BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/SV/VC/2024-25/30271)

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
Williamson Magor and Company Limited
(PAN: AAACW2369P)

In the matter of Williamson Magor and Company Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) has conducted examination in the matter of Williamson Magor and Company Limited (hereinafter referred to as the **'WMCL'** or **'Company'** or **'Noticee'**), to ascertain whether there was any violation of the provisions of the erstwhile Equity Listing Agreement by the Company.

2. SEBI received a complaint through SCORES, *inter-alia* alleging that WMCL, entered into a related party transaction with Babcock Borsig Ltd., its associate company, involving sale of 1,13,360 shares (hereinafter referred to as '**transaction**') of Woodlands Multispecialty Hospital Ltd. It was alleged that the transaction was undertaken without corporate approvals and without making appropriate disclosures under the accounting standards. The complaint was being dealt with, on the SCORES platform and later converted into a case and dealt with offline.

3. SEBI carried out the examination in the aforesaid matter. The scope of the examination was to ascertain if the Company was in violation of the provisions of

the erstwhile Equity Listing Agreement with respect to approval and disclosure of Related Party Transactions (hereinafter referred to as **'RPTs'**) and was limited to the prevailing regulatory clauses when the transaction was undertaken. The listing agreement between BSE and the Company was signed on March 26, 1993. The examination was limited to the issues raised in the Complaint.

4. Based on the findings of examination in the matter of WMCL, SEBI initiated adjudication proceedings against the Noticee for alleged violation of the following provisions:

    (a) Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement (Reference: SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014) read with Regulation 103(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **'LODR Regulations'**) (repeal and savings provision); and

    (b) Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement (Reference: SEBI Circular No. SMDRP/Policy/Cir-44/01 dated August 31, 2001 and SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014) read with Regulation 103(2) of LODR Regulations (repeal and savings provision).

APPOINTMENT OF ADJUDICATING OFFICER

5. SEBI appointed Ms. Asha Shetty as the Adjudicating Officer, *vide* order dated March 15, 2023, under Section 15-I (1) of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **'Adjudication Rules, 1995'**) read with Section 19 of the SEBI Act, 1992, to inquire into and adjudge under the provisions of the Section 23E of the Securities Contracts (Regulations) Act, 1956 for the alleged violations committed by the Noticee. Subsequently, pursuant to the transfer of the erstwhile Adjudicating Officer, Ms. Asha Shetty, the matter was transferred to the undersigned *vide* order dated April 18, 2023, for inquiry into and adjudication under the provisions of the Section 15HB of the SEBI Act, 1992.

SHOW CAUSE NOTICE, REPLY AND HEARING

6. Show Cause Notice bearing reference no.- SEBI/HO/EAD-8/SKV/VC/03930/2024 dated January 25, 2024 (hereinafter referred to as **'SCN'**) was issued to the Noticee in terms of the provisions of Rule 4(1) of the Adjudication Rules, 1995 read with Section 15-I of the SEBI Act, 1992, requiring the Noticee 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 Noticee under Section 15HB of the SEBI Act, 1992 for the alleged violations. I note that SCN issued to Noticee was duly served upon the Noticee and it was acknowledged by the Noticee. Vide email / letter dated April 03, 2024, Noticee submitted its reply to the SCN.

7. In the interest of natural justice, an opportunity of hearing on March 12, 2024 was granted to the Noticee vide Hearing Notice dated February 27, 2024. However, due to unavailability of the Counsel, Noticee requested for adjournment of the hearing scheduled on March 12, 2024. Thereafter, the hearing was rescheduled on March 14, 2024, however, due to wellness of the Counsel, Noticee requested for another adjournment of the hearing scheduled on March 14, 2024. Another adjournment of the hearing was granted to Noticee, and hearing was scheduled on March 18, 2024. On March 18, 2024, Authorised Representative of the Noticee viz. i.e. Ms. Zarnaab Aswad, Senior Associate, Khaitan & Co (hereinafter referred to as **'AR'**) attended the hearing through video conference on Webex platform and stated to furnish the submissions in the instant matter by April 03, 2024. Accordingly, vide email / letter dated April 03, 2024, Noticee furnished its submissions in the matter.

CONSIDERATION OF ISSUES AND FINDINGS

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

   I. Whether the Noticee has violated the following provisions:

      (a) Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement; and

(b) Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement.

