliberation or inquiry regarding the MOU indicate a lapse in due diligence. This supports the allegation of negligence in adhering to governance and compliance standards.

632. In view of the above, the members of the Board (Noticee 3, 5, 9 and 10) failed to adhere to Company's Code of Conduct for Directors and Senior Management Personnel and therefore not complied with Regulation 26(3) read with Clause A, C, and H of Company's Code Of Conduct and Clause 1, 2, 3 of the Duties of Director Section in the Company's Code of Conduct.

633. I note that Noticee 9 and 10 were independent director on the board, and there is no document on records to showcase, if the Noticees 9 and 10 were involved in the day to day affairs or the impugned agreement related activities, in view of the same, it cannot be established that the Noticees 9 and 10 aided the company in making false announcements despite being aware that the announcement is misleading.

634. I also note the Noticee 5, Managing Director of Urja, signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Further, the Noticee 3 was the Whole Time Director, and aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity.

635. In view of the above I find that Mr. Dheeraj Sisodia (Noticee 5), MD, and the Mr. Yogesh Kumar Goyal (Noticee 3), WTD, acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, it is established that the members of the BOD (Noticee 3 and 5) have violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

636. From the above discussions it is found that, announcement pertaining to MOU of Urja with FVM Industries (India) Limited was misleading. In view of the above, it was alleged that Compliance Officer of the Company at the time, i.e. Noticee 16 (Niyukti Singh) failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

637. I note that the SCN doesn’t detail how Noticee 16 as compliance officer failed to ensure procedures which could have stopped Noticee 1 entering into impugned agreement and inhibiting Noticee 1 from making misleading announcement. In view of the same, there are insufficient details and evidences to establish that the compliance officer (Noticee 16) during her tenure in the company, violated Regulation 6(2)(c) of LODR Regulations.

638. The Noticee has contended that her tenure with the company was for approximately three months, from October 7, 2020, to January 8, 2021. During this period, she worked under the sole discretion of the management and was primarily engaged in routine secretarial tasks and quarterly and monthly filings to the stock exchange. She further stated that any disclosures under Regulation 30 or replies to the stock exchange were made only after the management critically evaluated and provided the necessary documents. The Noticee emphasized that she was not aware of any malafide conduct by the management.

639. Regarding the Memorandum of Understanding (MoU) signed with FVM Industries Private Limited on October 17, 2020, the Noticee submitted that she was informed by the management that the transaction was carried out in good faith for the company's future growth. Additionally, the MoU was not disclosed to her in her capacity as the Compliance Officer before the procedure for signing the documents was initiated.

640. In this context, I note that the Noticee's tenure was limited to three months, and at the time of the announcement on October 17, 2020, she had been with the company for only ten days. Furthermore, SEBI had to conduct a detailed investigation to conclude that the joint venture was non-genuine and that the related disclosures were misleading. This required an in-depth analysis that went beyond a prima facie review of the documents.

641. In my opinion, it would be impractical to expect that the Noticee (Compliance Officer) could have identified the resultant non-compliances by Noticee 1 with respect to Shenxian and ensured adherence to the regulations by Noticee 1. Based on the above, I find that there is insufficient evidence to establish that the Compliance Officer (Noticee 18) during her tenure with the company violated Regulation 6(2)(a) of the LODR Regulations.

<u>MoU with Ogata dated June 23, 2020</u>

642. SCN alleges that Noticee 1 has no intention to implement the MoU with Ogata dated June 23, 2020 and thus it has made a misleading announcement and was making false submissions to SEBI and shareholders. The members of the Board (Noticee 3, 5, 9 and 10) who were present during the meeting in which the agenda was ratified have allegedly violated Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct. Further, Noticee 13 (CEO who signed the JV and was in charge of day to say operations of the Company) has erred in its duties and not acted in the best interests of the stakeholders of the Company and has allegedly violated Regulation 26(3) read with Clause A, C, H, L, M of the Company's Code of Conduct.

643. It was further alleged that Mr. Dheeraj Sisodia (Noticee 5), signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Further, the members of the Board of Directors (Noticees 3, 5, 9, 10) allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. Therefore, it has been alleged that members of the Board have acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003. Therefore, the members of the BOD (Noticee 3, 5, 9 and 10) have allegedly violated Regulations 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Regulations 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

644. The signatory to the announcement of the said MOU with Ogata is Noticee 15, the Compliance Officer of the Company. Considering the announcement is allegedly not authentic as per the SCN, she is alleged to have failed to ensure conformity with the regulations and failed to ensure that correct procedures were followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

645. I note that the allegation emphasizes that no substantial evidence corroborates the implementation of the MOU with Ogata, since Urja failed to provide proof of payments, shipping bills, or evidence of raw material supply to Ogata. The ICAT approval, obtained in Urja's name, does not explicitly demonstrate Ogata's involvement in manufacturing, undermining the credibility of claims that the MOU was operationalized. The Company's delay in providing updates regarding the MOU, coupled with inconsistent communications (shifting focus from e-rickshaws to e-scooters), raises doubts about its intention to implement the agreement. Ogata's failure to respond to SEBI and BSE inquiries further weakens the credibility of the MOU and raises concerns about its authenticity. Urja's repeated failure to provide documentary evidence of the MOU's implementation is a key factor undermining its claims. Despite multiple requests from SEBI and BSE, Urja could not provide proof of payment, shipping bills, or evidence of raw material supply to Ogata for manufacturing the e-vehicles. This consistent lack of evidence suggests that Urja was either unable or unwilling to implement the MOU.

646. Noticees contend that the MOU was executed in good faith with genuine intentions, supported by detailed provisions such as profit-sharing ratios, supply arrangements, and a five-year term. The pandemic disrupted its implementation. In this regard, I note that despite Urja's claim of a valid MOU, no tangible evidence was submitted to demonstrate its implementation. This includes the absence of shipping bills, proof of payment, or documentation confirming the supply of raw materials to Ogata. I note that the MOU specified that Urja would supply raw materials to Ogata for assembling electric vehicles. However, communications from Urja shifted from discussing orders for e-rickshaws to negotiations for e-scooters within a short time frame. This change in focus, coupled with inconsistent updates to regulators and shareholders, indicates a lack of strategic planning, inconsistency and clarity in their business strategy and serious intent to execute the MOU as initially agreed.

647. Despite multiple attempts by SEBI and BSE to contact Ogata regarding the implementation of the MOU, no responses were received. This non-responsiveness raises serious questions about Ogata's role in the agreement and whether the MOU

was ever intended to be a genuine business collaboration. The failure of Urja to address this issue further deepens concerns about the authenticity of the MOU and its implementation. I also find that not a single document has been provided by Noticee 1 to show that Ogata is the manufacturer of the e-vehicles, as contemplated in the MOU.

648. While the pandemic may have caused legitimate disruptions, Noticees failed to justify why there was no tangible progress even two years post-pandemic. For example, the inability to supply raw materials or finalize orders does not align with the expected post-pandemic recovery in the business environment. Although Noticees claim adaptability to market demands, there was no conclusive proof of progress or fulfillment of the MOU terms, even with alternate strategies.

649. I note that the ICAT approval was obtained in Urja's name as per the MOU, which stipulated all business would be conducted under Urja's identity. However, the MOU explicitly required Ogata to act as the manufacturing unit, with Urja supplying raw materials. However, the ICAT approval document lists Urja as the manufacturer, with no evidence showing Ogata's involvement. This contradiction suggests the MOU was either not implemented or not followed as agreed. The lack of clarity regarding Ogata's role and the evidence suggesting Urja itself acted as the manufacturer supports the allegation that Urja misrepresented material facts to regulators and shareholders.

