**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER NO. Order/SM/AD/2022-23/18233-18246]**

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

**In respect of:**

| S.N | Noticee Name | PAN |
|---|---|---|
| 1. | Jolly Plastic Industries Limited | AACCJ6031B |
| 2. | Aglow Financial Services Pvt Ltd | AABCA0924F |
| 3. | Svam Software Limited | AAACS0292B |
| 4. | Shridhar Financial Services Limited | AABCS7408L |
| 5. | Ashok Kumar Bansal | AAMPB0740L |
| 6. | Mamta Bansal | ADQPB9932K |
| 7. | Satish Kumar Bansal | AFDPB4118C |
| 8. | Nitin Gupta | AFKPG4083Q |
| 9. | Pankaj Agarwal | ABNPA5930D |
| 10. | Brijesh Kumar Anand | AGLPA4141K |
| 11. | Manoj Anand | AGLPA4142L |
| 12. | Monika Anand | AHUPA4998C |
| 13. | Ravi Chopra | ALIPC3117D |
| 14. | Jitender Kumar | AQDPK5535B |

**In the matter of Jolly Plastic Industries Limited**

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**BACKGROUND**

1. Jolly Plastic Industries Limited (hereinafter referred to as **'Noticee 1/by name/ JPIL/Company**) is a company having its shares listed on BSE Ltd. (hereinafter referred to as '**BSE**'). Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') received references from BSE and conducted investigation in the matter of JPIL for suspected manipulation in trading of the scrip of JPIL, by certain entities for the period January 01, 2012 to December 31, 2013 (hereinafter referred to as **'Investigation Period/IP'**). Thereafter, based on investigation, SEBI observed violations of provisions of Section 12A(a), (b), (c) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') read with Regulations 3(b), (c), (d) and 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**) by Noticee 1, Ashok Kumar Bansal (hereinafter referred to as "**Noticee 2/ By Name"**) , Mamta Bansal (hereinafter referred to as "**Noticee 3/ By Name"**), Satish Kumar Bansal (hereinafter referred to as "**Noticee 4/ By Name"**), Nitin Gupta (hereinafter referred to as "**Noticee 5/ By Name"**), Pankaj Agarwal(hereinafter referred to as "**Noticee 6/ By Name"**), Brijesh Kumar Anand (hereinafter referred to as "**Noticee 7/ By Name"**), Jitender Kumar, (hereinafter referred to as "**Noticee 8/ By Name"**), Manoj Anand, (hereinafter referred to as "**Noticee 9/ By Name"**), Monica Anand (hereinafter referred to as "**Noticee 10/ By Name"**), Ravi Chopra (hereinafter referred to as "**Noticee 11/ By Name"**), Aglow Financial Services Private Limited (hereinafter referred to as "**Noticee 12/ By Name"),** Svam Software Limited (hereinafter referred to as "**Noticee 13/ By Name"**), Shridhar Financial Services Limited (hereinafter referred to as "**Noticee 14/ By Name"**). (Collectively Noticee 1 to 14 are referred as "**Noticees**").

2. Accordingly, adjudication proceedings under Section 15HA of the SEBI Act was initiated against Noticees for the alleged violations of the provisions of Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations.

**APPOINTMENT OF ADJUDICATING OFFICER**

3. Vide Order dated March 23, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 19 read with Sub-section (1) of Section 15-I of SEBI Act and Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as

**‘Adjudication Rules’**) to inquire into and adjudge under the provisions of Section 15HA of SEBI Act for the alleged violation of Section 12A(a), (b), (c) of SEBI Act, read with Regulations 3(b), (c), (d) and 4(1) of PFUTP Regulations by Noticees.

## SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A common Show Cause Notice (**SCN**) dated August 10, 2021 was issued to Noticees under Rule 4(1) of Adjudication Rules in the matter to show cause as to why an inquiry should not be held against them and penalty if any, not be imposed upon them under the provisions of Section 15HA of SEBI Act for the violations alleged to have been committed by them.

5. The allegation levelled in the SCN are summarized as follows –

   a) *It has been observed that during the quarter ended June 2012, the company issued 54,00,000 shares of Rs 10 each, at an issue price of Rs 10.50, under preferential allotment, to 47 individuals on May 02, 2012, to various non-promoter strategic investors. The aforesaid 54 lakhs shares have been listed on BSE and admitted to trading w.e.f. July 19, 2012.*

   ***Connection between the Company and related entities:***

   i. ***Connection between Noticee 1 and Noticee 12****: SEBI observed from the Annual Report of JPIL dated 2016-17, 2017-18, 2018-19 and 2019-20, that Mr. Atul Kumar Agarwal is the director of Noticee 1, who was appointed as a director in the company on August 23, 2017. SEBI further, observed that Mr. Atul Kumar Agarwal is also the director of Noticee 12 wherein he was appointed as such since February 26, 1996. In addition to that Noticee 1 has shown Noticee 12 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.*

   ii. ***Connection between Noticee 1 and Noticee 13:*** *SEBI observed that Sudhir Kumar Agarwal, who is a director in Noticee 13, is a relative of Atul Kumar Agarwal. Further, Noticee 1 has shown Noticee 13 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.*

iii. ***Connection between Noticee 1 and Noticee 14****: SEBI observed that Mr. Sudhir Kumar Agarwal, who is also a director in Noticee 14, is a relative of Atul Kumar Agarwal. Further, Noticee 1 has shown Noticee 14 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.*

***Violation of PFUTP Regulations by the Noticees***

b) *Noticee 2: Noticee 2 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & 50,000 from his A/c 00322010061410 (Oriental Bank of Commerce) on March 15, 2012 and March 30, 2012, respectively. On analysis of his bank statement, it is noted that he received credit of Rs 25,00,000 from Noticee 13 on March 13, 2012 and Rs 50,000 from R K Metals on March 29, 2012. SEBI observed from bank account statement of Noticee 13, that it has received a credit of Rs 25,00,000 on March 09, 2012 from Noticee 12 and a credit of Rs 50,000 from one R K Metals Ltd. On further analysis of bank statement of R K Metals Ltd., it was observed that it had received credit of Rs 6,50,000 from one Vakartund Associates on March 19, 2012.*

c) *Noticee 3: Noticee 3 was allotted 50,000 shares in the preferential allotment for which she transferred Rs 5,25,000 from her account 00322010059250 (Oriental bank of Commerce) on March 28, 2012. SEBI observed from her bank statement, that she had received credit of Rs 5,00,000 from Noticee 2 (who is one of the preferential allottees) on March 13, 2012 and there was a cash deposit of Rs 25,000 on March 28, 2012. The bank statement of Noticee 3 has already been analysed at point 38 above.*

d) *Noticee 4: Noticee 4 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & 50,000 from his A/c on March 13,2012 & March 30,2012 respectively. On analysis of his bank statement, it was observed that he had received credits from 3 entities as under:*

***Table – 1***

| ***Date*** | ***Bank Account number (Name of Bank)*** | ***Name of Counterparty*** | ***Amount (Rs.)*** |
|---|---|---|---|
| *March 13,2012* | *00322010061410* | *Ashok Kumar Bansal* | *10,00,000* |
| *March 29,2012* | *01791010008230* | *R K Metals* | *50,000* |
| *February 16,2012* | *00030340043036* | *Panafic Industrials Limited* | *50,00,000* |

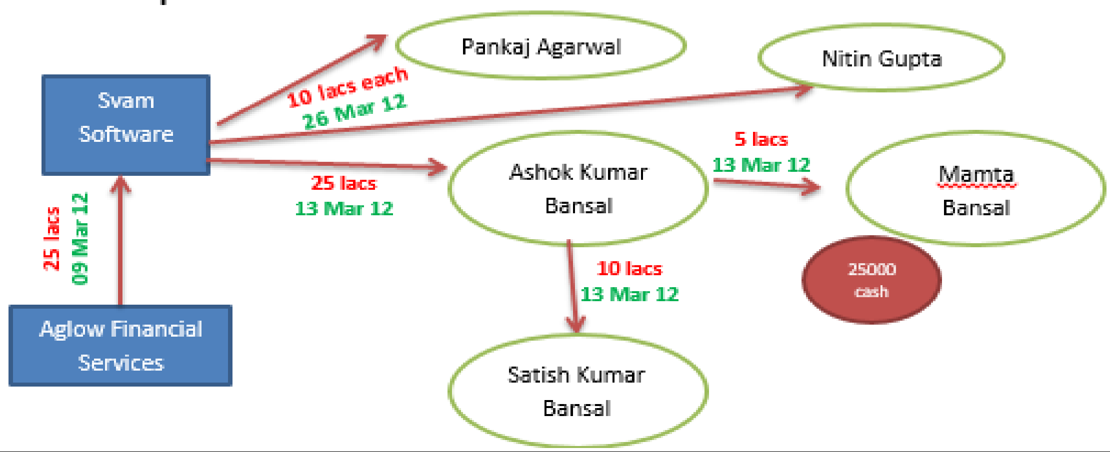
e) *It was further observed that Ashok Kumar Bansal, i.e., Noticee 2 was one of the preferential allottees. It was also observed that Pashupati Printers Pvt Ltd deposited Rs 80,00,000 in the which bank account of Panafic IndustrialsLimited on February 14, 2012.'*

f) *Noticee 5: Noticee 5 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & 50,000 from his A/c 628501503548 (of ICICI Bank) on March 27, 2012 and April 28, 2012 respectively. SEBI observed from bank account statement of Noticee 5, that he had received credit of Rs s 10,00,000 from HDFC bank account statement (A/c no. 05982740001153) of Noticee 13 on March 26,2012 respectively. On analysis of aforesaid bank statement of Noticee 13, it was observed that it had received credit of Rs Rs 19,31,244 from Jatalia Global Ventures Limited on March 26, 2012 and Rs 10,00,000 from Monotech System on March 27, 2012.*

g) *Noticee 6 : Noticee 6 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & Rs. 50,000 from his bank A/c no. 3049872237 (of Central Bank of India) on March 27, 2012 & April 28, 2012 respectively to JPIL. On analysis of his aforesaid bank statement, it was observed that he received credit of Rs 10,00,000 from Noticee 13 on March 26, 2012 and Rs 5,00,000 was a cash deposit by Noticee 6 himself.*

h) *The pictorial representation of fund transfer among Noticee 2 to Noticee 6 is given below:*