II. Does the violation, if any, attract monetary penalty under Section 15HB of the SEBI Act, 1992?

III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the Adjudication Rules, 1995?

9. Before proceeding further, it is pertinent to refer to the relevant provisions of erstwhile Equity Listing Agreement which are alleged to have been violated. The said provisions provide as under:

Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement:

As per Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement (prescribed by SEBI Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014), approval requirements for RPTs by Audit Committee was introduced with effect from October 01, 2014: *All related party transactions shall require prior approval of the audit committee.*

Clause 32 and Clause 50 of the erstwhile Equity Listing Agreement:

Clause 32 and Clause 50 of the erstwhile Equity Listing Agreement provide that (Reference: SEBI Circular no. SMDRP/Policy/Cir-44 /01dated Aug 31, 2001):

(a) Companies shall be required to make disclosures in compliance with the Accounting Standard on "Related Party Disclosures" in the annual reports.

(b) Companies shall mandatorily comply with all the Accounting Standards issued by ICAI from time to time.

Clause 49 (I) (C) (1) (d) of the erstwhile Equity Listing Agreement:

The Principles of Corporate Governance on “Disclosure and transparency” (Reference: Clause 49 (I) (C) (1) (d) of the erstwhile Equity Listing Agreement prescribed vide SEBI Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014) provides that with effect from October 01, 2014:

"The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor."

10. Based on perusal of the material available on record and giving regard to the facts and submission of the Noticee and circumstances of the case, I record my findings hereunder:

Issue I. Whether the Noticee has violated the following provisions:

(a) Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement; and

(b) Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement.

11. Before I proceed to deal with the matter on merits, I would like to address certain preliminary issues raised by the Noticee. Noticee in its reply submitted that there has been a delay of 9 years in the issuance of SCN, hence the instant proceeding is liable to be quashed and set aside as it suffers from inordinate delay and laches. Noticee further submitted that the Company, given such inordinate and unjustified delay, is no longer in possession of the precise particulars of the said Transaction and therefore, is not in a position to effectively defend itself in the said proceedings. Therefore, the inordinate delay has caused grave prejudice to the Company, which has now been called upon to defend and prove the bonafides of the Transaction that happened nine years ago.

12. To address the above contentions of the Noticee, it is pertinent to reproduce the judgment of Hon'ble Supreme Court in the case of ***Adjudicating Officer, SEBI vs. Bhavesh Pabari*** (2019) SCC Online SC 294; wherein it was held that:

"There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would

be reasonable time will depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third party rights had been created etc."

13. I note that though Noticee has contended that the delay has caused grave prejudice to it as Noticee is no longer in possession of the precise particulars of the said Transaction and therefore it is not in a position to effectively defend itself in the said proceedings. In this regard, I note that in the instant case, SEBI received SCORES complaint dated October 04, 2021 in the matter, thereafter took up the matter for examination during 2021 to 2023. Thereafter, SCN in the matter was issued on January 25, 2024. In respect of the contention of the delay, I note that delay itself may not be a ground that would vitiate the instant proceedings. However, it is required to examine whether delay has caused any prejudice. I note that the Noticee has not stated any particular details of the said Transaction which was required to defend it in the matter and which is not in its possession. Further, I also note that all relevant and relied upon documents related to the allegations made in the SCN were provided to the Noticee and in my view the Noticee had sufficient material to defend its case. In fact, Noticee was able to put forth its defense in detail, as apparent from its reply and submissions. Also, it is noted that the specific allegation in the SCN is not on any particular or specific details pertaining to the transaction but central on the fact that the transaction was with a related party, which is itself not in dispute. Thus, on this contention, I don't consider that delay has caused any prejudice to the Noticee.

14. In this regard, I note that the Hon'ble SAT in the matter of ***Pooja Vinay Jain Vs. SEBI*** (SAT Appeal No. 152 of 2019, decided on March 17, 2020) held as follows:

"13. In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in

launching the same. Further, as explained by the learned counsel for the respondent as recorded in paragraph No. 6.4 above, large numbers of entities and transactions were analysed by SEBI which took some time."

