



SHASHI KUMAR VALSAKUMAR
ADJUDICATING OFFICER

By Speed Post Acknowledgement Due and Email

SEBI/HO/EAD-8/SV/RM/2024/1131/1-24

March 19, 2024

1. M/s Urja Global Limited (PAN: AAACC0367M) <u>Address</u> - 487/63, First Floor, National Market, Peeragarhi, New Delhi-110087 <u>Email Address</u> : cs@urjaglobal.in	2. Honey Gupta (PAN ALLPG7605D) <u>Address</u> - A-50, Arya Nagar, Near N.K. Public School, Murlipura Rajasthan 302039 <u>Email Address</u> : cshoneygupta@gmail.com
3. Yogesh Kumar Goyal (PAN- ASXPG 1218M) <u>Address 1</u> - A3 3A, Green Apartments, DDA MIG Flats Paschim Vihar, Delhi – 110063 <u>Address 2</u> - A-4/532, Ground floor, back side Portion, Paschim Vihar West Delhi, Delhi - 110063 <u>Email Address</u> : yogesh@urjaglobal.in	4. Aditya Venkatesh (PAN-AGHPV8923A) <u>Address</u> - Flat No E-204, Sylvenia Magarpatta City, Hadapsar, Maharashtra – 411013 <u>Email Address</u> : aditya.venketesh@gmail.com
5. Dheeraj Sisodia (PAN- BCTPS9910B) <u>Address</u> - H. No.30A, Keshav Kunj, Govindpuram, Ghaziabad-201002, Uttar Pradesh <u>Email Address</u> : dheershi07@gmail.com	6. Mohan Jagdish Agarwal (PAN- AGMPA0728K) <u>Address</u> - D/212, Ramayan Nagar, Radhabai, Chowk Dassera Maidan, Ulhasnagar, Maharashtra 421002 <u>Email Address</u> : md@urjaglobal.in
7. Sunil Kumar Mittal (PAN- AXSPM4529P) <u>Address 1</u> : B 113 3rd Floor, Gali No 09 Patel Garden Kakrola Ext., Sewak Park West Delhi- 110059; <u>Address 2</u> – H. N. E30A, Keshav Kunj, Govindpuram, Ghaziabad, Uttar Pradesh – 201002 <u>Address 3</u> – Kapil Mandi Wn-01 Neema Ka Thana, Neem ka Thana Post Office, District – Sikar, Rajasthan <u>Email Address</u> : sunil8301@gmail.com	8. Rajiv Gupta (PAN- AEQPG3549A) <u>Address 1</u> - B20, Sector 6, Noida, Uttar Pradesh- 201301 <u>Address 2</u> - A-21, Hauz Khas, 2nd Floor, Near HDFC Bank, New Delhi, India- 110016 <u>Email Address</u> : Not available

Show Cause Notice in the matter of Urja Global Limited

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सेबी भवन, "जी" ब्लॉक बांद्रा-कुर्ला कामप्लेक्स, मुंबई – ४०० ०५१

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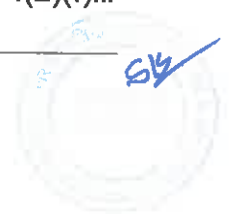
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9. Mita Sinha (PAN: AGOPS8899K) <u>Address:</u> 82/2 Arjun Nagar, Safdarjung Enclave, South West Delhi 110029 <u>Email Address:</u> mitasinha68@gmail.com	10. Payal Sharma (PAN-ANUPS3895G) <u>Address 1-</u> Upper Ground Floor, H. No. 18, Niti Khand-2, Indirapuram, Ghaziabad-201014, Uttar Pradesh. <u>Address 2-</u> G-133, Sector 17 G Vasundhara Uttar Pradesh 201012 <u>Email</u> <u>Address:</u> cspayalsharma@yahoo.com
11. Prithwi Chand Das (PAN-AGTPD0404A) <u>Address-</u> May Fair Residency, Flat No Pine 1 B, Jyoti Nagar, Ward No.41, Near IIT College, Jalpaigu West Bengal – 734001 <u>Email Address:</u> powerproject2015@gmail.com	12. Gaurav Agarwal (PAN- ATFPA3651B) <u>Address 1-</u> 4208, Roshanara Road, New Delhi-110007 <u>Address 2-</u> 4209, Near Roshnara Road, Arya Pura Subzi Mandi, North Delhi, Delhi – 110007 <u>Email Address:</u> kansal.aggarwal@gmail.com
13. Arun Bhardwaj (PAN- AAMPB7890H) <u>Address-</u> A051 Summit Apartments, DLF Phase 5, Sector-54, Gurgaon, Haryana – 122011 <u>Email Address: Not Available</u>	14. Mr. Akshay Mehta (PAN- BLAPM7077B) <u>Address-</u> Street No.5, Shukkar Bazar Road, West Uttam Nagar, Delhi- 110055 <u>Email Address:</u> cs@urjaglobal.in
15. Manisha Jain (PAN- BMJPJ6349H) <u>Address-</u> 127, Krishnapuri, Muzaffarnagar, Uttar Pradesh- 251001 <u>Email Address:</u> cs@urjaglobal.in	16. Niyukti Singh (PAN- GQWPS3470N) <u>Address-</u> C-76, Sarvadharam colony, Kolar Road, Bhopal, Madhya Pradesh – 462042 <u>Email Address:</u> NIYUKTISINGH@YAHOO.IN
17. Preeti Kataria (PAN- AIOPV1812H) <u>Address-</u> C-169E, Jeewan Park, New Delhi-110059 <u>Email Address:</u> cs.preetikataria@gmail.com	18. Kanika Arora (PAN- BVDPA10588) <u>Address-</u> 20-226, Prashant Vihar, Sector-40, Rohini, New Delhi-110058 <u>Email Address:</u> kanika226@gmail.com

Sub: Notice under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 ('Adjudication Rules') read with Section 15I of SEBI Act, in the matter of Urja Global Limited