Pictorial representation 1




i) *SEBI observed that on March 09, 2012, Rs 25,00,000 were transferred by Noticee 12 from its HDFC bank account no 05982560001111 to HDFC bank account no. 05982740001153 of Noticee 13, which is also a related party of Noticee 1. It was observed that thereafter, Noticee 13 transferred Rs 25,00,000 to Noticee 2 on March 13, 2012, who in turn transferred Rs. 10,00,000 and Rs 5,00,000 to respective bank accounts of Noticee 4 and Noticee 3, respectively on March 13, 2012 and had also utilized the remaining Rs 10,00,000 to pay to Noticee 1 towards his own preferential allotment on March 15, 2012.*

j) *Therefore, it was observed that the entire amount of Rs 25,00,000 received by Noticee 2 was utilized towards funding of preferential allotment of other allottees as well as himself. Thus, SEBI observed that Noticee 12 and Noticee 13 had funded the preferential allotment of preferential allottees i.e. Noticee 2, 3 and 4. Further, Noticee 13 had also transferred Rs 10,00,000 each to Noticee 6 and Noticee 5 on March 26, 2012. Noticee 5 and Noticee 6 had in turn utilized the entire amount of Rs 10,00,000 each so received by them toward payment of their preferential allotment on March 27, 2012. SEBI further observed from the bank statement of Noticee 5, that he transferred Rs 10,00,000 back to Noticee 13 on October 11, 2012. Thus, it is alleged that Noticee 13 had funded the preferential allotment of preferential allottees i.e. Noticee 5 and Noticee 6. SEBI also observed from bank account statements, of Noticee 1, Noticee 12 and Noticee 13 that there have been a number of high value transactions among them.*

k) *Noticee 7: Noticee 7 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & 50,000 from his A/c no. 13451000044596 (of HDFC Bank) on March 29, 2012 & April 28, 2012 respectively to JPIL. On analysis of his bank statement, it is noted that he had received a credit of Rs 10, 00,000 on March 27, 2012 from HDFC Bank A/c no. 5861930005694 Noticee 9, who is one of the allottees in the preferential allotment.*

l) *Noticee 8: Noticee 8 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & Rs 50,000 from his A/c no. 13451530001864 (HDFC Bank) on March 28, 2012 & April 28, 2012, respectively to JPIL. SEBI observed from the aforesaid bank account statement of Noticee 8 that he had received credit of Rs. 21,00,000 from 3 entities, the details of which are as under:*

***<u>Table 2</u>***

| ***Date*** | ***Account number (Bank)*** | ***Name of Counterparty*** | ***Amount (Rs.)*** |
|---|---|---|---|
| *March 22,2012* | *13451000044604 (HDFC Bank)* | *Rachna Chopra* | *10,80,000* |
| *March 27, 2012* | *05861930005694 (HDFC Bank)* | *Manoj Anand* | *10,00,000* |
| *May 01, 2012* | *13451000044596 (HDFC Bank)* | *Brijesh Kumar Anand* | *20,000* |

m) *Noticee 9: Noticee 9 was allotted 1,50,000 shares in the preferential allotment for which he transferred Rs 15,00,000 & Rs 75,000 from his A/c no. 5861930005694 (HDFC Bank) on March 29, 2012 & April 27, 2012 respectively to JPIL. On analysis of his aforesaid bank statement, it was observed that he had received funds and which were transferred to various entities as under:*

***<u>Table 3</u>***

| *Date* | *Credit received (Rs)* | *Name of the entity from whom credit received* | *Debits made (Rs)* | *Name of the entity to whom debit was made* | *Remarks* |
|---|---|---|---|---|---|
| *March 21, 2012* | *1,30,00,000* | *JPIL* | | | |
| *March 21, 2012* | | | *1,30,00,000* | *Panafic Industrials Limited* | |
| *March 22, 2012* | *80,00,000* | *JPIL* | | | |
| *March 22, 2012* | | | *80,00,000* | *Panafic Industrials Limited* | |
| *March 26, 2012* | *22,00,000* | *JPIL* | | | |
| *March 26 2012,* | *35,00,000* | *Shridhar Financial Services Limited* | | | |
| *March 27, 2012* | | | *12,00,000,* | *Monika Anand* | *Preferential allotee* |
| *March 27, 2012* | | | *10,00,000* | *Jitender Kumar* | *Preferential allottee* |
| *March 27, 2012* | | | *10,00,000* | *Ravi Chopra* | |
| *March 27, 2012* | *23,00,000* | *Gurukripa Trademart Pvt Ltd* | | | |
| *March 27, 2012* | | | *10,00,000.00* | *Brijesh Kumar Anand* | *Preferential allottee* |
| *March 27, 2012* | *78,00,000* | *Gurukripa Trademart Pvt Ltd* | | | |
| *March 28, 2012,* | | | *80,00,000* | *Panafic Industrials Limited* | |
| *March 29, 2012* | | | *15,00,000* | *JPIL* | |
| *March 29, 2012* | | | *25,00,000* | *Rajiv Kumar* | |
| *April 27, 2012,* | *5,00,000* | *Brijesh Kumar Anand* | | | |
| *April 27, 2012,* | *5,00,000* | *Rachna Chopra* | | | |
| *April 28, 2012,* | | | *75,000* | *JPIL* | |
| *May 03, 2012* | *16,00,000* | *Shlalit Kumar* | | | |
| *May 10, 2012* | | | *5,00,000* | *Monica Anand* | *Preferentail allottee* |

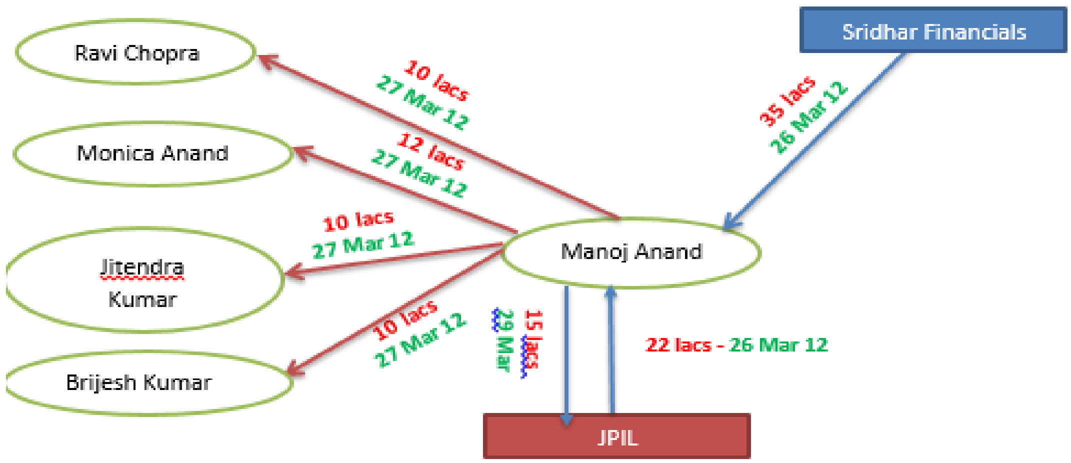
| *Date* | *Credit received (Rs)* | *Name of the entity from whom credit received* | *Debits made (Rs)* | *Name of the entity to whom debit was made* | *Remarks* |
|---|---|---|---|---|---|
| *May 11, 2012* | *19,70,000* | *BMRC Constructions Limited* | | | |
| *May 11, 2012* | | | *1,00,000* | *Monica Anand* | *Preferentail allottee* |
| *May 14, 2012* | | | *20,00,000* | *Jitender Kumar.* | *Preferentail allottee* |

n) *Noticee 10: Noticee 10 was allotted 1,50,000 in the preferential allotment for which she transferred Rs 15,00,000 & Rs 75,000 from her A/c 5861000021961 (HDFC Bank) to JPIL during March and April, 2012. On analysis of her aforesaid bank statement, it was observed that she had received credit of Rs 12,00,000 and Rs 5,00,000 from A/c no. 5861930005694 (HDFC Bank) of Noticee 9 on March 27, 2012 & May 10, 2012 respectively.*

o) *Noticee 11: Noticee 11 was allotted 1,00,000 shares in the preferential allotment for which he transferred Rs 10,00,000 & 50,000 from his A/c no. 10117140158 (State Bank of India) on March 30, 2012 & April 28, 2012 respectively to JPIL. On analysis of his bank statement, it was observed that he had received a credit of Rs 10,00,000 from the aforesaid bank account of Noticee 9 on March 27, 2012.*

p) *The pictorial representation of fund transfer among Noticees 7 to 11 is presented below:*