15. Further, in ***Ravi Mohan & Ors. v. SEBI*** decided on August 08, 2013, Hon'ble SAT, Mumbai while referring to its own decision in ***HB Stockholdings Ltd. v. SEBI*** (Appeal no. 114 of 2012) decided on August 27, 2013 and decision of Hon'ble Supreme Court in ***Collector of Central Excise, New Delhi v. Bhagsons Paint Industry (India)*** reported in 2003 (158) ELT 129 (S.C.), observed as under:

    "...Based on decision of this Tribunal in case of HB Stockholdings Ltd. vs. SEBI (supra) it was contended on behalf of the appellants that in view of the delay of more than 8 years in issuing the show cause notice, the impugned order is liable to be quashed and set aside. There is no merit in this contention, because, this Tribunal while setting aside the decision of SEBI on merits has clearly held in para 20 of the order, that delay itself may not be fatal in each and every case. Moreover, the Apex Court in case of Collector of Central Excise, New Delhi vs. Bhagsons Paint Industry (India) (supra) has held that if there no statutory bar for adjudicating the matter beyond a particular date, the Tribunal cannot set aside the adjudication order merely on the ground that the adjudication order is passed after a lapse of several years from the date of issuing notice...."

16. This apart, it is to be noted that the SEBI Act, 1992 and the regulations framed thereunder have got a larger public purpose in the form of investor protection and the regulation and development of the securities market. These purposes would stand defeated if the violators are allowed to go scot-free just because of delay in initiating action against them. In view of the above facts, I find that no prejudice has been caused upon the Noticee nor has it been able to clearly make out a case of prejudice due to the alleged delay in initiation of proceedings. In view of this, it cannot be said that there is an inordinate delay in the issuance of SCN which caused prejudice to the Noticee and hence the said contention of the Noticee cannot be accepted. However, the delay in the issuance of SCN may only be considered as a mitigating factor while deciding the quantum of penalty.

17. At the outset, I find that the following alleged violations are to be established, in the instant matter:

    A. Failure to take prior approval of the Audit Committee for the transaction with Babcock Borsig Ltd., and
    B. Failure to make disclosure of the transaction with Babcock Borsig Ltd., in the annual report.

A. <u>Failure to take prior approval of the Audit Committee for the transaction with Babcock Borsig Ltd.:</u>

18. It was alleged in the complaint that WMCL, entered into a related party transaction with Babcock Borsig Ltd., its associate company, involving sale of 1,13,360 shares ('transaction') of Woodlands Multispecialty Hospital Ltd, without corporate approvals and without making appropriate disclosures under the accounting standards.

19. In this regard, it was noted in the SCN that Noticee as per Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement, prior approval of the Audit Committee was required for RPTs undertaken by the Noticee from October 01, 2014 onwards. However, Noticee in its reply to SEBI, submitted that board approval was taken and approval of the Audit Committee was not required for the transaction, therefore, prior approval of the Audit Committee was not taken for the transaction with Babcock Borsig Ltd.

20. In view of the above, it was alleged that the Noticee has failed to take prior approval of the Audit Committee for the transaction i.e. selling of 1,13,360 shares of Woodlands Multispecialty Hospital Ltd. to Babcock Borsig Ltd., its associate company, therefore, it has violated the provisions of Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement.

Reply of Noticee

21. Noticee *inter alia* submitted that not obtaining approval of the Audit Committee and the non-disclosure of the Transaction in the Annual Report against the Company

are only academic at this juncture. The principal cause of action in the present case concerns the Transaction that transpired during FY 2014-15. However, the SCORES complaint was instituted much later in October 2021. Further, a perusal of the records of the Noticee clarifies that the complainant only became shareholder in 2019 for 10 shares (i.e. 0.0001% of the total shares of the Noticee). The complainant bought the shares solely to initiate the complaint for ulterior motives.

Findings

22. As per Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement (prescribed by SEBI Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014), approval requirements for RPTs by Audit Committee was introduced, with effect from October 01, 2014, as per which: *All related party transactions shall require prior approval of the audit committee.*

23. I note that the submission of the Noticee that not obtaining of approval of the Audit Committee for the Transaction is only academic at this juncture is not acceptable, as the Noticee was required to take prior approval of the Audit Committee for the Transaction undertaken by it at that time as per prevailing regulatory provisions of the erstwhile Equity Listing Agreement. I also note that the complainant details are not pertinent to whether infraction took place or not.