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') upon receipt of certain complaints, carried out an examination to ascertain the authenticity of the announcements made by Urja Global Limited and also to ascertain whether the same is in accordance with requirements prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").
2. Based on the findings of examination, and observed non-compliances SEBI initiated adjudication proceedings against:
 - a) M/s Urja Global Limited (hereinafter referred to as **Noticee 1/Company/Urja**):
 - i. under Section 15HB of SEBI Act, 1992 for the alleged violation of Reg. 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of LODR Regulations; Regulation 30(2) of LODR Regulations read with SEBI Circular dated Sep 09, 2015; Regulation 17(7) of LODR Regulations read with Schedule II of LODR Regulations; Regulation 34(3) of LODR Regulations read with Schedule V of LODR Regulations; Regulation 30(7) of LODR Regulations.
 - ii. under Section 15HA of SEBI Act, 1992 for the alleged violation of Reg 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003
 - iii. under Section 15A(a) and 15A(b) of SEBI Act, 1992 for the alleged violation of 4(1)(c), 4(1)(d), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of LODR Regulations
 - b) Honey Gupta (hereinafter referred to as **Noticee 2**), Yogesh Kumar Goyal (hereinafter referred to as **Noticee 3**), Aditya Venkatesh (hereinafter referred to as **Noticee 4**), Dheeraj Sisodia (hereinafter referred to as **Noticee 5**), Mohan Jagdish Agarwal (hereinafter referred to as **Noticee 6**), Sunil Kumar Mittal (hereinafter referred to as **Noticee 7**):
 - i. under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii



- (13) of LODR Regulations; Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.
- ii. under Section 15HA of SEBI Act, 1992 for the alleged violation of Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003
- c) Noticee 2, Noticee 5, Noticee 6, under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)iii(3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct; Regulation 4(2)(f)i(2) and 4(2)(f)ii(8), 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A and C and Clause 2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct; Regulation 17(7) read with Schedule II of LODR Regulations.
- d) Noticee 6 under Section 15A(a) of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f)i(2) and 4(2)(f)ii(8), 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A and C and Clause 2,3 and 4 of the Duties of Director Section in the Company's Code of Conduct
- e) Notice 3 and Noticee 6 under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f) iii (3), 4(2)(f) iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations; Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct
- f) Rajiv Gupta (hereinafter referred to as **Noticee 8**), Mita Sinha (hereinafter referred to as **Noticee 9**), Payal Sharma (hereinafter referred to as **Noticee 10**), Prithwi Chand Das (hereinafter referred to as **Noticee 11**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 4(2)(f) iii (3), 4(2)(f) iii (6), 4(2)(f)iii (7), 4(2)(f)iii(12) and 4(2)(f)iii (13) of LODR Regulations;

- g) Rajiv Gupta (hereinafter referred to as **Noticee 8**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct
- h) Mita Sinha (hereinafter referred to as **Noticee 9**), Payal Sharma (hereinafter referred to as **Noticee 10**), Prithwi Chand Das (hereinafter referred to as **Noticee 11**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 17(5)(b) of LODR Regulations read with 2015 read with Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6 III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013; Regulation 26(3) read with Clause 2,7,11 and 12 of the Duties of Independent Directors' Section of the Annual Report.
- i) Dheeraj Kumar Sisodia (hereinafter referred to as **Noticee 5**), Gaurav Agarwal (hereinafter referred to as **Noticee 12**), Arun Bhardwaj (hereinafter referred to as **Noticee 13**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 26(3) of LODR Regulations read with Clause A,C,L,H and M of the Code of Conduct of for Directors and Senior Management Personnel;
- j) Akshay Mehta (hereinafter referred to as **Noticee 14**), Manisha Jain (hereinafter referred to as **Noticee 15**), Niyukti Singh (hereinafter referred to as **Noticee 16**), Preeti Kataria (hereinafter referred to as **Noticee 17**), Kanika Arora (hereinafter referred to as **Noticee 18**) under Section 15HB of SEBI Act, 1992 for the alleged violation of Regulation 6(2)(a) and 6(2)(c) of LODR Regulations, 2015; Regulation 17(7) read with Schedule II of LODR Regulations

3. The undersigned was appointed as Adjudicating Officer *vide* Order dated November 17, 2023 to inquire into and adjudge, under Section 15A(a), 15A(b), 15HA, 15HB of the SEBI Act, 1992, the aforesaid alleged violations against the Noticees. A copy of the communiqué dated November 17, 2023 appointing the undersigned as the Adjudicating Officer is enclosed herewith as **Annexure 1**.

4. Urja Global Limited was incorporated on May 29, 1992 and as stated in its Annual Report for the FY 2021-22, the Company is primarily engaged in the business of "Design, Consultancy, integration, supply, installation, commissioning & maintenance of off-grid and grid connected Solar Power Plants and decentralized Solar Application." The paid-up share capital of the Company is INR 50,72,06,000/- and the securities of the Company are listed on BSE since May 5, 1995 and on NSE since 28 March 2017.
5. SEBI was in receipt of a complaint regarding misleading disclosures by M/s Urja Global Ltd. (hereafter referred to as the 'company' or 'Urja'), specifically with respect to the agreement with Nippon Shinyaku Co. Ltd., having its registered office in Japan, for supply of product i.e. Zacobite for five years. Having examined the above complaint along with disclosures of MOUs by M/s Urja Global Ltd. from April 01, 2018 to August 21, 2019, SEBI issued order no. WTM/AB/CFD/CMD-2/16388/2022-23 dated May 13, 2022 against the company and 6 other entities directing as under:
- a) *Urja Global Limited was restrained from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and is further prohibited from accessing the securities market by raising money from public, for a period of 2 years from the date of this order.*
 - b) *Mr. Yogesh Kumar Goyal (Noticee no. 2), Mr. Sunil Kumar Mittal (Noticee no. 3), Ms. Priya Bhalla (Noticee no. 6) and Mr. Avinash Kumar Agarwal (Noticee no. 7) were restrained from buying selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and are further prohibited from being associated with any registered intermediary / listed company or any public company which intends to raise money from public in the securities market, for a period of 2 years from the date of this order.*
 - c) *For a period of three years from the date of this Order, prior to making any corporate announcement under Regulation 30 of the LODR Regulations:*

