BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO: Order/SBM/VS/2022-23/17338-17343)

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 AND UNDER SECTION 23-I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005.

In respect of

1. **Transgene Biotek Ltd.,** (PAN No.: AABCT3840P), having address at: Plot No. 69 & 70, IDA Bollaram, District, Medak, Telangana-502325 (**Noticee No. 1**)

2. **Mr. K Koteshwar Rao,** (PAN No.: AHOPK5487E), having address at: 301, Plot No. 365, Road No. 24, Jubilee Hills, Hyderabad, Telangana- 500034 (**Noticee No. 2**)

3. **Mr. Soma Sekhar Marthi,** (PAN No.: ACAPM9616N), having address at: H No. 1-9-699, Flat No. 205, Parkview Apartments, Adikmet, Vidyanagar, Hyderabad, Telangana-500044 (**Noticee No. 3**)

4. **Mr. Narayana Murthy Pentyala,** (PAN No.: ANBPP4186A), having address at: Vila No. 4: Balaji Park Town, Nizampet, Hyderabad, Telangana-500090 (**Noticee No. 4**)

5. **Mr. Deepak Mishra,** (PAN No.: AIIPM4093P), having address at: 96/84, Old Ganesh Ganj, Lucknow, Uttar Pradesh-226018 (**Noticee No. 5**)

6. **Mr. Sampath Kumar Meesala,** (PAN No.: AIIPM9512D), having address at: Plot No. 60, Flat No. 501, Jyothi Homes, Srinagar Colony, Hyderabad, Telangan-500073 (**Noticee No. 6**)

In the matter of

Transgene Biotek Limited

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated investigation into the irregularities in the issue of Global Depository Receipts (hereinafter referred to as '**GDRs**') by Transgene Biotek Limited (hereinafter referred to as '**Company**'/'**TBL**'/'**Noticee No. 1**') during the period February 01, 2011 to June 30, 2013 (hereinafter referred to as the '**investigation period**'). During the course of investigation, it was observed that Noticee No. 1 came up with its

GDR issues on two different occasions: first on February 22, 2011 and second on October 03, 2011. In this regard, it is observed that Fundabilis GmbH, Munstergasse 128001 Zurich, Switzerland (hereinafter referred to as '**Fundabilis**') was the book running lead manager for the said two GDR issues of Noticee No. 1. The shares of the Noticee No. 1 are listed at BSE. It is observed that Mr. K Koteswara Rao, Promoter, Chairman & Managing Director, ('**Noticee No. 2**'), Mr. Soma Sekhar Marthi, Independent Director ('**Noticee No. 3**'), Mr. Narayana Murthi Pentyala, Executive Director ('**Noticee No. 4**') and P. K. Ghosh were the directors of the Noticee No. 1 during the investigation period. The face value of shares of Noticee No. 1 during the entire investigation period was ₹10/- per share. Prior to issue of shares on account of GDR issue, the total number of shares of Noticee No. 1 was 1,57,70,000. The price of scrip of Noticee No. 1 increased from ₹38.10/- per share on February 01, 2011 to ₹62.5/- per share on November 16, 2011. Subsequently, the price of the scrip fell to ₹2.83/- per share by the end of investigation period. The scrip closed at ₹2.10/- per share on March 21, 2018 at BSE. On February 22, 2011, Noticee No. 1 had issued 25,00,000 GDRs @ $9.2 per GDR (hereinafter referred to as "first issue") and again on October 03, 2011 it had issued 25,00,000 GDRs @ $7 per GDR (hereinafter referred to as "second issue"). Thus, total 50,00,000 GDRs were issued in the said GDR issues of Noticee No. 1. The details of the same are summarized in the table below:

Particulars	1st GDR Issue	2nd GDR Issue
GDR Opening and closing Date	February 22, 2011 - February 22, 2011	October 03, 2011 - October 03, 2011
No of GDRs and Underlying shares Issued	25,00,000 GDRs for 2,50,00,000 shares	25,00,000 GDRs for 2,50,00,000 shares
GDR to underlying Shares ratio	1:10	1:10
Capital Raised via GDRs	$23 million	$17.5 million
Market Cap at the time of GDR Issuance	₹82.4 crore (approx.) (on Feb 22, 2011)	₹121.5 crore (approx.) (on Oct 03, 2011) (including shares on account of 1st GDR)
No. of Equity shares prior to GDR Issue	1,57,70,000 shares	4,07,70,000 shares (including shares on account of 1st GDR)
Ratio of equity issued through GDRs to equity shares prior to GDR issue	1.59	0.61
GDR Issue Price	$9.2 per GDR/ ₹416.53 per GDR*	$7 per GDR/ ₹345.135 per GDR#
(Closing) Share Price on Issue Date at BSE	₹52.25	₹29.8
Lead Manager	Fundabilis GmbH Munstergasse 12 8001 Zurich, Switzerland	Fundabilis GmbH Munstergasse 12 8001 Zurich, Switzerland
International Bank Account Number of TBL where the GDR proceeds were initially deposited	A/c no. 020078 Investec Specialist Private Bank Investec Bank (Switzerland) AG Loewenstasse 29, 8001 Zurich	A/c no. 020078 Investec Specialist Private Bank Investec Bank (Switzerland) AG Loewenstasse 29, 8001 Zurich
Overseas Depository	The Bank of New York Mellon	The Bank of New York Mellon
*\$ - ₹ rate of 45.275 on Feb 22, 2011 # \$ - ₹ rate of 49.305 on Oct 03, 2011		

2. It is observed that Noticee No. 1 had granted Limited Power of Attorney (LPoA) to one Ms. Lok Teng Teng Dorothy (hereinafter referred to as "**Ms. Dorothy**") who was authorised to act as liaison officer between the Noticee No. 1 and the Investec Bank (Switzerland) AG (hereinafter referred to as "**Investec Bank**"), to inform to Investec Bank any instructions given by the Noticee No. 1 to purchase and/or sell securities, etc. and to instruct the bank to make or hold investments in the bank's name as nominee with any third party, etc.

3. Vide letter dated February 22, 2011 i.e. the date of 1st GDR issue, Noticee No. 1 had requested Investec Bank to take delivery of 25,00,000 GDRs in their account no. 020078. Subsequently, amounts were credited in the said account of Noticee No. 1 through various transactions by way of 'Stock exchange Sell' of GDR. Such sell transactions of GDR were carried out pursuant to instructions sent by Ms. Dorothy to Investec Bank. Vide another letter dated October 03, 2011 i.e. the date of 2nd GDR issue, Noticee No. 1 had requested Investec Bank to take delivery of 25,00,000 GDRs in its account no. 20078. Subsequently, amounts were credited in the said account of Noticee No. 1 through various transactions. Such sell transactions of GDR were carried out pursuant to instructions sent by Ms. Dorothy.

4. In the 1st GDR issue, Noticee No. 1 received $23.032 million in its Investec Bank account as proceeds of GDR sale. It was observed that out of the $23.032 million received by Noticee No. 1, in its Investec Bank Account, $23 million were transferred to various entities i.e. Fundabilis Pte Ltd. (hereinafter referred to as "**Funadabilis**") ($0.92million), SyMetric Sciences Inc. (hereinafter referred to as "**Symetric**") ($4.5 million) and Asia First Technologies Ltd. (hereinafter referred to as "**AFTL**") ($16.98 million) and account of Noticee No. 1 in India ($0.6 million). AFTL has further transferred $ 9.956 million to Fundabilis.

5. In the 2nd GDR issue made on October 3, 2011, Noticee No. 1 received approximately $ 17.5 million in its Investec Bank account, as proceeds of GDR sale, out of which $ 16.95 million were transferred to Transgene Biotek HK Ltd. (hereinafter referred to as "**TBL HK Ltd.**") and $.5 million were transferred to Funadabilis. Thereafter, out of $16.95 million received by TBL HK Ltd. were transferred to Sristek Consulting Pvt. Ltd. (hereinafter referred to as "**Sristek**") ($4.0 million) which were further transferred by it to Bluejet Express Pte Ltd. (hereinafter referred to as "**Bluejet**") ($2 million) and Asiarich Venture Ltd. (hereinafter referred to "**Asiarich**") ($ 2 million). Remaining $12.938 million were transferred by TBL HK Ltd. to AFTL which further transferred

this amount to Brindille Holdings Inc. (hereinafter referred to as "**Brindille**") ($ 12.663 million) and Blue Wings International Pte Ltd. (hereinafter referred to as "**Blue Wings**") ($ 0.275 million).

6. In the 1st GDR issue, there was no subscription of GDRs and all the GDRs were sold by Noticee No. 1 through 'stock exchange sell' to two entities namely, Leman Fund (hereinafter referred to as "**Leman**") and Sparrow Fund (hereinafter referred to as "**Sparrow**") during February 23, 2011 to April 13, 2011, i.e. after the 1st GDR issue closure date February 22, 2011.

7. In the 2nd GDR issue, out of 25,00,000 GDRs, 8,33,333 GDRs were sold by Noticee No. 1 through 'stock exchange sell' to the three entities namely, Leman, Sparrow and Davos International Fund (hereinafter referred to as "**Davos**") during October 14, 2011 to October 20, 2011, i.e., after the 2nd GDR issue closure date October 03, 2011. The remaining 16,66,667 GDRs were purchased by Sparrow and Davos on October 07, 2011, i.e. after the 2nd GDR issue closure date (October 03, 2011) and the payments were received by Noticee No. 1, in its account held with Investec Bank, much later (during November 03, 2011 to December 29, 2011).

8. During the investigation information was also sought from the Enforcement Directorate, Hyderabad (hereinafter referred to as "**ED**") and the same was taken into account by the investigating authority regarding various facts of the matter.

9. In view of the aforesaid facts, it is alleged that Noticee No. 1 to 4 had devised a scheme under which Noticee No. 1 made two GDR issues, the proceeds of which were diverted by them and, subsequently, involved in covering up of diversion of GDR issues' proceeds by legitimizing the same through back-dated agreement/invoices, concealing/making false statements in regard to utilization of GDR proceeds/non-receipt of technology and services in the Annual Reports of Noticee No. 1 for the financial years 2010-11, 2011-12 and 2012-13. It has also been alleged that Noticee No. 1 to 4 made false disclosures in the Annual Reports for financial years 2010-11, 2011-12 and 2012-13 regarding funds transferred to AFTL, Symetric and Sristek which were shown as Advances/Technology (in fixed assets). Such false and misleading disclosures and active concealment of material information had potential to influence the investment decisions of the investors in shares of Noticee No. 1 and has the capacity to induce gullible investors to buy or sell shares of Noticee No. 1. It is further alleged that Noticee No. 1 failed to inform the stock exchange of price sensitive information regarding entering into material service agreements, non–receipt of services as per service agreements that had a bearing on the operations/performance of Noticee

No. 1. It has also been alleged that Noticee No. 1 made false announcements at BSE regarding allotment of GDRs after the issue closure date, when there were no subscriptions till that date, thus deliberately showing a rosy picture to the investors in Indian securities market. Further, allegation is that Noticee no. 1 made delayed disclosure to BSE regarding setting up of wholly owned subsidiary i.e. TBL HK Ltd. which is in violation of Section 21 of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as '**SCRA**') r/w Clause 36(7) of the Listing Agreement. It has been further alleged that in terms of Accounting Standard-1 laid down by the Institute of Chartered Accountants of India (ICAI), financial statements should disclose all "material" items, i.e. items the knowledge of which might influence the decisions of the user of the financial statements. However, Noticee no. 1 failed to disclose material service agreements with AFTL and Symetric and non-receipt of services as per service agreements in the Annual Reports for the financial years 2010-11 to 2012-13. Thus, it is alleged that Noticee No. 1 did not comply with Accounting Standard - 1 which is violation of Section 21 of SCRA, r/w Clause 50 of the Listing Agreement, which requires a listed company to mandatorily comply with all the Accounting Standards issued by ICAI from time to time.