**Pictorial representation 2**




q) *SEBI observed that Notice 1 had transferred Rs. 22,00,000 from its ING Vyasa Bank account no 634011021861 in the A/c no. 5861930005694 (HDFC Bank) of Noticee 9 on March 26, 2012. Further, Noticee 14 had also transferred Rs. 35,00,000 from his bank account no 00030340017965 to Noticee 9 in his bank A/c no. 5861930005694 of HDFC Bank on March 26, 2012. Noticee 9 is related to Noticee 14. Thereafter, Noticee 9 had transferred Rs 12,00,000 to A/c 5861000021961 of HDFC Bank of Noticee 10, Rs 10,00,000 in A/c no. 13451530001864 (HDFC Bank) of Noticee 8 and Rs 10,00,000 in A/c no. 10117140158 (State Bank of India) of Noticee 11 (who are preferential allottees) respectively on March 27, 2012. Subsequently, Noticee 9 transferred Rs. 10,00,000 to A/c no. 13451000044596 (of HDFC Bank) of Noticee 7 (who is one of the preferential allottees) on March 27, 2012 and also transferred Rs. 15,00,000 to ING Vyasa Bank account no 634011021861of Noticee 1 on March 29, 2012 towards the payment of his preferential allotment funding amount.*

r) *SEBI further observed from bank accounts statements that there have been a number of very high value transactions among one Panafic Industrials Limited, Noticee 14 and Noticee 1.*

*s) SEBI observed that there has been circular transactions among Noticee 1, Noticee 9 and Panafic Industrials Limited as funds have been transferred by Noticee 1 to Noticee 9, who in turn has transferred the same to Panafic Industrials Limited. Panafic Industrials Limited is connected to Noticee 1 as Sudhir Kumar Agarwal, who is a director in Panafic Industrials Limited, is a relative of Atul Agarwal, who is a director of JPIL.*

*t) SEBI observed from bank account statement of Noticee 9 that at all points of time there was insufficient balance in his bank account to justify the high value transactions being carried out by him. Therefore, it is alleged that that he was merely being used, as a conduit by Noticee1, for routing funds among the preferential allottees and related parties of Noticee 1.*

*u) Thus, SEBI alleged that Noticee 1 and its related party i.e. Noticee 14 had funded the preferential allotment for preferential allottees i.e. Noticee 7, 8, 9, 10 and 11.*

*v) In view thereof, it is alleged that Noticee 1, had provided funds to nine preferential allottees i.e. Noticee 3 to 11 to enable those allottees to subscribe in its preferential allotment dated March 02, 2012.*

*w) Therefore, it is alleged that, the company i.e. Noticee 1 along with its management i.e. Noticee 2 & 16 to 18 and the nine preferential allottees i.e. Noticee 3 to 11 along with the conduits (i.e. Noticee 12 to 15) who received such funds from the company are involved in this fraud. Thus the Noticees 1 to 18 have violated Section 12A(a), (b), (c) of SEBI Act read with Regulation 3(a), (b), (c), (d) & 4(1) of PFUTP Regulations.*

*In view of the above-*

*x) Noticees 1 to 14 are therefore, called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4 of Adjudication Rules read with Section 15I(1) & (2) of SEBI Act, and penalty be not imposed under Section 15HA of the SEBI Act for the alleged violation of Section 12A(a), (b), (c) of SEBI Act read with Regulations 3(b), (c), (d) and 4(1) of PFUTP Regulations.*

6. The SCN was served on Noticees through Speed Post Acknowledgement due (herein after referred to as '**SPAD**') as well as through digitally signed email dated August 11, 2021. The SCNs were duly served on the Noticees. Noticees were given fifteen (15) days' time to make their submissions in respect of the allegations made in the SCN. Noticees 1, 12, 13 and 14 vide email dated September 25, 2021 a common reply dated September 22, 2021 to the SCN. Noticees 2,3 and 4 vide email dated September 30, 2019 submitted a common reply dated September 28, 2021 to the SCN. Vide letters dated August 27, 2021, Noticees 5 and 6 submitted their replies to SCN. Noticees 7, 8,9,10 and 11 vide email dated September 30, 2019 submitted a common reply dated September 28, 2021 to the SCN.

7. In the interest of the natural justice, an opportunity of person hearing was granted to Noticees on July 04, 2022 vide Hearing Notices (HNs) dated June 14, 2022. The HNs were served on Noticees through SPAD/digitally signed emails dated June 20, 2022. On the scheduled date of hearing, Noticees/ Authorized Representatives (ARs) of Noticees except Noticee 6 appeared for hearing and made submissions in the matter. ARs of Noticees 2-11 reiterated the contents of earlier replies of these Noticees to the SCN. AR of Noticees 1,12, 13 and 14, Mr. Sudhir Kumar Agarwal, Director of Noticee 14, reiterated submissions made in the earlier reply to SCN of these Noticees and also made following fresh submission in the matter:

   a) *AR quoted the definition of Related Parties as given under section 2(76) of the Companies Act, 2013.*
   b) *During the period of investigation i.e. 01/01/2012 to 31/12/2013, stated in SEBI Notice, Mr. Atul Kumar Agarwal was not a Director of Jolly Plastic Industries Ltd, therefore the question of Related Party should not arise.*
   c) *AR also stated that since during period under investigation Noticees were not related parties, the whole allegations made by SEBI are groundless.*
   d) *AR also stated that the very basis of connection is baseless which makes this allegations void ab initio.*

8. Vide email dated July 12, 2022, Noticees 1, 12,13 and 14 also made additional written submissions in the matter. Another opportunity of hearing was granted to Noticee 6 before the undersigned on July 15, 2022 vide email dated July 15, 2022. On the scheduled date, AR of

Noticee 6 reiterated contents of earlier reply of Noticee 6 dated August 27, 2021 and also requested for additional time for making additional written submissions in the matter which was acceded to by the undersigned. AR of Noticee 6, vide his email dated July 16, 2022 submitted additional written submissions in the matter on behalf of Noticee 6.

## Replies of Noticees

### Common Reply of Noticees 1, 12, 13 and 14

- *The very basis of establishing connections among Noticees 1,12,13 and 14 is wrong and misleading, the period of alleged transactions and the investigation period is 1 January, 2012 to 31 December, 2013; whereas connection are tried to be established by SEBI based on the facts pertaining to some other period, which is not even near to the investigation period. During the period of investigation i.e. 01/01/2012 to 31/12/2013, stated in SEBI Notice, Mr. Atul Kumar Agarwal was not a Director of Jolly Plastic Industries Ltd, therefore the question of Related Party should not arise. Since during period under investigation Noticees were not related parties, the whole allegations made by SEBI are groundless.*
- *Aglow Financial Service Ltd is a NBFC and is in the business of financing. Noticee No. 12 provided funds to Noticee 13 in the ordinary course of business on Principal-to-Principal basis.*
- *The pictorial presentations in Para 5.7 and Para 5.15 of SCN are just selective disclosure and the facts are quite misleading. For say, the amount received by Noticee 13 from Aglow Financial Services if Rs. 25 lakhs however, in the same pictorial representation Noticee 13 has provided a total sum of Rs. 45 lakhs to various persons. So, the figures do not match. Further, these transactions are business related transactions and the same cannot be assumed that to have any relation for any illegal funding by any party to subscribe to the shares of Noticee 1.*
- *SEBI has failed to point out what is any illegality with regard to any transfer of fund, if any, for the purpose of transaction. For example, Mr. Ashok Kumar Bansal has transferred some fund to Mr. Satish Kumar Bansal and Mamta Bansal, who are brother and daughter in law. Even if it is assumed that the same fund used to subscribe to the*

*preferential issue, transfer of funds/ making financial transactions among relatives were not a prohibited transaction.*

- *Further, Noticees 1,12,13 and 14 in their reply also reiterated the submissions made by Noticees 2-11 in their respective replies.*
- *There was no use of any manipulative or deceptive device or contrivance in contravention of the provisions of the SEBI Act or the rules or the regulations made thereunder. Further there has been no device, scheme or artifice to defraud in connection with the preferential issue. In the SEBI notice there is no mention against whom fraud or deceit is made.*
- *SEBI has based its all allegations as per the facts relating to the period, much later the period of investigation/ transaction. As per fundamental and natural rule of justice, the connection between the parties as alleged in the SEBI Notice should also be pertaining to the same period for which the allegations are made.*

**Common Reply of Noticees 2,3 and 4**

- *Entire subscription money to subscribe to the equity shares on preferential issue of Notice No. 1 was made by Noticees 2,3 and 4 came from their own account only and a confirmation to this respect was also provided to the stock exchange at the time of listing of the shares.*
- *There was no manipulation or illegal transactions made in connection with the providing the subscription money to Noticee 1.*
- *all the connection established by SEBI in Para 4 of the SEBI Notice has no relevance, as the alleged connection between Noticees as quoted in SEBI Notice relates to the period, much later the period of investigation/ transaction. So, the very basis of joining connection by SEBI is fundamentally wrong and cannot be a basis of any allegation and legal action.*
- *On 13-03-2012, Noticee 2 received funds (Rs 25 Lakhs) from Noticee 13 as loan on Principal-to Principal basis.*
- *Noticee 3 is the wife of nephew of Noticee 2. Noticee 2 has transferred some fund to Noticees 3 and 4 who are his close relatives. Even if it is assumed that the same fund*

*is used to subscribe to the preferential issue, transfer of funds/making financial transactions among relatives were not a prohibited transaction.*

- *Preferential issue was made by Noticee No. 1 on May, 2012. It is more than eight (8) years already passed after the said transactions. Making allegations of non-compliance in respect of transactions carried more than eight years ago is bad in the eye of laws. Securities Appellate Tribunal (SAT) has in many cases ordered that through the period of limitation is not specifically, prescribed, such power must be exercised within a reasonable time. Expiry of eight years in no sense is a reasonable period.*
- *There has been no device, scheme or artifice to defraud in connection with the preferential issue, by Noticees 2,3 and 4.*