650. Noticees contended that Urja engaged in continuous communication with Ogata regarding orders and specifications and Ogata’s non-responsiveness is beyond Urja’s control. In this regard, I note that while Urja provided email communications, these lacked corroborating documents such as purchase orders, payments, or delivery confirmations. Communication alone does not substantiate active collaboration. The absence of responses from Ogata raises doubts about its credibility and Urja’s due diligence in choosing a counterparty for such a critical business venture.

651. Noticees contended that the shift from e-rickshaws to e-scooters aligns with market demands and is consistent with the MOU's broad scope. In this regard, I note that Noticees provided no evidence showing a deliberate and well-documented shift in strategy. Rather, the changes appear reactive and unplanned, further demonstrating a lack of seriousness in executing the MOU. The shifting focus and inconsistent disclosures to regulators and shareholders support the allegation of misleading announcements.

652. Noticees contend that MOUs often serve as a precursor to detailed agreements. The lack of immediate action does not necessarily indicate fraudulent intent. In this regard, I note that while valid, this argument is weakened by the absence of subsequent agreements or substantial progress over an extended period.

653. Noticees contended that the Board of Directors and CEO acted in good faith, relying on the information presented to them. In this regard, I note that the Board and CEO failed to independently verify the authenticity and feasibility of the MOU. Approving the agreement without ensuring the company's authority under its MOA or examining Ogata's credentials reflects negligence. The failure to adhere to duties such as independent judgment, due diligence, and ensuring compliance with regulations highlights their inability to act in the best interests of stakeholders.

654. Noticees have contended that there was no fraudulent intent, and Urja made all announcements in good faith. In this regard, it is noted that Noticees' repeated failure to provide substantive evidence of the MOU's implementation, coupled with contradictory statements, supports allegations of misrepresentation and concealment of material facts. The false disclosures and unfulfilled promises align with the definition of fraud under SEBI (PFUTP) Regulations, 2003, which includes intentional deception and concealment of material facts.

655. I note from the records that the members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the

Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	***Designation***
Yogesh Kumar Goyal	Whole Time Director; re-appointed with effect from June 01, 2020 till May 31, 2021
Dheeraj Shishodia	Whole Time Director, Managing Director
Mita Sinha	Independent Director
Payal Sharma	Independent Director

656. In view of the above, I find that the Board of Directors (Noticees 3, 5, 9, 10) failed to exercise due diligence, independent and objective judgement at the time of ratifying the MOU by not calling for additional information relating to the MOU and simply endorsing and taking on record what was placed before them by the management. The members of the Board (Noticees 3, 5, 9, 10) have also failed to adhere to Company's Code of Conduct for Directors and Senior Management Personnel and therefore not complied with Regulation 26(3) read with Clause A, C, and H and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

657. I note that though SCN alleges that Arun Bhardwaj (Noticee 13), signed the JV, however I note that Noticee 13 did not sign the JV agreement with Ogata, it was Noticee 5 (MD) who signed the JV on behalf of Noticee 1. Noticee 13 was the CEO of the Company from May 18, 2020 to September 02, 2020, and has contended that since he was merely associated for less than 4 months, and as company was going concern, no major responsibilities (including authorisation for the said MoU) or charge was given by the company to him. He has further stated that he left the company on account of failure by MD in handing over of function and documents. I also note that there are no details provided in the SCN or on records, showcasing that Noticee 13 was involved in the developments of the MoU with Ogata. In view of the above, there are insufficient evidence to establish that Noticee 13 has not complied with Regulation 26(3) read with Clause A, C, and H of the Company's Code of conduct.

658. I note that Noticee 9 and 10 were independent directors on the board, and there is no document on records to showcase, if the Noticees 9 and 10 were involved in the

day to day affairs or the impugned agreement related activities, in view of the same, it cannot be established that the Noticees 9 and 10 aided the company in making false announcements despite being aware that the announcement is misleading.

659. Mr. Dheeraj Sisodia (Noticee 5), Additional Director of Urja, signed the agreement on behalf of Urja even when Urja was not authorized by its MOA. Noticees 3 and 5 have aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity.

660. Therefore, in view of the above the Noticees 3 and 5, acted in connivance to perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, it is established that Noticees 3 and 5 allegedly violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

661. From the discussion above, it is found that, announcement pertaining to MOU of Urja with Ogata was misleading. In view of the above, Compliance Officer of the Company at the time, i.e. Noticee 15 allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

662. I note that the SCN doesn’t detail how Noticee 15 as compliance officer failed to ensure procedures which could have stopped Noticee 1 entering into impugned agreement and inhibiting Noticee 1 from making misleading announcement. In view of the same, there are insufficient details and evidences to establish that the

compliance officer (Noticee 15) during her tenure in the company, violated Regulation 6(2)(c) of LODR Regulations.

663. Noticee has contended that her tenure in the company was for approximately 4 months from May 18, 2020 to September 15, 2020, and Noticee was not treated as a Company Secretary but as an employee of the Company and the MOU was not signed in Noticee's presence. Noticee only intimated the signing of the MOU to the BSE & NSE. Meanwhile when Noticee get to know that things are not in place, Noticee resigned in a very short span of time.

664. In this regard, I note that Noticee's tenure was only for four months, and when the announcement on June 23, 2020 took place, Noticee had just joined the company approximately one month back. Further, SEBI had to conduct an investigation to arrive at conclusion that the agreement was non-genuine and the disclosures were misleading, hence it required further analysis and examination beyond prima facie perusal of the documents. Therefore, in my opinion it is impractical to expect that the Noticee 15 should have identified the resultant non-compliances by Noticee 1 w.r.t. Ogata and ensured conformity with the regulations by Noticee 1. In view of the same, I find that there are insufficient details and evidences to establish that the compliance officer (Noticee 15) during her tenure in the company, violated Regulation 6(2)(a) of LODR Regulations.

<u>MOU with Malbro Energy Limited Dated March 16, 2016</u>

665. SCN alleges that the MOU is unstamped, signed by individuals without established authority, and references an entity, Malbro Energy Limited, for which no evidence of existence has been found. Further, it was alleged that the communication records provided by Urja were manipulated, with obliterated recipient names revealing email addresses unrelated to Malbro; the MOU's purpose and the business activities of Malbro were inconsistent. Board members (Noticees 2, 3, 4, 8 and 10) ratified the MOU without independent verification or sufficient deliberation. Members of the Board (Noticees 2, 3, 4, 8 and 10) allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs

without seeking any further clarification from the Company and without any deliberations even when the signatory to the agreement is not a KMP at Urja. The aforesaid act of omission by the Board allegedly helped Noticee 1 perpetrate the alleged fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticees 2, 3, 4, 8 and 10) were alleged to have violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003. Compliance Officer (Noticee 14) failed to ensure conformity with regulations and authenticity of disclosures and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

666. Noticees' major contentions are, that the MOU was exploratory, intending to support Malbro in renewable energy ventures, despite Malbro's primary business not being in renewable energy. Progress on the MOU was halted due to non-responsiveness from Malbro, which was disclosed transparently to BSE in 2021. Urja provided communication trails and photographs to substantiate the genuineness of discussions with Malbro. The company's actions, including continuous engagement and recent communications with Malbro, demonstrate genuine efforts to pursue the partnership. The Board members relied on the representations and documentation provided by the management.