10. It is observed during the investigation that Mr. Deepak Mishra ('**Noticee No. 5**') had provided all the information to Allshores for setting up of TBL HK Ltd. and also coordinated the arrangement between Allshores and Noticee No. 1, and provided all the requisite documents and signed documents of Noticee No. 1. Noticee No. 5 through email Id paymentgateway65@gmail.com provided instructions from Noticee No. 1 to Allshores in respect of requests to take delivery of GDRs in Investec Bank account of Noticee No. 1, sell orders for Noticee No. 1 GDRs, transfer of GDRs, fund transfers from account of Noticee No. 1 (including closure), fund transfer from TBL HK Ltd.'s account to AFTL, Sristek and Blue Wings. There were also instructions in e-mails sent from the said email Id, for onward transfer of amounts from AFTL to Brindille and Blue Wings, and from Sristek to Bluejet and Asiarich. Instructions were also received from the said email id to Allshores to transfer funds from Fundabilis whose beneficial owner was Noticee No. 5. It was also noted that it is the same e-mail Id to which Noticee No. 3 had sent the details along with instructions to issue the four (4) back-dated invoices to be made in respect of AFTL i.e. the email dated September 13, 2011 which was issued by Noticee No. 3 (from email ID spcspl@gmail.com to paymentgateway65@gmail.com with a c.c. marked to Noticee no.6. In view of the aforesaid facts, it is alleged that Noticee No. 5 was involved in the entire scheme of diverting of the GDR proceeds of Noticee No. 1 and later legitimizing it through back-dated agreement and invoices, and hence, aided and abetted Noticee No. 1 in fraudulently diverting the proceeds of GDR issues.

11. It is further observed that in the aforesaid scheme of Noticee No. 1, Sristek received \$0.115 million and \$4.004 million from the proceeds of 1st GDR issue and 2nd GDR issue, respectively. It is also observed that Sristek is common shareholder between Symetric and AFTL, the two entities who entered into dubious agreements with Noticee No. 1. Therefore, Sristek acted as a conduit in diverting GDR proceeds and hence, Sristek had aided and abetted Noticee No. 1 in diverting the proceeds of two GDR issues. It is also observed that Mr. Sampath Kumar Meesala ('**Noticee No. 6**') was the director of Sristek and was also one of the beneficial owners of AFTL. Noticee No. 6 was associated/connected with AFTL, Symetric and Sristek, who acted as conduits in diverting GDR proceeds of Noticee No. 1. Noticee No. 6 provided revised agreement between Noticee No. 1 and AFTL for signatures to email id marked as paymentgateway65@gmail.com. Further, Noticee No. 6 also continued to mention that invoices may be prepared as per the payment milestones. It was further observed that Noticee No. 6 received email dated September 13, 2011 from Noticee No. 3 which contained the details of the invoices to be raised with back dating made (during March-April, 2011) in respect of amounts already transferred to AFTL and Symetric in March-April, 2011. In view of these facts, it is alleged that Noticee No. 6 was involved in the entire scheme of diversion of the GDR proceeds of Noticee No. 1 and later legitimizing it through back-dated agreement and invoices, and hence, aided and abetted Noticee No. 1 in diverting the proceeds of GDR issues. Hereinafter the Noticee Nos. 1 to 6 are also collectively referred to as '**Noticees**' in the context of the present proceeding.

12. Pursuant to the completion of the investigation and observations contained therein, SEBI initiated adjudication proceedings in respect of certain entities, including the Noticee No. 1 to 6 under the provisions of sections 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and 23E and 23H of the SCRA for their alleged violations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**'), SEBI(Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations, 1992**'), r/w SEBI SEBI(Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations, 2015**), the relevant provisions of SCRA r/w Listing Agreement. The details of the allegations against the Noticees are tabulated in following table:

Sr. No.	Name of the Noticee	Alleged Violations	Penalty Provisions
1	Transgene Biotek Ltd. (Noticee No. 1)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act
		Regulation 12 (2) r/w Schedule II to PIT Regulations, 1992 r/w Regulation 12 of PIT Regulations, 2015	Section 15HB of the SEBI Act
		Section 21 of SCRA r/w Clause 36 of Listing Agreement	Section 23E of the SCRA
		Section 21 of SCRA r/w Clause 50 of Listing Agreement	Section 23H of the SCRA
2	Mr. K Koteshwar Rao (Noticee No. 2)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act
3	Mr. Soma Sekhar Marthi (Noticee No. 3)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act
4	Mr. Narayana Murthy Pentyala (Noticee No. 4)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act
5	Mr. Deepak Mishra (Noticee No. 5)	Section 12A(a), 12A(b), 12A(c) of SEBI Act r/w Regulation 3(a), 3(b),3(c), 3(d), 4(1) of PFUTP Regulations	Section 15HA of the SEBI Act
6	Mr. Sampath Kumar Meesala (Noticee No. 6)	Section 12A(a), 12A(b), 12A(c) of SEBI Act r/w Regulation 3(a), 3(b),3(c), 3(d), 4(1) of PFUTP Regulations	Section 15HA of the SEBI Act

13. In view of the above, adjudication proceedings have been initiated against the Noticees under the provisions of sections 15HA and 15HB of the SEBI Act and also under sections 23E and 23H of the SCRA.

APPOINTMENT OF ADJUDICATING OFFICER

14. Pursuant to the transfer of Dr. Anitha Anoop, the erstwhile Adjudicating Officer ('**AO**') in the matter, vide *communique* dated November 3, 2020, the undersigned was appointed as the AO in the matter, to conduct the adjudication proceedings in the manner specified under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules**') and Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing) Rules, 2005 (hereinafter referred to as '**SCR Adjudication Rules**') and impose such penalty, as deemed fit, upon the Noticees, in terms of rule 5 of the SEBI Adjudication Rules and sections 15HA and 15HB of the SEBI Act and rule 5 of SCR Adjudication Rules and sections 23E and 23H of the SCRA.

SHOW CAUSE NOTICE, REPLY AND HEARING

15. Show Cause Notice ref. EAD-4/ADJ/BS/DS/OW/18492/1-7/2018 dated June 29, 2018 (hereinafter referred to as '**SCN**') was issued to the Noticees under the provision of rule 4(1) of the

SEBI Adjudication Rules r/w 15I of the SEBI Act and of rule 4(1) of the SCR Adjudication Rules r/w 23I of the SCRA for the aforesaid alleged violations by the Noticees.

16. The SCN dated June 29, 2018 was duly served upon Noticees through several alternative mode viz. speed post, hand delivery/ affixture and newspaper publication in terms of rule 7 of the SEBI Adjudication Rules and rule 7 of the SCR Adjudication Rules. The Noticees submitted their respective replies to the SCN and to the hearing Noticees issued to them. The details of mode of delivery of the SCN/ hearing Notice and their respective replies to the SCN are as follows:

Transgene Biotek Ltd. (Noticee No. 1), Mr. K Koteshwar Rao (Noticee No. 2), Mr. Soma Sekhar Marthi (Noticee No. 3) and Mr. Narayana Murthy Pentyala (Noticee No. 4)

a. The SCN dated June 29, 2018 was duly served upon Noticee Nos. 1 to 4 through speed post as per confirmation received from the postal department. In response to SCN, the Noticees made a common reply vide letter dated August 25, 2018.
b. Pursuant to reply of the Noticees, in the interest of natural justice, the erstwhile AO had given opportunities of personal hearing to the Noticee No. 1 to 4 on July 18, 2019 and which was communicate to them vide hearing notice dated June 11, 2019. In response to hearing notice dated June 11, 2019, Noticee No. 3 vide his letter dated July 16, 2019 requested to adjourn the said hearing on the medical ground of Noticee No. 2 & 4.
c. Thereafter, vide letter dated September 16, 2019, Noticee was advised to appear for hearing on October 04, 2019. In response to said letter the Noticee No. 2 vide his letter dated September 28, 2019 submitted that he is the Managing Director of the Noticee No. 1 and aware of all the facts of the case and his presence in the personal hearing is very much important and other Noticees (Noticee Nos. 1, 3 & 4) may not be in a position to substitute his presence in the hearing, however, he has requested to adjourn the said hearing on medical ground. Further, the Noticee No. 3 vide his letter dated September 30, 2019 submitted that Noticee No. 2 is the CMD of the Company and is aware of the facts and developments in the matter, and all the 4 Noticees intend to submit their common submissions during the hearing, and requested to reschedule the hearing together i.e. on the same day when Noticee No. 2 will appear before the AO. The Noticee No. 4 vide his letter dated September 30, 2019 submitted that he was only an employee director at that point of time in the Noticee No. 1 having limited knowledge on the GDR's and advised to the MD not to proceed with the GDR's but they have not considered his advice. Further, he has requested to postpone the scheduled hearing on medical grounds.

d. Pursuant to the request of the Noticee Nos. 2, 3 & 4, w.r.t. adjournment of personal hearing scheduled on October 04, 2019, SEBI vide email dated October 04, 2019 provided another opportunity of personal hearing to the Noticee Nos. 1 to 4 on November 11, 2019 and on further request of the Noticee, vide email dated November 08, 2019 the Noticee No. 1 to 4 were provided with another opportunity of personal hearing on November 19, 2019

e. In response to the email, the Noticee No. 2 requested to adjourn the said hearing citing medical conditions of the Noticees. In the said letter the Noticee No. 2 also informed that they were also in process of filing Writ Petition before the Hon'ble High Court of Andhra Pradesh & Telangana, seeking certain reliefs against the said Adjudication Proceedings initiated by SEBI. The Noticee No. 3 vide his letters dated November 06, 2019 and November 18, 2019 requested to adjourn the scheduled hearing on November 19, 2019 on medical grounds, and further requested that all the four Noticee s i.e. Noticee Nos. 1 to 4 may be heard together at a common personal hearing.

f. SEBI vide email dated December 04, 2019 provided another opportunity of personal hearing to the Noticee Nos. 1 to 4 on January 17, 2020. On scheduled date of hearing i.e. January 17, 2020, the Authorized Representatives (ARs) viz., Mr. L. S, Shetty, Advocate, Mr. U. R. Naik, Advocate, Mr. Prasad Bhabal, Advocate appeared on behalf of the Noticees No. 1 to 4 and requested to file additional reply to the SCN by January 31, 2020. The request of the ARs were acceded to and another opportunity of personal hearing was provided to them on February 05, 2020.

g. On February 05, 2020 the ARs appeared before the erstwhile AO on behalf of the Noticees No. 1 to 4 and placed a reply dated February 05, 2020, wherein request for additional documents were also made. During the hearing, it was informed to ARs that if those documents are relied upon in the SCN the same shall be provided to them, further a copy of Monetary Authority of Singapore (MAS) dated March 05, 2018, along with annexures, as requested by the Noticees, were also provided to ARs.

