BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/AN/SM/2024-25/30538-30555

UNDER SECTION 15-I OF 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

Noticee No.	Noticee Name	PAN
1.	Techindia Nirman Limited *(Formerly: Nath Seeds Limited)*	AAACN9213B
2.	Krutika Apte	ARHPA5082E
3.	Rajshree Jain	BPRPJ6563G
4.	Nath Royal Limited	AABCN1641C
5.	Nath Holding & Invest Pvt Ltd.	AAACN1160K
6.	Nath Industries Limited	AAACR7243K
7.	NCFS Limited *(Formerly: Nath Capital & Fin Services Ltd.)*	AAACN1604J
8.	Swamini Leasing & Invest Pvt Ltd.	AACCS3552Q
9.	Nath Securities Limited	AAACN1475H
10.	Nath Biotechnologies Ltd.	AAACN9500D
11.	Tingli Finvest Pvt Ltd.	AABCN7977M
12.	Prabha Farms Private Limited	AACCP3782D
13.	Paresh Farms Private Limited	AACCP3783C
14.	Jeevan Investment & Finance Pvt Ltd	AAACJ2901L
15.	Nanadkishor Laxminarayan Kagliwal	AAGPK2869M
16.	Jeevanlata Nandkishor Kagliwal	ACBPK7779H
17.	Ashu Farms LLP	ABMFA9850D
18.	Akash Farms LLP	ABNFA1292L

In the matter of Techindia Nirman Limited.

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also 'SEBI', in short) conducted Examination of Techindia Nirman Limited, (hereinafter also referred as 'Noticee 1'/ 'Entity' / 'the Company' / 'TNL'), in short).

2. Pursuant to its examination in the matter, it was inter alia observed by SEBI that Noticees had allegedly violated various provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (hereinafter also referred to 'SEBI (LODR) Regulations, 2015' / 'LODR Regulations'), SEBI (Depositories and Participants) Regulations, 2018 (hereinafter also referred to 'SEBI (DP) Regulations, 2018'), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter also referred to 'SEBI (SAST) Regulations, 2011' / 'SAST Regulations').

3. Accordingly adjudication proceedings u/s 15A(b) and 15HB of SEBI Act, 1992 (hereinafter also referred to as 'SEBI Act') against (i) Techindia Nirman Limited ('the Company'/ 'Noticee 1'), Krutika Apte (Noticee 2), Rajshree Jain (Noticee 3), Nath Royal Limited (Noticee 4), Nath Holding & Invest Pvt Ltd. (Noticee 5), Nath Industries Limited (Noticee 6), NCFS Limited (formerly known as Nath Capital & Fin Services Ltd.) (Noticee 7), Swamini Leasing & Invest Pvt Ltd. (Noticee 8), Nath Securities Limited (Noticee 9), Nath Biotechnologies Ltd. (Noticee 10), Tingli Finvest Pvt Ltd. (Noticee 11), Prabha Farms Private Limited (Noticee 12), Paresh Farms Private Limited (Noticee 13), Jeevan Investment & Finance Pvt Ltd (Noticee 14), Nanadkishor Laxminarayan Kagliwal (Noticee 15), Jeevanlata Nandkishor Kagliwal (Noticee 16), Ashu Farms LLP (Noticee 17) and Akash Farms LLP (Noticee 18), for alleged violation of provisions of SEBI (LODR) Regulations, 2015, SEBI (DP) Regulations, 2018 and SEBI (SAST) Regulations, 2011 as stated. The Noticees 1 to 18 are hereinafter collectively also referred to as 'Noticees', unless the context specifies otherwise.

B. APPOINTMENT OF ADJUDICATING OFFICER

4. Upon being satisfied that there were sufficient grounds to inquire and adjudicate upon the alleged violations by the Noticees, SEBI, in exercise of powers under Section 19 of the SEBI Act, read with Sub-section (1) of Section of Section 15-I of the SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ('Adjudication Rules'), vide Communique dated October 11, 2023 read with May 14, 2024, appointed the undersigned as the Adjudicating Officer ('AO') to inquire into and adjudge upon the aforesaid alleged violations against the Noticees.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Common Show Cause Notice No. SEBI/HO/EAD-5/AN/SM/43027/1-18/2023 dated October 19, 2023 (hereinafter also 'SCN' / 'SCN dated October 19, 2023' in short) was issued to Noticees in terms of Section 15-I of the SEBI Act, 1992, Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against them and why penalty, if any, under section 15A(b) and 15HB against Noticee 1 and 2 and under section 15A(b) against Noticee 3-18 of SEBI Act, 1992 be not imposed on the Noticees as applicable. Thereafter, a Supplementary Show Cause Notice SEBI/HO/EAD/EAD5/P/OW/2024/17305/1-2 dated May 21, 2024 ('SSCN' in short) was issued to Noticee 6 and 7. SSCN sent to Noticee 6 and 7 collectively referred to as 'SSCNs'.

6. Following was inter alia alleged in the SCN dated October 19, 2023 and SSCN dated May 21, 2024 in respect of the Noticees and Noticee 6 and 7 respectively:

"….

Pursuant to examination, the following was inter alia observed and/or alleged by SEBI:

With respect to Noticee 1:

4.1. ***Submission of incorrect quarterly shareholding patterns from the quarter ended September 30, 2011 till quarter ended December 31, 2021 to BSE and NSE.***

In this regard, following was inter alia observed and/or alleged by SEBI:

4.1.1. *As per shareholding patterns available on the website of BSE, it was observed that the shareholding of Promoter and Promoter Group of the Company has been reduced from 34.31% as on December 31, 2021 to 18.42% as on March 31, 2022. The difference of 15.89% appears to be on account of the following transaction submitted by the Promoter, Nath Royal Limited:*

Transaction date	***Pre-txn shareholding & %***	***Post-txn shareholding & %***	***Change in shareholding %***	***Disclosure Req. Under SAST***	***Disclosure Submitted Under SAST***	***Delay in disclosure, if any***
02/02/2022	*35,80,674 shares (24.99%)*	*13,04,188 shares (9.10%)*	***15.89***	*Yes, under reg 29(2), read with 29(3)*	*Yes (23/06/2022)*	*94 working days*

Accordingly, the Promoter was required to make disclosure within 2 working days i.e. by February 4, 2022 to Company, BSE and NSE. However, the disclosure has been made on June 23, 2022. It may be noted that the date of disclosure is subsequent to the date of SCORES complaint.

4.1.2. *Information in this matter was sought from Promoter, Company, BSE, NSE, NSDL and CDSL:*

*4.1.2.1. Company, vide e-mails dated August 17, 2022 and August 19, 2022 (copy of the email is enclosed as **Annexure 3B**), has admitted that delayed disclosure has been made for the transaction mentioned in above Table, on both BSE and NSE.*

*4.1.2.2. BSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 4C**), has confirmed receipt of disclosure on June 23, 2022, i.e. at a delay of 94 working days.*

*4.1.2.3. NSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 5D**), informed that no such disclosure was made by the Promoter with the exchange. Further, vide email dated August 30, 2022, NSE has informed that – "The Company had created an Equity Announcement rather than submission under SAST Disclosures of NSE. Thus, the Company was requested to use the NSE's Digital Portal to submit the disclosures under SAST, however the same has not been done by the Company/promoter."*

*4.1.2.4. The Promoter, vide e-mail dated August 30, 2022 (copy of the email is enclosed as **Annexure 6E**), has admitted that the disclosures were made on June 23, 2022 at BSE.*

*4.1.2.5. NSDL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 7F**), has informed that there was no sale of shares under the PAN of the Promoter.*

*4.1.2.6. CDSL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 8G**), has informed that no demat account under PAN of Promoter is being maintained with them.*

4.1.3. *In view of the information received from NSDL and CDSL, further information on the sale of shares (including documentary evidence thereof) was sought from the Promoter and the Company.*

4.1.4. *Based on the detailed reply submitted by the Company vide emails dated September 16, 2022 (copy of the email is enclosed as **Annexure 9H**), October 1, 2022 (copy of the email is enclosed as **Annexure 10I**) and October 31, 2022 (copy of the email is enclosed as **Annexure 11J**) and by NSE vide emails dated September 21, 2022 (copy of the email is enclosed as **Annexure 12K**) and September 26, 2022 (copy of the email is enclosed as **Annexure 13L**), it was observed that:*

4.1.5. *The Company Techindia Nirman Limited, formerly known as Nath Seeds Limited, underwent restructuring through demerger and got re-listed on BSE and NSE with effect from September 8, 2011;*

4.1.5.1. The Promoter holds 13,04,188 shares (9.10%) shares of the Company;

4.1.5.2. Regulation 31(2) of SEBI LODR Regulations, 2015 (effective from December 2, 2015) requires entire shareholding of promoters of every company to be compulsorily in demat form. Further, from the quarters ended December 31, 2011 till September 30, 2015, the prescribed format for filing of shareholding pattern with stock exchanges did not require disclosure of physical and dematerialized shareholding separately. Therefore, examination of difference in shareholding of the Promoter (demat holding as per depositories vis-à-vis demat holding as per shareholding pattern) is undertaken starting from the quarter ended December 31, 2015.