667. Noticees have contended that Malbro Energy Limited is a legitimate entity and provided evidence such as photographs, communication trails, and meetings held at events like the 11th CII Exim Bank Conclave to demonstrate interactions with Mr. Noel Maluza. In this regard, I note that during investigation there was no credible record of Malbro Energy Limited found through online searches, raising doubts about the authenticity of the entity. Noticees failed to produce independent verification of Malbro Energy Limited's existence, such as a business registration certificate or

official address. The email communications provided by Urja were found to be falsified. The obliteration of recipient details and subsequent findings through software (indicating emails were sent to individuals like "gng.urja@gmail.com" and "gng@ikftech.in," unrelated to Malbro) undermine Noticees' claims. Noticees have not provided any clarification in its regard.

668. It was noted from publicly available sources, such as COMESA, that Malbro Group’s business activities (e.g., corn starch production and real estate) were unrelated to Urja’s solar and renewable energy business, further questioning the alleged collaboration. In view of the above, and Noticees' failure to provide concrete and verifiable details suggests that the MOU was indeed fabricated.

669. Noticees have contended that MOU was signed by representatives of both parties after thorough discussions and factory visits. While acknowledging Malbro's primary business was not renewable energy, Noticees argued that Malbro intended to diversify into this sector. In this regard, I note that the MOU was neither stamped nor notarized, and Malbro's address was incomplete. These deficiencies indicate a lack of formalization and authenticity. Despite signing the MOU in 2016, no tangible progress was made on the collaboration, nor were there any subsequent agreements, contracts, or joint projects to substantiate the partnership. The PCS certificate explicitly stated that the JV agreement appeared untraceable and did not seem to be in effect, further indicating that the corporate announcement was not genuine and lacked a true and fair basis. Noticees failed to address the deficiencies in the MOU’s execution and substantiation. Their argument regarding diversification intentions is speculative and unsupported by documented actions or results, rendering this contention unacceptable.

670. Noticees have contended that the Board of Directors relied on information presented by the management and acted in good faith. They claimed that the alleged omission of due diligence was not intentional. In this regard, I note that the MOU was signed by Abhitansh Gupta, who was not a KMP or director of Urja. The Board did not question his authority or seek proper delegation records. The Board did not verify

Malbro's credibility or the MOU's terms, nor did they request additional details about the counterparty or its intentions. The alleged passive approval of the MOU without scrutiny or deliberation violated the Company's Code of Conduct for Directors, particularly the requirements for due diligence and independent judgment. The Board's failure to perform due diligence and actively question critical aspects of the MOU demonstrates negligence, making their defense unacceptable. Their omission contributed to the perpetuation of false disclosures, as alleged.

671. Noticee's have argued that the MOU was exploratory, and its non-materialization was due to Malbro's non-responsiveness, not Urja's fault.In this regard, I note that the alleged use of a non-existent or unverifiable entity and falsified communication records goes beyond the exploratory nature of an agreement. These acts constitute misrepresentation and concealment, which are fraudulent under SEBI (PFUTP) Regulations. The PCS certificate and Urja's failure to provide timely status updates demonstrate that the MOU was not handled transparently, further invalidating this defense. The contention regarding the exploratory nature of the MOU does not address the allegations of fraud and misrepresentation. The lack of transparency and authenticity undermines this argument.

672. As per records, the members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

Name of the person	***Designation***
Yogesh Kumar Goyal	Whole Time Director; appointed wef May 12, 2015.
Aditya Venkatesh	Whole Time Director; appointed wef June 01, 2015 upto May 31, 2016.
Honey Gupta	Managing Director; appointed wef May 27, 2015.
Rajiv Gupta	Non-Executive Director
Payal Sharma	Independent Director

673. In view of the above, I find that the Board of Directors (Noticees 2, 3, 4, 8 and 10) failed to exercise due diligence, independent and objective judgment at the time of ratifying the MOU by not calling for additional information relating to the MOU and simply endorsing and taking on record what was placed before them by the

management. The Managing Director (Noticee 2), being in charge of day to day operations of the Company is expected to act with due diligence and exercise independent judgment, which he failed to do. The members of the Board (Noticees 2, 3, 4, 8 and 10) have also failed to adhere to Company's Code of Conduct for Directors and Senior Management Personnel and therefore not complied with Regulation 26(3) read with Clause A, C, and H and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

674. I note that Noticee 8, was Non-executive Director and Noticee 10 was independent director on the board, and there is no document on records to showcase, if the Noticees 8 and 10 were involved in the day to day affairs or the impugned agreement related activities, in view of the same, it cannot be established that the Noticees 8 and 10 aided the company in making false announcements despite being aware that the announcement is misleading.

675. The agreement was signed by Abhitansh Gupta, who is not even a KMP of Urja as per the Annual Report of FY 2015-16. Further, the members of the Board of Directors (Noticees 2, 3, and 4) aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the signatory to the agreement is not a KMP at Urja.

676. The aforesaid act of omission by the BOD helped Company perpetrate the alleged fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticees 2, 3 and 4) have violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

677. The allegations against Compliance Officer (Noticee 14) at the time of the signing of the MOU with Malbro, primarily revolve around the purported failure to ensure conformity with the regulatory framework and that he failed to ensure that correct procedures have been followed which would result in correctness, authenticity and

comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

678. Firstly, I note that the SCN does not provide concrete details or evidence to demonstrate how Noticee 14 could have effectively prevented Noticee 1 from entering into the impugned agreement or making the alleged misleading announcement. It is noteworthy that the announcement in question occurred on March 21, 2016, with the Stock Exchange disclosure made shortly after Noticee 14's appointment on February 13, 2016, within one month of assuming the role. Furthermore, Noticee 14 was a fresh Company Secretary with no prior experience in handling compliance matters for a listed company and was working under the guidance of a senior Managing Director.

679. Secondly, it is evident that the authenticity of the MOU and the alleged misleading nature of the disclosures required a detailed investigation by SEBI to arrive at a conclusion. This indicates that the non-genuine nature of the agreement and the purportedly misleading disclosures were not immediately discernible from a prima facie review of the documents available to the Compliance Officer at the time. Considering these circumstances, it would be unreasonable to expect Noticee 14 to identify such issues and ensure regulatory compliance based solely on the limited information and their lack of experience.

680. Moreover, Noticee 14 has provided a detailed response, asserting that he relied on the signed MOU, photographs, and information presented by the senior management, which he reasonably believed to be authentic. Noticee 14 also emphasized the absence of malafide intentions and attributed any inadvertent omissions to genuine oversight rather than willful neglect or non-compliance. These contentions further underscore the absence of deliberate regulatory violations.

681. In light of the above, I find that there is insufficient evidence to substantiate the claims that Noticee 14, during their tenure as Compliance Officer, violated Regulation 6(2)(a) and Regulation 6(2)(c) of the SEBI LODR Regulations, 2015. Accordingly,

the allegations against Noticee 14 are not established, and no violation of the said regulations can be attributed to them.

Announcement in respect of setting up of plant at Nashik, Maharasthra

682. SCN alleges that the disclosure about setting up of new plant at Nashik facility in terms of SEBI Circular dated September 09, 2015 read with Regulation 30 of LODR lacked the basic details and was allegedly in violation of the said SEBI Circular. SCN further alleges that the relevant details, i.e. proposed capacity after setting up the new plant, period within which the proposed capacity is to be added etc. were also not disclosed in the Annual Report for the FY 2021-22 and there was no discussion of the same in the Management Discussion and Analysis in the corporate governance section of the Annual Report.

683. Noticees argue that the failure to disclose information was inadvertent and not an act of non-compliance or withholding information. They highlight that disclosures were made regarding the assembling unit, but the format was not in strict adherence to the SEBI Circular dated September 09, 2015. In this regard, I note that the circular mandates detailed disclosures on capacity addition, including current and proposed capacity, utilization, investment, mode of financing, and rationale. The announcement about the Nashik unit it lacked these essential details mandated by the SEBI Circular. Noticees' argument of inadvertence does not absolve them of the responsibility to comply with the circular. By failing to provide required details, shareholders were deprived of critical information necessary to evaluate the strategic and financial implications of the capacity addition. The contention is not acceptable as regulatory compliance requires adherence to disclosure norms, even if the omission was unintentional. Noticees' argument does not address the material gap in disclosure.