**Reply of Noticee 5**

- *Receipt of Rs. 10,00,000 from Noticee 13 is for the works contract, Nitin Gupta (Noticee 5) is a registered Works Contractor ,Certificate of Allotment of TIN has been Annexed herewith as annexure 1*
- *Receipt of Rs 10,00,000 from Noticee 13 in not an unusual amount for us considering the nature of business in which I am involved. Further the above mentioned amount has been properly reflected in my financial statement as on 31/3/2012 as unsecured loans and it is not even exceeding 10% of my total unsecured loans*
- *Further such loan has been duly repaid on 11/10/2012 to Noticee 13 as the works contract could not be fulfilled.*
- *Since the Loan has already been repaid on 11/10/2012ie during FY 2012-13 there was no outstanding loan from Noticee 13 as on 31/3/2013 but our investment in Noticee 1 was still in holding and such investment has been disposed off during FY 2013-14.*

**Reply of Noticee 6**

- *Noticee 6 submitted that Rs 10,00,000/- was received by him from Noticee 13 for the business purpose.*
- *Noticee 6 submitted that the above mentioned amount has been properly reflected in his financial statement as on 31/3/2012 as unsecured loans and it was not even exceeding 10% of his total unsecured loans.*

- *Noticee 6 submitted that loan of Rs.10,00,000 was not unusual as the nature of his business usually requires raising large amount of funds from outside parties in the form of unsecured loans.*
- *Further such loan was duly repaid by him on 22/03/2014 to Noticee 13 as the purpose for which the loan taken was fulfilled.*
- *Noticee 6 submitted that he has been filing income tax returns from last 20 years and net worth of Noticee 6 during the financial year 2011-12 was Rs 13116904 and In financial year 2013-14 when advances has been refunded was Rs 32174377. Maximum transaction of Noticee 6 was routed through bank account .A copy of the total of debit and credit transactions in his bank account was annexed by Noticee 6 in his reply.*

**Common Reply of Noticee 7,8,9,10 and 11**

- *Entire subscription money to subscribe to the equity shares on preferential issue of Notice No. 1 was made by Noticees from their own account only and a confirmation to this respect was also provided to the stock exchange at the time of listing of the shares.*
- *there was no manipulation or illegal transactions made in connection with the providing the subscription money to the Noticee No. 1.*
- *Noticee 7 and 8 are brothers of Noticee 9. Noticee 10 is wife of Noticee 9. Noticee 9 has transferred some fund to Noticee 7, who is his brother on 27-03-2012. Even if it is assumed that the same fund used to subscribe to the preferential issue, transfer of funds/ making financial transactions among relatives were not a prohibited transaction. Noticee No. 7 to 11 were persons acting on concert and were been declared as such while filing disclosure under regulation 29(1) of the SEBI (SAST) Regulations, 2011*
- *Noticee 9 (Manoj Anand) subscribed the shares out of the fund of Rs. 50. Lakh which was earlier given as advance to notice no 1 and rest amount out of Rs. 35 received from m/s Shridhar Financial Services Limited as on 26/03/2012.*
- *Preferential issue was made by Noticee No. 1 on May, 2012. It is more than eight (8) years already passed after the said transactions. Making allegations of non-compliance in respect of transactions carried more than eight years ago is bad in the eye of laws. Securities Appellate Tribunal (SAT) has in many cases ordered that through the period*

*of limitation is not specifically, prescribed, such power must be exercised within a reasonable time. Expiry of eight years in no sense is a reasonable period.*

## CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully examined the allegations made in the SCN, material available on record, and the submissions made by the Noticees. The issues that arise for consideration in the present case are :

    I. Whether Noticees have violated the provisions of Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations?

    II. Do the violations, if established, attract monetary penalty under Section 15HA of SEBI Act?

    III. If so, what would be the quantum of monetary penalty that can be imposed on the Noticees after taking into consideration the factors mentioned in section 15J of the SEBI Act?

10. Before I proceed with the matter, it is pertinent to mention the relevant legal provisions alleged to have been violated by the Noticees and the same are reproduced below:

**SEBI Act:**

***"Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.***

*12A. No person shall directly or indirectly –*

*(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

*(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*

*(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"*

**PFUTP Regulations:**

***3. Prohibition of certain dealings in securities No person shall directly or indirectly—***

*(a) ….*

*(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.*

***Regulation 4: Prohibition of manipulative, fraudulent and unfair trade practices***

*(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*

11. Before proceeding into the merits of the case, It would be appropriate to deal with preliminary objections raised by Noticees with regard to delay in issuance of SCN. I note that Noticees in their submissions have contended that preferential issue by Noticee 1 which is in question was done on May 2012, and more than eight years have passed after the said issue. Noticees in

their replies have contended that Hon’ble SAT in many cases have held that even though period of limitation for initiation of adjudication proceedings have not been prescribed under SEBI Act and Regulations, the same has to be exercised within reasonable period of time and initiation of adjudication proceedings after more than eight years cannot be considered reasonable and is bad in eyes of law.

12. With regard to aforementioned contention of Noticees, I note that investigation in the present matter was initiated on June 15, 2020 and adjudication proceedings have been approved against Noticees in the matter on February 25, 2021. Further, the SCN in the matter was issued on August 10, 2021. I note that the investigation generally is a detailed process involving analysis of various data, gathering of evidences, etc. that shall stand the test of legal scrutiny at various judicial fora. This, generally, consumes considerable time and efforts depending on the number of entities involved, the complexity of the transactions, correspondences with the entities involved etc. I note that investigation in the matter involved examination of funding, if any, received by 47 allotees of the preferential allotment made by Noticee 1 in May 2012 and this involved examination and scrutiny of bank account statements of 47 preferential allotees to the said allotment, bank account statements of Noticees 1 and its connected entities Noticees 12, 13 and 14 which entailed communication with banks of the allotees. Further, I also note that there was examination into layers of funding involved in the preferential allotment. Considering the above factors, I note that investigation in the matter is completed within reasonable time. Further, I note that Noticees have not submitted in their replies of any specific prejudice caused to them due to the passage of time.

13. I am conscious of the fact that SCN has been issued after 9 years from the date of preferential allotment, but considering the seriousness of charge and fact that no specific prejudice has been shown by Noticees due to such delay in their submissions, I am of view that matter in hand cannot be disposed of for delay in issuance of SCN. However, the same can be considered as mitigating factor while deciding penalty, if any, in the present proceedings.

14. I also note that Noticees have inter alia contended that some of the facts mentioned under para 5.22 of the SCN are incorrect. It has been contended that there are no Noticees 15, 16, 17 and 18 in the SCN and there are only total 14 Noticees in the matter. It has also been pointed out that Noticee 2 was not in the management of Noticee 1. In this regard, I note that

the same have been inadvertently mentioned in the SCN due to typographical errors. Further, in this regard, I note that the provisions alleged to have been violated by Noticees 1 to 14 i.e. Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3(b), (c), (d) and 4(1) of PFUTP Regulations, have been correctly mentioned in the subsequent paragraph 6.1 and the text of the said provisions have been reproduced in paragraph 7 of the SCN.

**Issue I : Whether the Noticees have violated the provisions of provisions of Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations?**

15. I observe from the material available on record that Noticee 1 had issued 54,00,000 shares of Rs 10 each, at an issue price of Rs 10.50, under preferential allotment, to 47 individuals on May 02, 2012. I also observe that the aforesaid 54 lakhs shares were listed on BSE and admitted to trading w.e.f. July 19, 2012. I note from the details of allottees provided by BSE vide its email dated July 01, 2020 that Noticees 2 to 11 i.e. Ashok Kumar Bansal, Mamta Bansal, Satish Kumar Bansal, Nitin Gupta, Pankaj Agarwal, Brijesh Kumar Anand, Jitender Kumar, Manoj Anand, Monica Anand, and Ravi Chopra were allotees in the said preferential allotement made by Noticee 1. The details of allotment made to the aforementioned Noticees as noted from the BSE's email dated July 01, 2020 to SEBI are as given hereunder:

| Sr No | Name of the allottes | No. of shares allotted | Amount paid for shares | Date of receipt of funds | Date of allotment |
|---|---|---|---|---|---|
| 1. | Ashok Kumar Bansal | 100,000 | 1,050,000 | March 15,2012 and March 30, 2012 | May 02, 2012 |
| 2. | Brijesh Kumar Anand | 100,000 | 1,050,000 | March 29, 2012 & April 28, 2012 | May 02, 2012 |
| 3. | Jitender Kumar | 100,000 | 1,050,000 | March 28, 2012 & April 28, 2012 | May 02, 2012 |
| 4. | Mamta Bansal | 50,000 | 525,000 | March 28, 2012 | May 02, 2012 |
| 5. | Manoj Anand | 150,000 | 1,575,000 | March 29, 2012 & April 27, 2012 | May 02, 2012 |
| 6. | Monica Anand | 150,000 | 1,575,000 | March 29, 2012 & April 27, 2012 | May 02, 2012 |
| 7. | Nitin Gupta | 100,000 | 1,050,000 | March 27, 2012 and April 28, 2020 | May 02, 2012 |
| 8. | Pankaj Agarwal | 100,000 | 1,050,000 | March 27, 2012 and April 28, 2020 | May 02, 2012 |

| | | | | | |
|---|---|---|---|---|---|
| 9. | Ravi Chopra | 100,000 | 1,050,000 | March 30, 2012& April 28, 2012 | May 02, 2012 |
| 10. | Satish Kumar Bansal | 100,000 | 1,050,000 | March 13, 2012 & March 30, 2012 | May 02, 2012 |