4.1.5.3. From the quarters ended December 31, 2015 till December 31, 2021, the shareholding of said Promoter was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%);

*4.1.5.4. Pursuant to letter dated March 16, 2022 received from NSE with respect to mismatch in demat holding of Promoter vis-à-vis quarterly disclosures (copy of the email is enclosed as **Annexure 14M**), the Company rectified the error and decreased the holding of said Promoter from 35,80,674 shares*

(24.99%) to 13,04,188 shares (9.10%), thereby decreasing the aggregate promoter holding by 15.89%, in the Shareholding Pattern filed for the quarter ended March 31, 2022;

4.1.5.5. *No sale of shares has been done by the Promoter on February 2, 2022, as filed in the abovementioned disclosure dated June 23, 2022.*

4.1.6. *Vide emails dated December 5, 2022, December 7, 2022 and December 9, 2022, the Company has replied to the following queries raised by the SEBI:*

Information sought by SEBI	***Company's reply***
Basis and source of information for preparation of quarterly Shareholding Patterns by the Company	*We extract the shareholding pattern received from our RTA i.e. Bigshare Services Private Limited on quarterly basis and we upload the same on stock exchanges with their prescribed excel utility i.e. XBRL.*
With respect to the decrease in Promoter holding by 15.89% from the quarter ended December 31, 2021 to the quarter ended March 31, 2022, please explain how and where the same has been adjusted, along with rationale and documentary evidence thereof	*Please note that the shareholding was added to the Public Shareholding at Point 3 (a1) individual shareholders holding nominal share capital up to Rs. 2 Lakhs. (**Annexure 16P**)*
Status of compliance with Regulation 31(2) of SEBI Listing Regulations 2015, along with documentary evidence thereof	*Kindly note that Regulation 31(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 i.e. regarding entire promoter shareholding should be in Dematerialized form is applicable to us, and our entire promoter shareholding is in Demat form, Please refer Report received from RTA for March 2022 where Demat shareholding showing separately at column (XIV). (Report attached for your refence) (**Annexure 17Q**)*

4.1.7. *The following is a comparison of the data shared by the RTA vis-à-vis the shareholding pattern filed by the Company for the quarter ended December 31, 2021:*

Category	***RTA data as on December 31, 2021 ("RTA Data")***		***Shareholding pattern filed by the Company as on December 31, 2021 ("SHP")***		***Difference (SHP less RTA data)***	
	No. of shares	***%***	***No. of shares***	***%***	***No. of shares***	***%***
Promoter & Promoter Group	*26,38,827*	*18.42*	*49,15,313*	*34.31*	*22,76,486*	*15.89*
Public	*1,16,87,173*	*81.58*	*94,10,687*	*65.69*	*(22,76,486)*	*(15.89)*
Total	*14326000*	*100*	*14326000*	*100*	*0*	*0*
Nath Royal Limited (Promoter)	*13,04,188*	*9.10*	*35,80,674*	*24.99*	***22,76,486***	***15.89***
Individual shareholders holding nominal share capital up to Rs. 2 lakhs (Public)	*75,58,276*	*52.76*	*52,81,790*	*36.87*	***(22,76,486)***	***(15.89)***

4.1.8. *It was observed that the Company revised the data provided by the RTA and filed incorrect shareholding pattern by increasing the promoter shareholding and decreasing the public shareholding.*

4.1.9. *Similarly, vide emails dated December 15, 2022, December 29, 2022 (copy of the email is enclosed as **Annexure 18R**) and December 30, 2022 (copy of the email is enclosed as **Annexure 19S**), the Company has provided breakdown of adjustments done in the quarterly data provided by its RTA by deducting respective number of shares from the public category and adding the same to the shareholding of Promoter, Nath Royal Limited. The Company has admitted to submission of incorrect shareholding patterns from the quarter ended December 31, 2011 till the quarter ended December 31, 2021. (copy of emails dated January 25, 2023 is enclosed as **Annexure 22Y**).*

4.1.10. *Comments of Ms. Krutika Apte, erstwhile Compliance Officer of the Company, were sought. Vide email dated January 25, 2023 (copy of the email is enclosed as **Annexure 23Z**), she has inter alia stated that, "The Company - TechIndia Nirman Limited had at the time received a letter from its promoter shareholder - Nath Royal Limited, stating that their actual promoter shareholding was higher that reflected in the benpos. Accordingly, my department was advised by the management to rectify the shareholding and reflect the amount as informed by the promoter in their letter"*

In view thereof, it is alleged that the Noticee 1 has repeatedly filed incorrect Shareholding Patterns with respect to holding of Noticee 4 since the quarter ended September 30, 2011 till quarter ended December 31, 2021 and therefore, Noticee has violated Regulation 31 read with Regulation 4(1)(c), 4(1)(e) and 4(1)(i) of SEBI (LODR) Regulations, 2015, Clause 35(b) of erstwhile Listing Agreement.

4.2. ***Submission of incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018, for intimation of incorrect name of Compliance Officer to BSE and NSE.***

In this regard, following was inter alia observed and/or alleged by SEBI:

4.2.1. *BSE was advised to provide details of all Compliance Officers of the Company since the quarter ended September 30, 2011 till the quarter ended December 31, 2021. Vide email dated January 18, 2023 (copy of the email is enclosed as **Annexure 20W**), BSE has provided list of Compliance Officers of the Company (based on Reconciliation of Share Capital Audit Report) as follows:*

i. Mr. Kartik Krishnamurty (quarter ended September 30, 2011 till quarter ended March 31, 2016)
ii. Ms. Krutika Apte (quarter ended June 30, 2016 till quarter ended September 30, 2019)
iii. Ms. Rajshree Jain (from quarter ended December 31, 2019 till date)

4.2.2. *It was observed that there are discrepancies in the name of Compliance Officer of the Company in the Reconciliation of Share Capital Audit Report (Mr. Karthik Krishnamurthy) vis-à-vis the Annual report of the Company (Ms. Krutika Apte) from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018.*

*Company's reply **(**copy of the reply is enclosed as **Annexure 21X):***
Details of Compliance Officer are as follows:

i. Ms. Krutika Apte (from May 1, 2010 till December 17, 2019)
ii. Ms. Rajshree Jain (from December 17, 2019 till date)

4.2.3. *With respect to discrepancies in the name of Compliance Officer of the Company in the Reconciliation of Share Capital Audit Report vis-à-vis the Annual report of the Company, name of Mr. Karthik Krishnamurthy was erroneously mentioned in Reconciliation of Share Capital Audit Report instead of Ms. Krutika Apte.*

4.2.4. *The Company has filed incorrect details of the Compliance Officer in its Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017.*

4.2.5. *It was observed that Praveen Kumar Jain, Praveen Jain & Associates (CP no. 5986), has certified the incorrect Reconciliation of Share Capital Audit Reports from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and for the quarter ended March 31, 2018, with respect to incorrect name of the Compliance Officer.*

In view thereof, it is alleged that the Noticee 1 has repeatedly filed incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018 w.r.t. incorrect name of the Compliance Officer and therefore violated Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018.

With respect to Noticee 2

4.3. ***Noticee 2: Submission of incorrect quarterly shareholding patterns since the quarter ended December 31, 2011 till quarter ended September 30, 2019 to BSE and NSE.***

In this regard, following was inter alia observed and/or alleged by SEBI:

4.3.1. *As per shareholding patterns available on the website of BSE, it was observed that the shareholding of Promoter and Promoter Group of the Company has been reduced from 34.31% as on December 31, 2021 to 18.42% as on March 31, 2022. The difference of 15.89% appears to be on account of the following transaction submitted by the Promoter, Nath Royal Limited:*

Transaction date	***Pre-txn shareholding & %***	***Post-txn shareholding & %***	***Change in shareholding %***	***Disclosure Req. Under SAST***	***Disclosure Submitted Under SAST***	***Delay in disclosure, if any***
02/02/2022	*35,80,674 shares (24.99%)*	*13,04,188 shares (9.10%)*	***15.89***	*Yes, under reg 29(2), read with 29(3)*	*Yes (23/06/2022)*	*94 working days*

Accordingly, the Promoter was required to make disclosure within 2 working days i.e. by February 4, 2022 to Company, BSE and NSE. However, the disclosure has been made on June 23, 2022. It may be noted that the date of disclosure is subsequent to the date of SCORES complaint.