684. Further, I note that Regulation 34 of LODR, read with Schedule V Para 2, mandates the inclusion of material developments, such as capacity addition, in the MDA section of the Annual Report. The absence of details about the assembling unit in the Annual Report and MDA undermines transparency. These omissions prevent shareholders

from obtaining a comprehensive view of the company's operational and strategic developments. Setting up the Nashik facility constitutes a material event that directly affects the company's operational capacity and financial outlook. The failure to disclose this information in the Annual Report is a violation of Regulation 34, and the contention of inadvertence does not justify this omission.

685. SCN allege failure to provide regular updates to the material event. I note that Noticees have not specifically addressed this failure in their response. I note that the Regulation 30(7) mandates timely updates on material developments, ensuring shareholders are informed about the progress of key projects. No updates were provided on the operationalization or capacity addition of the Nashik unit post-announcement. The absence of updates suggests a lack of diligence in maintaining transparency with stakeholders. The failure to provide updates on the progress of the Nashik facility is a violation of Regulation 30(7). Noticees' lack of response on this aspect further weakens their defense.

686. In view of the above, I find that Noticee 1 violated Regulation 30(7) and Regulation 34, read with Schedule V Para 2 of LODR Regulations.

MOU with Government of UP

687. The allegation centers around the authenticity and validity of the MOU, which is said to be orchestrated fraudulently by Urja, with intentions to mislead shareholders regarding the performance of the company. The concern is primarily about the nature of the MOU, particularly the lack of proper signatures and governance processes. Further Noticee 1 is alleged to be in non-compliance with the SEBI Order dated May 13, 2022 since PCS certificate of authenticity was required to be taken prior to Urja disclosing the announcement to the Stock Exchanges which was not done. It was alleged that neither prior approval of the Board nor the post facto ratification by the Board was taken in respect of the instant MOU till date.

688. Considering the above, it was noted that the Board was not adequately informed and a fraud was orchestrated with the help of Managing Director (Noticee 6), wherein a

fake MOU was executed with the Govt. of UP by a person who has represented Urja as a director of Urja but who is not actually a director in Urja. Considering that MD is in charge of day to day operations of the Company, the MD (Noticee 6) was allegedly responsible for perpetrating such a fraud. Considering that the announcement is not authentic, the MD (Noticee 6) who was signatory to the announcement, allegedly failed to discharge its duties effectively with due diligence and care. Therefore, the MD (Noticee 6) allegedly failed to comply with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct.

689. The agreement was signed by Govind Mishra, who is not even a KMP of Urja. The MD (Mohan Jagdish Agarwal) (Noticee 6) being the signatory to the announcement to the stock exchange and the annual report has also allegedly aided and helped the Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the MD (Noticee 6) allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

690. Considering that the Company was not authorized by its articles, it was alleged that CEO (Noticee 12) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 12) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

691. Noticees contends that Govind Mishra was authorized to sign the MOU on behalf of Urja Limited and that he was acting as a representative of the company with the necessary authority. The cropped signature is described as an inadvertent error in the documentation process. Furthermore, they argue that the presence of a wet signature from Shivansh Mishra as a witness validates the authenticity of the MOU.

Noticees deny that the MOU is fraudulent, citing that it was signed during the UP Global Investors Summit 2023 and is supported by documentary evidence like emails confirming registration and a letter of authority. Additionally, they argue that the absence of a tender process does not invalidate the MOU, as it was a result of direct negotiations with Invest UP. Noticees highlight subsequent actions, including a July 2024 email confirming a site visit for the EV manufacturing plant and communication with the Invest UP team. This is presented as evidence of Urja's genuine intent to pursue the project and progress in collaboration with the government.

692. In this regard I note that while Noticees contend that Govind Mishra had the necessary authorization to sign the MOU, the lack of clear disclosure of his role in the company, as well as his unauthorized listing as a director, raises concerns about governance and internal controls. Noticees have not placed on records, the authorization in favour of Mr. Govind Mishra for signing of the MOU on behalf of Noticee 1. The assertion that his signature was cropped without intention to mislead may be plausible, but it does cast doubt on the professionalism and diligence of the documentation process. The absence of the MOU on public tender websites does raise some concern. However, Noticees have argued that the MOU was a result of direct negotiations and not part of a public tender process.

693. The email from the Invest UP team confirming a site visit and the ongoing engagement with the authorities supports Noticees' contention that Urja is actively pursuing the EV manufacturing plant project. In view of the above, there are insufficient evidences on records to establish that the MOU with Government of UP is not genuine.

694. Further, the SCN alleges that as per outcome of the Board meetings, neither prior approval of the Board not the post ratification of the Board was taken in respect of the instant MOU. I note that in this regard, Noticees have not made any contention, hence it is deemed to be accepted by Noticees. In view of the above, the MD (Noticee 6) failed to discharge its duties effectively with due diligence and care, therefore failed

to comply with Regulation 26(3) read with Clause A, C, and H and Clause 1,2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct.

695. Noticee 12 has essentially contended that he was handling the Sales part only and rest all compliances, Audit etc. was handled by then MD (Managing Director) & Board of Directors. I note that Noticee has not provided any documents in support of his claim, and that Noticee 12 was the CEO when the JV agreement was signed, and as CEO of the Company, he was in-charge of day to day operations of the Company and he was obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the Company was not authorized by its articles, I find that CEO (Noticee 12) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 12) has therefore not complied with Regulation 26(3) read with Clause A, C, and H of the Company's Code of conduct and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

<u>Allegation pertaining to Tesla :</u>

696. As per SCN, Urja Global Limited (Urja) announced on June 8, 2023, that it had entered into an agreement with Tesla Power India Private Limited for manufacturing and supplying batteries under the Tesla Power USA brand. The announcement also stated that Urja would utilize Tesla Service Centers for promoting EV battery service requirements related to E-2 Wheeler batteries. Following this announcement, Urja's stock experienced a significant price rise of 63.12% between June 1 and June 12, 2023, accompanied by a surge in trading volume. However, a Business Standard article dated June 12, 2023, highlighted that investors may have misinterpreted this deal as being associated with Tesla Inc., leading to the stock rally. Subsequently, Urja clarified on June 14, 2023, that the agreement was with Tesla Power India Private Limited, an associate company of Tesla Power USA LLC, and not with Tesla Inc. An investigation into the agreement revealed several discrepancies, including incorrect entity names, contradictory clauses, and questionable credentials of Tesla Power India Private Limited and its alleged global counterpart, Tesla Power USA

LLC. Additionally, the agreement and related disclosures raised concerns about misleading information provided to shareholders.

697. SCN allege that Urja orchestrated a scheme to mislead shareholders by disclosing its agreement with Tesla Power India Private Limited, falsely portraying the entity as having a global presence and credibility. The media article and the IOCL agreement were allegedly used to bolster the credibility of Tesla Power India Private Limited and create a false impression of legitimacy. Noticee 3 (Whole-Time Director), as a signatory to the agreement, allegedly knew the agreement was discrepant and not genuine but proceeded to sign it, and thereby accused of failing to discharge his duties in the interest of shareholders. Noticee 6 (Managing Director), being responsible for the company's operations, allegedly failed to act with due diligence and professional conduct. The agreement was not placed before the Board for approval or ratification, as no agenda papers or minutes were provided by the company. Thereby, Noticees 3 and 6 allegedly violated Regulation 26(3) and the Duties of Directors outlined in the company's Code of Conduct. Noticees 3 and 6 are also alleged of perpetrating fraud under SEBI (PFUTP) Regulations, 2003, by misrepresenting the truth, concealing material facts, and making promises without intent to fulfill them, thereby violating Regulation 3(a), (b), (c), (d), 4(1), and 4(2)(k) and (r) of PFUTP Regulations.