24. Barring above, Noticee has not submitted any specific reply with regards to the allegations that it has failed to take prior approval of the Audit Committee for the transaction i.e. selling of 1,13,360 shares of Woodlands Multispecialty Hospital Ltd. to Babcock Borsig Ltd., its associate company. Thus, I am inclined to presume that the Noticee has nothing to offer in its defense and therefore, it has admitted to the allegations levelled against it in the SCN. I also note that earlier in its reply to SEBI, Noticee had submitted that board approval was taken and approval of the Audit Committee was not required for the transaction, therefore, prior approval of the Audit Committee was not taken for the related party transaction with Babcock Borsig Ltd.

25. Therefore, in the absence of any material contrary to the allegations, I find that materials on record are sufficient enough to reasonably conclude that Noticee has failed to take prior approval of the Audit Committee for the transaction i.e. selling of 1,13,360 shares of Woodlands Multispecialty Hospital Ltd. to Babcock Borsig Ltd., its associate company, therefore, it has violated the provisions of Clause 49 (VII) (D) of the erstwhile Equity Listing Agreement.

B. Failure to make disclosure of the transaction with Babcock Borsig Ltd., in the annual report:

26. With regard to complaint's allegation of not making the appropriate disclosures of the transaction with Babcock Borsig Ltd. under the accounting standards, Noticee, during examination, submitted to SEBI that it inadvertently missed reporting the aforesaid transaction in its annual report. It was further stated that there was no mala-fide intention on the part of the Company and the same was a bona-fide mistake.

27. Therefore, it was alleged in the SCN that Noticee had failed to make the disclosure of the aforementioned transaction with Babcock Borsig Ltd. in its annual report for FY 2014-15, therefore, the Noticee has violated the provisions of Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement.

Reply of Noticee

28. With regards to above observations, Noticee inter alia submitted that the non-disclosure of the Transaction in Note No. 30 i.e., Related Party Disclosures in the Company's Annual Report for FY 2014-15 was a bona fide inadvertent oversight. However, in the Company's annual report for FY 2014-15, specifically under Note No. 12 at page 58, the particulars of the Transaction i.e., sale of 1,13,360 equity shares of Woodlands Multispeciality Hospital Limited had been disclosed. Noticee also furnished a copy of page 58 of the Company's annual report for FY 2014-15.

29. Noticee further submitted that it had no mala fide intention to suppress any information or document. The non-filing of relevant disclosures was due to lack of

communication between the concerned officials at the time. This goes on to establish that the lapse was purely inadvertent due to genuine oversight and should be dealt with leniency.

Findings

30. As per Clause 32 and Clause 50 of the erstwhile Equity Listing Agreement (Reference: SEBI Circular no. SMDRP/Policy/Cir-44 /01dated Aug 31, 2001):

    (c) Companies shall be required to make disclosures in compliance with the Accounting Standard on "Related Party Disclosures" in the annual reports.

    (d) Companies shall mandatorily comply with all the Accounting Standards issued by ICAI from time to time.

31. Further, as per the Principles of Corporate Governance on “Disclosure and transparency” (Reference: Clause 49 (I) (C) (1) (d) of the erstwhile Equity Listing Agreement prescribed vide SEBI Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014), with effect from October 01, 2014:

    “The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.”

32. I find that Noticee has accepted the violation and stated that the non-disclosure of the Transaction in Note No. 30 i.e., Related Party Disclosures in the Company's Annual Report for FY 2014-15 was a bona fide inadvertent oversight and non-filing of relevant disclosures was due to lack of communication between the concerned officials at the time.

33. Noticee’s further submission that the particulars of the Transaction i.e., sale of 1,13,360 equity shares of Woodlands Multispeciality Hospital Limited, had been disclosed under Note No. 12 at page 58 of the Company's annual report for FY 2014-15 can only be considered as a mitigating factor for deciding the amount of penalty as the Noticee was under obligation to disclose the details of the

aforementioned ‘transaction’ with Babcock Borsig Ltd. in its annual report for FY 2014-15 under “Related Party Disclosures”.

34. In view of the above, I hold that Noticee had failed to make the disclosure of the aforementioned ‘transaction’ with Babcock Borsig Ltd., its associate company, in its annual report for FY 2014-15 under “Related Party Disclosures”, therefore, the Noticee has violated the provisions of Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement.

Issue II. Does the violation, if any, attract monetary penalty under Section 15HB of the SEBI Act, 1992?

35. In the light of findings and observations made against the Noticee brought out in the foregoing paragraphs, it has been established that the Noticee has violated the regulatory provisions of Clause 49 (VII) (D), Clause 32, Clause 49 (I) (C) (1) (d) and Clause 50 of the erstwhile Equity Listing Agreement.