h. SEBI vide letter dated February 26, 2020, informed the Noticees that the documents which are being relied upon in the SCN have already been provided to them as annexures to the SCN and in case if they wish to make further submission, they may do so latest by March 12, 2020.

i. In response to SEBI's letter dated February 26, 2020, the ARs of the Noticee Nos. 1 to 4 vide letter dated March 06, 2020 requested certain documents. It was noted that the said documents were not relied upon while issuing the SCN. The ARs also informed about outcome of the Writ Petition filed by them in the Hon'ble High Court of Andhra Pradesh &

Telangana, w.r.t. to the instant proceedings and also provided the copy of order of the Court in this regard wherein Hon'ble court vide its order dated February 13, 2020 has held that SEBI shall not insist for the presence of the petitioners and rest of the adjudication may go on.

j. Thereafter, pursuant to the transfer of the erstwhile AO and appointment of undersigned as AO in the matter vide *communique* dated November 03, 2020, the said appointment of the AO was communicated to the Noticees on January 5, 2021 (vide email). The Noticee Nos. 1 to 4 were informed about the opportunity of inspection of documents being given to them and also advised to address further communication with Enforcement Department, SEBI for further communication. The Enforcement department, SEBI vide email dated January 27, 2021 provided the response of the Noticees Nos. 1 to 4 w.r.t. to the opportunity of inspection provided to them on January 21, 2021, wherein, the Noticees No. 2 has requested to postpone the date of inspection by at least two months.

k. The Enforcement Department, SEBI took note of the same and vide email dated June 25, 2021 provided another opportunity to the Noticees inspect the documents. In the said email the Noticee Nos. 1 to 4 were also advised to provide the list of documents to be inspected on the scheduled date of inspection. In response to said email of SEBI, the Noticee No.2 vide email dated June 27, 2021 again requested to postpone the inspection of the documents by another two months.

l. Subsequent to the order of the Hon'ble High Court of Andhra Pradesh & Telangana, w.r.t. the Writ Petition filed by the Noticee Nos. 1 to 4, SEBI filed an appeal before the Hon'ble High Court and the Hon'ble High Court vide its order dated August 16, 2021 dismissed the Writ Petition filed by the Noticees.

m. Thereafter, vide letters dated September 01, 2021, the Noticee No. 1 to 4 were provided with another opportunity to file their submission to the SCN. In response to the same, Noticee No. 2 vide Letter dated September 15, 2021, requested for inspection of documents and requested that owing to the medical condition and travel restriction, the matter may not be proceeded further.

n. SEBI vide letter dated February 02, 2022, provided another opportunity to Noticee Nos. 1 to 4 to file submission to the SCN and vide letter dated April 19, 2022 to appear before undersigned for hearing on May 10, 2022.

o. It is noted that although the Hon'ble High Court vide its order dated August 16, 2021 has dismissed the Writ Petition filed by the Noticee Nos. 1 to 4, in respectful compliance with the Hon'ble High Court order dated February 13, 2020, Noticee Nos. 1 to 4 were provided with an opportunity of personal hearing on May 10, 2022 through online videoconferencing on the CISCO Webex platform and this information was communicated to them through email as well as by way of speed post on April 19, 2022. In the said letter it was clearly mentioned that if they fail to avail the opportunity said hearing, the matter shall be proceeded on the basis of the material/facts available on record.

p. The Noticee No. 2 vide his letter dated May 01, 2022, made further submission w.r.t. the SCN and also requested to adjourn the hearing citing non-availability of his AR and also his medical condition. Further, the Noticee No. 2 vide his email dated May 15, 2022 informed that due to his medical condition he will not be in a position to attend the said hearing on May 10, 2022.

q. On the schedule date of hearing i.e., May 10, 2022, Noticee No. 3 appeared for the hearing and reiterated the submission made by him in his reply dated August 31, 2018 and further, requested for filling additional submission in the matter post-hearing. The Noticee No. 3 vide his letter dated May 18, 2022 also filed additional submissions in the matter.

r. It was observed that w.r.t. the Noticee No. 4, the letters dated September 01, 2021, February 02, 2022 and April 19, 2019had retuned undelivered with remark '*unclaimed/no such person*'. Therefore, in terms of rule 7 of the SEBI Adjudication Rules and rule 7 of SCR Adjudication Rules, the hearing opportunity was provided / informed to the Noticee No. 4 on May 27, 2022, through newspaper publication dated May 25, 2022 in Deccan Chronicle (Hyderabad Edition). In response to newspaper publication, the Noticee No. 4 vide his email and letter dated May 25, 2022 made his additional submissions and requested that since he was not staying in the said address, as mentioned in the newspaper publication, he was not aware of the personal hearing held on May 10, 2022. The Noticee No. 4 has further requested to adjourn the said hearing scheduled on May 27, 2022.

s. Therefore, in the interest of natural justice a final opportunity of personal hearing was provided to the Noticee No. 1, 2 & 4 on June 15, 2022. On schedule date of hearing i.e. June 15, 2022 the AR of the Noticee Nos. 1 & 2 appeared on behalf of the Noticees and made request for inspection of certain documents, which were earlier mentioned by the Noticee No. 1 to 4 vide letter dated February 05, 2020. It was observed that the request of the above documents was denied by the erstwhile AO vide letter dated February 26, 2020 and Noticees were advised to file further submissions, if any. However, the Noticees/AR was advised to file the written request in the matter, if any. The Noticee No. 4 also attended the hearing and reiterated the submission made by him vide his replies dated August 25, 2018 and May 25, 2022 to the SCN.

t. The AR of the Noticee Nos. 1 & 2, vide letter dated June 21, 2022 once again requested for certain documents to be inspected. In this regard, I note that the documents requested by the AR were not relied upon in the SCN. Further, I note that while issuance of SCN following list of documents were provided to the Noticees as annexures to the SCN.

Sr. No.	Document
1	Copy of letter of Noticee No. 1 dated August 21, 2013 to SEBI
2	Copy of account no. 020078 of Noticee No. 1 with Investec Bank (Switzerland) AG
3	Copy of Leman's letter dated November 13, 2017 (through email) to SEBI
4	Copy of Sparrow's letter dated November 13, 2017 (through email) to SEBI
5	Copy of Davos International Ltd.'s letter dated November 13, 2017 to SEBI
6	Copy of Bank statement of Symetric with Bank of Montreal
7	Copy of Bank statement of AFTL with HSBC
8	Copy of Bank Statement of TBL HK Ltd. with Standard Chartered Bank, Singapore
9	Copy of Bank Statement of Sristek with HSBC
10	Copy of Letter dated April 18, 2014 from Noticee No. 1 to SEBI
11	Copy of Letter dated June 24, 2014 from Noticee No. 1 to SEBI
12	Copy of Letter dated July 14, 2014 from Noticee No. 1 to SEBI
13	Copy of Letter dated July 28, 2014 from Noticee No. 1 to SEBI
14	Copy of Letter dated August 11, 2014 from Noticee No. 1 to SEBI
15	Copy of Letter dated March 16, 2015 from Noticee No. 1 to SEBI
16	Copy of Letter dated April 21, 2015 and August 12, 2015 from Noticee No. 1 to SEBI
17	Copy of Letter dated August 21, 2015 from Noticee No. 1 to SEBI
18	Copy of Letter dated December 23, 2015 on behalf of Noticee No. 1 to SEBI
19	Copy of Letter dated December 31, 2015 on behalf of Noticee No. 1 to SEBI
20	Copy of Letter dated July 13, 2016 from Noticee No. 1 to SEBI
21	Copy of Letter dated September 22, 2016 on behalf of Noticee No. 1 to SEBI
22	Copy of Letter dated March 9, 2017 and March 20, 2017 from Noticee No. 1 to SEBI
23	Copy of Letter dated April 10, 2017 from Noticee No. 1 to SEBI
24	Copy of Letter dated November 13, 2017 and email dated November 25, 2017 from Noticee No. 1 to SEBI
25	Copy of Letter dated March 2, 2018 and March 9, 2018 from Noticee No. 1 to SEBI
26	Copy of Email dated January 12, 2018 from Enforcement Directorate to SEBI
27	Letters – Agreement dated 7th January , 2011 entered into between Noticee No. 1 and AFTL
28	Copy of Email dated September 10, 2011 from Noticee No. 5
29	Copy of Email dated September 13, 2011 of Noticee No. 3
30	Copy of Relevant extracts of Annual Report of Noticee No. 1 for FY 2010-11
31	Copy of Relevant extracts of Annual Report of Noticee No. 1 for FY 2011-12
32	Copy of Relevant extracts of Annual Report of Noticee No. 1 for FY 2012-13
33	Copy of Relevant extracts (from Annual Report of Noticee No. 1 for 2013-14)

Sr. No.	Document
34	Copy of Letter dated April 5, 2012 of Noticee No. 1 to Dr. John Joseph (Project Coordinator), AFTL
35	Copy of Letter dated January 16, 2013 of Noticee No. 1 to Dr. John Joseph (Project Coordinator), AFTL
36	Copy of Letter dated August 15, 2013 of Noticee No. 1 to M/s. Sarath & Associates, Auditors
37	Copy of Bank statement of Noticee No. 1 of the Bank account held with Investec Bank
38	Copy of Certificate of Incorporation of TBL HK Ltd.
39	Copy of Disclosures made by Noticee No. 1 on BSE website
40	Copy of MAS letter dated March 2, 2018 to SEBI
41	Copy of Account opening form of Fundabilis

17. The brief details of the submissions made by Noticee Nos. 1 to 4 vide their aforesaid replies and during the course of hearings, are summarized as under:

a. The management of Noticee No. 1 was not aware of the fact that Mr. Nirmal Kotecha was man with criminal background. Noticee No. 1 is victim of fraud and forgery committed by Mr. Nirmal Kotecha and his associates.

b. The objective was to raise funds through GDR issue was a commercial decision and there was no ulterior motive to make any undue gain out of the same. The promoters or directors have neither received GDR proceeds nor misappropriated them.

c. In the year 2009-10, the management come across one Mr. Nirmala Kotecha who made tall claims of having a large network of contacts with various entities and individuals to source technologies and also to facilitate TBL's requirements in getting pre-clinical and clinical studies conducted abroad. The Company had no exposure to the international intermediaries, banking houses, foreign government procedures or GDR procedures. Therefore, the management believed Mr. Nirmal Kotecha to be true and that they could not visualize in all their wisdom about his real character and conduct.

d. Mr. Nirmal Kotecha and his accomplices orchestrated the modus operandi of the issue of GDRs and all the agencies, intermediaries, investors, banks, technology transfer companies, etc., were brought in by him and that the management of TBL were neither informed nor knew nor had any dealings with them.

e. The list of subscribers to GDRs was provided by Mr. Nirmal Kotecha and his accomplice Mr. Kishore Tapadia and their intention at that point of time was not suspected.

f. The GDR proceeds were put in by the entities belonging to Mr. Nirmal Kotecha and his accomplices and the same were routed back to the said entities without the knowledge of

TBL or its Promoters and Directors. The monies had never come into the Company or even into the country. The same was also confirmed.

g. Ms. Dorothy has misused the LPoA and gave instructions to Investec Bank to sell the GDRs without any authority received from TBL. Neither the Company nor its directors had issued any instructions either to the bank or to Ms. Dorothy.

h. There were no instructions given by Noticee No. 2 or any Director of Noticee No. 1 to Ms. Dorothy to sell GDRs to any entity including Leman, Sparrow or Davos.