698. The Noticees contended that SEBI misinterpreted their intentions and unfairly cast aspersions on Tesla Power India's credibility. Tesla Power India has legitimate foreign direct investment (FDI) links with Tesla Power USA and provided all necessary Know Your Customer (KYC) documentation during the process. The MoU pertains specifically to battery manufacturing and servicing arrangements, with clear terms regarding roles and responsibilities. Noticees stated the distinctions between Tesla Power USA and Tesla Power India, emphasizing that the entities have separate domains, websites, and operational scopes. They highlight that Tesla Power India, incorporated in January 2022, has secured financial backing and plans for expansion, as evidenced by news reports and corporate records. The Noticees

contended that media misinterpretation of the MoU caused confusion, which they promptly addressed through follow-up disclosures to stock exchanges.

699. The Noticees contended that SEBI's reliance on unverified information, such as Google Maps searches and unsubstantiated claims about Tesla Power India's existence is unreliable. They assert that the absence of key evidence, like telephonic records between officials, undermines the validity of SEBI's accusations. Additionally, Noticees placed on records tax invoices, purchase orders, and communication trails to substantiate the genuineness of the transactions. With respect to accusations of unfair trade practices and fraud under PFUTP Regulations, the Noticees deny any intent to mislead investors. Noticees contended that they acted in good faith, promptly issued clarifications, and adhered to corporate governance standards

700. I note that the Noticee have admitted the discrepancies in the stamp paper (where the first party is mentioned as Tesla Power USA Private Limited), and claim that this was an oversight and does not undermine the agreement's authenticity. In this regard, I note that the inconsistency in naming Tesla Power USA Private Limited instead of Tesla Power India Private Limited in the agreement is significant, as it raises doubts about the clarity and legitimacy of the contractual terms. Such oversight cannot be dismissed lightly, especially when the announcement created market confusion. While Noticees claim legitimacy through the FDI process, they have not submitted any documents in its support, substantiating independent verification of Tesla Power USA LLC's operational and financial credibility.

701. Noticees argue that the agreement's terms are not contradictory. They explain that Urja is the manufacturer of batteries for Tesla Power India, while services and maintenance will be conducted at Tesla Service Centers. They claim that this aligns with standard industry practices. In this regard I note that the agreement's phrasing, is inconsistent, with terms suggesting both manufacturing and purchasing responsibilities for Urja. The lack of clarity in the agreement's language leaves room for misinterpretation.

702. Noticees contend that the websites of Tesla Power USA LLC and Tesla Power India Private Limited serve different purposes. They argue that teslapowerusa.com relates solely to Tesla Power USA, while teslapowerusa.in pertains exclusively to the Indian entity. Noticees further emphasize that the domains and “About Us” sections of the respective websites delineate the two entities clearly. In this regard, I note that the identical nature of the two websites, coupled with their creation timelines (notably before the incorporation of Tesla Power India), the overlap in design and content raises doubt about the genuineness of the company.

703. In this regard, the filings of Tesla Power India Pvt. Ltd. with ROC was accessed and it was noted that Tesla Power USA LLC was holding 20% shares of Tesla Power India Pvt. Ltd. Further from the website of Division of State, Department of State, Delaware, it has been noted that Tesla Power USA LLC was incorporated on October 30, 2020 in Delaware and its registered address is 3524 Silverside RD STE 35B, Wilmington, New Castle, DE- 19810. In view of the same, it is established that both of these are separate entities, and Tesla Power USA LLC owns shareholding Tesla Power India Pvt. Ltd.

704. Noticees submit that Tesla Power India secured a loan of ₹17 crore from Choice Finserve Private Limited, demonstrating its operational expansion. They also reference recent press coverage in credible outlets, such as The Economic Times, reporting on Tesla Power India’s plans to employ 2,000 personnel and its creation of a new brand, ReStore. In this regard, I note that these developments indicate efforts to expand, the allegations concerning the company’s global presence and credentials are not satisfactorily addressed.

705. Noticees argue that the rally in Urja’s share price resulted from misinterpretation by investors and misleading media reports that linked the deal to the globally renowned Tesla Inc. They have cited a Business Standard article that featured a Tesla Inc. dealership photograph unrelated to the announcement. Noticees assert that they promptly issued a clarification on June 14, 2023, to address the confusion. I note that

Noticees' claim that the rally was driven by external factors such as media misinterpretation is plausible. However, the company's initial disclosure lacked clarity regarding its lack of any connection with Tesla Inc., contributing to the confusion. A more precise initial announcement could have mitigated the risk of misinterpretation, underscoring a lack of due diligence in corporate communication.

706. Noticees contends allegations regarding the IOCL agreement and press article as unfounded, and the IOCL agreement was a genuine business transaction aimed at battery distribution, supported by an email from IOCL confirming the agreement's execution. In this regard, I note that while the IOCL agreement lends some credibility to Tesla Power India's operations, the subsequent suspension of the partnership by IOCL due to concerns about Tesla Power India's credentials is a critical issue. This development casts doubt about the thoroughness of their due diligence.

707. Noticees has placed on records the minutes and agenda papers relating to the Board's approval of the agreement. I note that the absence of these documents at the time of initial scrutiny raised valid concerns. The late submission of such critical records suggests a lack of promptness and transparency on the part of Urja's management.

708. The Noticees have submitted the invoices wrt sale of batteries to Tesla Power India Pvt. Ltd. In this regard, I note that there are no signature or digitally signature on the Tax-Invoices, QR codes on the Bills are non-verifiable. Further, I note that the invoices are not supported by the banking statements reflecting actual receipt of funds by Noticee 1. Further, the invoices are not supported with proof of dispatch from Urja and proof of delivery from Tesla Power India Pvt. Ltd. The inconsistencies in the agreement, lack of clarity in disclosures, and overlap between Tesla Power India and Tesla Power USA websites suggest a pattern of negligence. Further, the Noticees have now also submitted the minutes and agenda of the meetings in which the Tesla agreement was ratified by the board. But to conclude that the agreement was non-genuine and the announcement was intended to mislead shareholders requires more concrete proofs.

709. In view of the above, I find there are insufficient evidences to conclude that the agreement of Urja with Tesla Power India Pvt. Ltd. is not genuine. In view of the above, it is not established that the Whole-Time Director (Noticee 3) and Managing Director (Noticee 6) have failed in discharging their fiduciary duties under Regulation 26(3) of SEBI (LODR) Regulations, 2015. Consequently, it is not established that Noticee 3 and 6 violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.

Observations from the Annual Report of Urja Global Limited

710. It is alleged that Noticee 1 violated Regulation 34(3) read with Schedule V of the LODR Regulations by failing to provide adequate disclosures in the Management Discussion and Analysis (MDA) section of its Annual Reports for FY 2016-17 to FY 2021-22. Specifically, the MDA section lacked discussion on the financial impact pertaining to the MOU, business proposed to be achieved through the MOU, risks and overall outlook. The Annual Reports merely mentioned the existence of these MOUs as a passing reference without substantive discussion. This inadequacy, combined with allegedly fake announcements regarding the MOUs, suggests that the MOUs were entered into with mala fide intentions, further reinforcing the alleged lack of transparency.