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

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

S No.	Announcement/Disclosure made on Exchange	Date of disclosure
1	Urja Global Ltd. signs MoU with Malbro Group, Africa	March 21, 2016
2	Urja Global Ltd. enters in a JV with Shenxian Ganghang Automobile Sales Co. Ltd (China) for development of Electric car	December 07, 2019
3	Urja Global Ltd. enters in a JV with Ogata Motors India Pvt Ltd. (Gurgaon)	July 01, 2020
4	Urja Global Ltd. signs MoU with FVM Industries Ltd.	October 20, 2020
5	Update On Set Up Of Assembling Unit In Nashik, Maharashtra (Western Zone)	March 22, 2022
6	MOU with Govt. of UP	March 03, 2023

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

8. The examination period was taken as March 21, 2016 to March 28, 2016 and December 07, 2019 to June 15, 2023. The examination was done on the following announcements/disclosures made on BSE:
- a) Urja Global Ltd. signs MoU with Malbro Group (hereinafter referred to as Malbro), Africa vide disclosure dated March 21, 2016 [enclosed herewith as **Annexure 2**]
 - b) Urja Global Ltd. enters in a JV with Shenxian Ganghang Automobile Sales Co. Ltd (China) (hereinafter referred to as Shenxian), for development of Electric car vide disclosure dated December 07, 2019 [enclosed herewith as **Annexure 3**]
 - c) Urja Global Ltd. enters in a JV with Ogata Motors India Pvt Ltd. (Gurgaon) (hereinafter referred to as Ogata), dated July 01, 2020 [enclosed herewith as **Annexure 4**]
 - d) Urja Global Ltd. signs MoU with FVM Industries Ltd (hereinafter referred to as FVM), dated October 20, 2020 [enclosed herewith as **Annexure 5**]
 - e) Update On Set Up of Assembling Unit in Nashik, Maharashtra (Western Zone) dated March 22, 2022 [enclosed herewith as **Annexure 6**]
 - f) Urja Global signs MOU with Govt. of UP dated March 03, 2023 [enclosed herewith as **Annexure 7**]
 - g) Intimation for signing of agreement dated June 08, 2023 regarding agreement with Tesla Power India Private Limited [enclosed herewith as **Annexure 8**]
9. Inter-alia following documents were also relied upon during the examination:
- a) Comments from the Company to SEBI and to the Stock Exchange.
 - b) Exceptional Report of the Exchange [enclosed herewith as **Annexure 9**] and site visit of FVM conducted by BSE [enclosed herewith as **Annexure 10**].
 - c) Comments from the counter-parties to the MOU/agreement.
 - d) Background check of the counterparties and verifying the claim of the Company through internet searches.
 - e) Certificate of authenticity provided by the Practicing Company Secretary (PCS) dated February 07, 2023 [enclosed herewith as **Annexure 11**]

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

- The Company was making disclosures regarding orders awarded to it, accompanied with forward looking statements that the orders would help the Company gain a multi fold rise in business and also entered into various MOUs with counter parties.
- The claims made by the Company in the announcements are not supported by actual financials.
- Company has not submitted all the material details and continuous disclosures about the MOU it had entered into.
- Company has not submitted adequate and timely information to recognized stock exchange(s) and investors.

11. Upon receipt of the exceptional report by the BSE, comments were sought from the Company by emails. The documents sought from the Company, inter-alia, included the copy of the JV agreements/MOU, the reasons for delay in implementation of the MOU, clarifications on certain other queries with supporting documents. The copy of the JV agreement with Shenxian and MOU with FVM, Ogata, Malbro and Govt. of UP and agreement with Tesla are enclosed herewith as **Annexure 12, Annexure 13, Annexure 14, Annexure 15, Annexure 53 and Annexure 47** respectively.

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

Particulars of the Announcement made by Urja	Contents of the announcement /Observations on the announcement
Joint Venture Agreement between Urja and Shenxian dated December 07, 2019 Announcement dated December 07, 2019	<i>The company (Urja) had entered into a joint venture Agreement with Shenxian Ganghang Automobile Sales 'Co. Ltd., a Chinese company (hereinafter referred to as Shenxian).</i>

	<i>The purpose of the joint venture agreement is sales and development of E-Dream (Electric Car).</i>
Announcement regarding MOU between Urja and FVM dated October 20, 2020	<i>The company(Urja) had entered into a MOU with one Indian entity, named M/s FVM Industries (India) Private Limited, having address at SORO, Balasore, Odisha 756045 for sale of 1,00,000 pieces of E-Scooty annually worth INR 480 crores.</i> <i>FVM Industries shall devote their full time and strength as a distributor of Urja Global Limited in the state of Maharashtra and eastern region states of Odisha, Bihar, West Bengal and Jharkhand)</i>
Announcement regarding MOU between Urja and Ogata dated July 01, 2020	<i>Urja Global Limited has signed a Memorandum of Understanding (MOU) with Ogata Motors India Private Limited, Plot No. 97, Sector – 8, IMT Manesar, Gurgaon, Haryana – 122051 for manufacturing of Electric Vehicles (E – Scooters, E- Autos and E – Cars) in the National Capital i.e. Delhi on June 23, 2020.</i>
Announcement regarding MOU between Urja and Malbro Energy Limited dated March 21, 2016.	<i>The company had entered into a MOU with one African entity, named M/s Malbro Energy Limited (Malbro Group) on March 16, 2016.</i> <i>Malbro is engaged in energy, power projects and is interested in the business of designing, developing, manufacturing, and distributing the solar products which include Solar lantern, solar home lighting system, solar street lighting system, solar water heater, LED lights, solar roof top systems, solar power packs, solar batteries, inverter batteries, automotive batteries in Malawi, Mozambique, Democratic Republic of Congo, Zambia, Zimbabwe and Tanzania.</i>
Announcement dated March 22, 2022 regarding assembling unit in Nashik, Maharashtra	<i>Urja has set up an Assembling unit for E-Scooters at 441/1/A Plot No. 1, Kadambvan Society, Ambad Link Road, Nashik 422007 on 22nd March 2022 for supply in western zone of India.</i>

Announcement regarding MOU between Urja and Govt. of Uttar Pradesh (UP) dated March 03, 2023	<i>MOU has been entered for the project for the project namely Solar Based charging stations & Electric Car Manufacturing Unit.</i>
Announcement regarding signing of agreement with Tesla Power India Private Limited	<i>Urja has entered into Agreement on 07th June, 2023 with Tesla Power India Private Limited for the purpose of Manufacturing and Supply of batteries under the TESLA POWER USA brand. The details, as required under the SEBI circular CIR/CFD/CMD/4/2015 dated September 09, 2015 are mentioned in the announcement.</i>

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

- i. *shareholding, if any, in the entity with whom the agreement is executed;*
- ii. *significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;*
- iii. *whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;*
- iv. *whether the transaction would fall within related party transactions*
- v. *any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;*

14. In view of the above, it was observed that all the aforesaid announcements, except the announcement with Tesla Power India Private Limited, made under Regulation 30 of LODR Regulations regarding the MOU/JV agreement with the entities were allegedly incomplete and lack the details as mentioned above.