4.3.2. *Information in this matter was sought from Promoter, Company, BSE, NSE, NSDL and CDSL:*

4.3.2.1. *Company, vide e-mails dated August 17, 2022 and August 19, 2022 (copy of the email is enclosed as **Annexure 3B**), has admitted that delayed disclosure has been made for the transaction mentioned in above Table, on both BSE and NSE.*

4.3.2.2. *BSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 4C**), has confirmed receipt of disclosure on June 23, 2022, i.e. at a delay of 94 working days.*

4.3.2.3. *NSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 5D**), informed that no such disclosure was made by the Promoter with the exchange. Further, vide email dated August 30, 2022, NSE has informed that – "The Company had created an Equity Announcement rather than submission under SAST Disclosures of NSE. Thus, the Company was requested to use the NSE's Digital Portal to submit the disclosures under SAST, however the same has not been done by the Company/promoter."*

4.3.2.4. *The Promoter, vide e-mail dated August 30, 2022 (copy of the email is enclosed as **Annexure 6E**), has admitted that the disclosures were made on June 23, 2022 at BSE.*

4.3.2.5. *NSDL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 7F**), has informed that there was no sale of shares under the PAN of the Promoter.*

4.3.2.6. *CDSL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 8G**), has informed that no demat account under PAN of Promoter is being maintained with them.*

4.3.1. *In view of the information received from NSDL and CDSL, further information on the sale of shares (including documentary evidence thereof) was sought from the Promoter and the Company.*

4.3.2. *Based on the detailed reply submitted by the Company vide emails dated September 16, 2022 (copy of the email is enclosed as **Annexure 9H**), October 1, 2022 (copy of the email is enclosed as **Annexure 10I**) and October 31, 2022 (copy of the email is enclosed as **Annexure 11J**) and by NSE vide emails dated September 21, 2022 (copy of the email is enclosed as **Annexure 12K**) and September 26, 2022 (copy of the email is enclosed as **Annexure 13L**), it was observed that:*

4.3.2.1. *The Company Techindia Nirman Limited, formerly known as Nath Seeds Limited, underwent restructuring through demerger and got re-listed on BSE and NSE with effect from September 8, 2011;*
4.3.2.2. *The Promoter holds 13,04,188 shares (9.10%) shares of the Company;*
4.3.2.3. *Regulation 31(2) of SEBI LODR Regulations, 2015 (effective from December 2, 2015) requires entire shareholding of promoters of every company to be compulsorily in demat form. Further, from the quarters ended December 31, 2011 till September 30, 2015, the prescribed format for filing of shareholding pattern with stock exchanges did not require disclosure of physical and dematerialized shareholding separately. Therefore, examination of difference in shareholding of the Promoter (demat holding as per depositories vis-à-vis demat holding as per shareholding pattern) is undertaken starting from the quarter ended December 31, 2015.*
4.3.2.4. *From the quarters ended December 31, 2015 till December 31, 2021, the shareholding of said Promoter was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%);*
4.3.2.5. *Pursuant to letter dated March 16, 2022 received from NSE with respect to mismatch in demat holding of Promoter vis-à-vis quarterly disclosures (copy of the email is enclosed as **Annexure 14M**), the Company rectified the error and decreased the holding of said Promoter from 35,80,674 shares (24.99%) to 13,04,188 shares (9.10%), thereby decreasing the aggregate promoter holding by 15.89%, in the Shareholding Pattern filed for the quarter ended March 31, 2022;*
4.3.2.6. *No sale of shares has been done by the Promoter on February 2, 2022, as filed in the abovementioned disclosure dated June 23, 2022.*

4.3.3. *Vide emails dated December 5, 2022, December 7, 2022 and December 9, 2022, the Company has replied to the following queries raised by the SEBI:*

Information sought by SEBI	***Company's reply***
Basis and source of information for preparation of quarterly Shareholding Patterns by the Company	*We extract the shareholding pattern received from our RTA i.e. Bigshare Services Private Limited on quarterly basis and we upload the same on stock exchanges with their prescribed excel utility i.e. XBRL.*
With respect to the decrease in Promoter holding by 15.89% from the quarter ended December 31, 2021 to the quarter ended March 31, 2022, please explain how and where the same has been adjusted, along with rationale and documentary evidence thereof	*Please note that the shareholding was added to the Public Shareholding at Point 3 (a1) individual shareholders holding nominal share capital up to Rs. 2 Lakhs. (**Annexure 16P**)*
Status of compliance with Regulation 31(2) of SEBI Listing Regulations 2015, along with documentary evidence thereof	*Kindly note that Regulation 31(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 i.e. regarding entire promoter shareholding should be in Dematerialized form is applicable to us, and our entire promoter shareholding is in Demat form, Please refer Report received from RTA for March 2022 where Demat shareholding showing separately at column (XIV). (Report attached for your refence) (**Annexure 17Q**)*

4.3.4. *The following is a comparison of the data shared by the RTA vis-à-vis the shareholding pattern filed by the Company for the quarter ended December 31, 2021:*

Category	***RTA data as on December 31, 2021 ("RTA Data")***		***Shareholding pattern filed by the Company as on December 31, 2021 ("SHP")***		***Difference (SHP less RTA data)***	
	No. of shares	***%***	***No. of shares***	***%***	***No. of shares***	***%***
Promoter & Promoter Group	*26,38,827*	*18.42*	*49,15,313*	*34.31*	*22,76,486*	*15.89*
Public	*1,16,87,173*	*81.58*	*94,10,687*	*65.69*	*(22,76,486)*	*(15.89)*
Total	*14326000*	*100*	*14326000*	*100*	*0*	*0*
Nath Royal Limited (Promoter)	*13,04,188*	*9.10*	*35,80,674*	*24.99*	***22,76,486***	***15.89***
Individual shareholders holding nominal share capital up to Rs. 2 lakhs (Public)	*75,58,276*	*52.76*	*52,81,790*	*36.87*	***(22,76,486)***	***(15.89)***

It was observed that the Company revised the data provided by the RTA and filed incorrect shareholding pattern by increasing the promoter shareholding and decreasing the public shareholding.

4.3.5. *Similarly, vide emails dated December 15, 2022, December 29, 2022 (copy of the email is enclosed as **Annexure 18R**) and December 30, 2022 (copy of the email is enclosed as **Annexure 19S**), the Company has provided breakdown of adjustments done in the quarterly data provided by its RTA by deducting respective* *number of shares from the public category and adding the same to the shareholding of Promoter, Nath Royal Limited. The Company has admitted to submission of incorrect shareholding patterns from the quarter ended December 31, 2011 till the quarter ended December 31, 2021. (emails dated January 25, 2023 (copy of the email is enclosed as **Annexure 22Y**).*

4.3.6. *Comments of Ms. Krutika Apte, erstwhile Compliance Officer of the Company, were sought. Vide email dated January 25, 2023 (copy of the email is enclosed as **Annexure 23Z**), she has inter alia stated that, "The Company - TechIndia Nirman Limited had at the time received a letter from its promoter shareholder - Nath Royal Limited, stating that their actual promoter shareholding was higher that reflected in the benpos. Accordingly, my department was advised by the management to rectify the shareholding and reflect the amount as informed by the promoter in their letter".*

In view thereof, it is alleged that the Noticee 2 during their respective tenure, repeatedly failed to exercise professional judgment and continued to file incorrect disclosures contrary to the depository-generated data provided by the RTA on quarterly basis and therefore, Noticee 2 violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015 and Clause 52(1)(b) r/w Clause 35(b) of erstwhile Listing Agreement.

With respect to Noticee 3

4.4. *Noticee 3: Submission of incorrect quarterly shareholding patterns since the quarter ended December 31, 2019 till quarter ended December 31, 2021 to BSE and NSE.*

In this regard, following was inter alia observed and/or alleged by SEBI:

4.4.1. *As per shareholding patterns available on the website of BSE, it was observed that the shareholding of Promoter and Promoter Group of the Company has been reduced from 34.31% as on December 31, 2021 to 18.42% as on March 31, 2022. The difference of 15.89% appears to be on account of the following transaction submitted by the Promoter, Nath Royal Limited:*

Transaction date	***Pre-txn shareholding & %***	***Post-txn shareholding & %***	***Change in shareholding %***	***Disclosure Req. Under SAST***	***Disclosure Submitted Under SAST***	***Delay in disclosure, if any***
02/02/2022	*35,80,674 shares (24.99%)*	*13,04,188 shares (9.10%)*	***15.89***	*Yes, under reg 29(2), read with 29(3)*	*Yes (23/06/2022)*	*94 working days*

Accordingly, the Promoter was required to make disclosure within 2 working days i.e. by February 4, 2022 to Company, BSE and NSE. However, the disclosure has been made on June 23, 2022. It may be noted that the date of disclosure is subsequent to the date of SCORES complaint.

4.4.2. *Information in this matter was sought from Promoter, Company, BSE, NSE, NSDL and CDSL:*

*4.4.2.1. Company, vide e-mails dated August 17, 2022 and August 19, 2022 (copy of the email is enclosed as **Annexure 3B**), has admitted that delayed disclosure has been made for the transaction mentioned in above Table, on both BSE and NSE.*

*4.4.2.2. BSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 4C**), has confirmed receipt of disclosure on June 23, 2022, i.e. at a delay of 94 working days.*

*4.4.2.3. NSE, vide email dated August 19, 2022 (copy of the email is enclosed as **Annexure 5D**), informed that no such disclosure was made by the Promoter with the exchange. Further, vide email dated August 30, 2022, NSE has informed that – "The Company had created an Equity Announcement rather than submission under SAST Disclosures of NSE. Thus, the Company was requested to use the NSE's Digital Portal to submit the disclosures under SAST, however the same has not been done by the Company/promoter."*

*4.4.2.4. The Promoter, vide e-mail dated August 30, 2022 (copy of the email is enclosed as **Annexure 6E**), has admitted that the disclosures were made on June 23, 2022 at BSE.*

*4.4.2.5. NSDL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 7F**), has informed that there was no sale of shares under the PAN of the Promoter.*

*4.4.2.6. CDSL, vide email dated September 2, 2022 (copy of the email is enclosed as **Annexure 8G**), has informed that no demat account under PAN of Promoter is being maintained with them.*