16. It has been alleged in the SCN that Noticee 1 along with its connected/related entities i.e. Noticees 12, 13 and 14 were involved in fraudulent issue of preferential allotment of shares made by Noticee 1 in May 2012 to Noticees 2 to 11. Before proceeding further in the matter, I find it pertinent to examine the connection between Noticee 1, Noticees 12, 13 and 14. From the available records, I note the following connection between Noticee 1 and Noticees 12, 13 and 14:

    i. Connection between Noticee 1 and Noticee 12: From the Annual Report of JPIL (Annual Report) dated 2016-17, 2017-18, 2018-19 and 2019-20, I note that Mr. Atul Kumar Agarwal is the director of Noticee 1, who was appointed as a director in the Company on August 23, 2017. I further, observe that Mr. Atul Kumar Agarwal is also the director of Noticee 12 wherein he was appointed as such since February 26, 1996. In addition to that Noticee 1 has shown Noticee 12 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.
    ii. Connection between Noticee 1 and Noticee 13: I observe that Mr. Sudhir Kumar Agarwal, who is a director in Noticee 13, is a relative of Mr. Atul Kumar Agarwal. Further, Noticee 1 has shown Noticee 13 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.
    iii. Connection between Noticee 1 and Noticee 14: I observe that Mr. Sudhir Kumar Agarwal, who is also a director in Noticee 14, is a relative of Atul Kumar Agarwal. Further, Noticee 1 has shown Noticee 14 as its related party in its Annual Report for FY 2018-19 and FY 2019-20.

17. With regard to the above, Noticees in their reply to the SCN have contended that period of connection as alleged in the SCN was much after the period of investigation and cannot be considered as a basis for alleged noncompliance by the Noticees and that connection between Noticees 1, 12, 13 and 14 cannot be drawn solely out from Annual Reports for the years 2016-17, 2017-18, 2018-19 and 2019-20 or from relationships which got established among Noticee

1, 12, 13 and 14 much after the year 2012 (period of preferential allotment). I have taken noted of the aforementioned contention of Noticee 1. However, I observe from the bank account statements of aforementioned Noticees that connection did exist among them even during the time of preferential allotment of Noticee 1 in the year 2012. The details of the same are as given in the table hereunder:

| Noticees | Connection |
|---|---|
| Noticee 1 | Multiple high value financial transactions were observed between Noticee 1 and Noticee 14 during the period January 2012-March 2012. I note from annual report of Noticee 1, available in website of BSE that in the year 2012, Noticee 1 had invested in 35000 equity shares of Noticee 14.<br>Noticees 1,12,13 and 14 had frequent high value transactions with Panafic Industrials Ltd whose director for the financial years 2009-2010, 2010-2011 was Mr. Sudhir kumar Agrawal, director of Noticee 13 and who is relative of Mr. Atul Kumar Agarwal, who is director of Noticee 12.( The same has also been provided in para 5.18 of the SCN issued in the matter) |
| Noticee 12 | Mr. Atul Kumar Agarwal is the director of Noticee 12 wherein he was appointed as such since February 26, 1996. Mr. Atul Kumar Agarwal is relative of Mr. Sudhir kumar Agrawal, who was director of Noticee 13 as seen from annual reports of Noticee 13 for FYs 2011-12, 2012-2013. Thus, I note that Noticee 12 and Noticee 13 are connected to each other. |
| Noticee 13 | Financial transaction by Noticee 13 with Noticee 14 and Noticee 12 during the period January 01, 2012 – March 31, 2012. |

| | |
|---|---|
| Noticee 14 | Multiple high value financial transactions by Noticee 14 with Noticees 1,12 and 13 during the period from March 01, 2012 and March 31, 2012. |

18. In light of the above, I find that Noticees 1,12, 13 and 14 were connected to each other at the time of preferential allotment of Noticee 1 in May 2012.

19. I note that SCN has considered alleged funding of preferential allotees 2-11 in two groups, Group 1 consist of preferential allotees from Noticees 2-6 and Group 2 consist of preferential allotees Noticees 7-11.

**Analysis of preferential allotment made by Group 1 entities**

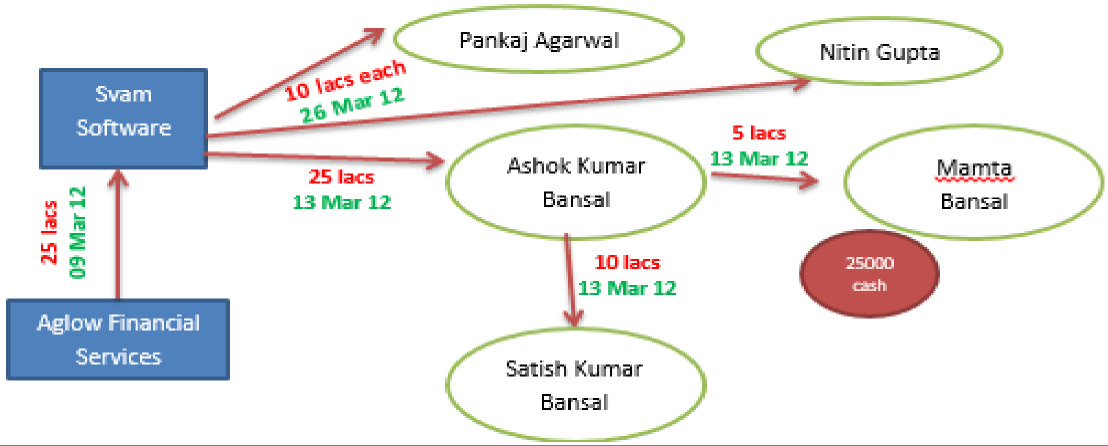
20. It has been alleged in SCN that Noticee 12 had transferred funds to Noticee 13 which had, in turn, transferred funds to Noticee 2, who in turn transferred funds to Noticees 3, and 4 so as to enable Noticees 2, 3, and 4 to subscribe to shares in the preferential allotment made by Noticee 1. It has also been alleged in the SCN that Noticee 13 had transferred funds to Noticees 5 and 6, and they in turn subscribed to the shares in the preferential allotment of Noticee 1 using the funds which were transferred to them by Noticee 13.

21. From the analysis of bank account statements of Noticees 2-6, 12 and 13, I herein below observe following fund movement between aforementioned Noticees:

**a.** On March 09, 2012, Rs 25,00,000 were transferred by Aglow Financial Services Pvt Ltd i.e. Noticee 12 to Svam Software Ltd i.e. Noticee 13 and thereafter, Noticee 13 transferred Rs 25,00,000 to Ashok Kumar Bansal i.e. Noticee 2 on March 13, 2012, who in turn had transferred Rs 10,00,000 and Rs 5,00,000, respectively, to Satish Kumar Bansal i.e. Noticee 4 and Mamta Bansal i.e. Noticee 3 on March 13, 2012 . On March 28, 2012 there was a cash deposit of Rs 25,000 into the bank account of Noticee 3. Noticee 13 had also transferred Rs 10,00,000 each to Nitin Gupta i.e Noticee 5 and Pankaj Agarwal i.e. Noticee 6 on March 26, 2012.

**b.** A pictorial diagram representing abovementioned fund flow among Noticees 2-6, 12 and 13 is given hereunder:

**Pictorial representation 1**




c. Noticee 2 and Noticee 4 made a payment of Rs 10,00,000 to Noticee 1 towards as subscription money for the preferential allotment of Noticee 1 on March 15, 2012 and March 13, 2012, respectively. Noticee 2 transferred Rs 5,25,000/- as subscription money for allotment of shares on March 28, 2012 to Noticee 1. Noticee 5 and Noticee 6 had in turn paid Rs 10,00,000 as subscription money to Noticee 1 on March 27, 2012. Further, Noticee 5 transferred Rs 10,00,000 back to Noticee 13 on October 11, 2012.

22. I note that Noticees 1, 2-4 12 and 13 in their submissions have contended that the above pictorial representation is just selective disclosure. However, I note from the submissions of the aforementioned Noticees, the fund movement among them as detailed in the preceding paragraphs have actually been admitted by these Noticees in their reply to the SCN.

23. As noted in the preceding paragraphs, Noticee 12 had transferred an amount of Rs. 25 Lakhs to Noticee 13 on March 09, 2012 and Noticee 13 had transferred Rs 25 Lakhs to Noticee 2 on March 13, 2012. In this regard, I note that prior to receipt of Rs 25 Lakh in its account on March 09, 2012 from Noticee 12, credit balance in the bank account of Noticee 13 was approximately Rs 46.32 Lakhs. I also note that there was a credit of Rs 92 Lakh into the account of Noticee 13 on the same day i.e. March 09, 2012 by an entity not connected to this matter. Further, there were debits from the account of Noticee 13 of Rs 1.38 Crore and Rs 4,000 on March 12, 2012 which reduced credit balance in the bank account of Noticee 13 to approximately Rs 25.32 Lakhs at the end of day. And on March 13, 2012, there was debit of Rs 25 Lakh from

account of Noticee 13 to Noticee 2 (i.e. fund transfer alleged in the SCN), leaving credit balance in account of Noticee 13 to Rs 28,516.44. Considering there was debit of Rs 1.38 Cr on March 12, 2012 and the same had left the credit balance in the account of Noticee 13 as approximately Rs 25.28 Lakh at the end of the day, I find that Rs 25 lakh deposited in the account of Noticee 2 by Noticee 13 came from the amount of Rs 25 Lakh deposited in the account of Noticee 13 by Noticee 12. Therefore, I conclude that Noticee 13 acted as a conduit for transfer of Rs 25 Lakh from Noticee 12 to Noticee 2.