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

allegedly in violation of Regulation 30(2) of LODR Regulations read with SEBI Circular dated Sep 09, 2015.

16. Further, the Compliance Officer is responsible to ensure that the information filed by the listed entity is correct and authentic. Therefore, Compliance Officers (Akshay Mehta (Noticee 15A), Manisha Jain (Noticee 16A), Niyukti Singh (Noticee 17A), Preeti Kataria (Noticee 18A), Kanika Arora (Noticee 19A) of the company at the relevant time are allegedly in violation of Regulation 6(2)(c) of LODR Regulations.
17. In regard to the procedures followed by the Company for approval of the aforesaid announcements, observations made are described herein below.
18. It was observed from the submissions of Urja that the date of the agreement and the date of post ratification by the Board is as under:

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

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

Agenda	Relevant extract of minutes of meeting
JV agreement with Shenxian dated December 07, 2019, approved by Board on February 10, 2020	The Company has entered into a JV agreement with M/s Shenxian Ganghang Automobile Sales Co. Ltd dated December 07, 2019 having its registered office at No. 318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province for electric car.

	The Board took note of the same. Minutes of meetings is enclosed herewith as Annexure 16
MOU with FVM dated October 17, 2020, approved by Board on November 11, 2020	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with FVM, Balasore, Odisha on October 17, 2020 in Delhi for distribution of electric vehicles in the states of maharashtra and eastern region states (Odisha, Bihar, West Bengal and Jharkhand). The Board hereby took note of the same. Minutes of meetings is enclosed herewith as Annexure 17
MOU with Ogata dated June 23, 2020, approved by the Board on June 27, 2020	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with Ogata Motors India Private Limited on June 23, 2020 in Delhi for manufacturing of electric vehicles. The Board hereby took note of the same. Minutes of meetings is enclosed herewith as Annexure 18
MOU with Malbro energy Limited dated March 16, 2016 and approved by the Board on May 28, 2016	The Company has entered into a MOU with one of African party, namely M/s Malbro Energy Limited, a group company of Malbro Industries. The Company plans to expand its business in various African countries through Malbro Group. The Board took note of the same. Minutes of meetings is enclosed herewith as Annexure 19
Announcement dated March 03, 2023 regarding MOU with Govt. of UP.	Company did not provide the minutes of the Board meeting in which the instant agenda was approved.
Agreement with Tesla Power India Private Limited	Company did not provide the minutes of the Board meeting in which the instant agenda was approved.

20. It was observed during the examination, which is detailed in paragraphs below in the SCN, that the minutes of the respective Board meetings in which the agendas

pertaining to the MOUs/JV agreement were approved, that it contain no additional details other than those which are mentioned in the announcement itself.

21. In terms of Secretarial Standards-1 (SS-1), brief description of the discussions which took place should be recorded in the Minutes of the Board Meetings, as evidence of the fact that the Board has considered and deliberated the matter before taking any decision on the same. Considering that minutes of the Board meetings do not contain any record of discussion/deliberation, it is alleged that no discussion on financials, plan of implementation etc. took place on the agenda item of the MOUs/JV agreement. The Board merely took note of the same.
22. Clarification was sought from Urja seeking the procedure for selection of the counter-parties with whom the MOUs/JV agreement was entered. Urja was not able to provide any reason or logic for entering into MOU/JV agreement with these entities as the selection of these entities was not backed by any study, research report etc. Accordingly, the agenda papers placed before the Board for ratification of the Board were sought from Urja.
23. The agenda papers with respect to the aforesaid MOUs stated as under:

MOU/JV agreement	Content of the agenda papers placed before the Board
JV agreement with Shenxian dated December 07, 2019	The Company had entered into a Joint Venture Agreement M/ s Shenxian Ganghang Automobile Sales Co. Ltd. having its registered office at No.318, Qinan Road, 324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province for Electric Car. The Board may take the note of the same. Agenda Papers enclosed herewith as Annexure 20
MOU with FVM dated October 17, 2020	Mr. Dheeraj Kumar Shishodia, Managing Director of the Company placed before the Board the MOU signed with FVM Industries(India) Private Limited, Balasore, Odisha on October 17, 2020 in Delhi for distribution of Electric

	Vehicles in the state of Maharashtra and eastern region states (Odisha, Bihar, West Bengal, Jharkhand). The Board may take the note of the same. Agenda Papers enclosed herewith as Annexure 21
MOU with Ogata dated June 23, 2020	The Board may review, discuss and approve the MOU with Ogata Motors India Private Limited, Manesar, Haryana for manufacturing of Electric Vehicles. The Board is requested to note and take on record the same. Agenda Papers enclosed herewith as Annexure 22
MOU with Malbro dated March 16, 2016	The Company has entered into a Memorandum of Understanding (MOU) with one of African Party, namely M/s Malbro Energy Limited, a group company of Malbro Industries. The Company plans to expand its Business in various African Countries through Malbro Group. The Board is requested to take note of the same. Agenda Papers enclosed herewith as 23
MOU with Govt. of UP and agreement with Tesla Power India Private Limited	Details not provided by the Company.