4.4.3. *In view of the information received from NSDL and CDSL, further information on the sale of shares (including documentary evidence thereof) was sought from the Promoter and the Company.*

4.4.4. *Based on the detailed reply submitted by the Company vide emails dated September 16, 2022 (copy of the email is enclosed as **Annexure 9H**), October 1, 2022 (copy of the email is enclosed as **Annexure 10I**) and October 31, 2022 (copy of the email is enclosed as **Annexure 11J**) and by NSE vide emails dated September*

*21, 2022 (copy of the email is enclosed as **Annexure 12K**) and September 26, 2022 (copy of the email is enclosed as **Annexure 13L**), it was observed that:*

4.4.4.1. *The Company Techindia Nirman Limited, formerly known as Nath Seeds Limited, underwent restructuring through demerger and got re-listed on BSE and NSE with effect from September 8, 2011;*

4.4.4.2. *The Promoter holds 13,04,188 shares (9.10%) shares of the Company;*

4.4.4.3. *Regulation 31(2) of SEBI LODR Regulations, 2015 (effective from December 2, 2015) requires entire shareholding of promoters of every company to be compulsorily in demat form. Further, from the quarters ended December 31, 2011 till September 30, 2015, the prescribed format for filing of shareholding pattern with stock exchanges did not require disclosure of physical and dematerialized shareholding separately. Therefore, examination of difference in shareholding of the Promoter (demat holding as per depositories vis-à-vis demat holding as per shareholding pattern) is undertaken starting from the quarter ended December 31, 2015.*

4.4.4.4. *From the quarters ended December 31, 2015 till December 31, 2021, the shareholding of said Promoter was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%);*

4.4.4.5. *Pursuant to letter dated March 16, 2022 received from NSE with respect to mismatch in demat holding of Promoter vis-à-vis quarterly disclosures (copy of the email is enclosed as **Annexure 14M**), the Company rectified the error and decreased the holding of said Promoter from 35,80,674 shares (24.99%) to 13,04,188 shares (9.10%), thereby decreasing the aggregate promoter holding by 15.89%, in the Shareholding Pattern filed for the quarter ended March 31, 2022;*

4.4.4.6. *No sale of shares has been done by the Promoter on February 2, 2022, as filed in the abovementioned disclosure dated June 23, 2022.*

4.4.5. *Vide emails dated December 5, 2022, December 7, 2022 and December 9, 2022, the Company has replied to the following queries raised by the SEBI:*

Information sought by SEBI	***Company's reply***
Basis and source of information for preparation of quarterly Shareholding Patterns by the Company	*We extract the shareholding pattern received from our RTA i.e. Bigshare Services Private Limited on quarterly basis and we upload the same on stock exchanges with their prescribed excel utility i.e. XBRL.*
With respect to the decrease in Promoter holding by 15.89% from the quarter ended December 31, 2021 to the quarter ended March 31, 2022, please explain how and where the same has been adjusted, along with rationale and documentary evidence thereof	*Please note that the shareholding was added to the Public Shareholding at Point 3 (a1) individual shareholders holding nominal share capital up to Rs. 2 Lakhs. (**Annexure 16P**)*
Status of compliance with Regulation 31(2) of SEBI Listing Regulations 2015, along with documentary evidence thereof	*Kindly note that Regulation 31(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 i.e. regarding entire promoter shareholding should be in Dematerialized form is applicable to us, and our entire promoter shareholding is in Demat form, Please refer Report received from RTA for March 2022 where Demat shareholding showing separately at column (XIV). (Report attached for your refence) (**Annexure 17Q**)*

4.4.6. *The following is a comparison of the data shared by the RTA vis-à-vis the shareholding pattern filed by the Company for the quarter ended December 31, 2021:*

Category	***RTA data as on December 31, 2021 ("RTA Data")***		***Shareholding pattern filed by the Company as on December 31, 2021 ("SHP")***		***Difference (SHP less RTA data)***	
	No. of shares	***%***	***No. of shares***	***%***	***No. of shares***	***%***
Promoter & Promoter Group	*26,38,827*	*18.42*	*49,15,313*	*34.31*	*22,76,486*	*15.89*
Public	*1,16,87,173*	*81.58*	*94,10,687*	*65.69*	*(22,76,486)*	*(15.89)*
Total	*14326000*	*100*	*14326000*	*100*	*0*	*0*

Nath Royal Limited (Promoter)	*13,04,188*	*9.10*	*35,80,674*	*24.99*	***22,76,486***	***15.89***
Individual shareholders holding nominal share capital up to Rs. 2 lakhs (Public)	*75,58,276*	*52.76*	*52,81,790*	*36.87*	***(22,76,486)***	***(15.89)***

It was observed that the Company revised the data provided by the RTA and filed incorrect shareholding pattern by increasing the promoter shareholding and decreasing the public shareholding.

4.4.7. *Similarly, vide emails dated December 15, 2022, December 29, 2022 (copy of the email is enclosed as **Annexure 18R**) and December 30, 2022 (copy of the email is enclosed as **Annexure 19S**), the Company has provided breakdown of adjustments done in the quarterly data provided by its RTA by deducting respective number of shares from the public category and adding the same to the shareholding of Promoter, Nath Royal Limited. The Company has admitted to submission of incorrect shareholding patterns from the quarter ended December 31, 2011 till the quarter ended December 31, 2021. (emails dated January 25, 2023 (copy of the email is enclosed as **Annexure 22Y**).*

In view thereof, it is alleged that Noticee 3 during their respective tenure, repeatedly failed to exercise professional judgment and continued to file incorrect disclosures contrary to the depository-generated data provided by the RTA on quarterly basis and therefore, violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015.

With regard to Noticee 4:

4.5. ***Submission of incorrect disclosure under Regulation 29(2) of SAST Regulations.***

In this regard, following was inter alia observed and/or alleged by SEBI:

4.5.1. *As per shareholding patterns available on the website of BSE, it was observed that the shareholding of Promoter and Promoter Group of the Company has been reduced from 34.31% as on December 31, 2021 to 18.42% as on March 31, 2022. The difference of 15.89% appears to be on account of the following transaction submitted by the Promoter, Nath Royal Limited:*

Transaction date	***Pre-txn shareholding & %***	***Post-txn shareholding & %***	***Change in shareholding %***	***Disclosure Req. Under SAST***	***Disclosure Submitted Under SAST***	***Delay in disclosure, if any***
02/02/2022	*35,80,674 shares (24.99%)*	*13,04,188 shares (9.10%)*	***15.89***	*Yes, under reg 29(2), read with 29(3)*	*Yes (23/06/2022)*	*94 working days*

Accordingly, the Promoter was required to make disclosure within 2 working days i.e. by February 4, 2022 to Company, BSE and NSE. However, the disclosure has been made on June 23, 2022. It may be noted that the date of disclosure is subsequent to the date of SCORES complaint.

4.5.2. *Information in this matter was sought from Promoter, Company, BSE, NSE, NSDL and CDSL:*

4.5.2.1. *Company, vide e-mails dated August 17, 2022 and August 19, 2022* ***(****copy of email is enclosed as* ***Annexure 3B)****, has admitted that delayed disclosure has been made for the transaction mentioned in above Table, on both BSE and NSE.*

4.5.2.2. *BSE, vide email dated August 19, 2022 (copy of email is enclosed as **Annexure 4C**), has confirmed receipt of disclosure on June 23, 2022, i.e. at a delay of 94 working days.*

4.5.2.3. *NSE, vide email dated August 19, 2022 (copy of email is enclosed as **Annexure 5D**), informed that no such disclosure was made by the Promoter with the exchange. Further, vide email dated August 30, 2022, NSE has informed that – "The Company had created an Equity Announcement rather than submission under SAST Disclosures of NSE. Thus, the Company was requested to use the NSE's Digital Portal to submit the disclosures under SAST, however the same has not been done by the Company/promoter."*

4.5.2.4. *The Promoter, vide e-mail dated August 30, 2022 (copy of email is enclosed as **Annexure 6E**), has admitted that the disclosures were made on June 23, 2022 at BSE.*

4.5.2.5. *NSDL, vide email dated September 2, 2022 (copy of email is enclosed as* ***Annexure 7F****), has informed that there was no sale of shares under the PAN of the Promoter.*

4.5.2.6. *CDSL, vide email dated September 2, 2022 (copy of email is enclosed as* ***Annexure 8G****), has informed that no demat account under PAN of Promoter is being maintained with them.*

4.5.3. *In view of the information received from NSDL and CDSL, further information on the sale of shares (including documentary evidence thereof) was sought from the Promoter and the Company.*

4.5.4. *Based on the detailed reply submitted by the Company vide emails dated September 16, 2022 (copy of email is enclosed as* ***Annexure 9H****), October 1, 2022 (copy of email is enclosed as* ***Annexure 10I****) and October 31, 2022 (copy of email is enclosed as* ***Annexure 11J****) and by NSE vide emails dated September 21, 2022 (copy of email is enclosed as* ***Annexure 12K****) and September 26, 2022 (copy of email is enclosed as* ***Annexure 13L****), it was observed that:*