711. In this regard I note that the Noticee 1 has not given any specific response. Further, from the discussion above and documents on records, I note that the Management Discussion and Analysis (MDA) section of the Annual Report failed to provide adequate details on the MOUs, their financial impact, business objectives, risks, and outlook, which violated the requirement for transparency under SEBI's LODR Regulations. The failure to include critical details regarding the financial implications, business objectives, risks, and outlook associated with the MOUs undermined the intended purpose of the Annual Reports as a tool for disseminating essential information to shareholders. The Noticee's inability to address these allegations or provide any substantial contention on merit further corroborates the violations alleged. Noticee 1 failed to ensure complete and accurate information was disclosed

to shareholders, therefore, is in violation of Regulation 34(3) read with Schedule V of LODR Regulations.

Observations on the role of Board of Directors

712. As seen from the discussion above, the Board's role in approving or ratifying MOUs endorsed agendas without reviewing comprehensive information (such as the MOU details, cost-benefit analysis, risk assessments, etc.), thus failing to act on a fully informed basis and violating principles of corporate governance under the LODR Regulations and the Company's Code of Conduct. In the absence of sufficient deliberation, the Board failed to seek further clarification, even when inconsistencies in MOU details were evident. MOUs/JV agreement were entered even when the Company was not authorized by its articles to enter into such business activity, the announcements being unauthentic, requisite procedures not being followed by the Company w.r.t. Board approval. The above imply negligence or collusion, especially since false announcements were made regarding MOUs. Therefore, Board (Noticee 2, 3, 4, 5, 6, 7, 8) failed to adhere to Regulation 26(3) read with Clause A, C, and H and Clause 1, 2 and 3 of the Duties of Director Section in the Company's Code of Conduct.

713. The aforesaid act of omission by the members of the Board helped Noticee 1 perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticee 2, 3, 4, 5) violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

714. The Independent Directors (IDs) failed to demonstrate objectivity and independence by not seeking additional information or clarifications regarding the MOUs. Their failure to perform these duties could suggest that they were complicit in facilitating fraudulent actions, particularly by failing to bring an independent judgment to the Board's discussions. As per Regulation 17(5)(b) of the LODR Regulations and the

Companies Act Code for Independent Directors, IDs were expected to balance the interests of stakeholders, raise concerns about unethical behavior, and protect minority shareholders. The IDs' failure to do so render them liable for violations of the LODR Regulations and their Code of Conduct.

715. In view of the above, the Board (Noticee 2, 3, 4, 5, 6, 7, 8), including the Independent Directors (Noticee 9, 10), did not effectively discharge their responsibility and therefore, they are in violation of Regulation 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii (12) and 4(2)(f)iii (13) of LODR Regulations.

716. Further, the independent directors (Noticee 9, 10) failed to comply with Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.1, I.2, I.3, II.1, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013. The IDs (Noticee 9, 10) also not complied with Regulation 26(3) read with Clause 2, 7, 11 and 12 of the Duties of Independent Director's Section in the Company's Code of Conduct.

<u>Observation on the role of Managing Director</u>

717. The Managing Directors (MDs) of Urja Global Limited were responsible for overseeing the company's overall operations and strategic direction, working in tandem with the Board of Directors to ensure the company functions effectively and in the best interest of its shareholders. The MDs were also accountable for ensuring that all agreements entered into by the company, such as those with Shenxian, FVM, and Ogata, align with the company's Memorandum of Association. As the individual in charge of day-to-day operations, the MDs should have ensured complete transparency in the company's functioning and that accurate information was provided to the Board for informed decision-making.

718. In this regard, in discussion above, it has been noted that the MDs were associated in signing several questionable MOUs and joint ventures, including some that were false or misleading. Despite being aware of discrepancies, the MDs failed to act in the best interests of the shareholders and did not maintain transparency with the

Board, thereby not adhering to the company's ethical standards. Additionally, the MD did not ensure that all relevant information was presented to the Board, violating internal governance protocols and failing to adhere to regulations like the SEBI Order of May 13, 2022.

719. The MDs also violated several clauses of the company's Code of Conduct, including the accountability, compliance, and consumer focus provisions, by acting without due diligence, failing to comply with applicable laws, and submitting false information to the BSE and SEBI, which misled the examination of the matter. Furthermore, the MD did not fulfill obligations under the LODR Regulations by failing to place crucial joint venture agreements before the Board for review, thus obstructing informed decision-making. These failures led to a negative impact on the company's reputation and shareholder interests, violating numerous provisions of the LODR Regulations and the SEBI Act. Additionally, discrepancies in the company's annual reports further highlighted the MDs' neglect in fulfilling reporting requirements under the LODR Regulations, contributing to the overall non-compliance.

720. Therefore, the Managing Director (Noticee 2, 5 and 6) not complied with Regulation 26(3) of LODR Regulations read with Clause A, C, and H and Clause 1,2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct. Further, the Managing Director (Noticee 2, 5 and 6), being signatory to the agreement and in-charge of day to day operations of the Company, not complied with Regulation 17(7) of LODR Regulations by failing to place the minimum information before the Board of directors to enable them to take an informed decision. Considering that MDs replied to the Stock Exchange on the clarifications raised by the BSE, MDs were guilty of submitting false information to the BSE and SEBI, thereby misleading the entire examination of the matter.

721. Further, on account of discrepancies observed in the MDA of the Annual Report that considering that the annual report/Directors' report is signed by Whole Time Directors (Noticee 3 and 7), it is noted that Noticee 3 and 7 violated 4(2)(f)i(2), 4(2)(f)ii(8), and 4(2)(f)iii(6) of LODR Regulations.

Observations on the role of Chief Executive Officer

722. The CEOs have consistently argued that they acted in good faith and with diligence, fulfilling their duties within the framework of the company's operational objectives. They also maintained that the decision-making process, including the signing of MOUs/JV agreements, was carried out with due care and the company's best interests in mind. The allegations against the CEOs primarily involve the violation of specific clauses of the Code of Conduct, including Clause A (Accountability), Clause C (Compliance), Clause H (Consumer Focus), Clause L (Safeguarding Company's Assets), and Clause M (Financial Record Keeping and Reporting). In these cases, it is alleged that the CEOs failed to ensure the authenticity of the MOUs/JVs, acted without sufficient due diligence, and provided incomplete or misleading information to the Board.

723. The Noticees (CEOs) argued that the MOUs were intended to explore potential business opportunities and were not materialized, with no resources being misused. They also maintained that the Board was kept informed about the nature of these agreements, which were not finalized.

724. The allegations against the CEOs suggest that these MOUs/JVs were not just incomplete but fraudulent, with no intention to implement them from the start. The lack of due diligence in entering these agreements and the failure to disclose full and authentic information to the Board suggests possible misconduct.

725. The CEOs' contention that they acted with good intent conflicts with the allegations of bad faith and fraudulent practices. If the CEO's responsibility was to ensure that the company only entered into legitimate agreements, their failure to ensure this raises questions about their fiduciary duties. The failure to follow proper corporate governance procedures (such as ensuring that these agreements were authorized by the Object Clause of the Articles of Association) is a serious violation of the company's governance standards. The continued misrepresentation through

announcements about the MOU/JV agreements can be deemed as a breach of the fiduciary duty of care, undermining shareholders' trust.

726. The CEOs argued that they acted with due diligence and within the scope of their responsibilities, asserting that any lapses were due to administrative oversight by other departments like the Company Secretary and Compliance Officer. The allegations suggest specific violations of the Code of Conduct, particularly the lack of compliance with various clauses regarding accountability, compliance with laws, safeguarding assets, and financial reporting.