i. Lead managers Fundabilis GmbH, Investec Bank, Ms. Dorothy, so called allottees and Mr. Nirmal Kotecha and his associates have connived with each other to defraud Noticee No. 1 and were successful to that extent.

j. The transfer of GDR funds from the account of Company in Investec Bank to the various entities was observed only from the statement of account received from Investec Bank. However, these payments were not authorized by Noticee No. 1 or any of its Directors.

k. In the case of TBL HK Ltd. and its account managed by Allshores, the names of payees i.e., AFTL and Sristek were revealed only when the audited Balance Sheet of TBL HK Ltd. was received in August, 2012 for the purposes of auditing of Noticee No. 1.

l. Noticee No. 2 filed an FIR with Bollaram Police in March, 2015 seeking their help in investigating the fraud played by Mr. Nirmal Kotecha and his coterie and also, sought their help in recovering the monies lost by Noticee No. 1.

m. The utilization of GDR proceeds reported in balance sheet for the financial years 2010-11, 2011-12 and 2012-13 as advances towards acquiring technology.

n. It is denied that there was any valid agreement dated January 07, 2011 with AFT'L. The said agreement comprising of nine pages but none of the pages were signed except the last page while the agreement dated March 07, 2011 sent by Noticee No. 1 to SEBI was signed by the Noticee No. 2 on each page and these facts prove that the agreement dated January 07, 2011 was a manipulated and doctored document by the person/organization who sent the same to SEBI.

o. The original invoices were raised before making the payment in March, 2011. However, due to certain corrections were to be made, Noticee No. 6 promised to send the corrected invoices. As the same were not forthcoming till September, 2011, the party was advised to send corrected invoices once again.

p. 20.18 Transfer of funds to various entities from the accounts of Noticee No. 1 and TBL HK Ltd. was carried out using forged letters of instruction by Ms. Dorothy and Investec Bank both acting under the advice of Mr. Nirmal Kotecha who were all appointed by him and Fundabilis GmbH.

q. The information on Symetric was provided by Mr. Nirmal Kotecha and Mr. Kishore Tapadia and verified by going through their website which was running at that time.

r. The agreement with AFTL and Symetrcik also provided default clause and clauses enabling refund of amounts in the event of failure or default.

s. Regarding the allegation of relationship with Ms. Dorothy and her dual role in signing on behalf of AFTL after signing as LPoA, Noticee No. 1 was not aware of, at that point in time that she would be the same person signing on behalf of AFTL also.

t. The condition to make payment of 57% before actual transfer of technology was based on special circumstance of transfer of new technology. It was the matter of understanding between the parties to arrive at milestone payments accordingly.

u. Though TBL HK Ltd. is a subsidiary of Noticee No. 1, strictly, it was not under direct control of TBL. The Subsidiary was created as per the advice of Mr. Nirmal Kotecha who had stated that it was a part of the scheme of GDR issue to facilitate smooth conduct of the GDR issue, collection of proceeds, transfer of monies and transfer of technologies, etc.

v. The technology was recognised as an asset and recorded in the books of account as per the advice of auditors for the year 2012-13 and continued beyond that period till it was noticed that some critical components were missing.

w. Noticee Nos. 1 to 4 denied the allegation that amounts transferred to AFTL, Symetric and Sristek were shown as advances in the Annual Reports prior to passing of the interim order dated November 20, 2014. Passing of interim order has no relevance to the already ongoing and extensive investigation taken up by the Noticee No. 2.

x. The agreements with AFTL and Symetric have come into existence after the offering circular as such the above arrangement not to be disclosed and signing such agreement was in the normal course of business. Further, in case of AFTL and Symetric, the technology and services offered were still uncertain and, therefore, it was not informed to BSE at that stage.

y. The statements made by Noticee Nos. 1 to 4 were not an afterthought while it could have been alleged that better due diligence should have been exercised in dealing with Mr. Nirmal Kotecha.

z. For monitoring the bank account, Noticee No. 1 was in touch with Mr. Nirmal Kotecha and his accomplice.

aa. Despite the Order dated August 17, 2017 by the Hon'ble SAT, SEBI ignored the evidence of ED nailing the involvement of Mr. Nirmal Kotecha who organized the entire fraudulent GDR scheme.

bb. The Noticee No. 2 came to know through the documents received from FINMA in February, 2017 about the extent of unauthorized sale of GDRs by Allshores through Investec Bank to three entities namely Sparrow, Leman and Davos, all located at the same address in Mauritius.

cc. The confirmation of incorporation of TBL HK Ltd. was received, with some delay, in September, 2011 from Mr. Nirmal Kotecha and then it was intimated to BSE.

dd. Ignoring all the voluminous evidence showing the fraud committed by Mr. Nirmal Kotecha with their accomplice, accusing Noticee Nos. 2 to 4 of diversion of GDR proceeds under the garb of advance / consideration for technology/service is travesty of justice and also appear to be shielding the guilty and punishing the victims.

ee. The Noticee No. 3 vide his letter dated May 18, 2022 submitted he was appointed as an independent professional director of the company w.e.f. November 19, 2011. He was never involved in the day-to-day affairs of the company nor was signatory to any documents, agreement, bank accounts, etc.

ff. The Noticee No. 3 used to participate in the Board meetings and advice on secretarial matters and other related issues as placed before the Board. The Noticee No. 3 submit that he was never a party to the sanction of payments, etc. With regard to email sent by Noticee No. 3, there was some audit objections in the invoices raised by the Company and despite several request from the company, revised invoices were not forthcoming hence, at the request of Noticee No. 2 he had sent a mail for expediting the revised invoices.

gg. The Noticee No. 4 vide his letter dated May 25, 2022 submitted that he was the employee director of Noticee No.1 till December 12, 2012. He had never known nor had any business relationship with Mr. Nirmal Kotecha, Mr Kishore Tapadia nor any of the intermediaries, bank, entities or any agencies associated with the GDR issue of the Noticee No.1 either prior to GDR issue nor after the GDR issue.

18. As regards the allegations levelled in the SCN in respect of Mr Deepak Mishra (Noticee no.5) and the submissions made by him in his replies, I note the following:

a. The SCN sent to Noticee No. 5 had returned undelivered. Thereafter, vide letter dated June 11, 2019, SCN was affixed on the last known available address of the Noticee No. 5 on June 28, 2019. In the said letter, the Noticee No. 5 was also provided with an opportunity of personal hearing before erstwhile AO on July 18, 2019. In response to the above affixture, the Noticee No. 5 vide his email dated July 16, 2019 informed SEBI about authorizing Mr. R. S. Loona, Advocate and M/s. Alliance law and its partners and associated to appear and make representation on his behalf and also requested to provided SCN along with annexures to his Advocates. The Noticee No. 5 vide letter dated July 16, 2019 also requested to grant inspection of documents to his Advocates and also sought extension of time to file reply to the SCN. It is observed that vide letter dated September 16, 2019, Alliance Law was informed about the request made by the Noticee no 5 for the inspection of documents to the concerned department of SEBI and also advised to address further communication if any, in the matter, with the said department.

b. Thereafter, vide letter dated September 01, 2021, the Noticee No. 5 was advised to submit reply to the SCN by September 20, 2021. However, no reply was received from the Noticee No. 5. SEBI vide its letter dated February 02, 2022 advised Alliance Law (Noticee No. 5 representative) to submit reply to the SCN. Alliance Law vide its letter dated February 16, 2021 submitted that it no longer represents Noticee No. 5 in any of the proceedings before SEBI. Subsequently, a letter dated February 22, 2022 was received from Transcorporate Legal Sevices LLP on behalf of the Noticee No. 5 who also made the submission to the SCN on behalf of Noticee no.5. In the interest of natural justice, the Noticee No. 5 was provided an opportunity of personal hearing on May 10, 2022. On the scheduled date of hearing, Mr. S. Neelakantan (AR) attended the hearing on behalf of the Noticee No. 5 and reiterated the submission made by the Noticee No. 5 in his reply dated February 22, 2022 to the SCN. The brief details of the submissions made by Noticee Nos. 5 vide his reply dated February 22, 2022 and during the course of hearings, are summarized as under:

   i. The Noticee was acting as an agent to Sristek and entities instructed by Sristek in connection with setting up various subsidiaries of Sristek. Sristek was owned and controlled by one Mr. Nirmal Kotecha.
   ii. He had no connection whatsoever with Noticee No. 1 and its promoters or directors.
   iii. During the commencement of the assignment, a group email id (paymentgateway65@gmail.com) was created which was accessible to the person associated with the assignment i.e. Mr. Shilpi Chowdhry, Mr. Nirmal Kotecha, Noticee and Allshores.
   iv. The instructions to be addressed to Allshores were drafts saved in the folders of (paymentgateway65@gmail.com) which were prepared by the office of Mr.

Nirmal Kotecha and the Noticee No. 5 was required to issue the same to Allshores.

v. The Noticee No. 5 was wrongly shown as director of Fundabilis and it was holding one share of Mr. Nirmal Kotecha as his nominee and that Mr. Nirmal Kotecha was the real beneficiary. The said holding of one share as a nominee was pursuant to declaration of trust deed dated June 30, 2010 in terms of which the Noticee was not entitled to transfer, deal with or dispose of the said share and was bound to give account of dividend and profits to Mr. Nirmal Kotecha.

19. As regards the allegations levelled in the SCN against Mr Sampath Kumar Meesala (Noticee no.6) , the following observations are made:

a. The SCN sent to Noticee No. 6 had returned undelivered and, thereafter, attempts were made to serve the SCN and Notice of hearing by way of affixture of the letter/notices at the address of Noticee No. 6 on June 28, 2019 and April 26, 2022. Further, the SCN could not be served upon the Noticee No. 6, by way of affixture at his last known address which was available on record. In view of the said facts, in terms of rule 7(d) of the SEBI Adjudication Rules and rule 7(d) of the SCR Adjudication Rules, a public notice was issued in the newspaper dated April 25, 2022 namely, Deccan Chronicle (Hyderabad Edition) with regard to the issuance of the SCN as well as the opportunity of personal hearing which was provided to Noticee No. 6 on May 27, 2022. However, it was observed that neither the Noticee No. 6 nor his authorized representative appeared for the hearing on the scheduled date. Further, Noticee No. 6 also failed to make his written submissions to the SCN. It was observed that, vide the aforementioned public notice, it was clearly mentioned that in case of failure to submit their reply and/or failure to appear for the hearing, the case would be proceeded against the Noticee No. 6 on the basis of the material /facts available on record.

b. As already stated, Noticee No. 6 has neither filed any reply to the SCN nor availed the opportunities of personal hearing despite the service of the Notice upon him, as aforesaid. In the facts and circumstances of the case, I am of the view that Noticee No. 6 has been provided with adequate opportunities to make his submissions and to appear for the hearing in the said matter. Therefore, in terms of rule 4(7) of the SEBI Adjudication Rules and 4(7) of the SCR Adjudication Rules, I am inclined to proceed further in the matter *ex-parte* on the basis of facts/ material on record. Further, it is also a case that the charges / allegations have been levelled on Noticee No. 6 based upon the dealings of the Noticee No. 6 in the matter of GDRs issued by the company and also the supporting material that were annexed along with the SCN issued to him during the course of proceedings. In this regard, it is pertinent to draw reference to the order of the Hon'ble Securities Appellate Tribunal (**'SAT'**) in the matter of *Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006)* wherein Hon'ble SAT has, *inter-alia*, observed that, *"........... the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".* It is also pertinent to note that the Hon'ble SAT in the matter of *Sanjay Kumar Tayal & Others vs SEBI (Appeal No. 68 of 2013 decided on February 11, 2014)*, has also, *inter alia*, observed that: *"....... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..."*

Therefore, in view of the above observations, I am inclined to proceed further in the matter in respect of the Noticee No. 6 on the basis of facts/material on record.