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

25. It may be noted that the agreement/MOU itself was not placed before the Board for its consideration. Moreover, the Board of Directors also did not call for any additional information regarding the agreements/MOU and ratified the same without any discussion or deliberation.
26. Further, it may be noted that the minutes of the Board meetings in which there were deliberations on the MOU/JV agreement other than the Board meetings in which the agendas pertaining to the MOUs were approved, was sought from the Company vide email dated May 09, 2023 [enclosed herewith as **Annexure 24**]. However, the Company failed to provide the same. In view of the same, it is alleged that neither any discussion had taken place on the MOUs after their ratification post facto by the Board nor did the Board seek any update or deliberate upon the same.
27. Considering the above, it is not clear how these entities were shortlisted and MOUs have been entered into.
28. Further, the lack of discussion and deliberation by the Board on the agenda items relating to the MOUs reflects poorly on the functioning of the Board, especially on the functions of Independent Directors (IDs). It is also observed that no further update on the agenda items pertaining to MOUs/JV agreement was placed before the Board nor the Board members sought any update on the same.
29. The responsibility of the Board of Directors (BOD) is to take an informed decision and to act with due diligence and care, in the best interests of the company and its shareholders. It is observed that BOD, including the IDs, simply endorsed and took note of what was placed by the management instead of deliberating and taking a considered view.
30. The function of the independent directors is to bring in objectivity, balance the conflicting interests of the stakeholders, safeguarding the interests of minority

shareholders, ensure that adequate deliberations are held and raise concerns about any unethetical behavior or suspected fraud in the affairs of the Company.

31. In the instant matter, independent directors of Urja allegedly failed to take an independent and objective view on the issues placed before it and also allegedly failed to ensure that adequate deliberations are held by not seeking additional information w.r.t. incomplete agenda items placed before it.
32. Hence, the Board (Noticee 2, 3, 4, 5, 6, 7, 8) did not effectively discharge their responsibility and therefore, they are alleged to be in violation of principle 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, Regulation 26(3) of LODR Regulations read with Clause A, C, H and M of the Company's Code of Conduct.
33. The Independent Directors (Noticee 9, 10, 11), did not effectively discharge their responsibility and therefore, they are alleged to be in violation of principle 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, Regulation 26(3) of LODR Regulations read with Clause A, C, H and M of the Company's Code of Conduct. Further, the independent directors (Noticee 9, 10, 11) allegedly failed to comply with Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013. The IDs have also allegedly not complied with Regulation 26(3) read with Clause 2, 7, 11 and 12 of the *Duties of Independent Director* in the Company's Code of Conduct.
34. In this context, it may be further noted that Managing Director of the Company is involved and responsible for day to day activities and obligated to keep the entire Board informed of complete and accurate information for a healthy and objective decision making process. MD while being the signatory of most of the MOUs failed to apprise the Board of complete information.

35. Further, Mr. Dheeraj Sisodia (Noticee 5) (who was Managing Director of the Company at the time of FVM, CEO at the time of JV agreement/MOU with Shenxian and Additional Director at the time of Ogata) and Mr. Honey Gupta (Noticee 2) (who was MD at the time of Malbro) also allegedly failed to effectively discharge their obligations by placing incomplete information to the Board and also failed to maintain operational transparency and ethical standards within the Company. Hence, the Noticee 2 and 5 are alleged to have not complied with 4(2)(f)i(2), 4(2)(f)ii(8), 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations. The Noticee 2 and 5 are also alleged to be in non-compliance of Regulation 26(3) of LODR Regulations read with Clause A and C and Clause 2, 3 and 4 of the *Duties of Directors* Section in the Company's Code of Conduct.
36. Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors under Schedule II Part A of LODR Regulations, wherein it is stated that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. Considering that requisite information was not placed before the Board, Urja is alleged to be in violation of Regulation 17(7) of LODR Regulations.
37. The Managing Director (Noticee 2 and 5), being signatory to the agreement and in-charge of day to day operations of the Company, are alleged to be in violation of Regulation 17(7) of LODR Regulations by failing to place the minimum information before the Board of directors to enable them to take an informed decision in the interests of the stakeholders of the Company.
38. Further, the Compliance Officer ((Akshay Mehta (Noticee 15A), Manisha Jain (Noticee 16A), Niyukti Singh (Noticee 17A), Preeti Kataria (Noticee 18A), Kanika Arora (Noticee 19A), being secretary to the Board of the Company allegedly failed to place complete information and the agenda item before the Board to facilitate efficient decision making by the Board and is, therefore, in violation of Regulation 17(7) of LODR Regulations.

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

39. Upon perusal of the corporate announcement dated August 02, 2021 [enclosed herewith as **Annexure 25**] [explanatory statements to the notice to shareholders], it was observed that Urja had placed before its shareholders an agenda for amendments in the MOA of the Company. The same was approved by the shareholders in the AGM held on August 25, 2021. The copy of the previous MOA and the altered MOA of the Company is enclosed herewith as **Annexure 26**.

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

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

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

- I. Electric Vehicles i.e. Two, Three, four and multi wheeler including electric Cycle, electric Scooters, Electric cars, Electric Buses, Electric heavy weight vehicles and other battery operated vehicles that can be charged through solar energy or electricity generated through any renewable/ non-renewable source of power and*
- II. Spare parts thereof inclusive of any equipment (like motors, controllers, power trains, batteries or any advanced energy storage devices like lithium-ion battery, Aluminium— ion battery, lead acid battery, super capacitors, which can store energy in form of electrical, chemical and mechanical.*
- III. To carry on business such as manufacturing, installation, import, export, re-licenses, periodic inspections of sweeping/ charging station of all kinds of electric vehicles & batteries and to provide fleet services.
To open Urja Kendra to provide training to the unemployed youth for trading, marketing of solar products, panels, batteries, e-vehicles and other products including installation of charging stations."*

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

42. According to Section 4(1)(c) of the Companies Act, 2013, every MOA must contain the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. The object clause of the company defines the activities which will be carried on by the company and that outlines the scope of business.
43. Considering the above, it is alleged that at the time of entering into JV agreement/MOU with Shenxian, FVM and Ogata, Urja was not authorized by its MOA to enter into the business of electric cars and therefore, the agreements itself are allegedly ultra-vires and void. Further, it is observed that the same was neither pointed nor acted upon by the Board of Directors, Managing Director and the Compliance Officer.
44. In view of the above, the Board of Directors (Noticee 2, 3, 4, 5, 6, 7, 8) of the Company have allegedly failed to exercise objective independent judgment, to maintain high ethical standards and to take into account the interests of the stakeholders and are therefore in violation of 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations. The BOD (Noticee 2, 3, 4, 5, 6, 7, 8) have also allegedly not complied with Regulation 26(3) of LODR Regulations read with Clause A, C, H, L and M and Regulation 26(3) read with Clause 1, 2 and 3 of the *Duties of Directors* Section in the Company's Code of Conduct.
45. The Managing Director (Noticee 5), being signatory to the MOU/agreement also allegedly failed to act with due diligence and care, thereby violating 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations. The MD (Noticee 5) had also allegedly not complied with Regulation 26(3) of LODR Regulations read with Clause A and C and read with the Clause 1,2 and 3 of *Duties of Directors* Section in the Company's Code of Conduct.
46. The Compliance Officers (Akshay Mehta (Noticee 15A), Manisha Jain (Noticee 16A), Niyukti Singh (Noticee 17A), Preeti Kataria (Noticee 18A), Kanika Arora (Noticee