727. The CEOs' attempt to shift the responsibility onto other departments (e.g., Company Secretary and Compliance Officer) is not sufficient to defend their actions. They are the executive leaders responsible for day-to-day operations and must ensure that all departments function in compliance with legal and regulatory standards. The fact that the CEOs were directly involved in the decision-making and had to report to the Board about the MOUs strengthens the argument that they failed to act in compliance with the Code of Conduct.

728. The CEOs contended that any lapses in compliance were not intentional and were due to administrative oversight or lack of clarity in the requirements. Allegations against the CEOs in relation to non-compliance with the SEBI Order point to a direct violation of their obligations to adhere to regulatory requirements. The failure to comply with the SEBI Order would be a serious breach of their fiduciary duties. The CEOs are alleged to have failed to ensure that the company adhered to the SEBI Order, which could further exacerbate their non-compliance with broader legal and regulatory standards. The CEOs' defense of administrative oversight does not sufficiently address the core issue of non-compliance, especially when dealing with SEBI Orders and the potential legal consequences.

729. The CEOs argued that any lapses in compliance with LODR Regulations, such as failing to disclose material information to the Board, were due to incomplete or

evolving information. The allegations against the company and its CEOs suggest non-compliance with several provisions of the LODR Regulations.

730. In view of the discussion above, the CEOs (Dheeraj Sisodia, and Gaurav Agarwal) (Noticee 5 and 12) violated Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Code of Conduct policy of the Company.

Observations on the role of Company Secretary

731. I note that there were significant churning or change in the compliance officers of the company, and the compliance officers were handling the affairs of the company for short duration of time, that too under the supervision of MD to whom they reported during their tenure. I have also noted that incomplete information was placed before the Board of Directors for approval/ratification of the MOU/JVs/Agreements despite the fact that the Company was not authorized to enter into the MOU by the objects of the Company. Therefore, as discussed above, Noticee 15, 16, and 18 violated Regulation 6(2)(a) and 17(7) of LODR Regulations.

Non-compliances by the Company

732. As noted from the paragraphs above, the JV agreement/MOU entered into between Urja and the counter-parties were not genuine, and intended to mislead the shareholders. Further, the information in the announcements were not complete, inadequate and not updated with passage of time. Considering the series of events like entering into MOU without requisite due diligence, giving false submissions to SEBI for not being able to implement the MOUs/JV agreement, making false forward looking statement Urja failed to act in the best interests of the shareholders and to ensure that relevant information is disseminated to enable the shareholders track the performance of the Company. Thus, Urja is in violation of Regulation 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of SEBI LODR Regulations.

733. Further, by not disclosing information in the MDA section of the annual report, Urja has not complied with Regulation 34 read with Schedule V of LODR Regulations. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors, as specified in Schedule II of

LODR Regulations. Schedule II Part A of LODR Regulations states that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. The Company, as discussed above failed to comply with the specified requirement as complete information was not placed before the Board for deliberation and discussion. Further, Urja failed to give material updates to the MOUs till their conclusion. Therefore, Urja is in violation of Regulation 30(7) of LODR Regulations.

734. In view of the discussion, above in the order I find that the Company (Noticee 1) intentionally disclosed the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the Noticee 1 has violated Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

Issue II. Does the violation, if any, attract monetary penalty under Section 15A(a), 15A(b), 15HA, 15HB of the SEBI Act?

735. I note that Noticees have raised contention regarding the simultaneous invocation of Sections 15A and 15HB for the same set of allegations, arguing that such dual invocation demonstrates non-application of mind and results in perverse penal consequences. They assert that Section 15HB is a residual provision and should apply only where no specific penalty is prescribed, whereas Section 15A explicitly addresses the alleged violations under the LODR Regulations. Consequently, they contend that invoking Section 15HB alongside Section 15A is redundant, legally untenable, and leads to unjust duplication of charges, contravening principles of fairness and proportionality.

736. In this regard, I note that this argument overlooks a critical aspect of regulatory enforcement, that regulatory infractions can often involve acts or omissions that simultaneously constitute violations of distinct legal provisions, each addressing a different facet of compliance. Section 15A of SEBI Act, pertains specifically to failures to furnish information, returns, or documents as required under the SEBI Act, rules,

or regulations. On the other hand, Section 15HB operates as a residual provision designed to penalize contraventions where no separate penalty is explicitly prescribed. The scope and legislative intent of these provisions are distinct, allowing their simultaneous invocation where the facts and circumstances warrant.

737. The Noticees' assertion that imposing penalties under both Section 15A(b) and Section 15HB of the LODR Regulations leads to "perverse" consequences reflects a misunderstanding of the LODR Regulations and the distinct obligations enshrined therein. The regulatory framework under LODR imposes separate and independent obligations on listed entities, their boards, and KMPs. Further, Section 15A(b) penalizes failures related to disclosures, while Section 15HB addresses violations of the code of conduct or governance standards. A single act (e.g., a board's failure to disclose a material event) may simultaneously breach, Section 15A(b) (failure to disclose), and Section 15HB (failure to adhere to governance codes mandating transparency). If a single act violates multiple regulatory requirements, it inherently threatens multiple regulatory objectives (e.g., investor protection, governance integrity, market fairness). Penalizing each breach separately aligns with the legislature's intent to deter all forms of non-compliance. The residual nature of Section 15HB complements, rather than conflicts with, specific provisions like Section 15A(b), ensuring comprehensive enforcement. The regulatory framework explicitly envisions that a single act may breach multiple duties, each deserving independent penalty, hence the contention of the Noticees is not acceptable.

738. In the light of findings and observations made against the Noticees brought out in the foregoing paragraphs, it is evident that the Noticees have violated the following regulatory provisions:

Noticee Number	Provisions violated	Penal Section
Noticee 1	i. 30(2) of SEBI LODR Regulations read with SEBI Circular dated September 09, 2015; ii. Regulation 17(7) of LODR Regulations read with Schedule II of LODR Regulations iii. Regulation 4(1)(g) of LODR Regulations, 2015 iv. Regulation 5 of the LODR Regulations	15A(a), 15A(b), 15HA, 15HB

	v. Regulation 30(7) and Regulation 34, read with Schedule V Para 2 of LODR Regulations. vi. Regulation 34(3) read with Schedule V of LODR Regulations. vii. 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of SEBI LODR Regulations. viii. Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.	

Noticee 2	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;
	ii. Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003.
	iii. Regulation 4(2)(f)i(2), 4(2)(f)ii(8), A(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;
	iv. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2, 3 and 4 of the Duties of Directors Section in the Company's Code of Conduct.
	v. Regulation 17(7) of LODR Regulations
		15HA, 15HB

Noticee 3	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2 and 3 of the Duties of Directors Section in the Company's Code of Conduct. iii. Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003. iv. 4(2)(f)i(2), 4(2)(f)ii(8), and 4(2)(f)iii(6) of LODR Regulations	15HA, 15HB
Noticee 4	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c)of SEBI (PFUTP) Regulations, 2003 iii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2 and 3 of the Duties of Directors Section in the Company's Code of Conduct.	15HA, 15HB

Noticee 5	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;
	ii. Regulation 4(2)(f)i(2), 4(2)(f)ii(8), 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations;
	iii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct and Clause 1, 2, 3 and 4 of the Duties of Directors Section in the Company's Code of Conduct.
	iv. Reg. 3 (d) and 4(1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.
	v. Regulation 17(7) of LODR Regulations
		15HA, 15HB