CONSIDERATION OF ISSUES AND FINDINGS

20. I have carefully perused the SCN including all the annexures as referred to in the SCN, the submissions made by the Noticee Nos. 1 to 5 and also the documents/records /material made available during the course of the proceedings, including the investigation report ('**IR**') in the said matter. I have also perused the findings/ observations brought out in the IR and the allegations levelled in the SCN in respect of Noticee No. 6.

21. In the context of the present matter, I find that, based on the irregularities observed in the GDR issuances of Noticee no 1, WTM-SEBI had passed Orders dated November 20, 2014 (interim order), March 09, 2016 (confirmatory order) and Order dated August 28, 2019 (final order) against the Noticees under the provisions of sections 11 (1), 11 (4) and 11 B of the SEBI Act and various enforcement actions were initiated against the Noticees, including debarment from securities market, also to recall the direction to recall the outstanding amount of USD 38.5 million and to bring the money back into the bank account of Noticee no 1 within a period of 1 year from the date of the final order etc.

22. Before dealing with the aforesaid charges in seriatim, the relevant legal provisions, the contraventions of which have been alleged in this case against the Noticees are mentioned as under:

SEBI ACT

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

12A.No person shall directly or indirectly—

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

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

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

PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

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

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(a) to (e)…

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

(g) to (j)…

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

(l) to (q)…

(r) planting false or misleading news which may induce sale or purchase of securities.

SCRA

Conditions of Listing

21. Where securities are listed on the application of any person in any recognised Stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange.

LISTING AGREEMENT

Clause 36

Apart from complying with all specific requirements as above, the Company will keep the Exchange informed of events such as strikes, lock-outs, closure on account of power cuts, etc. both at the time of occurrence of the event and subsequently after the cessation of the event in order to enable the shareholders and the public to appraise the position of the Company and to avoid the establishment of a false market in its securities. In addition, the Company will furnish to the Exchange on request such information concerning the Company as the Exchange may reasonably require. The Company will also immediately inform the Exchange of all the events, which will have bearing on the performance/operations of the company as well as price sensitive information. The material events may be events such as:."

(1) to (6) …

(7) Any other information having bearing on the operation/performance of the company as well as price sensitive information, which includes but not restricted to;

i) Issue of any class of securities.

ii) Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the company, etc.

iii) Change in market lot of the company's shares, sub-division of equity shares of company.

iv) Voluntary delisting by the company from the stock exchange(s).

v) Forfeiture of shares.

vi) Any action, which will result in alteration in, the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the company.
vii) Information regarding opening, closing of status of ADR, GDR, or any other class of securities to be issued abroad.
viii) Cancellation of dividend/rights/bonus, etc.
The above information should be made public immediately."

Clause 50

The company will mandatorily comply with all the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) from time to time.

PIT Regulations, 1992

12. Code of internal procedures and conduct for listed companies and other entities.
(1) …
(2) The entities mentioned in sub-regulation (1), shall abide by the code of Corporate Disclosure Practices as specified in Schedule II of these Regulations.

Schedule II

2.0 Prompt disclosure of price sensitive information
2.1 Price sensitive information shall be given by listed companies to stock exchanges and disseminated on a continuous and immediate basis."

PIT Regulations, 2015

Repeal and Savings.

12. (1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.
(2) Notwithstanding any such repeal, -
(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and…"

Consideration of issues/evidence - Noticee Nos. 1 to 4

23. It is observed from the investigations that Noticee no 1 and its directors i.e Noticee nos. 2 to 4 were involved in the fraudulent manner in which the GDRs were issued in the year 2011 by Noticee no 1 (two GDR issues) and the subsequent diversion of the GDR proceeds. It is alleged that Noticees have devised a scheme under which Noticee No. 1 made two GDR issues, the proceeds of which were diverted by them and, subsequently, involved in covering up the diversion of the GDR issue proceeds by legitimising the same through back-dated agreements/invoices, concealing /making false statements in regard to utilisation of GDR proceeds/ making false disclosures in the Annual Reports about the GDRs etc. In this regard, it is noted that the Noticee Nos. 1 & 2 have denied the above allegation of devising the fraudulent scheme of GDR and requested SEBI to provide them with opportunity of the inspection of certain documents. In this regard, I note from the SCN that none of the documents as desired by the AR of the Noticees were relied upon in the SCN issued to the Noticees. Further, I note from the records that Noticees were already provided with ample opportunities of inspection of documents (on two occasions) i.e on January 21, 2021 and June 27, 2021. On both the occasion, the Noticees failed to avail the opportunities provided to them citing various reasons as elaborated in the previous paragraphs. Further, I also note that the request for inspection of documents by the Noticee Nos. 1 & 2 (vide letter dated June 21, 2022) was post hearing held on June 15, 2022. Further, the relevant document relied upon while issuance of the SCN were already provided to the Noticee Nos. 1 & 2 as annexure to SCN. Further, it is noted that there were about 41 enclosures/annexures that were sent to the Noticees along with the SCN. Therefore, in my view, Noticees No. 1 & 2 were given ample opportunities for inspection of documents and therefore, the request of documents made by them post hearing is baseless and without any merit. On the contrary, the request for inspection of documents made by the Noticees time and again clearly show the dilatory tactics employed by the Noticees to prolong the proceedings. Therefore, the request made by Noticee Nos. 1 & 2 is not tenable. Further, in the context of the present proceedings, pursuant to final order dated August 28, 2019 (final order) passed by WTM-SEBI, the Noticees have in the present adjudication proceedings sought adjournment of the submission of their reply to SCN and also the opportunity of hearing on multiple occasions citing various reasons viz. WP filed before Hon'ble HC of Andhra Pradesh and Telengana, health reasons of the MD, non-availability of AR etc. This has prolonged the progress of the present proceedings.

24. The fact that the company had issued the two GDRs during the investigation period is not a disputed fact by the Noticees. However, Noticees have claimed that as per the advice of one Mr.

Nirmal Kotecha, the company i.e Noticee No. 1 floated a subsidiary in Hong Kong and entered into an agreement with AFTL and Symetric for purchase of technology/services. Thus, it has been contended by the Noticees concerned that the whole scheme of GDR issue and diversion of the GDR proceeds was done at the behest of Mr. Nirmal Kotecha and his associates who have defrauded them. In this regard, it is observed that Noticee no 1 had filed a police complaint with the Bollaram Police Station about the wrongdoings of Mr Kotecha and claimed that it had also lodged a complaint with the ED. I do not find any merit in such submissions of Noticee nos 1 and 2. I note that Noticee No. 1 has made two GDR issues in the year 2011 for a total amount of $40.5 million, through approval of its board of directors and the proceeds of two GDR issues were also received in its account held with Investec Bank. The contention of the Noticees by shifting the blame on Mr Kotecha cannot be accepted. It is the issuer of the GDRs who is mainly responsible for the issue made by it and it cannot escape such liability contending that it was done at the behest of third persons.

25. As regards the FIR filed by Noticee no 1 at Bollaram Police Station. I note that the GDR issues were made in the year 2011 and Noticee No. 1 was aware of transfer of GDR proceeds in May, 2011 itself, however, the FIR before Bollaram Police Station, Hyderabad was filed after a lapse of a period of four years. Noticee No. 1 has also not furnished any information about further proceedings on the said FIR, like filing of charge sheet by the authorities, etc. despite the lapse of a period of more than 4 years since filing of FIR. It is noted that the FIR filed by Noticee No. 1 at Bollaram Police Station was closed by the Police for lack of evidence as recorded in the order dated April 28, 2016 passed by the Hon'ble High Court of Hyderabad in Criminal Petition No. 6664 of 2016 filed by Mr. Nirmal Kotecha to quash the proceedings against him in Crime No. 28 of 2015 on the file of the Bollaram Police Station, Hyderabad. Regarding alleged complaint claimed to have been made by the Noticee no 1 to ED, I note that the ED, in its email dated January 12, 2018 sent to SEBI, has denied receipt of any complaint from Noticee No. 1. Hence, the contention of the Noticees concerned that whole scheme of GDR issue and diversion of the GDR proceeds was done on the behest of one Mr. Nirmal Kotecha and his associates, is not tenable.

26. In respect of the allegation of diversion of GDR issue proceeds and subsequent cover thereof, the Noticees concerned have submitted that Noticee No. 1 had entered into agreements with AFTL and Symetric on March 07, 2011 and March 02, 2011, respectively, for availing certain services and technology. It is claimed that under these agreements, Noticee No. 1 was required to give to Symetric and AFTL, $8.5 million and $30 million, respectively. In this regard, SCN/IR has noted

that Noticee No. 1 had already entered into an agreement with AFTL on January 07, 2011 for a total consideration of $16.98 million, for the same scope of services, which was transferred to AFTL out of the proceeds of 1st GDR issue. This agreement dated January 07, 2011 was not disclosed by Noticee No. 1 to SEBI. Certain observations regarding these stated agreements are as under:

a. These agreements do not bear the seal of either of the party companies to the agreements, i.e. Noticee No. 1, AFTL and Symetric.
b. There is no board resolution, of either of the company party to the respective agreements, annexed to such agreements, indicating authorization to execute such agreements or to show that the signatories were authorized to sign such agreements.
c. These agreements do not contain signature of any witnesses.
d. There is no document on record to indicate that officials/directors of Noticee No. 1 had ever visited or contacted any person of either AFTL or Symetric prior to the signing of agreements.
e. Ms. Dorothy, who was already holding LPoA of Noticee No. 1 for managing its account with Investec Bank., signed the agreement on behalf of AFTL also.
f. These agreements provide for arbitration/filing of suit for damages, in case of dispute between the parties, however, Noticee No. 1 has not initiated any such arbitration/suit for damages, for non-receipt of services/technology for which the agreements were stated to be signed.
g. Agreement dated January 07, 2011 entered by Noticee No. 1 with AFTL was for providing certain services and technologies to Noticee No. 1 in consideration of $16.98 million and providing for advance payment of 80% of the consideration to AFTL. Said agreement was revised in the month of September, 2011 with back dating to March 07, 2011 wherein the consideration value was increased to $30 million and making provision for advance payment of 57% of the consideration value of $30 million (i.e. issue proceeds from both the GDR issues). The said agreement was created to legitimize the diversion of proceeds of 2nd GDR issue also, as a consideration towards receipt of services/technology by Noticee No. 1.
h. Email dated September 10, 2011 sent by Noticee No. 6 to paymentgateway65@gmail.com seeking signature of Noticee No. 1 and AFTL on the draft agreement, indicates that the agreement dated March 07, 2011 was signed in September, 2011 (with back dating) and also the invoice, for the payment alleged to be made under said agreement, were created sometime in September, 2011 for the payment already made to AFTL and Symetric in March – April, 2011.