19A) allegedly failed to ensure that the MOUs/JV agreement entered into by the Company are in conformity with the Objects of the Company, as mentioned in the MOA, thereby violating Regulation 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

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

Status of Compliance with SEBI Order dated May 13, 2022

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

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

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

50. Clarification was sought from the PCS, i.e. Nitesh Singh and Associates whether the Company has obtained certificate of authenticity on the aforesaid announcements, as mandated under the SEBI Order. PCS, vide email dated April 10, 2023 [enclosed herewith as **Annexure 27**] informed that the Company has not obtained the certificate of authenticity with respect to the aforesaid announcements. Therefore, Urja has allegedly violated the directions of the SEBI Order dated May 13, 2022.
51. Further, as already mentioned at Para 48, the certificate of authenticity, as was required in compliance with SEBI Order dated May 13, 2022, was provided only after being pointed upon SEBI during the instant examination. The aforesaid SEBI Order was disclosed on the website of the Stock Exchanges, as it was material event in terms of Regulation 30 of LODR Regulations.
52. However, it is noted that Board of Directors (BOD) have allegedly failed to implement the directions contained in the aforesaid SEBI Order and the same was done only after the insistence of SEBI on the same. The BOD also failed to seek update from the Company on the status of compliance with the SEBI directions contained in the Order in the ensuing Board meetings. Therefore, the BOD allegedly failed to exercise due diligence and professional conduct and did not effectively discharge its duties. Further, the members of the BOD (Noticee 2, 3, 4, 5, 6 and 7) have allegedly failed to comply with Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct.
53. Hence, the Company, the compliance officer of the Company and the Managing Director of the Company allegedly failed to ensure conformity with the regulations. Therefore, the MD (Noticee 6) is allegedly in violation of Regulation 4(2)(f)iii(3), 4(2)(f)iii(6), 4(2)(f)iii(7), 4(2)(f)iii(12) and 4(2)(f)iii(13) of LODR Regulations, and

Regulation 26(3) read with Clause A and C and Clause 2 and 3 of the Duties of Director Section in the Company's Code of Conduct.

54. Further, in view of above, the Compliance Officer (Noticee 18A) is allegedly in violation of Regulation 6(2)(a) and 6(2)(c) of LODR Regulations. By failing to ensure compliance with the directions mentioned in the SEBI Order, Urja has allegedly not complied with Regulation 5 of LODR Regulations.

55. The PCS has also mentioned that the announcements pertaining to MOUs/JV agreement do not give a true and fair view (refer Annexure 11).

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

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

57. Urja had entered into a JV agreement with Shenxian on December 07, 2019. The above JV agreement was based on the series of discussions and deliberations which Urja had with Mr. Gao Lihu, General Sales Manager [Email ID: zuojunevcar@qq.com] regarding the cost and profitability of the electric car, wherein Mr. Gao had shared a Proforma Invoice No. "Zuojun in November 2019" dated 6th November 2019 for the sale of electric car model zuojun Z60, 5 seats, RHD with 7.5kw motor at a price of USD 2853/- per unit. The aforesaid price was found to be competitive by Urja in the Indian Market and subsequently an agreement was entered into.

58. Mr. Gau lihu provided Urja an Irrevocable declaration to BSE vide email dated December 27, 2019 [enclosed herewith as **Annexure 28**] stating that M/s Shandong Zuojun New Energy Electric Vehicle Co Ltd. (Shandong) is the manufacturing company and associated to M/s Shenxian Ganghang Automobiles Sales Co. Ltd, China for the purposes of this Joint Venture Agreement dated 07th December 2019.

59. In the aforesaid declaration provided by Urja, it was mentioned that the website of the Shandong, the manufacturing company who is associated with Shenxian, is zuojunqc.cn.
60. During the period of June 25-26, 2020, Urja was informed by David [15306355531@163.com] of Shandong Company that Mr. Gao has left and David and Zhang are in charge of the business regarding the JV agreement. [Reference communication trail dated June 24-25, 2020 [enclosed herewith as **Annexure 29**]. From this communication between Urja and David, the following is noted:
- (i) Urja sought the website address of the Shenxian from David and in turn it was informed that the website is being updated.
 - (ii) Urja also communicated to David that they are facing problems connecting with the Company and Mr. Gao.
 - (iii) Urja communicated to David that Dheeraj Sisodia, on behalf of Urja, will go to meet David and Zhang once COVID problems are solved. Urja enquired about the samples of car for "Indian department documentations registration."
61. In light of the difficulties faced to connect with the Company/ David or Zhang, Urja then communicated with Mr. Gao [zuojunevcar@qq.com] in January 2021 and requested for whatsapp number for implementation of the agreement. In reply, Urja was informed by Gao Lihu on January 01, 2021 that due to the impact of COVID, the situation of the world has changed and the that the parent company [name not mentioned] of their group had gone bankrupt and it was taken over by another company [name of the company not mentioned] who could produce the same model. Mr. Gao further informed Urja that he had went to a more powerful company [name of the company not mentioned] who can produce the same model.
62. Urja however, communicated with Mr. Gao during January 2021 to July 2021 regarding the supply of cars in CKD condition without tyres and batteries. Having heard the news of bankruptcy of parent Company of Shenxian and movement of Mr. Gao to a more powerful Company, Urja tried to explore the email ID of the headquarters of the Shexian for implementation of the agreement and connected with

Fu Zhixiang [fzx04190419@163.com] [and David (in CC)] during the period March 16-17, 2021 [enclosed herewith as **Annexure 30**].