Noticee 6	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 17(7) of LODR Regulations iii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2, 3 and 4 of the Duties of Directors Section in the Company's Code of Conduct.	15A(a), 15HB
Noticee 7	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2 and 3 of the Duties of Directors Section in the Company's Code of Conduct. iii. 4(2)(f)i(2), 4(2)(f)ii(8), and 4(2)(f)iii(6) of LODR Regulations	15HB
Noticee 8	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct, and Clause 1, 2 and 3 of the Duties of Directors Section in the Company's Code of Conduct.	15HB
Noticee 9	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.2, I.3, II.1, II.5, II.6, III.2 and	15HB

	III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013; iii. Regulation 26(3) read with Clause A, C and H of the Company's Code of Conduct and the Clause 1, 2, 3, 7, 11 and 12 of the Duties of Independent Director in the Company's Code of Conduct.	
Noticee 10	i. Regulation 4(2)(f)iii(3), 4(2)(f) iii(6), 4(2)(f) iii(7), 4(2)(f) iii(12) and 4(2)(f)iii(13) of LODR Regulations; ii. Regulation 26(3) of LODR Regulations read with Clause A, C and H of the Company's Code of Conduct read with Clause 1, 2, 3, 7, 11 and 12 of the Duties of Independent Director in the Company's Code of Conduct. iii. Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.2, I.3, II.1, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013;	15HB
Noticee 12	i. Regulation 26(3) read with Clause A, C, and H of the Company's Code of conduct ii. Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.	15HB
Noticee 14	i. Regulation 17(7) of LODR Regulations	15HB
Noticee 15	i. Regulation 17(7) of LODR Regulations ii. 6(2)(a) of LODR Regulations, 2015	15HB
Noticee 16	i. Regulation 17(7) of LODR Regulations ii. 6(2)(a) of LODR Regulations, 2015	15HB
Noticee 18	i. Regulation 17(7) of LODR Regulations ii. 6(2)(a) of LODR Regulations, 2015	15HB

739. The aforesaid violations, makes the Noticees liable for penalty under Section 15A(a), 15A(b), 15HA, 15HB of the SEBI Act.

740. In this context, I would also like to refer to the order of the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund6wherein Hon'ble Supreme Court of India held that "*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.''

741. The text of the above referred Section 15A(a), 15A(b), 15HA, 15HB of the SEBI Act. is reproduced herein below:

Relevant provisions of SEBI Act:

SEBI Act, 1992

Section 15A of SEBI Act, 1992

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

(a) *to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], 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 rupee];*

(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 66[or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], 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;*

Penalty for fraudulent and unfair trade practices.

15HA.

If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

Penalty for contravention where no separate penalty has been provided.

15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

Issue III. If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15-J of the SEBI Act read with Rule 5(2) of the SEBI Adjudication Rules?

742. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15-J of the SEBI Act, which reads as under: -

SEBI Act

Factors to be taken into account while adjudging quantum of penalty
15J *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or 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 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.]

743. In the matter, while there is no material on record to ascertain any quantifiable gain or unfair advantage accrued to the Noticees or the precise extent of loss suffered by investors, other factors outlined in Section 15J hold significant weight and warrant the imposition of a monetary penalty. The repetitive nature of defaults by Noticee 1 is evident from the record. Despite prior directions from SEBI through earlier orders, the company failed to ensure compliance, demonstrating negligence and disregard for regulatory obligations. This persistent non-compliance undermines the principles of corporate governance and market discipline, which are essential for maintaining

investor confidence in a listed entity. The role of senior management, including the Managing Director (MD), Chief Executive Officer (CEO), and Whole-Time Directors (WTDs), is integral to the efficient and effective governance of a company. As custodians of corporate governance, their failure to ensure adherence to regulatory requirements is a serious breach of responsibility. Despite the critical nature of their roles, these individuals repeatedly failed to discharge their duties, leading to sustained violations. Such lapses by senior management directly compromise the interests of investors and the integrity of the securities market. The Company Secretary, as the Compliance Officer of the company, plays a pivotal role in ensuring adherence to regulatory and legal frameworks. In this case, significant churn in the position of Compliance Officer during the period of violations indicates a lack of stability and accountability within the company's compliance framework. Furthermore, the limited tenure of Compliance Officers and inadequate information provided to them hindered their ability to fulfill their responsibilities effectively. These factors collectively reflect systemic issues in the company's compliance practices, exacerbating the severity of the violations.

744. The imposition of an appropriate monetary penalty is necessary to act as an effective deterrent, not only for the Noticees but also for other market participants. A lenient approach in such cases would undermine the regulatory framework and fail to address the gravity of the violations. By imposing penalties commensurate with the nature and severity of the defaults, the importance of regulatory compliance and the accountability of market participants is reinforced.

ORDER

745. Considering all the facts and circumstances of the case including the submissions of the Noticees and exercising the powers conferred upon me under section 15-I of SEBI Act read with Rule 5 of the SEBI Adjudication Rules, I hereby impose the following monetary penalty under section 15HB of the SEBI Act on the Noticee:

Sr. No.	**Name of the Noticee**	**Penalty Provisions of SEBI Act**	**Amount of penalty (in ₹)**
1		15A(a), 15A(b),	₹5,00,000/-

	Urja Global Limited (Noticee 1)		(Rupees Five Lakhs Only)
		15HA	₹30,00,000/- (Rupees Thirty Lakhs Only)
		15HB	₹5,00,000/- (Rupees Five Lakhs Only)
2	Honey Gupta (Noticee 2)	15HA	₹5,00,000/- (Rupees Five Lakhs Only)
		15HB	₹1,00,000/- (Rupees One Lakh Only)
3	Yogesh Kumar Goyal (Noticee 3)	15HA	₹5,00,000/- (Rupees Five Lakhs Only)
		15HB	₹5,00,000/- (Rupees Five Lakhs Only)
4	Aditya Venkatesh (Noticee 4)	15HA	₹5,00,000/- (Rupees Five Lakhs Only)
		15HB	₹1,00,000/- (Rupees One Lakh Only)
5	Dheeraj Sisodia (Noticee 5)	15HA	₹5,00,000/- (Rupees Five Lakhs Only)
		15HB	₹1,00,000/- (Rupees One Lakh Only)
6	Mohan Jagdish Agarwal (Noticee 6)	15A(a)	₹1,00,000/- (Rupees One Lakh Only)
		15HB	₹2,00,000/- (Rupees Two Lakhs Only)
7	Sunil Kumar Mittal (Noticee 7)	15HB	₹3,00,000/- (Rupees Three Lakhs Only)
8	Rajiv Gupta (Noticee 8)	15HB	₹3,00,000/- (Rupees Three Lakhs Only)
9	Mita Sinha (Noticee 9)	15HB	₹3,00,000/- (Rupees Three Lakhs Only)
10	Payal Sharma (Noticee 10)	15HB	₹3,00,000/- (Rupees Three Lakhs Only)
11	Gaurav Agarwal (Noticee 12)	15HB	₹3,00,000/- (Rupees Three Lakhs Only)
12	Akshay Mehta (Noticee 14)	15HB	₹1,00,000/- (Rupees One Lakh Only)
13	Manisha Jain (Noticee 15)	15HB	₹1,00,000/- (Rupees One Lakh Only)
14	Niyukti Singh (Noticee 16)	15HB	₹1,00,000/- (Rupees One Lakh Only)
15	Kanika Arora (Noticee 18)	15HB	₹1,00,000/- (Rupees One Lakh Only)

In my view, the said penalty is commensurate with the violations committed by the Noticees in this case.

746. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order 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

747. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

748. In terms of Rule 6 of the SEBI Adjudication Rules, 1995, copy of this order is sent to the Noticees and also to the SEBI.

ASHA SHETTY

Digitally signed by ASHA SHETTY
Date: 2025.01.29 15:32:34 +05'30'

Place: Mumbai **ASHA SHETTY**

Date: January 29, 2025 **ADJUDICATING OFFICER**