24. I note from the bank account statements of Noticees 2-4 that the credit balance in the account of Noticees 2, 3 and 4, prior to receipt of funds, as detailed in preceding paragraphs, were Rs. 8062.01, Rs 2241.08, Rs.7690.82, respectively and the same was insufficient to subscribe to shares in the preferential allotment of Noticee 1. I also note from submissions of the aforementioned Noticees that no evidence was placed on record to indicate that they were able to subscribe to preferential allotment from their own funds, without such transfer of funds. I further note that immediately after receipt of funds from Noticee 13 on March 13, 2012, the funds were transferred on the same day to Noticees 3 and 4 by Noticee 2. Thus, I note that Noticee 2 acted as a conduit for transfer of funds between Noticee 13 and Noticees 3 and 4.

25. I observe that on receipt of the funds on March 13, 2012 as mentioned in the preceding paragraphs, Noticees 2 and 4 had paid Rs 10 Lakh i.e exact amount received by Noticee 4 from Noticee 2, as subscription money for preferential allotment of shares of Noticee 1 on March 15, 2012 and March 14, 2012 respectively. I also note that there were no intervening credits/fund flow into the account of Noticee 2 and 4 between the period when they received the impugned funding and ultimately when they paid their first installment of subscription money on March 15, 2012 and March 14, 2012 to Noticee 1. I note that Noticee 3 had paid her total subscription money of Rs 5.25 Lakhs for preferential allotment to Noticee 1 on March 28, 2012. I note that between March 13, 2013, ( i.e. from the credit of Rs 5 Lakh into the account of Noticee 3 by Noticee 2) and March 28, 2012 ( i.e. the date of payment of Rs 5.25 Lakhs to Noticee 1 as subscription money) there were one credit transaction of Rs 72000 in the bank account of Noticee 3 and three debit transactions totaling to an amount of Rs 761. I also note that the cash deposit of Rs 25,00,000 made into the account of Noticee 3 on March 28, 2012, was made after payment of subscription money to Noticee 1 by Noticee 3.

26. In view of the facts considered in preceding paragraph i.e. insufficient credit balance in the bank account of Noticees 2,3 and 4 prior to receipt of the funds, immediate transfer of funds received from Noticee 13 by Noticee 2 to Noticees 3 and 4, payment of exact amount of money received from Noticee 2 by Noticee 4 as subscription money to Noticee 1 for first allotment of preferential shares, payment of subscription money within 1-2 days of receipt of funds by Noticee 2 and Noticee 4, lack of documentation with respect to funds received by Noticees 2,3 and 4, I am of view that impugned funds received by Noticee 2,3, and 4 were used for subscribing for the preferential allotment of shares of Noticee 1. Thus, I conclude that an amount of Rs 25 Lakhs was transferred from Noticee 12 to Noticee 13, who in turn acted as a conduit and transferred the same to Noticee 2, who was one of the preferential allotees in the allotment made by Noticee 1. Out of Rs 25 Lakhs received by him, Noticee 2 paid 10 Lakhs to Noticee 1 as subscription money and for rest of the amount i.e. 15 Lakhs, Noticee 2 acted as a conduit and transferred 5 Lakhs out of the amount to Noticee 3 and Rs 10 Lakh to Noticee 4. Noticee 4 in turn paid Rs 10 Lakh to Noticee 1 as subscription money. Noticee 3 paid Rs 5.25 Lakhs to Noticee 1 as subscription money.Thus, I find that out of Rs 10.5 Lakhs subscription money paid by Noticees 2 and 4 to Noticee 1, Rs 10 Lakh was funded by Noticees 12 and 13 and out of Rs 5.25 Lakhs paid by Noticee 3 as subscription money to Noticee 1, Rs 5 Lakh was funded by Noticee 13 and Noticee 12. Therefore, I conclude that more than 90% of subscription money paid by Noticees 2,3 and 4 were funded by Noticee 13.

27. With regard to the allegations in SCN against them, Noticees 2, 12 and Noticee 13, in their submissions, have contended that the amount of Rs 25 Lakhs on March 13, 2012 received by Noticee 2 from Noticee 13 was in nature of loan on principal to principal basis. In this context, I note that the aforementioned Noticees have not placed on record any documentary evidence or provide any details like loan agreement, terms of loan, interest paid, purpose of loan, period of loan etc to support their aforementioned contention that impugned money has been received by Noticee 2 from Noticee 13 as part of loan. Thus, I note that there is no documentary evidence to indicate that such significant amount was provided by Noticee 13 to Noticee 2 as part of loan. I find that aforementioned Noticees have failed to show that impugned fund received by Noticee 2 was for any bona fide purpose. In light of the above observations, I am unable to agree with aforesaid contention of Noticees 2 and 13.

28. Further, I note that Noticees 2, 3 and 4 in their submissions have contended that impugned fund transfers amongst them were merely fund transfer between relatives and even if it is assumed that the same fund used to subscribe to preferential issue, transfer of funds/making financial transactions among relatives were not a prohibited transaction. In this regard, I note that impugned transactions of Noticees 2,3 and 4 were not a bonafide fund transfer between Noticees 2,3 and 4 but was a part of scheme involving Company and its connected entities wherein by funds were received by them for subscribing to shares in the preferential allotment of Company and thus shares under were issued to them without proper consideration.

29. Similarly, with respect to Noticees 5 and 6, I note that that the credit balance in the account of Noticees 5 and 6 prior to receipt of funds as detailed in earlier part of this Order were Rs 627784.95 and Rs. 294178 respectively and the same was insufficient to subscribe to shares in the preferential allotment of Noticee 1. I also note that immediately after receipt of Rs 10 Lakh by Noticee 5 and Noticee 6 from Noticee 13 on March 27, 2013, on very next day, an exact amount of Rs 10 Lakh was paid by aforementioned Noticees to Noticee 1 for subscribing to its preferential allotment.

30. With regard to allegations in SCN against him, I note that Noticee 5 in his submissions has contended that the receipt of Rs. 10,00,000 from Noticee 13 was for the works contract and he is a registered Works Contractor. To support of his contention, Noticee 5 have enclosed along with his reply a " Certificate of Registration and Allotment of TIN" issued by Department of Commercial Taxes, Government of Uttar Pradesh. I note that in the said certificate, the nature of business of Noticee 5 is shown as Work Contractor. Noticee 5 in his submissions have further contended that amount of Rs 10 Lakhs received from Noticee 5 is not an unusual amount considering the nature of business in which he was involved. In regard to the aforementioned contentions of Noticee 5, I note that Noticee 5 has neither provided details of such works contract nor produced any documentary evidence to support his contention that amount of Rs 10 Lakh was received by him for the purpose of works contract. Therefore, I am unable to accept the contention of Noticee 5 that impugned funds were transferred to Noticee 5 by Noticee 13 for the purpose of work contracts. In light of above, I find that Noticee 5 has failed to show that impugned fund was received by him for Noticee 13 was for any bona fide purpose.

31. Similarly, I also note that Noticee 6 in his submissions has also contended that amount of Rs 10 Lakhs received by him from Noticee 13 was received for business purpose but had not produced any details of said business purpose or any documentary proof support his contention. Therefore, I am of view that aforementioned contention of Noticee 6 lacks merit.

32. Further, I note that Noticees 5 and 6 have contended that the amount of Rupees 10 Lakh have been properly reflected in their financial statement as on 31/3/2012 as unsecured loans and was not even exceeding 10% of their total unsecured loans. Further, Noticees 5 and 6 in their submissions have contended that loan has already been repaid on 11/10/ 2012 and 22/03/2014 respectively by them. Noticee 5 has further contended that since the loan has already been repaid on 11/10/2012 i.e. during FY 2012-13 there was no outstanding loan from Noticee 13 as on 31/3/2013 existed but his investment in Noticee 1 was still in holding and such investment was disposed off during FY 2013-14. In this regard, I am unable to accept aforementioned financial statements placed by the aforementioned Noticees on record, the said financial statements have been authenticated by aforementioned Noticees only by self-attestation and same is not certified by any chartered accountant. Therefore, I am unable to accept the aforementioned contention of Noticees.

33. I note that Noticee 6 in his submissions has placed on record documents certified by his AR, CA Anupam Sharma showing his networth for FYs 2011-12 and 2012-13. I note that the networth of Noticee 6 is shown in the aforementioned certificate as Rs 13116904 for FY 2011-12 and in FY 2013-14 when advances has been refunded as Rs 32174377. Further, a document self-attested by Noticee 5 showing total debit and credits in his Central Bank of India bank account for FYs 2011-12, 2012-13, 2013-14 was also placed on record by Noticee 5. However, I am not inclined to place reliance on these documents to ascertain the veracity of their contents as they seem to be produced by Noticee 6 himself. Further, even if I consider the contents of the document to be true, I note that Noticee 6 has not been able to show that money he paid to Noticee 1 for preferential allotment came from some other fund source considering insufficient balance in his bank account and further, the said networth also does not show liquidity of funds in possession of Noticee 5.

34. Therefore, considering the facts like insufficient credit balance in bank account of Noticees 5 and 6 prior to receipt of impugned fund transfer from Noticee 13, immediate payment of

subscription money for preferential allotment to Noticee 1 on receipt of the funds, lack of credible documents to show that the said fund flow was received in their account for bonafide purpose, I am of the view that impugned funds was received by Noticees 5 and 6 for subscribing to the preferential allotment of Noticee 1. Therefore, I find that out of Rs 1,050,000 subscription money paid by Noticees 5 and 6 to Noticee 1, Rs 10 Lakh was funded by Noticee 13. Therefore, I conclude that more than 90% of subscription money of Noticees 5 and 6 for the preferential allotment of Noticee 1 was provided by Noticee 13.