4.5.4.1. *The Company Techindia Nirman Limited, formerly known as Nath Seeds Limited, underwent restructuring through demerger and got re-listed on BSE and NSE with effect from September 8, 2011;*
4.5.4.2. *The Promoter holds 13,04,188 shares (9.10%) shares of the Company;*
4.5.4.3. *Regulation 31(2) of SEBI LODR Regulations, 2015 (effective from December 2, 2015) requires entire shareholding of promoters of every company to be compulsorily in demat form. Further, from the quarters ended December 31, 2011 till September 30, 2015, the prescribed format for filing of shareholding pattern with stock exchanges did not require disclosure of physical and dematerialized shareholding separately. Therefore, examination of difference in shareholding of the Promoter (demat holding as per depositories vis-à-vis demat holding as per shareholding pattern) is undertaken starting from the quarter ended December 31, 2015.*
4.5.4.4. *From the quarters ended December 31, 2015 till December 31, 2021, the shareholding of said Promoter was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%);*
4.5.4.5. *Pursuant to letter dated March 16, 2022 received from NSE with respect to mismatch in demat holding of Promoter vis-à-vis quarterly disclosures (Flag M), the Company rectified the error and decreased the holding of said Promoter from 35,80,674 shares (24.99%) to 13,04,188 shares (9.10%), thereby decreasing the aggregate promoter holding by 15.89%, in the Shareholding Pattern filed for the quarter ended March 31, 2022;*
4.5.4.6. *No sale of shares has been done by the Promoter on February 2, 2022, as filed in the abovementioned disclosure dated June 23, 2022.*

In view thereof, it is alleged that Noticee 4 has made a false disclosure of sale of shares under Regulation 29(2) read with 29(3) of SAST Regulations and therefore, violated Regulation 29(2) read with 29(3) of SAST Regulations.

With regard to Noticee 4, Noticee 5, Noticee 6, Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15, Noticee 16, Noticee 17 and Noticee 18

4.6. ***Noticee 4: Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2021***

Noticee 5, Noticee 6 and 7: Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2014

Noticee 8: Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2013

Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15 and Noticee 16: Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2021

Noticee 17 and 18: Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2015 to FY 2021

In this regard, following was inter alia observed and/or alleged by SEBI:

4.6.1. *It was observed that none of the promoters of the Company (including Nath Royal Limited) has submitted Annual Disclosure under Regulation 30(2) of SAST Regulations for the financial years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019 and March 31, 2021. The same has been confirmed by BSE, NSE and the Company vide emails dated October 31, 2022, November 1, 2022 and November 2, 2022 (Copy of emails are enclosed as* ***Annexure 15N****) respectively.*

In view thereof, it is alleged that none of the Promoters (Noticee 4, Noticee 5, Noticee 6, Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15, Noticee 16, Noticee 17 and Noticee 18) of the Company have submitted disclosure under Regulation 30(2) read with 30(3) of SAST Regulations for the financial years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 and *therefore, have violated Regulation 30(2) read with 30(3) of SAST Regulations.*

4.7. *In brief, the following are alleged:*

4.7.1. *The Company has repeatedly filed incorrect Shareholding Patterns with respect to holding of Nath Royal Limited (Promoter) since the quarter ended September 30, 2011 till quarter ended December 31, 2021. Further, the Compliance Officer(s), during their respective tenure, repeatedly failed to exercise professional judgment and continued to file incorrect disclosures contrary to the depository-generated data provided by the RTA on quarterly basis.*

4.7.2. *The Company has repeatedly filed incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018 w.r.t. incorrect name of the Compliance Officer*

4.7.3. *Nath Royal Limited (Promoter) has made a false disclosure of sale of shares under Regulation 29(2) read with 29(3) of SAST Regulations, which has been confirmed by the Company.*

4.7.4. *None of the Promoters of the Company have submitted disclosure under Regulation 30(2) read with 30(3) of SAST Regulations for the financial years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021.*

….

“.

SSCN dated May 21, 2024 issued to Noticee 6

“…

2. *Considering that ‘Nath Pulp and Paper Mills Limited’ had been merged with ‘Rama Pulp and Papers Limited’ and that subsequently, the name of ‘Rama Pulp and Papers Limited’ has been changed to ‘Nath Industries Limited’, the name of Noticee 6 in the SCN dated October 19, 2023 may be read as Nath Industries Limited instead of Nath Pulp & Papers Mills Ltd.*

3. *All other paras/details, as mentioned in the said SCN, shall remain applicable. The contents of this SSCN shall be read along with the SCN dated October 19, 2023 issued in the captioned matter. Copy of SCN is enclosed as Annexure Z. (SCN and SSCN collectively referred to as SCNs)*

…”

SSCN dated May 21, 2024 issued to Noticee 7

“…

2. *Considering that the name of ‘Nath Capital and Financial Services Limited’ had been changed to ‘NCFS Limited’, name of Noticee 7 in the SCN dated October 19, 2023 may be read as ‘NCFS Limited’ (formerly known as Nath Capital & Fin Services Ltd.) instead of ‘Nath Capital & Fin Services Ltd’.*

3. *All other paras/details, as mentioned in the said SCN, shall remain applicable. The contents of this SSCN shall be read along with the SCN dated October 19, 2023 issued in the captioned matter. Copy of SCN is enclosed as Annexure Z. (SCN and SSCN collectively referred to as SCNs)*

…”

7. The SCN and SSCN was duly served on the Noticees and Noticee 6 and 7, respectively through SPAD and Email (hereinafter SCN and SSCN collectively also referred to as SCNs). Noticees submitted their common reply to the SCN vide email/letter dated November 01, 2023 and Noticee 6 and 7 have made similar submissions to the SSCN vide letter dated May 28, 2024 and May 27, 2024, respectively.

8. Having regard to principles of natural justice vide Hearing Notices dated November 28, 2023, an opportunity of personal hearing was provided to the Noticees on December 04, 2023. Vide email dated December 01, 2023, hearing was re-scheduled to December 05, 2023 due to administrative exigencies.

9. On the scheduled date of hearing, Noticees appeared in person through common Authorised Representative (AR) viz. Dr. (Capt.) Devinder Khurana. During the hearing, the AR for Noticees relied upon and reiterated the submissions made by Noticees vide email /letter dated November 01, 2023 and inter alia sought time till December 06, 2023, for making additional submission as final and complete submissions in the matter and the same was allowed. Noticees submitted their additional submissions vide email dated December 06, 2023.

10. Noticees submissions dated November 01, 2023 and December 06, 2023 to the SCN and Noticee 6 and 7's submission dated May 28, 2024 and May 27, 2024, respectively to SSCN are as under:

Noticees reply dated November 01, 2023 to SCN

"….

SEBI Observation and Reply there to

With Respect to Noticee No 1-

4.1 Submission of Incorrect Quarterly Shareholding Patterns Shareholding Patterns from the quarter September 30, 2011, till Quarter ended December 31, 2021, to BSE and NSE.

<u>Reply</u>

The reasons that led to filing of the incorrect shareholding patten since 2011 have already been explained to SEBI. We have nothing more to add to that please.

However, we would like to bring your kind attention to the u/m facts please.

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

With respect to Noticee Number 2.

4.2 Submission of Incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 2011 till the quarter ended September 30, 2017 and quarter ended March 2018 for Intimation of Incorrect Name of Compliance officer to NSE and BSE.

<u>Reply</u>

Ms. Krutika Apte was Company Secretary and Compliance Officer of the Company from May 1st, 2010. The name of Mr. Karthik Krishnamurthy was erroneously mentioned in Reconciliation of Share Capital Audit Report as Compliance Officer. This is basically a technical mistake and an oversight.

However, we would like to bring your kind attention to the u/m facts please.

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

With Respect to Noticee Number 3

4.3 Submission of Incorrect Quarterly Shareholding Patterns Since the Quarter ended December 31, 2011 till Quarter ended September 30, 2019 to BSE and NSE.

Reply

The reasons that led to filing of the incorrect shareholding patten since 2011 have already been explained to SEBI. We have nothing more to add to that please.

However, we would like to bring your kind attention to the u/m facts please.

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

With Respect to Noticee Number 4

4.4 Submission of Incorrect Quarterly Shareholding Patterns Since the Quarter ended December 31, 2019 till Quarter ended December 31, 2021 to BSE and NSE.

Reply

The reasons that led to filing of the incorrect shareholding patten since 2011 have already been explained to SEBI. We have nothing more to add to that please.

However, we would like to bring your kind attention to the u/m facts please.

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*

6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

With respect to Noticee Number 5

4.5 Submission of Incorrect Disclosure under Regulation 29 (2) of SAST Regulations.

Reply

The reasons that led to filing of the incorrect shareholding patten since 2011 have already been explained to SEBI. We have nothing more to add to that please.

However, we would like to bring your kind attention to the u/m facts please.
1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

With respect to Noticee Number 6 to 18.

4.6 Non-Submission of Annual Disclosure under Regulation 30 (2) and 30 (3) for Noticee Number 4 to Noticee Number 18

Reply

Annual Disclosure under Regulation 30 (2) was already submitted to Exchanges for the year 2016-17 to 2020-21.

The promoters failed to submit the other annual disclosures under Regulation 30, as per the notice above. It is submitted that the systems were not that aligned prior to FY 2016 and hence the compliance, though mandatory, was missed out by the promoter companies.