27. All the aforesaid facts show that these stated agreements were created primarily to cover-up the scheme to divert the proceeds of two GDR issues and Noticee No. 1 was part of the fraudulent scheme of issue of GDRs, diversion of the proceeds of the two GDR issues and subsequent cover up of these diversion of funds by creating agreements which were not even properly executed. Assuming submissions of Noticees concerned regarding entering into agreements with AFTL and Symetric are correct, then Noticee No. 1 ought to have disclosed the details of its agreement with AFTL and Symetric to the BSE. But it has failed to do so.

28. I further note from the SCN/IR that misleading announcement was made by Noticee No. 1 to BSE on February 23, 2011 in respect of its 1st GDR issue stating that the Board of Directors of Noticee No. 1 at its meeting held on February 22, 2011 has allotted 25,00,000 GDRs at a price of \$9.2 per GDR aggregating to \$23 million. Similarly, misleading announcement was again made by Noticee No. 1 in respect of its 2nd GDR issue to BSE on October 04, 2011 stating that the Board of Directors of Noticee No. 1 at its meeting held on October 03, 2011, has allotted 25,00,000 GDRs at the price of \$7 per GDR aggregating to \$17.5 million. Noticee No. 1 vide its reply dated June 04, 2018 has denied the allegation and submitted that the disclosures were made based on the information provided by Mr. Nirmal Kotecha which was stated to have been confessed by him in the statement made before Enforcement Directorate. It was also submitted that after consistent efforts of Noticee No. 2, they came to know only in February, 2017 that the GDRs were sold through Investec Bank. In this regard, I note that 1st GDR issue made by Noticee No. 1 on February 22, 2011 was not subscribed and instead sold through 'stock exchange sale' during February 23, 2011 to April 13, 2011 i.e. after closure of issue on February 22, 2011. Similarly, 2nd GDR issue made on October 03, 2011 was also not subscribed and the same was also sold through 'stock exchange sale' during October 14, 2011 to October 20, 2011 i.e. after closure of issue on October 03, 2011. Therefore, there are false disclosures by Noticee No. 1 to the stock exchange. The explanation given by Noticee No. 1 by shifting the culpability on some other third person to avoid the liability for making wrongful announcement to BSE, is not tenable. It is the responsibility of the issuer/listed company to verify the genuineness of the information being provided to the stock exchange and it cannot be an excuse that the same was based on the information provided by another person/entity. Moreover, such false information shared by a listed company with the stock exchanges would adversely impact the investors.

29. I further note from the SCN/IR that Noticee No. 1 in the Annual Reports for the financial years 2010-11, 2011-12 and 2012-13 showed amounts transferred to AFTL, Symetric and Sristek as

advances for receipt of technology. Whereas, in the Annual Report for financial year 2013-14, it was mentioned that certain balancing components are yet to be received. The said technology was never received by Noticee No. 1 and the disclosure of receipt of technology from AFTL and disclosure of amounts transferred by Noticee No. 1 and TBL HK Ltd. to Symetric, AFTL and Sristek were shown as advances in the Annual Reports for the financial years 2010-11, 2011-12 and 2012-13, in an attempt to cover-up the diversion of GDR proceeds. I note that in the annual report for the year ended March 31, 2013, the following is mentioned:

> *"As per the information and explanations given to us, the Company had carried out the physical verification of the Fixed Assets during the year under review and we have been informed that such verification did not reveal any material discrepancies."*

In the annual report for the financial order 2013-14, Noticee No. 1 made the following statement:

> *"As per the information and explanations given to us, the fixed assets have been physically verified by the management during the year. In case of Technology item, we have been informed that certain balancing components are yet to be received without which the technology is incomplete for the full effective intended usage. Subject to this, the other fixed assets have been physically verified by the management and this revealed no material discrepancies.*
>
> *The Company had carried out the physical verification of the Fixed Assets during the year under review and we have been informed that such verification did not reveal any material discrepancies."*

30. As can be noted from the above, Annual Report 2012-13 clearly reflects that Noticee No. 1 had carried out the physical verification of the Fixed Assets which did not reveal any material discrepancies. However, in the Annual Report 2013-14, Noticee No. 1 has mentioned that certain balancing components were yet to be received without which the technology was incomplete for the full effective intended usage. Thus, statements made in the aforesaid Annual Reports for the financial years 2010-11, 2011-12 and 2012-13, were false and the persons/investors acting on the basis of disclosures made in the Annual Reports for the financial years 2010-11, 2011-12 and 2012-13, were misled by such disclosures made in annual reports.

31. I also note from the SCN/IR that Noticee No. 1 made delayed disclosure regarding incorporation of its subsidiary viz. TBL HK Ltd. In this regard, Noticees concerned, in their letter dated August 25, 2018 has submitted that the disclosure was made by Noticee No. 1 upon receipt of the information in this regard from Mr. Nirmal Kotecha. I note that the certificate of incorporation of

a company come to be issued after execution and signing by the promoter/authorized person of holding company, of various constitutional documents (viz: memorandum of association/article of association) of the company, to be incorporated. I note that for setting up a subsidiary, Noticee No. 1 would also have subscribed to the capital of the TBL HK Ltd. as it was to be wholly owned subsidiary of Noticee No. 1. Thus, to contend that Noticee No. 1 became aware of incorporation of TBL HK Ltd. only upon receipt of information in this regard from third party has no merit. It is Noticee No. 1 which has set up such wholly owned subsidiary and thus responsible to inform the same to stock exchange within the time. I note that the subsidiary of Noticee No. 1. i.e. TBL HK Ltd was incorporated in Hong Kong on August 30, 2011 only whereas the same was informed to BSE website only on September 22, 2011. Therefore, there was delay in making of material disclosure by the Noticee No. 1 to stock exchange regarding incorporation of its subsidiary.

32. It would be appropriate to refer to the order of the Hon'ble SAT dated October 25, 2016 in ***Appeal No. 126 of 2013 (Pan Asia Advisors Limited vs. SEBI)*** wherein, while interpreting the expression 'fraud' under the PFUTP Regulations, Hon'ble SAT observed as under:

> *"From the aforesaid definition (of 'fraud') it is absolutely clear that if a person by his act either directly or indirectly causes the investors in the securities market in India to believe in something which is not true and thereby induces the investors in India to deal in securities, then that person is said to have committed fraud on the investors in India. In such a case, action can be taken under the PFUTP Regulations against the person committing the fraud, irrespective of the fact any investor has actually become a victim of such fraud or not. In other words, under the PFUTP Regulations, SEBI is empowered to take action against any person if his act constitutes fraud on the securities market, even though no investor has actually become a victim of such fraud. In fact, object of framing PFUTP Regulations is to prevent fraud being committed on the investors dealing in the securities market and not to take action only after the investors have become victims of such fraud."*

33. I further rely on the judgment of Hon'ble Supreme Court in the case of ***SEBI Vs. Rakhi Trading Pvt. Ltd., (2018) 13 SCC 753***, holding that Regulation 4(1) of PFUTP Regulations in clear and unmistakable terms has provided that *"no person shall indulge in a fraudulent or an unfair trade practice in securities"* and while referring to its own judgment in the case of ***SEBI Vs. Shri Kanaiyalal Baldevbhai Patel and Ors., (2017) 15 SCC 1***, Hon'ble Supreme Court further held as under:

> *"31. Although unfair trade practice has not been defined under the regulation, various other legislations in India have defined the concept of unfair trade practice in different contexts. A clear*

cut generalized definition of the 'unfair trade practice' may not be possible to be culled out from the aforesaid definitions. Broadly trade practice is unfair if the conduct undermines the ethical standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication on case to case basis. Whether an act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction. In the context of this regulation a trade practice may be unfair, if the conduct undermines the good faith dealings involved in the transaction. Moreover the concept of 'unfairness' appears to be broader than and includes the concept of 'deception' or 'fraud'

…………………………..…………

35. Having regard to the fact that the dealings in the stock exchange are governed by the principles of fair play and transparency, one does not have to labour much on the meaning of unfair trade practices in securities. Contextually and in simple words, it means a practice which does not conform to the fair and transparent principles of trades in the stock market……………………"

34. In the matter of Kanaiyalal Baldevbhai Patel (Supra), the Hon'ble Supreme Court further observed as under:

> *"…if Regulation 2(c) of the 2003 Regulations was to be dissected and analyzed it is clear that any act, expression, omission or concealment committed, whether in a deceitful manner or not, by any person while dealing in securities to induce another person to deal in securities would amount to a fraudulent act. The emphasis in the definition in Regulation 2(c) of the 2003 Regulations is not, therefore, of whether the act, expression, omission or concealment has been committed in a deceitful manner but whether such act, expression, omission or concealment has/had the effect of inducing another person to deal in securities..."*

35. In view of the above observations made by the Hon'ble Supreme Court, I find that an act would amount to fraudulent act irrespective of the fact whether it is carried out in a deceitful manner or not, by any person while dealing in securities to induce another person to deal in securities.

36. I find that Noticee No. 1 had devised a fraudulent scheme under which Noticee No. 1 made two GDR issues, the proceeds of which were diverted by it in contrary to the utilization of GDR proceeds stated in the offering circular. Such scheme involved legitimizing the covering up of diversion of GDR issues' proceeds by legitimizing/facilitating the same through back-dated agreement/invoices, concealing/making false statements in regard to utilization of GDR proceeds/non-receipt of technology and services in the Annual Reports of Noticee No. 1 for the

financial years 2010-11, 2011-12 and 2012-13. Therefore, I find that Noticee No. 1 has violated sections 12A(a), (b) & (c) of the SEBI Act r/w regulations 3(a), (b), (c) & (d) and 4(1), (2)(f), (k) & (r) of the PFUTP Regulations and deserve imposition of penalty under the provision of section 15HA of the SEBI Act.

37. Further, as a part of said fraudulent scheme, Noticee No. 1 failed to inform the stock exchange of the price sensitive information regarding entering into material service agreements, non–receipt of technology/services as per agreements, made false announcements at BSE regarding allotment of GDRs after the issue closure date, made delayed disclosure to BSE regarding setting up of wholly owned subsidiary i.e. TBL HK Ltd., failed to disclose material service agreements with AFTL and Symetric and non-receipt of services as per service agreements in the Annual Reports for the financial years 2010-11 to 2012-13. Such making of GDR issues with the objective of diverting the proceeds of such GDR issues and related false and misleading disclosures and active concealment of material information, had potential to influence the investment decisions of the investors in shares of Noticee No. 1 and to induce them to buy or sell shares of Noticee No. 1. Further, Noticee No. 1 had made delayed disclosure to BSE regarding setting up of the wholly owned subsidiary i.e TBL HK Ltd. Therefore, I find that Noticee No. 1 has violated Section 21 of the SCRA r/w clause 36 of the Listing Agreement and deserved imposition of monetary penalty under the provision of section 23E of the SCRA and also violated the provisions of regulation 12(2) r/w Schedule II of the PIT Regulations, 1992 r/w regulation 12 of the PIT Regulations, 2015 (repeal and savings) and deserves imposition of monetary penalty under the provision of section 15HB of the SEBI Act.

38. It is further noted that in terms of Accounting Standard-1 of Institute of Chartered Accountants of India (ICAI), Financial statements should disclose all "material" items, i.e. items the knowledge of which might influence the decisions of the user of the financial statements. However, as noted in this case, Noticee No. 1 failed to disclose material service agreements with AFTL and SyMetric and non–receipt of services as per service agreements in the Annual Reports for FY 2010-11 to FY 2012-13. In view of the above, it is established that Noticee No. 1 did not comply with accounting standard – 1 and thus, violated the provision of section 21 of the SCRA r/w clause 50 of the Listing Agreement, which requires the company to mandatorily comply with all the Accounting Standards issued by ICAI from time to time. Therefore, the said allegation made against the company i.e Noticee no 1 deserves imposition of monetary penalty under the provision of section 23H of the SCRA.