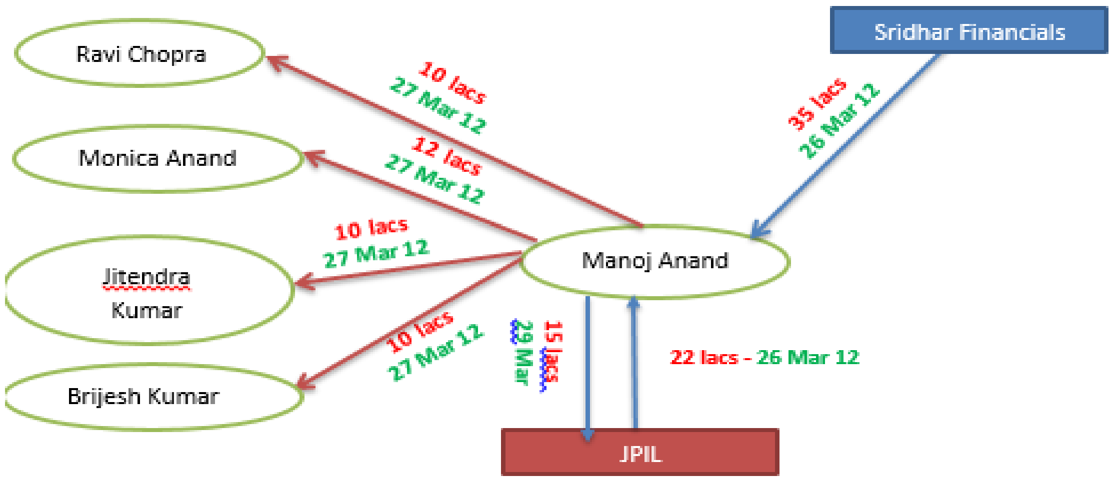
**Analysis of preferential allotement made by Group 2 entities**

35. From the analysis of bank account statements of Noticees 1, 7-11 and 14, I herein below observe following movement of funds between aforementioned Noticees

a. Noticee 1 had transferred Rs 22,00,000 to Mr. Manoj Anand i.e. Noticee 9 on March 26, 2012. Further, Noticee 14 i.e. Shridhar Financial Limited had also transferred Rs 35,00,000 to Noticee 9 on March 26, 2012. Thereafter, Noticee 9 had transferred Rs 12,00,000, Rs 10,00,000 and Rs 10,00,000 to Ms. Monica Anand i.e. Noticee 10, Mr. Brijesh Kumar Anand i.e. Noticee 7, Mr. Jitender Kumar i.e. Noticee 8 and Mr. Ravi Chopra i.e. Noticee 11 respectively on March 27, 2012. Subsequently, Mr Manoj Anand transferred Rs 15,00,000 to JPIL on March 29, 2012 towards the payment of his preferential allotment funding amount.

b. A pictorial diagram representing abovementioned fund flow among Noticees 1, 7-11 and 14,is given hereunder:

**Pictorial representation 2**




36. Noticees 1,7, 8,9,10,11 and 14, in their submissions, have contended that the above pictorial representation is just selective disclosure. However, I note from the submissions of the aforementioned Noticees that the fund movement among them as detailed in the preceding paragraphs have actually been admitted to by these Noticees in their reply. Thus, it is an admitted fact that on March 26, 2012, Noticee 1 and Noticee 14 had transferred funds to Noticee 9 and on the very next day, there was transfer of funds from Noticee 9 to Noticees 7, 8,10 and 11.

37. I note from the bank account statements of Noticees 7-11 that prior to receipt of funds as detailed in the above paragraph, the credit balance in bank account of Noticees 7, 8, 9, 10 and 11 were Rs 7,42,604, Rs. 8,625, Rs. 541,759.83, Rs. 369,861.24, Rs 285154.08 respectively. I also note from the bank account statement of Noticee 7 that on March 23, 2012, cheque bearing "000000144101" in favour of Noticee 1 for the amount of Rs 10 Lakhs was made by Noticee 7 and the same was returned due to insufficiency of funds. Similarly, I note that on March 23, 2012, Noticee 10 had made a cheque in favour of Noticee 1 on March 23, 2012 of Rs 1500,000/- and the same was returned on account of insufficiency of funds as credit balance in account of Noticee 10 at that point was only Rs. 369,861.24. I also note that on March 23, 2012, cheque made in favor of Noticee 1 for an amount of Rs 15 Lakhs by Noticee 9 was returned. I am of view that the same was due to insufficiency of funds in the account of Noticee 9 as the credit balance in account of Noticee 9 at that point of time was only Rs.

541759.83.Thus, I note that prior to receipt of funds from Noticee 1 and Noticee 14 on March 26, 2012, credit balance in bank account of Noticee 9 was insufficient to pay for the subscription of the preferential allotment of Noticee 1 and prior to receipt of funds from Noticee 9, the funds in bank accounts Noticees 7, 8,10 and 11, were insufficient to pay for the subscription of the preferential allotment of Noticee 1. Thus, given the fact that Noticees 7,8,9, 10 and 11 had insufficient funds in their accounts prior to receipt of the funds as detailed in preceding paragraphs and almost exact amount of funds received from Noticee 9 was used for subscribing to preferential shares of Noticee 1,I am of view that funds were transferred to Noticee 9 and in turn to Noticees 7, 8,10 and 11 solely for the purpose of financing the subscription to preferential allotment of Noticee 1 by the allotees i.e. Noticees 7,8,9,10 and 11.

38. I further observe that within short period of receiving amount of money from Noticee 9 as mentioned in the preceding paragraphs, Noticees 7,8 10 and 11 had subscribed to shares under preferential allotment of Noticee 1. The details of same are as given hereunder:

| Name of Noticees | Date of receipt of money from (Manoj Anand) Noticee 9 | Amount transferred by Noticee 9 (Manoj Anand)(Rs.) | Amount paid as subscription money to Noticee 1 | Date of payment of subscription money to Noticee 1 |
|---|---|---|---|---|
| Brijesh Kumar Anand (Noticee 7) | 27/03/2012 | 1,000,000 | 1,000,000 | 29/03/12 |
| | | | 50,000 | 28/04/12 |
| Jitendar Kumar (Noticee 8) | 27/03/2012 | 1,000,000 | 1,000,000 | 28/03/12 |
| | | | 50,000 | 04/05/12 |
| Monika Anand (Noticee 10) | 27/03/2012 | 1,200,000 | 1,500,000 | 29/03/12 |
| | | | 75,000 | 28/04/12 |
| Ravi Chopra (Noticee 11) | 27/03/2012 | 1000000 | 1000000 | 30/03/12 |
| | | | 50000 | 28/04/12 |

39. I note that the entire money provided by Noticee 9 to Noticees 7,8,11 were used by them for payment to Noticee 1 for subscription of its shares in preferential allotment on March 29, 2012, March 28, 2012, March 30, 2012 respectively. With respect to Noticee 10, amount of Rs 12 Lakh was given to her by Noticee 9 as noted above and she in turn paid 15 Lakh to Noticee 1 on March 29, 2012 (shortfall of 3 lakhs paid from her account). Further, I note that Noticee 9 had paid Rs 15 Lakhs as subscription money to Noticee 9 on March 29, 2012. I also observe that fund received by Noticee 9 from Noticee 1 and Noticee 14 ( i.e. 57 Lakh) were sufficient to cover the entire subscription money paid by Noticees 7,8,9 and 11 on March 29, 2012, March 28, 2012, March 29, 2012 and March 30, 2012 respectively and more than 90% of the amount of subscription money was paid by Noticee 3 to Noticee 1 on March 29, 2012.

40. With regard to the above, Noticees 1, 9 and 14, in their submissions have contended that amount of Rs 22 Lakhs received by Noticee 9 from Noticee 1 and amount of Rs 35 Lakh received by Noticee 9 from Noticee 14 on March 26, 2012 were made in ordinary course of business on principal-to-principal basis. However, I note that no evidence has been placed on record to substantiate the aforementioned claim by any of the aforementioned Noticees. Since the Noticees 1, 9 and 14 have not produced any documentary evidence to substantiate their claim that such significantly high amount of money was given to Noticee 9 by Noticees 1 and 14 in the ordinary course of business or have failed to provide any details like nature of the business, details of invoice if any etc in support of their contention. I am unable to accept the aforementioned submission of aforesaid Noticees. Further, I also note said Noticees in their reply have stated that " *Noticee 9 (Manoj Anand) subscribed the shares out of the fund of Rs 50.00 which was earlier given as advance to noticee no.1 and rest amount of Rs 35 received from m/s Shridhar Financial Services Limited as on 26/03/2012)".* I note that this is in contradiction with the earlier submission made by Noticees 1, 9 and 14 that amount of Rs 35 Lakh received by Noticee 9 from Noticee 14 on March 26, 2012 were made in ordinary course of business on principal-to-principal basis. Further, with regard to submission of aforementioned Noticees that Noticee 9 (Manoj Anand) subscribed the shares out of the fund of Rs 50 Lakh which was earlier given by him as an advance to Noticee 1, the Noticees have failed to provide any documentary evidence to support his contention.