However, we would like to bring your kind attention to the u/m facts please.
1. *The omission, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Further the disclosures or intimations have been made at some point to the Statutory Authorities or otherwise thereby confirming the fact that the Company had bonafied intention to intimate/declare.*
4. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
5. *The company itself has also not accrued any gain from these omissions.*
6. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
7. *No inappropriate movement in the share price of the company occurred due to these omissions.*

Finally, we would like to submit as under: -

1. *The errors, mistakes or omissions, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *The omissions are basically technical in nature.*
4. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
5. *The company itself has also not accrued any gain from these omissions.*
6. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
7. *No inappropriate movement in the share price of the company has occurred due to these omissions.*

We request your kind self to please consider the omissions as an unintentional but avoidable omission and condone the same. We would ensure proper compliance and care in future.

We may also like to make a submission to the adjudicating authority to give an opportunity to present our case in person through our authorized representative.

….".

Noticees reply dated December 06, 2023 to SCN is given below:

"…

This is with reference to your email dated 20th October 2023 for above mentioned subject

1. *As regards to Noticee No. 1 to Noticee No 4 we would like to submit as under: -*

   a. *The basic default for Noticee No 1 to Noticee No 4 is same of being incorrect submission.*

   b. *Since the Techindia Nirman Limited the Company is also Noticee No 1 we would request that the penalty is being levied, be levied on Noticee No 1 for all the above Noticee No 1 to Noticee No 4 please.*

2. *As regards to Noticee No 5 to Noticee No 18, the Company would like to submit as under,*
   Their has been certain changes in the Noticees i.e.

   a. *Notice No 6- Nath Pulp and Paper Mills Limited has already merged with an other Company.*

   b. *Noticee No 7 Nath Capital and Financial Services Limited name has been Changed.*

   c. *Noticee No 8- Swamini Leasing & Invest Pvt Ltd is already strike off.*

   d. *Noticee No 5, 9, 10, 14 are basically non operational in nature.*

Further we would like to submit that the Noticee No 5 to Noticee No 18 are the Promoter/ PAC nature. We hereby request that penalty, if any to be levied by SEBI be levied to TECHINDIA NIRMAN LIMITED i.e. Noticee No 1 only.

We would once again like to submit that the errors or mistakes, in various issues, as above, were totally unintentional.
1. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
2. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
3. *The company itself has also not accrued any gain from these omissions.*
4. *Also, the promoters have not made any gain or mis used such omissions to their adv antage.*
5. *No inappropriate movement in the share price of the company occurred due to these omissions.*

We request your kind self to please consider the omissions as an unintentional but avoidable omission and condone the same. We would ensure proper compliance and care in future

..."

Noticee 6 (Nath Industries Limited) submission dated May 28, 2024 to SSCN:

"…

Please note that (Nath Pulp and Paper Mills Limited) merged with Nath Industries Limited, we as a Promoters failed to submit the Annual Disclosures under Regulation 30(2) read with 30 (3), of SEBI (SAST) Regulations for the FY 2012 to 2014. We hereby submit that the systems were not that aligned prior to FY 2016 and hence the compliance, though mandatory, was missed out by us.

We request your kind self to please consider the omissions as an unintentional but avoidable omission and condone the same. We would ensure proper compliance and care in future.

Please note that the reply is erroneously missed out on 27th May 2024, please condone the delay of 1 day for final submission.

Please consider this as our final submission for the Supplementary Show Cause Notice in the Matter of Techindia Nirman Limited.

…"

Noticee 7 (NCFS Limited (formerly knowns as Nath Capital & Fin Services Ltd.) submission dated May 27, 2024 to SSCN:

"...

This is with reference to your email dated 21st May 2024 for above mentioned subject.

We as a Promoters failed to submit the Annual Disclosures under Regulation 30(2) read with 30 (3), of SEBI (SAST) Regulations for the FY 2012 to 2014. We hereby submit that the systems were not that aligned prior to FY 2016 and hence the compliance, though mandatory, was missed out by us.

We request your kind self to please consider the omissions as an unintentional but avoidable omission and condone the same. We would ensure proper compliance and care in future.

Please consider this as our final submission for the Supplementary Show Cause Notice in the Matter of Techinidia Nirman Limited.

..."

11. I note that in the instant matter Noticees as part of their submissions vide common reply dated December 06, 2023 had inter alia stated that "*Noticee No 8- Swamini Leasing & Invest Pvt Ltd is already strike off.*" Therefore, the aforesaid submission of the Noticees needs to be dealt first, before proceeding to deal with the matter on merits.

11.1. In this regard, I note from the website of Ministry of Corporate Affairs (MCA) that the company status of 'Swamini Leasing And Investment Private Limited' is indicated as "Strike Off". Further in this regard, on perusal of the 'Form No. STK-7 pertaining to the Notice of Striking Off and Dissolution, as available on the MCA website, I note that vide ROC Notice No. ROC-MUM/Section 248/22774/stk-7/9182 dated December 14, 2018 Registrar of Companies, Mumbai pursuant to sub-section 5 of Section 248 of the Companies Act, 2013 had inter alia declared that names of the Companies as specified in Annexure "A" (Swamini Leasing And Investment Private Limited being at S. No.11012) had this day of 04.12.2018 been struck off from the register of companies and the said company was dissolved.

11.2. The applicable provision of the Companies Act, 2013 are reproduced for reference as follows:-

Effect of company notified as dissolved
250.Where a company stands dissolved undersection 248, it shall on and from the date mentioned in the notice under sub-section (5) of that section cease to operate as a company and the Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date except for the purpose of realising the amount due to the company and for the payment or discharge of the liabilities or obligations of the company.

11.3. I note that it is an established fact that when a company is struck-off, it is a non-existing company and the adjudication proceedings against the non-existing company is thus nullity. In this context, I would like to rely upon the judgment of the Hon'ble Delhi High Court in the case of *Commissioner of Income Tax (CIT) vs. Vived Marketing Services (P) Ltd*., ITA NO. 273/2009 dated September 17, 2009 in which it was held that -"*When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*

11.4. Strike off essentially means removing the name of the company from the Register maintained by the Registrar of Companies. As the Noticee 8 had been struck-off from the RoC and stands dissolved, it would not be appropriate to determine liability against it which no longer exists as on date of instant proceedings. In view of the foregoing, the instant adjudication proceedings against the Noticee 8 are hereby disposed of without going into the merits of the case. Should the Noticee 8 stand revived or restored at any stage, SEBI shall have the liberty to initiate proceedings afresh at that stage.

D. CONSIDERATION OF ISSUES AND FINDINGS:

The issues that arise for consideration in the present matter are following:

Issue No. I: Whether the Noticees have violated the provisions of SEBI (LODR) Regulations, 2015, SEBI (DP) Regulations, 2018, and SEBI (SAST) Regulations, 2011, as alleged?

Issue No. II: Do the violations, if any, attract monetary penalty under section 15A(b) and 15HB of SEBI Act, 1992?

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticees?

Issue No. I: Whether the Noticees have violated the provisions of SEBI (LODR) Regulations, 2015, SEBI (DP) Regulations, 2018, and SEBI (SAST) Regulations, 2011, as alleged?

12. I now proceed to deal with the matter on merit with respect to the allegations made against the Noticees in the SCNs.

13. I note from material available on record that the violations alleged in the SCN wrt to Noticee 1,2, 3 and 4 arises from the same set of facts. In this regard, I note that Noticees have made similar submissions save for being differently worded. Therefore, considering alleged violations arising out of same set of facts and having regard to common submissions of the Noticees same are being accordingly dealt conjointly as hereunder:

14. **With Respect to Noticee 1, Noticee 2, Noticee 3 and Noticee 4**

Noticee 1: Submission of incorrect quarterly shareholding patterns from the quarter ended September 30, 2011 till quarter ended December 31, 2021 to BSE and NSE.

In this regard, it was inter alia observed and alleged that Noticee 1 had repeatedly filed incorrect Shareholding Patterns with respect to holding of

Noticee 4 since the quarter ended September 30, 2011 till quarter ended December 31, 2021 and therefore, Noticee 1 had violated Regulation 31 read with Regulation 4(1)(c), 4(1)(e) and 4(1)(i) of SEBI (LODR) Regulations, 2015, Clause 35(b) of erstwhile Listing Agreement.

Noticee 2: Submission of incorrect quarterly shareholding patterns since the quarter ended December 31, 2011 till quarter ended September 30, 2019 to BSE and NSE.

In this regard, it was inter alia observed and alleged that the Noticee 2 during her tenure, repeatedly failed to exercise professional judgment and continued to file incorrect disclosures contrary to the depository-generated data provided by the RTA on quarterly basis and therefore, Noticee 2 violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015 and Clause 52(1)(b) r/w Clause 35(b) of erstwhile Listing Agreement.

Noticee 3: Submission of incorrect quarterly shareholding patterns since the quarter ended December 31, 2019 till quarter ended December 31, 2021 to BSE and NSE.

In this regard, it was inter alia observed and alleged that Noticee 3 during her tenure, repeatedly failed to exercise professional judgment and continued to file incorrect disclosures contrary to the depository-generated data provided by the RTA on quarterly basis and therefore, violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015.

Noticee 4: Submission of incorrect disclosure under Regulation 29(2) of SAST Regulations.

In this regard, it was inter alia observed and alleged that Noticee 4 has made a false disclosure of sale of shares under Regulation 29(2) read with 29(3) of SEBI

(SAST) Regulations, 2011 and therefore, violated Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011.