39. As regards the allegation against Noticee Nos. 2 to 4 i.e directors of Noticee no. 1, it is noted that as per Board resolutions dated February 18, 2011 and September 30, 2011, the Noticee No. 2 (for 1st GDR issue), and Noticee Nos. 2 and. 4, jointly and severally (for 2nd GDR issue) were authorized to sign and execute all documents/agreements/papers/forms related with the GDR issues. As brought out on record, the Annual Reports for financial years 2010-11 and 2011-12 of Noticee No. 1 were signed by Noticee Nos. 2 & 4, and for the financial year 2012-13 by Noticee Nos. 2 & 3. The Noticee Nos. 2, 3 and 4 were also the members of Audit Committee of Noticee No. 1 during 2010-13. The Noticee No. 2 to 4 have not denied being director of Noticee No. 1 during the relevant period. The Noticee No. 3 vide his letter dated May 18, 2022 has stated that he had joined the Board of Director as Independent Director w.e.f. November 19, 1998 and that his role was limited to advising the Noticee No. 1 on secretarial matters. I, however, note that he was the director at the relevant period of time and resignation after that period will have no bearing in his role and responsibility during the course of his directorship with Noticee no 1 at the relevant period of time especially in view of the fact that he was also the member of the audit committee of Noticee No. 1. The Noticee No. 2 being the Chairman & MD of Noticee no 1 and Noticee No. 4 being the Whole Time Director were in charge of day to day affairs of Noticee No. 1 and was accountable for management and affairs of Noticee No. 1. The Noticee Nos. 2, 3 & 4 were in the driving seat of Noticee No. 1 and, therefore, required to act with due care and diligence in respect of the GDR issues.

40. In respect of submission made by Noticee No. 3 that he had joined the Board of Director as Independent Director, I note that his role was akin to trustees of stake holders and in such capacity, he was expected to take all such steps and measures necessary in furtherance of the interest of the shareholders of the company and to demonstrate highest standards of governance. He has neither made any submission nor brought any material on record to show that he has raised query on the manner in which GDR issue was dealt by the Noticee No. 1. Instead, as noted above, he was making communication with Noticee No. 6, in respect of back dating of invoices. In this context, as a member of the Audit Committee of the company during the investigation period, there is nothing on record to show that he raised any query about the irregularities in the GDRs issued by the company. On the contrary, I find from an email dated September 13, 2011 which was sent by him from his email ID (spcspl@gmail.com) to paymentgateway65@gmail.com with a c.c marked to Noticee no 6 that he was specifically giving instructions to backdate the AFTL invoices . The said email dated September 13, 2011 is on record. Therefore, I find that Noticee no 3 had acted in concert with other Noticees in the matter of the fraudulent issue of the GDRs by Noticee no. 1.

41. In respect of liability of directors, in the matter of **N. Narayanan v. Adjudicating Officer, SEBI (2013) 12 SCC 152**, Hon'ble Supreme Court, has observed as under:

> *"33. Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. This Court while describing what is the duty of a Director of a company held in Official Liquidator v. P.A. Tendolkar (1973) 1 SCC 602 that a Director may be shown to be placed and to have been so closely and so long associated personally with the management of the company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of business of the company even though no specific act of dishonesty is provided against him personally. He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the company even superficially."*

42. Considering the role played by Noticee Nos. 2 to 4 in the present matter, I find that Noticee Nos. 2 to 4 have been part of the fraudulent scheme for which Noticee no. 1 has already been found to be guilty in the previous paras. Thus, I find that Noticee No. 2 to 4 have violated the provisions of sections 12A(a), (b) and (c) of SEBI Act r/w regulations 3(a), 3(b), 3(c), 3(d), 4(1) of the PFUTP Regulations, as alleged in the SCN and deserved imposition of monetary penalty under the provision of section 15HA of the SEBI Act.

<u>Consideration of issues/evidence - Noticee No. 5</u>

43. I note from the SCN/IR that Noticee No. 5 had contacted Allshores (which was providing administrative and management services to TBL HK Ltd.) for setting up of TBL HK Ltd., coordinated between Allshores and Noticee No. 1, and provided all the signed documents of Noticee No. 1 and other requisite documents to Allshores. He also assisted in opening of account of Noticee No. 1 with Investec Bank wherein proceeds of GDR issues were kept and was also point of contact for AFTL to which proceeds of GDR issue were diverted. I further note from the SCN/IR that the Noticee No. 5 was operating an email id paymentgateway65@gmail.com from where Ms. Dorothy (from Allshores) had received e-mails forwarding the letters dated February 22, 2011 and October 03, 2011 of Noticee no. 1 (stated to be genuine letter of Noticee No. 1) containing Noticee No. 1 requests to Investec Bank to take delivery of GDRs in Investec Bank account of Noticee No. 1, sell orders for GDRs, transfer of GDRs, fund transfers from account of Noticee No. 1 (including closure). The said emails contained copy of signed letters of instruction from Noticee No. 1 to Investec Bank. Allshores had also received instructions from the said e-mail Id paymentgateway65@gmail.com regarding transfer of funds from TBL HK Ltd.'s account with Standard Chartered Bank, Singapore to AFTL, Sristek and Blue Wings. It also contained copy of

signed letters of instruction from Noticee No. 1 to Allshores in respect of the transfers to AFTL and Sristek and also for onward transfer from AFTL to Brindille and Blue Wings, and from Sristek to Bluejet and Asiarich. It was further noted that it was the same email Id to which Noticee No. 6 had sent the back-dated agreement between Noticee No. 1 and AFTL for signatures, and Noticee No. 3 had also sent the details of the back-dated invoices to be made in respect of AFTL. I also note from the SCN/IR that e-mail correspondences dated April 07, 2011, in which Noticee No. 5 had requested Ms. Dorothy (from Allshores) to send an instruction to HSBC to transfer $4.5 million from AFTL to Fundabilis. Further, as per the account opening form of Funndabilis with OCBC Bank, Singapore, its beneficial owner was Noticee No. 5 himself. Based on these facts, the SCN has alleged that Noticee No. 5 was involved in the entire scheme of diverting of the GDR proceeds and later legitimizing and, thereby aided and abetted Noticee No. 1 in diverting the GDR proceeds.

44. In this regard, I have considered the submissions of Noticee No. 5 made vide his reply dated February 22, 2022 and the submissions made during the course of his hearing held on May 10, 2022. The Noticee has contended that he was coordinating and managing the secretarial work for Sristek which was controlled by Mr. Nirmal Kotecha. Noticee no. 6 has further contended that he had no connection whatsoever with Noticee No. 1 and its promoters or directors. I, however, note from the email copies enclosed along with the MAS letter dated March 02, 2018 that Notice No. 5 through email id paymentgateway65@gmail.com had forwarded letters dated February 22, 2011 and October 03, 2011 of Noticee No. 1 (stated to be genuine letter of Noticee No. 1) to Allshores containing requests of Noticee No. 1 to Investec Bank to take delivery of GDRs in Investec Bank account of Noticee No. 1, sell orders for GDRs, transfer of GDRs, fund transfers from account of Noticee No. 1 (including closure). As such, I am not inclined to accept the claim of Noticee No. 5 that he had no connection with Noticee No. 1.

45. The Noticee No. 5 has further claimed that the said email Id was accessible to other persons also and that he was sending the instructions to be addressed to Allshores, as per drafts saved in the folders of paymentgateway65@gmail.com which were prepared by the office of Mr. Nirmal Kotecha. However, on perusal of the emails enclosed with MAS letter dated March 02, 2018, as sent from the aforesaid email Id, I note that emails were send by Noticee No. 5, as indicated by the name of sender of the email, forwarding instruction letters of Noticee No. 1. As noted above, the Noticee No. 5 had forwarded letter dated February 22, 2011 and October 03, 2011 of Noticee No. 1 containing requests of Noticee No. 1 to Investec Bank to take delivery of the GDRs in Investec Bank account of Noticee No. 1, sell orders for GDRs, transfer of GDRs and transfers of funds

from account of Noticee No. 1. The contentions raised by the Noticee No. 5 that the email sent by him were drafted by others is unbelievable since the contents of most of those emails are not more than one line. I find that the Noticee No. 5 send emails from the aforesaid email Id and therefore, he is responsible for such emails and consequences thereof. The present contention of Noticee No. 5 is without the same being supported by any evidence and is made just to shift his liability. Therefore, I am inclined to hold that Noticee No. 5 was in contact with Noticee No. 1 and was also issuing the instruction to Allshores on behalf of Noticee No. 1 for transfer of funds from TBL HK Ltd. to AFTL, Sristek and to other entities.

46. Further, in respect of the allegation made in the SCN that Noticee No. 5 had requested Ms. Dorothy (from Allshores) to send an instruction to HSBC to transfer $4.5 million from AFTL to Fundabilis, the Noticee No. 5 has contended that it was holding one share of Mr. Nirmal Kotecha, as his nominee, pursuant to declaration of trust deed dated June 30, 2010 and that Mr. Nirmal Kotecha was the real beneficiary. I have perused the copy of said trust deed submitted by Noticee No. 5 as Annexure-2 to his reply. I note that the said trust deed is merely a single page letter titled 'declaration of trust' which was signed by Noticee No. 5 only. There was not even counter sign by alleged beneficiary nor was the same stamped or notarized. Thus, it is difficult to rely upon the submission made by Noticee No. 5 that he was holding as a nominee or that he was not the beneficiary of Fundabilis. The Noticee No. 5 has also not denied that Fundabilis has received proceeds from two GDR issues of Noticee No. 1.

47. In view of the above, I find that Noticee No. 5 was involved in the scheme of diversion of GDR proceeds by facilitating the issuance of GDR of Noticee No. 1 and also in the matter of transfer of GDR proceeds from Noticee No. 1 and TBL HK to various entities. Noticee No. 5 has also facilitated fraudulent scheme of Noticee No. 1 by facilitating the legitimization of said diversion of GDR issue proceeds through back-dated agreement and invoices and hence, aided and abetted Noticee No. 1 in diverting the proceeds of GDR issues. I note that the Noticee No. 5 was not only involved in aiding Noticee No. 1 in facilitating GDR issue and diversion of GDR proceeds but he was also a major beneficiary from the GDR proceeds of Noticee No. 1. It is therefore noted that the above act of Noticee No. 5 has resulted in 'fraud' as defined under the PFUTP Regulations, 2003. Thus, I find that the Noticee No. 5 has violated the provisions of sections 12A(a), (b) and (c) of SEBI Act, 1992 r/w regulation 3(a), 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations, as alleged in the SCN and deserves imposition of monetary penalty under the provision of section 15HA of the SEBI Act.

Consideration of issues/findings- Noticee No. 6

48. I note from the SCN/IR that Sristek has received \$0.115 million (from 1st GDR issue) in its ICICI Bank Hyderabad Branch account through Symetric and \$4.004 million in its HSBC Bank Hong Kong account through TBL HK Ltd. (from 2nd GDR issue). I also note from SCN that Sristek has further transferred to Bluejet and Asiarich (\$2 million each). Mr. Sampath Kumar Meesala (Noticee No. 6) was the director of Sristek at the time of account opening of Sristek.