41. Further, I note that Noticees 7,8,9, 10 and 11 in their submissions have contended that impugned fund transfers amongst them were merely fund transfer between relatives and even if it is assumed that the same fund used to subscribe to preferential issue, transfer of funds/making financial transactions among relatives were not a prohibited transaction. I note from submissions of Noticees 7, 8,9,10 and 11 that Noticee 7 and 8 are brothers of Noticee 9 and Noticee 10 is wife of Noticee 9. Further, Noticee 11 is brother in law of Noticee 9. In this regard, I note that allegation against Noticees 7,8,10 and 11 is not based on the fact that they subscribed for the preferential allotment of Noticee 1 from the funds received from Noticee 9 but they were involved in the scheme contrived by the Company with its related corporate entities through whom funds were provided to Noticee 9, who acted as a conduit for transfer of the fund between Company and its connected entity Noticee 14 and preferential allotees 7,8,10 and 11 for subscribing to the shares of Noticee 1. As has already been observed in the preceding paragraphs, Noticees 7,8,9,10 and 11 were part of the scheme wherein by Noticee 9 received funding from Noticees 1 and 14 and same were transferred by Noticee 9 to Noticees 7,8,10 and 11 and only after receipt of this fund did the aforesaid Noticees subscribed to the preferential allotment of Noticee 1. Thus, it was not mere fund transfer as alleged by these Noticees. In light of the above, I am not inclined to agree with aforementioned contention of Noticees 7, 8,9,10 and 11 and find it of no merit.

42. In view of the observations in the preceding paragraphs, I find that impugned funds were received by Noticees 7,8,9, 10 and 11 from Noticee 1 and Noticee 14 for subscribing to the preferential allotment of Noticee 1.

43. In view of findings and analysis in preceding paragraphs, I find that fact that connected entities of Noticees 12 and 13 funded the preferential allotment of Noticees 2-6 without any documentation and considerations/interest received shows that the same was done in collusion with Noticee 1 to create an illusion that there was genuine capital infusion into the Noticee 1. Similarly, the fact that both Noticee 1 and Noticee 10, connected entity of Noticee 1, had provided funds to Noticee 9 on the same day and on the very next day, the money was transferred by Noticee 9 to Noticee 7, 8 and 9 and the said funding was enough to cover more than 90% of subscription money paid for allotment made to Noticees 7,8,9,10 and 11 show that Noticee 14 was in collusion with Noticee 1 to fund the preferential allotment of the

aforementioned Noticees. Further, the fact that there is no documentary evidence to indicate that such significant amount of funding was given to Noticee 9 by Noticee 14 for bonafide business purpose also reinforces the evidence against Noticee 14 that it is in collusion with Noticee 1 to fund its preferential allotment of shares.

44. When a preferential allotment is made by a listed Company it gives an impression that genuine capital infusion is being brought into the Company. When the Company uses its own funds or arrange for funding of preferential allotees with the help of its connected entities, as done in the instant case, it gives a false picture to genuine investors that there is a bonafide capital infusion in the company and falsely leads them to invest in the shares of the company.

45. In this context, I place reliance on following decisions

a. Decision of Hon'ble Securities Appellate Tribunal (SAT) in the matter of Farooq Kasam Hawa & Ors v SEBI, Appeal No. 448 of 2020, date of decision 10.06.2022, wherein Hon'ble SAT deciding on similar issue of funding of preferential allotment to certain allotees by Company by its connected entities have held as follows:

*16. On an analysis of the bank account statements it revealed that noticee nos.5 to 11 did not have sufficient funds to apply for the preferential allotment of the shares of the Company. The bank statements also revealed that they received funds from noticee no.12. Such allotment of funds without consideration was totally fraudulent and was done with a pre-determined meeting of mind to make unlawful profits through the scheme hatched by the Company and its Directors…………………..*

*17. The record indicates that Mihir Consulting and Trading Company and Mainak Comtrade Pvt. Ltd, noticee nos.12 and 15 were closely connected with the Company"*

b. Decision of Hon'ble Securities Appellate Tribunal (SAT) in the matter of Shri Bakul Ramniklal Parekh & Ors. vs Seb ( Date of Decision April 07, 2021), wherein Hon'ble SAT deciding on similar issue of funding of preferential allotment by Company making the preferential allotment held as follows:

*" ……….Having heard the learned counsel for the parties and having perused the records we find that the Company had transferred its funds to the preferential allottees to enable them to subscribe to the Company's shares. This fact has not been disputed and, the only contention raised was that it was an advance. Some of the appellants contended that it was a loan and according to appellant no. 7 it was an advance towards professional fees to be adjusted in future. We are of the opinion that when a Company raises its capital,*

*issuance of shares is considered as capital infusion and an ordinary investors perceives it as a capital infusion which is essential for strengthening the Company's financial fundamentals. When a preferential allotment is made by a listed Company it gives an impression that genuine capital infusion is being brought into the Company. When the Company uses its own funds and distributes it to the allottees for the purpose of subscribing to the shares, it deceives the genuine investors and in fact falsely leads them to invest in the shares of the Company. Thus, we are of the opinion that the Company along with the management and allottees receiving such funds from the Company were perpetuating a fraud on the ordinary investing public who were deceived to invest in in the securities of the Company.*

*8. We accordingly find that when preferential allotment of shares by a listed Company is financed by the Company itself it gives a false impression that there was infusion of funds to its capital through preferential allotment. The action on the part of the Company, its management and the allottees including the appellants in particular have made fraudulent acts which is an unfair device, to deceive the investors. Such acts, omissions and concealment is prohibited under Section 12A of the SEBI Act read with Regulation 3 and 4 of the PFUTP Regulations. In view of the aforesaid admitted facts, the loan was given as an advance towards future professional fees cannot be accepted…………………."*

46. In light of the observations in preceding paragraphs and placing reliance on aforementioned decision of Hon'ble SAT, I find that part of the subscription money paid by preferential allotees Noticees 2,3,4,5,6 7,8,9,10 and 11 for the preferential allotment of Noticee 1 was made by Noticee 1 and its connected entities Noticees 12,13 and 14 in collusion with each other. Thus, I find that part funding of preferential allotment of Noticees 2,3,4,5,6,7,8,9,10 and 11 by Noticees 1 and its connected entities, Noticees 12, 13 and 14 as well as allotment of funds without consideration can be considered as fraudulent act on the part of Noticees with a view to deceive the investors and the same is prohibited under Section 12A (a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations.

47. Therefore, I conclude that allegation in the SCN that Noticees have violated the provisions of Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations stand established.

**Issue II) Do the violations, if established, attract monetary penalty under Section 15HA of SEBI Act?**

48. In this regard, I note that the Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Ram Mutual Fund held that "*once the violation of statutory regulations is established,*

*imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established, then the penalty is to follow.*"

49. In view of the foregoing and placing reliance on the aforesaid judgement, I note that the aforesaid violation of PFUTP Regulations and SEBI Act by Noticees, make them liable for penalty under Section 15HA of SEBI Act, which at the relevant time of commission of violations, read as under –

***SEBI Act***

***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 of twenty - five crore rupees or three times the amount of profits made out of such failure, whichever is higher.*

**Issue III) If so, what would be the quantum of monetary penalty that can be imposed on the Noticees after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?**

50. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Adjudication Rules, require that while adjudging the quantum of penalty, 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.

51. From the material available on record, it is difficult to quantify the exact disproportionate gains or unfair advantage enjoyed by the Noticees and the consequent losses suffered to the investors. With respect to the repetitive nature of the default, I find that no prior default by the Noticees is available on record. However, the fact remains that Noticee 1 has , its connected entities, Noticees 12,13 and 14 and its preferential allotees Noticees 2-11 were involved in a scheme wherein by subscription money paid by the aforesaid Noticees were funded by

Notice 1 in hand with its connected entities and thereby allotment of shares to preferential allotees Noticees 2-11 were issued without any consideration. This had created a wrong impression that there was a genuine inflow of funds into the company. In this regard, I find it relevant to note that the Hon'ble Supreme Court in its Order dated April 26, 2013 in the matter of N. Narayanan vs Adjudicating Officer, SEBI, has laid down that *"……….Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law. Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'. The object of the SEBI 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*." Therefore, such a serious violation requires penalty commensurate with the seriousness of charge. I am also conscious of the fact that SCN was issued in the matter after more than 8 years since the commission of violation and the same can be considered as a mitigating factor in this case.

**ORDER**

52. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose jointly and severably the following penalties on Noticees:

| Noticee | Violation | Penal Provisions | Penalty (Rs.) |
|---|---|---|---|
| Noticee 1 | Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3 (b), (c), (d) and 4(1) of PFUTP Regulations | Section 15HA of the SEBI Act | Rs. 25,00,000/-( Rupees Twenty Five Lakhs Only) |
| Noticee 2 | | | |
| Noticee 3 | | | |
| Noticee 4 | | | |

| | | | |
|---|---|---|---|
| Noticee 5 | | | |
| Noticee 6 | | | |
| Noticee 7 | | | |
| Noticee 8 | | | |
| Noticee 9 | | | |
| Noticee 10 | | | |
| Noticee 11 | | | |
| Noticee 12 | | | |
| Noticee 13 | | | |
| Noticee 14 | | | |

53. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR 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.**

54. The aforesaid Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department - DRA-3), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051." The Noticees shall also provide the following details while forwarding DD / payment information**:**

a) Name and PAN of the Noticee
b) Name of the case / matter
c) Purpose of Payment – Payment of penalty under AO proceedings
d) Bank Name and Account Number
e) Transaction Number

55. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings 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.

56. In terms of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticees and also to Securities and Exchange Board of India.

**Date: July 29, 2022** **Soma Majumder**

**Place: Mumbai** **Adjudicating Officer**