14.1. In this regard, it was observed by SEBI that the shareholding of Promoter and Promoter Group of the Company was reduced by 15.89% from 34.31% as on December 31, 2021 to 18.42% as on March 31, 2022. The difference of 15.89% was on account of the transaction dated February 2, 2022 as submitted by the Promoter, Noticee 4 viz; Nath Royal Limited. I note from material available on record that information had been sought by SEBI inter alia from the Promoter, Company, NSDL and CDSL. In this regard, NSDL vide email dated September 2, 2022 informed SEBI that there was no sale of shares under the PAN of the Promoter and CDSL, vide email dated September 2, 2022 had informed that no demat account under PAN of Promoter was being maintained with them. In view of the information received from NSDL and CDSL, further information about the sale of shares (including documentary evidence thereof) was sought by SEBI from the Promoter and the Company.

14.2. Based on the reply submitted by the Company vide emails dated September 16, 2022, October 1, 2022, and October 31, 2022 and by NSE vide emails dated September 21, 2022 and September 26, 2022, following was inter alia observed:

14.2.1. The Company Techindia Nirman Limited, formerly Nath Seeds Limited, underwent restructuring through demerger and got re-listed on BSE and NSE with effect from September 8, 2011.

14.2.2. The Promoter /Noticee 4 held 13,04,188 shares (9.10%) shares of the Company;

14.2.3. Regulation 31(2) of SEBI LODR Regulations, 2015 (effective from December 2, 2015) requires entire shareholding of promoters of every company to be compulsorily in demat form. Further, from the quarters ended December 31, 2011 till September 30, 2015, the prescribed format for filing of shareholding pattern with stock exchanges did not require disclosure of physical and dematerialized shareholding separately. Therefore, examination of difference in shareholding of the Promoter (demat holding as per depositories vis-à-vis demat holding as per shareholding pattern) was undertaken by SEBI starting from the quarter ended December 31, 2015.

14.3. In this regard, it was inter alia observed by SEBI that from the quarters ended December 31, 2015 till December 31, 2021, the shareholding of Promoter/Noticee 4 was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%) and pursuant to letter dated March 16, 2022 received from NSE with respect to mismatch in demat holding of Promoter vis-à-vis quarterly disclosures, the Company rectified the error and decreased the holding of said Promoter from 35,80,674 shares (24.99%) to 13,04,188 shares (9.10%), thereby decreasing the aggregate promoter holding by 15.89%, in the Shareholding Pattern filed for the quarter ended March 31, 2022.

14.4. In this regard, it was noted by SEBI that in actual, no sale of shares was done by the Noticee 4 on February 2, 2022, as filed in the disclosure dated June 23, 2022 and from the quarters ended December 31, 2015 till December 31, 2021, the shareholding of Noticee 4 was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%).

14.5. In this regard, firstly I note that the alleged violation has neither been denied nor disputed and instead the submissions of Noticees are in nature of admission in so far as Noticees as part of their submissions vide common reply vide letter dated November 01, 2023 and December 06, 2023 have inter alia submitted:

"….we would like to bring your kind attention to the u/m facts please.

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*

2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions."*

14.6. In this regard, it would be pertinent to refer to Regulation 31, Regulation 4(1)(c), 4(1)(e) and 4(1)(i) and Regulation 6(2) of SEBI (LODR) Regulations, 2015, Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011 and which inter alia reads as:

CHAPTER II
PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS OF LISTED ENTITY

Principles governing disclosures and obligations.

4. (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:
(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
(i) Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.

Holding of specified securities and shareholding pattern.

31. (1) The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time within the following timelines -
(a) one day prior to listing of its securities on the stock exchange(s);
(b) on a quarterly basis, within twenty one days from the end of each quarter; and,
(c) within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital:
Provided that in case of listed entities which have listed their specified securities on SME Exchange, the above statements shall be submitted on a half yearly basis within twenty-one days from the end of each half year.
(2) The listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.
(3) The listed entity shall comply with circulars or directions issued by the Board from time to time with respect to maintenance of shareholding in dematerialized form.
[170][(4) All entities falling under promoter and promoter group shall be disclosed separately in the shareholding pattern appearing on the website of all stock exchanges having nationwide trading terminals where the specified securities of the entity are

listed, in accordance with the formats specified by the Board.]

Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011

Disclosure of acquisition and disposal.

29.(1)…

"….

[95][(2)[96][Any person together] with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.]

…."

"…

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition [98][or the disposal] of shares or voting rights in the target company to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

…"

"…

Compliance Officer and his [42][/her] Obligations.

6. (1)…..

(2) The compliance officer of the listed entity shall be responsible for-

(a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

(b) co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.

(c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

(d) monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors:

Provided that the requirements of this regulation shall not be applicable in the case of units issued by mutual funds which are listed on recognised stock exchange(s) but shall be governed by the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

…"

14.7. From the combined reading of Regulation 31, 4(1)(c), 4(1)(e) and 4(1)(i) of SEBI (LODR) Regulations, 2015, Regulation 29(2) read with 29(3) of SEBI

(SAST) Regulations, 2011 and Section 15A(a) of SEBI Act, 1992, it is clear that the statement showing holding of securities and shareholding pattern as per Regulation 31 should not only be in the format specified by the Board rather it should not be incorrect and/or false. Further, Disclosure of acquisition and disposal as per Regulation 29(2) and 29(3) of SEBI (SAST) Regulations, 2011 should also not be incorrect and/or false.

14.8. In the present matter, I note that shareholding of Promoter (Noticee 4) was being erroneously filed as 35,80,674 shares (24.99%) in the quarterly shareholding patterns of the Company instead of 13,04,188 shares (9.10%) from the quarters ended December 31, 2015 till December 31, 2021 and thereby principles governing disclosures and obligations provided in Regulation 4(1)(c), 4(1)(e) and 4(1)(i) of SEBI (LODR) Regulations, 2015 and Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011 were not complied by Noticee 1 and Noticee 4, respectively.

14.9. Further, with regard to disclosures Hon'ble SAT in the case of M/s. Coimbatore Flavors & Fragrances Ltd. & Ors vs SEBI (Appeal No. 209 of 2014 order dated August 11, 2014), had inter held that:

"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."

Hon'ble SAT, in the aforesaid order, has articulated the importance of true and timely disclosures.

14.10. I also note that in Appeal No. 66 of 2003 – Milan Mahendra Securities Pvt. Ltd. Vs. SEBI – the Hon'ble Securities Appellate Tribunal (SAT) had observed that, "*the purpose of these disclosures is to bring about transparency in the* *transactions and assist the Regulator to effectively monitor the transactions in the market".*

14.11. Further, I note from Regulation 6(2)(a) of SEBI (LODR) Regulations, 2015 that the compliance officers (during relevant time which in the instant were Noticee 2 and Noticee 3) were inter alia responsible for ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit during their respective tenure.

14.12. In this regard, the relevant text of Regulation 6(2)(a) of SEBI (LODR) Regulations, 2015 is reproduced hereunder:

"….

Compliance Officer and his [42][/her] Obligations.

6. (1)…..
(2) The compliance officer of the listed entity shall be responsible for-
(a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

…"

14.13. In view thereof, the allegation, that Noticee 1 had submitted incorrect quarterly shareholding patterns from the quarter ended September 30, 2011 till quarter ended December 31, 2021 to BSE and NSE, that Noticee 2 had submitted incorrect quarterly shareholding patterns since the quarter ended December 31, 2011 till quarter ended September 30, 2019 to BSE and NSE, that Noticee 3 had submitted incorrect quarterly shareholding patterns since the quarter ended December 31, 2019 till quarter ended December 31, 2021 to BSE and NSE, that Noticee 4 submitted incorrect disclosure under Regulation 29(2) of SAST Regulations, stands established.

14.14. Accordingly, I hold, that Noticee 1 had violated Regulation 31 read with Regulation 4(1)(c), 4(1)(e) and 4(1)(i) of SEBI (LODR) Regulations, 2015, Clause 35(b) of erstwhile Listing Agreement, that Noticee 2 being compliance officer of Noticee 1 during relevant period had violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015, Clause 52(1)(b) r/w

Clause 35(b) of erstwhile Listing Agreement, that Noticee 3 being compliance officer of Noticee 1 during relevant period had violated Regulation 6(2) read with Regulation 31 of SEBI (LODR) Regulations, 2015, that Noticee 4 had violated Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011.

15. **With Respect to Noticee 1**

Submission of incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018, for intimation of incorrect name of Compliance Officer to BSE and NSE.

15.1. In this regard, it was inter alia observed and alleged in the SCN that the Noticee 1 has repeatedly filed incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018 w.r.t. incorrect name of the Compliance Officer and therefore violated Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018.

15.2. In this regard, it would be pertinent to refer to Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018 which inter alia reads as:

> *"….*
> *Audit*
> *76.(1) Every issuer shall submit audit report on a quarterly basis, starting from September 30, 2003, to the concerned stock exchanges audited by a qualified Chartered Accountant or a practicing Company Secretary [58][or a practicing Cost Accountant], for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.*
> *…."*
> .