49. It is noted from the SCN that Noticee No. 1 had no agreement with Sristek to provide any kind of services by Sristek but still Sristek received an approximately \$4 million from the proceeds of GDR issues, through TBL HK Ltd., and transferred the same to other entities. It is further noted from the SCN that Sristek is a common shareholder among Symetric and AFTL which had entered into dubious agreements with Noticee No. 1 and it acted as conduits in diverting the GDR proceeds. Further, Noticee No. 6 was found to be one of the directors of Sristek and was also one of the beneficial owners of AFTL. It is noted from the SCN that Noticee No. 6 was associated/connected with AFTL, Symetric and Sristek and acted as conduits in diverting the proceeds of GDR issues of Noticee No. 1. It is noted from the SCN that due to above facts and circumstance it was alleged that Noticee No. 6 acted as a conduit in diverting the GDR proceeds and, thus, aided and abetted Noticee No. 1 in diverting the proceeds of GDR.

50. It is noted that the SCN and notice of hearing was served upon the Noticee No. 6 through newspaper publication made on May 25, 2022. I note that the Noticee No. 6 neither appeared for hearing nor filed any reply to SCN. Considering the overall fraudulent scheme devised by the Noticees and the material available on record regarding the receipt of part of GDR proceeds by Sristek of which Noticee No. 6 was a director, I find that Noticee No. 6 acted as conduit in diverting the GDR proceeds and has thus aided and abetted Noticee No. 1 in its fraudulent scheme. I, therefore, find that the Noticee No. 6 has violated the provisions of sections 12A(a), (b) and (c) of the SEBI Act r/w regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations, as alleged in the SCN and deserves imposition of monetary penalty under the provision of section 15HA of the SEBI Act.

51. Therefore, in view of the above, I conclude that the Noticees are liable for monetary penalty under the provisions of sections 15HA and 15HB of the SEBI Act and 23E and 23H of the SCRA (which existed/relevant at the time period of the transactions), which reads as under:

SEBI Act

Penalty for fraudulent and unfair trade practices.

15HA.If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

Penalty for contravention where no separate penalty has been provided.

15HB.Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall liable to a penalty which may extend to one crore rupees.

SCRA

Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.

23E. If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty not exceeding twenty-five crore rupees.

Penalty for contravention where no separate penalty has been provided.

23H. Whoever fails to comply with any provision of this Act, the rules or articles or bye-laws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.

52. In this regard, the provisions of Section 15J of the SEBI Act and rule 5 of the SEBI Adjudication Rules and 23 J of the SCRA and rule 5 of the SCR Adjudication Rules require that while adjudging the quantum of penalty, the adjudicating officer shall have due regard to the following factors namely:

SEBI Act

Factors to be taken into account by the adjudicating officer

15J While adjudging the quantum of penalty under section 15-I, 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.

SCRA

Factors to be taken into account by adjudicating officer.

23J While adjudging the quantum of penalty under section 23-I, 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.

53. Having regard to the factors listed in sections 15J of the SEBI Act and 23J of the SCRA above and the guidelines issued by Hon'ble Supreme Court of India in *SEBI Vs Bhavesh Pabari Civil Appeal No(S).11311 of 2013* vide judgment dated February 28, 2019, I note that Noticees were acting in concert and had devised a fraudulent scheme under which Noticee No. 1 made two GDR issues, the proceeds of which were diverted by it in contrary to the utilization of GDR proceeds stated in the offering circular. I note that Noticee No. 1 along with its directors viz. Noticee No. 2, 3 & 4 have misled the Indian investors by concealing the information w.r.t. diversion of the GDR proceeds and later legitimizing/ covering-up the same by back-dated agreement/ invoices, concealing/ making false statements in regard to utilization of GDR proceeds/ non-receipt of technology and services in the Annual Reports for FYs 2010-11, 2011-12 and 2012-13. The Noticee Nos. 1 to 4 also made false disclosures in the Annual Reports for FYs 2010-11, 2011-12 and 2012-13 regarding funds transferred to AFTL, SyMetric and Sristek which were shown as Advances / Technology (in fixed assets). Moreover, Noticee No. 1 made false announcement that its GDRs were genuinely subscribed thus causing a fraud on the innocent investors. Such false and misleading disclosures and representation made and active concealment of material information had potential to influence the investment decisions of the investors in shares of Noticee No. 1 and to induce them to buy or sell shares of Noticee No. 1. Further, Noticee Nos. 5 & 6 have also aided and abetted the scheme of Noticee No. 1 in their respective capacities. The Noticees, through their fraudulent scheme of issue of GDR, mislead the investors to believe that Noticee No. 1 has an international market. In light of the above, although the amount of unfair gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the fraudulent scheme of issuance of GDR is not quantified in the investigation report, I note that the fraud is to the extent of the amount of issue of GDR i.e. $40.5 million and thus adequate penalty should be levied so that it serves as a deterrent for any such acts. From the manner in which Noticees devised the fraudulent scheme and executed it, the Noticees have violated the statutory provisions of law.

In this context, 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..."*

54. As already stated in the preceding paragraphs, in the context of the present proceeding, I note that WTM- SEBI vide Final Order dated August 28, 2019 had issued the following directions to the Noticees:

> *"49. In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, hereby direct as under:*
>
> *a. Transgene Biotek Limited (Noticee No. 1) shall continue to pursue the measures to recall the outstanding amount of $ 38.5 million and bring the money back into TLB's bank account in India within a period of one year from the date of this order. It is clarified that Noticee Nos. 2, 4 and all other present directors of TBL shall ensure the compliance of this direction by TBL, and furnish a Certificate from a peer reviewed Chartered Accountant of ICAI along with necessary documentary evidences to SEBI, certifying the compliance of this direction.*
>
> *b. In continuation with the directions issued vide interim order dated November 20, 2014 as confirmed by the order dated March 09, 2016, Transgene Biotek Limited (Noticee no. 1) shall continue to be restrained from accessing the securities market and be further prohibited from buying, selling or otherwise dealing in securities (including units of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, till compliance with direction contained in para 49 (a) above and thereafter for an additional period of two years from the date of bringing back the money as directed in para 49 (a) above. During the period of restraint, the existing holding of securities (including units of mutual funds) of Noticee no. 1 shall also remain frozen.*
>
> *c. The Mr. K. Koteswara Rao (Noticee No. 2), Mr. Soma Sekhar Marthi (Noticee No. 3) and Mr. Narayana Murthy Pentyala (Noticee No. 4) shall continue to be restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities (including units of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of five years from the date of the interim order passed in the matter. During the period of restraint, the existing holding of securities (including units of mutual funds) of these Noticees shall also remain frozen.*

d. The Sristek, Mr. Deepak Mishra (Noticee No. 5) and Mr. Sampath Kumar Meesala (Noticee No. 6) are hereby restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities (including units of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of three years from the date of this order. During the period of restraint, the existing holding of securities (including units of mutual funds) of these Noticees shall also remain frozen.

55. I have considered the above factors while deciding the quantum of penalty to be imposed upon the Noticees in respect of their default. At the same time, one cannot lose sight of the fact that Noticees have been involved in devising the fraudulent scheme of issuance of GDR wherein false announcements at BSE regarding allotment of GDRs after the issue closure date were made, when there were no subscriptions till that date, thus deliberately showing a rosy picture to the investors in Indian securities market. Further, the company by not making proper disclosures and making misleading disclosures have also violated the provisions of the Listing agreement.

ORDER

56. Therefore, after taking into consideration the overall nature and gravity of the violation committed by the Noticees, the facts and circumstances of the case, the material available on record, the submissions made by the Noticees and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under section 15I of the SEBI Act r/w rule 5 of the SEBI Adjudication Rules and 23I of the SCRA r/w rule 5 of the SCR Adjudication Rules, hereby impose monetary penalty on the Noticees for their violation of the provisions of law, details of which are mentioned as under. I am of the view that the said penalty is commensurate with the default committed by the Noticee Nos. 1 to 6.

Noticee No.	Name of Noticee	Nature of violation	Penalty provision	Amount of Penalty (₹)
1	Transgene Biotek Ltd. (Noticee No. 1)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act	₹30,00,000/-(Rupees Thirty Lakh only)
		Regulation 12 (2) r/w Schedule II to PIT Regulations, 1992 r/w Regulation 12 of PIT Regulations, 2015	Section 15HB of the SEBI Act	₹3,00,000/-(Rupees Three Lakh only)

Noticee No.	Name of Noticee	Nature of violation	Penalty provision	Amount of Penalty (₹)
		Section 21 of SCRA r/w Clause 36 of Listing Agreement	Section 23E of the SCRA	₹3,00,000/-(Rupees Three Lakh only)
		Section 21 of SCRA r/w Clause 50 of Listing Agreement	Section 23H of the SCRA	₹2,00,000/-(Rupees Two Lakh only)
		Total		**₹38,00,000/-(Rupees Thirty Eight Lakh only)**
2	Mr. K Koteshwar Rao (Noticee No. 2)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act	**₹20,00,000/-(Rupees Twenty Lakh only)**
3	Mr. Soma Sekhar Marthi (Noticee No. 3)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act	**₹7,00,000/-(Rupees Seven Lakh only)**
4	Mr. Narayana Murthy Pentyala (Noticee No. 4)	Section 12A(a), 12A(b) and 12A(c) of SEBI Act r/w regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f),(k)(r) of PFUTP Regulations	Section 15HA of the SEBI Act	**₹12,00,000/-(Rupees Twelve Lakh only)**
5	Mr. Deepak Mishra (Noticee No. 5)	Section 12A(a), 12A(b), 12A(c) of SEBI Act r/w Regulation 3(a), 3(b),3(c), 3(d), 4(1) of PFUTP Regulations	Section 15HA of the SEBI Act	**₹10,00,000/-(Rupees Ten Lakh only)**
6	Mr. Sampath Kumar Meesala (Noticee No. 6)	Section 12A(a), 12A(b), 12A(c) of SEBI Act r/w Regulation 3(a), 3(b),3(c), 3(d), 4(1) of PFUTP Regulations	Section 15HA of the SEBI Act	**₹10,00,000/-(Rupees Ten Lakh only)**

57. The Noticees shall remit / pay the said amount of penalty within 45 (forty five) days of the receipt of this order either by way of Demand Draft (DD) in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai and the said DD should be forwarded to the Division Chief, Enforcement Department -I (EFD), Division of Regulatory Action -IV [EFD1-DRA-4]

SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai – 400 051 and also send an email to tad@sebi.gov.in with the following detail

1	Case Name	
2	Name of the Payee	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)	

58. Payment can also be made online by following the below path at SEBI website www.sebi.gov.in ENFORCEMENT → Orders → Orders of AO → Click on PAY NOW or at https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html.

59. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia,* by attachment and sale of movable and immovable properties.

60. In terms of rule 6 of the Adjudication Rules, a copy of this order is sent to the Noticees viz. Transgene Biotek Ltd., Mr. K Koteshwar Rao, Mr. Soma Sekhar Marthi, Mr. Narayana Murthy Pentyala, Mr. Deepak Mishra, Mr. Sampath Kumar Meesala and also to Securities and Exchange Board of India.

Date: June 27, 2022
Place: Mumbai

SURESH B MENON
ADJUDICATING OFFICER