63. The communication of Urja with Fu Zhixiang and David continued during June 2021 to September 2021 [enclosed herewith as **Annexure 31**]. From the communication, the following is noted:

- (i) The communication of Urja with Gao Lihu stopped when Gao Lihu informed Urja about the bankruptcy of M/s Shandong Zuojun New Energy Electric Vehicle Co Ltd, the parent company of Shenxian.
- (ii) Urja then requested Fu Zhixiang and David to send the revised Performa Invoice (PI) to execute the agreement.
- (iii) As per the new PI received from David, there was four-fold increase in the prices of the car to be imported in SKD condition. Urja conveyed to David that the above increase in the prices has made the bid uncompetitive for Urja and therefore, Urja then got involved in negotiation with David to bring down the cost as earlier agreed with Mr. Gao Lihu, representing Shenxian, so that the project can be implemented.
- (iv) Urja also insisted for telephonic conversations, video conferencing with David. However, none of them could be made due to unavailability of WeChat in India and inactive whatsapp number provided by David, citing internet connectivity issues and poor English of the Chinese Officials.
- (v) Urja vide email dated August 23, 2021 inquired with David about the requirement of E-Scooters and attached along with the required specifications of the models, "E-Life" and "E-Zess". David vide email dated August 24, 2021 confirmed that they do not know about the e-scooters producer in China.
- (vi) Thereafter, Urja vide email dated September 03, 2021 again insisted on implementation of the JV agreement for e-cars. In reply, David vide email dated September 06, 2021 intimated Urja that they are not clear about the agreement prices and now the fresh price for whole vehicle export is being quoted.

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

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

66. On June 08, 2021 and August 13, 2021 [enclosed herewith as **Annexure 32**] upon repeated follow up by BSE regarding update on the MOU, Urja submitted the following on BSE in relation to the instant JV agreement with Shenxian:

- (i) Urja is constantly in touch with the General Sales Manager, Mr. Gau Lihu, and requested for further technical details of the product for implementing the agreement for completing the statutory formalities in India mandatory for conducting the sale of electric cars.
- (ii) Covid-19 pandemic which started in the month of December 2019 in china and subsequently in the month of March 2020 in India has impacted the market conditions and lead to nationwide lockdown. Further the relationship between both countries is also not good at the border. All of the above reasons lead to the delay in implementation of the agreement.
- (iii) Urja came to know that the parent company of M/s Shenxian Ganghang which is the manufacturing company of their group was taken over by another company to produce the same model.
- (iv) The sudden increase in cost quoted by them has made this project uncompetitive. The company is now in discussion with them to bring down the cost as agreed so that the project can be implemented.

67. Thereafter, again no disclosure regarding the material developments in the JV agreement was provided by Urja to the Stock Exchanges in the period September 2021-June 2022. On repeated follow up by BSE during its examination regarding the reason for not implementing the MOU, Urja vide letter dated July 12, 2022 [enclosed herewith as **Annexure 33**] submitted that *"the MOU with the Shenxian Ganghang Automobile was done for import of e-vehicles. But due to COVID 19 and border disputes the relationship between both the countries is not good since 2020. According to Government Policy, investment or any dealings from India's neighbouring countries would be allowed only after federal government approval, even in sectors where "automatic" clearances were previously permitted which leads to the delay in the implementation of the agreement however we are trying to do the things as required."*

68. Thereafter, in response to SEBI's query during examination, Urja vide email dated November 10, 2022 [enclosed herewith as **Annexure 34**] to SEBI stated that the

corona virus crisis had severely hurt the Chinese economy and businesses. A report has suggested that around 2.47 Lakh companies in the country have declared bankrupt during the first two months of 2020. Shenxian is one of the companies that went bankrupt during the time of COVID.

69. Urja vide email dated December 15, 2022 [enclosed herewith as **Annexure 35**] to SEBI provided a status update on the agreement, wherein it was informed that they are in constant conversations with Mr. Gau Lihu and the company is now discussing the price with some specifications of the electric car.

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

- (i) Purpose: To provide a cooperation framework for the project of assembling 4 wheelers, viz, cars in India. Shenxian shall provide cars to Urja on Semi Knocked Down (SKD) basis and Urja shall assemble the same and sell in India on mutually profitable basis.
- (ii) The key features of the agreement are as under:
 - a. Urja shall provide detailed information including layout and geographical location for setting up of an assembly plant for electric cars in India. Shenxian shall provide the technical assistance and guidance for vehicle assembly and shall train local workers for the same.
 - b. Monthly production schedule arrangement and model selection shall be determined by both the parties in negotiation.
 - c. Advance Payment to the tune of 50% and the remainder 50% though Letter of Credit to be paid within 90 days for import of e-vehicles in SKD/CKD condition.
 - d. Shenxian shall provide assistance and technical support to Urja and send engineers to assist Urja to ensure that the work environment is safe for the workers.

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

324 Provincial Road, Xuzhuang Town, Shenxian County, Liaocheng City, Shandong Province

72. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS dated February 07, 2023 regarding the instant announcement, wherein it was mentioned that *"the JV agreement appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the agreement. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*
73. BSE sought confirmation from the counter-party to the Shenxian whether the agreement was actually entered into. It is stated in the BSE exceptional report that Shenxian Ganghang Automobile Sales Co. Ltd., has informed BSE that the Shenxian has gone bankrupt. Accordingly, it was stated in the report that there are serious concerns on the veracity of disclosure made by Urja with respect to the instant agreement.
74. As the basic details about Shenxian were not furnished by Urja, Internet search was conducted for - Shenxian, the counter-party to the JV agreement, Shandong Zuojun New Energy, the parent company of Shenxian. The results of the internet searches are as under:
- (i) No matching results were found for the counter-party, i.e. Shenxian [enclosed herewith as **Annexure 36**].
 - (ii) Address of Shenxian as provided in the agreement could not be traced on the Google Maps.
 - (iii) The so called parent Company of Shenxian - Shandong Zuojun New Energy, is also not present in the google maps.
 - (iv) An internet search of the website address of the manufacturing Company, Shandong, i.e. zuojuncn.cn, which was provided by Urja in the irrevocable declaration furnished by Mr. Gao Lihu was also conducted. It is observed from the internet search that the website provided belongs to Wenzhou Weicheng Environmental Protection Technology Co. Limited [enclosed herewith as **Annexure 37**] and it is located at No. 188 Lanjiang Road, Wenzhou Economic and Technological Development Zone. The aforesaid site is linked with Wenzhou Weicheng Environmental Protection Technology

- Co. Limited since 2002. Therefore, the possibility of the same website being used/taken over any another company is ruled out.
- (v) No result on website address of Shenxian or it going bankrupt was thrown in internet searches.