15.3. In this regard, SEBI observed that there were discrepancies in the name of Compliance Officer of the Company in the Reconciliation of Share Capital

Audit Report (Mr. Karthik Krishnamurthy) vis-à-vis the Annual report of the Company (Ms. Krutika Apte) from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018. Details of Compliance Officer as provided by company are Ms. Krutika Apte (from May 1, 2010 till December 17, 2019) and Ms. Rajshree Jain (from December 17, 2019 till date). In this regard, SEBI observed that the name of Mr. Karthik Krishnamurthy was mentioned in Reconciliation of Share Capital Audit Report instead of Ms. Krutika Apte and Company has filed incorrect details of the Compliance Officer in its Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017.

15.4. In this regard, I note that the alleged violation has neither been denied nor disputed by Noticee 1 and instead submissions of the Noticee 1 are in nature of admission in so far as Noticee 1 has vide reply dated November 01, 2023 to the SCN inter alia submitted that:

"…

1. *The errors or mistakes, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
4. *The company itself has also not accrued any gain from these omissions.*
5. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
6. *No inappropriate movement in the share price of the company occurred due to these omissions.*

…"

15.5. In view thereof, the allegation that Noticee 1 had submitted incorrect Reconciliation of Share Capital Audit Report from the quarter ended September 30, 2011 till the quarter ended September 30, 2017 and the quarter ended March 31, 2018, for intimation of incorrect name of Compliance Officer, stands established and therefore, I hold that Noticee 1 had violated Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018.

16. **With regard to Noticee 4, Noticee 5, Noticee 6, Noticee 7, Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15, Noticee 16, Noticee 17 and Noticee 18**

Noticee 4, Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15 and Noticee 16 - Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2021; Noticee 5, Noticee 6 and 7 - Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2012 to FY 2014; Noticee 17 and 18 - Non-submission of annual disclosure under Regulation 30(2) read with 30(3) of SAST Regulations from FY 2015 to FY 2021

16.1. In this regard, it was inter alia observed and alleged that none of the Promoters viz., Noticee 4, Noticee 5, Noticee 6, Noticee 7, Noticee 9, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 14, Noticee 15, Noticee 16, Noticee 17 and Noticee 18 of the Company had not submitted the annual disclosures as required under Regulation 30(2) read with 30(3) of SEBI (SAST) Regulations, 2011 for the financial years ended from March 31, 2012 to March 31, 2021 and therefore, had violated Regulation 30(2) read with 30(3) of SAST Regulations. In this regard, I note from the material available on record the same had been confirmed by BSE, NSE and the Company, vide emails dated October 31, 2022, November 1, 2022 and November 2, 2022, respectively.

16.2. Here, it would be pertinent to refer to provisions of Regulation 30(2) and (3) of SEBI (SAST) Regulations, 2011 which inter alia reads as under:

"…

Continual disclosures.

30 (1)…

(2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to, —

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office."

16.3. In this regard, I note that Noticee 4-7 & 9-18 (hereinafter 'said Noticees', in short) have made common submissions and considering the submissions related to common allegation save for the time period being different, the same are being accordingly dealt with conjointly, as hereunder:

16.4. I note that the said Noticees have neither denied nor disputed the alleged violation on their part and instead submissions of the said Noticees are in nature of admission in so far as said Noticees vide their common reply dated November 01, 2023 to the SCN had inter alia submitted*, "the systems were not that aligned prior to FY 2016 and hence the compliance, though mandatory, was missed out by the promoter companies.*

"…. we would like to bring your kind attention to the u/m facts please.

1. *The omission, in various issues, as above, were totally unintentional.*
2. *There was NO intention to mis inform or mislead the statutory authorities or the investing community at large.*
3. *Further the disclosures or intimations have been made at some point to the Statutory Authorities or otherwise thereby confirming the fact that the Company had bonafied intention to intimate/declare.*
4. *Irrespective of the mistakes or omissions, NO investor of the company has been put to loss or his interest jeopardized.*
5. *The company itself has also not accrued any gain from these omissions.*
6. *Also, the promoters have not made any gain or mis used such omissions to their advantage.*
7. *No inappropriate movement in the share price of the company occurred due to these omissions."*

16.5. In view thereof, I hold that the allegation that Noticee 4-7 & 9-18 being Promoters of Noticee 1 had not submitted disclosure under Regulation 30(2) read with 30(3) of SEBI (SAST) Regulations, 2011 for the financial years ended from March 31, 2012 to March 31, 2021, stands established and therefore, I hold that Noticee 4-7 & 9-18 had violated Regulation 30(2) read with 30(3) of SEBI (SAST) Regulations, 2011.

Issue No. II: Do the violations, if any, attract monetary penalty under section 15A(b) and 15HB of SEBI Act, 1992?

17. It has been established in the preceding paragraphs that Noticees have violated the stated provisions of SEBI (LODR) Regulations, 2015, SEBI (DP) Regulations, 2018, and SEBI (SAST) Regulations, 2011.

18. In this regard, reliance is placed upon the order of the **Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006][5] SCC 361} –** wherein the Hon'ble Supreme Court of India held that, "In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…………...".

19. In view of the above, I conclude that the Noticee 1 and 2 are liable for monetary penalty under section 15A(b) and 15HB of the SEBI Act, 1992 and Noticee 3, 4, 5, 6,7,9,10,11,12,13,14,15,16,17 and 18 are liable for monetary penalty under section 15A(b) which reads as follows:

SECURITIES AND EXCHANGE BOARD OF INDIA, 1992
[62][CHAPTER VIA
PENALTIES AND ADJUDICATION

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—

"…
(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations [66][or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to [67][a penalty [68][which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];"

…"

"…

Penalty for 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 [104][liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]
…"

(Note: For complete /extant text, relevant Act / Regulations / Circular etc., may please be referred)

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticees?

20. While determining the quantum of penalty under section 15A(b) and 15HB of SEBI Act, 1992, it is important to consider the factors relevantly as stipulated in section 15J of the SEBI Act, 1992 which reads as under-

"….

Factors to be taken into account while adjudging quantum of penalty

15J. *While adjudging quantum of penalty under section 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.*

…."

21. In the instant case, I find that the material available on record does not quantify any disproportionate gain or unfair advantage or consequent loss caused to investor or group of investors or profit made by the Noticees as a result of the violations committed by the Noticees. There is nothing on record to show that the violations committed by the Noticees are repetitive in nature. However, I cannot ignore that compliance with extant applicable provisions of securities laws inter alia relating to disclosures, as in the instant case, was obligatory on part of the Noticees and which SEBI is duty-bound to enforce compliance of. In my opinion, in a disclosure based regime the essence is not only about making disclosures but also inter alia about timely, correct and complete disclosures, which, if compromised with, may pose threat to orderly functioning and integrity of the securities market besides having a bearing on trust and confidence of investors in the securities

market. I note that in the instant case concerned Noticees had repeatedly failed to and /or made incorrect disclosures, as brought out and dealt with in the foregoing. Accordingly, such violations on part of the Noticees, as in instant case, ought to be dealt with suitably.

E. ORDER

22. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticees and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w rule 5 of the SEBI Adjudication Rules, 1995, I hereby impose following penalty, as per table below, on the Noticees for the aforementioned violations, as discussed in this order. In my view, the said penalty will be commensurate with the violations committed by the Noticees in this case:

S. No.	**Noticee Name / Notice No.**	**Penalty Under Section**	**Penalty** (Amount Rs.)
1.	Techindia Nirman Limited *(Formerly: Nath Seeds Limited)* (Noticee 1)	Section 15A(b) and 15HB of the SEBI Act, 1992.	8,00,000/- (Rs. Eight Lakhs only)
2.	Krutika Apte (Noticee 2)	Section 15A(b) and 15HB of the SEBI Act, 1992.	4,00,000/- (Rs. Four Lakhs only)
3.	Rajshree Jain (Noticee 3)	Section 15A(b) of the SEBI Act, 1992.	1,00,000/- (Rs. One Lakh Only)
4.	Nath Royal Limited (Noticee 4)	Section 15A(b) of the SEBI Act, 1992.	5,00,000/- (Rs. Five Lakhs Only)
5.	Nath Royal Limited (Noticee 4)	Section 15A(b) of the SEBI Act, 1992.	9,00,000/- (Rs. Nine Lakhs Only) (Joint and Several)
6.	Nath Holding & Invest Pvt Ltd. (Noticee 5)		
7.	Nath Industries Limited (Noticee 6)		
8.	NCFS Limited *(Formerly: Nath Capital & Fin Services Ltd.)* (Noticee 7)		
9.	Nath Securities Limited (Noticee 9)		
10.	Nath Biotechnologies Ltd. (Noticee 10)		
11.	Tingli Finvest Pvt Ltd. (Noticee 11)		
12.	Prabha Farms Private Limited (Noticee 12)		

13.	Paresh Farms Private Limited (Noticee 13)		
14.	Jeevan Investment & Finance Pvt Ltd (Noticee 14)		
15.	Nanadkishor Laxminarayan Kagliwal (Noticee 15)		
16.	Jeevanlata Nandkishor Kagliwal (Noticee 16)		
17.	Ashu Farms LLP (Noticee 17)		
18.	Akash Farms LLP (Noticee 18)		

23. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW

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

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

PLACE: MUMBAI
DATE: June 28, 2024

AMAR NAVLANI
ADJUDICATING OFFICER