36. Considering the material available on record, reply of the Noticee and findings made hereinabove and it has been held that Noticee has violated the provisions of the erstwhile Equity Listing Agreement. The said violations make the Noticee liable for monetary penalty under the provisions of the SEBI Act, 1992.

37. Noticee submitted that there was no loss was caused to its investors nor any undue gain to the Noticee. Noticee further submitted that violations are only technical in nature and non-disclosure was an inadvertent error on the part of the Noticee, hence it should not be penalised for it. In this regard, Noticee placed reliance on the Hon'ble Securities Appellate Tribunal's (‘SAT’) order in nature P.G Electroplast Limited v. SEBI [Appeal No.281 of 2017}, SEBI's Adjudication Order in the matter of Akar Tools Limited, SEBI WTMs Order in the matter of acquisition of shares of Refex Industries Limited dated February 02, 2017, Hon'ble Supreme Court of India observations in the matter of Hindustan Steel Ltd. v. State of Orissa (1969 (2) SCC 627) and Hon'ble SAT’s observations in the matter of Reliance Industries Ltd. v. SEBI [SAT Appeal No. 39 of 2002].

38. In this regard, I note that Hon'ble SAT in the matter of ***Komal Nahata v. Securities and Exchange Board of India*** *(Appeal No. 5 of 2014 dated January 27, 2014)* has observed that:- *"Argument that no investor has suffered on account of non-disclosure and that the AO has not considered the mitigating factors set out under Section 15J of SEBI Act, 1992 is without any merit because firstly penalty for noncompliance of SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non-disclosure"*.

39. I also note that in Appeal No. 78 of 2014 in the case of ***Akriti Global Traders Ltd. Vs. SEBI***, the Hon'ble SAT vide order dated September 30, 2014 has observed that: *"… Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay".*

40. In this regard, reliance is also placed upon the judgment of Hon'ble Supreme Court of India in the matter of **SEBI Vs. Shri Ram Mutual Fund** [2006] 68 SCL 216(SC) which inter-alia has 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...".

41. The aforesaid violations, makes the Noticee liable for penalty under Section 15 HB of the SEBI Act, 1992. The contents of the said provisions of law is reproduced herein below:

    <u>SEBI Act, 1992</u>

    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 Noticee taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the Adjudication Rules, 1995?

42. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15-J of the SEBI Act, 1992, which reads as under: -

SEBI Act, 1992

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.]

43. In this case, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of non-compliance of the provisions of the SEBI Regulations is not available. With respect to the repetitive nature of the default, I find that vide Adjudication Order dated September 28, 2023, a penalty of ₹2,00,000/- (Rupees Two Lakh only) on the Noticee for delay in disclosure w.r.t. default on interest payment and redemption of debentures and for delay in disclosure w.r.t.

encumbrance on shares created and failure to disclose reasons for encumbrance. In the present matter based on findings of the examination it has been established that the Noticee has not complied with the requirements of the erstwhile Equity Listing Agreement. Noticee was under a statutory obligation to abide by the provisions of erstwhile Equity Listing Agreement, which it failed to do in relation to the said Related Party Transaction. The said violations by the Noticee attracts monetary penalty. Therefore, I feel it appropriate to levy a penalty which is commensurate with the nature of violation, which acts as a deterrent factor for the Noticee and others in protecting the interest of investor in Securities market. At the same time, as also mentioned in previous paragraphs, I am keeping in mind that for the violations, delay in initiation of adjudication proceedings and other points of defense presented by the Noticee is being taken towards the mitigating factors while deciding the quantum of penalty.

ORDER

44. Considering all the facts and circumstances of the case including the submissions of the Noticee and findings elaborated hereinabove, exercising the powers conferred upon me under Section 15-I of SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, 1995, I hereby impose a monetary penalty of ₹2,00,000/- (INR Two Lakh only) under Section 15 HB of the SEBI Act, 1992, on the Noticee. In my view, the said penalty is commensurate with the violations committed by the Noticee in this case.

45. The Noticee 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

46. 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, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

47. In terms of Rule 6 of the Adjudication Rules, 1995, copy of this order is sent to the Noticee and also to the SEBI.

Place: Mumbai	**SHASHI KUMAR VALSAKUMAR**
Date: April 10, 2024	**ADJUDICATING OFFICER**