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

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

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

76. It was observed from the communication trails furnished by Urja that it was informed by Mr. Gao Lihu in January 2021 [enclosed herewith as **Annexure 38**] that Shandong , i.e. the parent company of M/s Shenxian Ganghang, has gone bankrupt and was taken over by another Company.

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

78. Further, it was observed that upon receipt of communication of bankruptcy of parent Company of Shenxian, Urja got in touch Fu Zhixiang [Email ID explored on the internet] to produce the same model and started its negotiation [Reference: Email communication exchange between Urja and David dated June 03, 2021 to September 06, 2021 at [Reference to **Annexure 31**]. It was observed from the communication records that Fu Zhixiang belonged to Shandong Ruijie New Material

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

79. An internet search was conducted on Shandong Ruijie New Material Co.,Ltd. From the result of the search, it was noted that the business line activity of the Shandong Ruijie New Material Co is production of synthetic aster, which is altogether different and not related to electric vehicles [enclosed herewith as **Annexure 39**].
80. It was further noted that despite several clarifications/reminders, no documentary evidence was produced by Urja to prove the bankruptcy of its parent Company and it's being taken over by Shandong Ruijie New Material Co. Ltd.
81. BSE had sought clarification with respect to bankruptcy of Shandong Zuojun New Energy Vehicle Co. Ltd., parent Company of Shenxian from the taking over Company, i.e. Shandong Ruijie New Material Co. Ltd. [Company to which Fu Zhixiang belonged to as per the communication trail provided by Urja] and also from email ID of Mr. Gau Lihu, i.e. zuojunevcar@qq.com, with whom Urja had been initially communicating.
82. No response was received from the taking over company, i.e. Shandong Ruijie New Material Co. Ltd. However, a reply was received on July 27, 2022 from email ID of Mr. Gao Lihu, i.e. zuojunevcar@qq.com [enclosed herewith as **Annexure 40**], wherein it was stated that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.
83. It may be noted that the above submission and the submission which Urja made initially are different from each other. Earlier, it was submitted by Urja that Shandong Zuojun New Energy Electric Vehicle Co Ltd had gone bankrupt, which is different from the submission of the response received from Mr. Gau Lihu to BSE stating that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt.

84. Further, it may be noted that Shandong Zuojun New Energy Automobile Co., Ltd came into picture all of a sudden and it has not been a party to the JV agreement and neither its name was mentioned in any earlier communications provided by the Company.
85. Urja in its submission to SEBI vide email dated November 10, 2022 [reference to **Annexure 34**] has submitted that Shenxian has gone bankrupt. However, from the communication trail provided by Urja, it is observed that the parent company of Shenxian has gone bankrupt.
86. From the communication of Urja with Gao Lihu, it is observed that the parent company of Shenxian, Shandong Zuojun New Energy Vehicle Co., Ltd. went bankrupt.
87. Even from the communication of Urja with David, it is noted that the parent company of the group, i.e. Shandong Zuojun New Energy Electric Vehicle Co. Limited went bankrupt. Moreover, Gao Lihu submitted to BSE a completely different information, i.e. Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.
88. It may be noted that nowhere in the communication records, except that submitted by Urja to SEBI, it is explicitly stated that Shenxian went bankrupt.
89. Clarification was sought from Urja vide email dated October 17, 2022 on whether any new agreement was entered into as Shenxian had gone bankrupt. Urja vide email dated October 18, 2022 [enclosed herewith as **Annexure 41**] replied that no new agreement was entered into and they are in discussion with Shenxian for certain product specifications and price of e-cars.
90. It may be noted that bankruptcy in China is governed by The Bankruptcy Law, which has formal procedures like creditors' committee, meetings, restructuring and

settlement etc. However, Urja failed to furnish any of the relevant statutory documents/proofs evidencing bankruptcy of Shenxian or its parent company.

91. An internet search was conducted on bankruptcy of Shenxian. It is noted from the internet searches that Shenxian no results were found related to Shenxian or its bankruptcy. Considering that Shenxian or its parent Company is not evidenced by Urja, it allegedly appears to be a mere façade.
92. In view of the above, it is alleged that Urja has made false submissions to SEBI regarding Shenxian's going bankrupt.
93. Further, it is noted from the communication records furnished by Urja that the parent company of Shenxian, i.e. Shandong Zuojun New Energy Electric Vehicle Co., Ltd. had gone bankrupt and it had been acquired by another company. However, when the same was cross-verified from Gao Lihu, it was found that Shandong Zuojun New Energy Automobile Co., Ltd. has gone bankrupt but it has not been acquired by another company.
94. In view of the contrary submissions, it is alleged that the in addition to making false submissions to SEBI, Urja had furnished manipulated communication records to SEBI.
95. Considering the above, it is alleged that the entire story of bankruptcy of Shenxian, its parent company was orchestrated by Urja with a mala fide intention to demonstrate the delay in execution of the so-called JV agreement.

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

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

97. It was noted from the above that Urja suddenly started to communicate with David during the period of June 2020 [reference to **Annexure 29**] and did not provide any basis for the same. The source of the email id 15306355531@163.com, i.e. from where did Urja get access to the same is also not recorded anywhere in the communication trail nor has it been provided to SEBI by Urja.
98. Ideally, if there is any change in the person in charge of the business, the email ID of the new person, i.e. David in the instant case, should have been provided by the outgoing person, Mr. Gau Lihu, who was the signatory to the agreement with Shenxian.
99. It is noted that Urja has been communicating with Gao Lihu till July 2021 [reference to **Annexure 38**] even after being informed that Mr. Gao Lihu had moved to a more powerful company and also about the bankruptcy of the parent company of Shenxian. Considering that Urja has been informed that Gao had left and David and Zhang are in charge of the business with Urja for the purpose of the JV agreement, the reason for communication with Gao Lihu to discuss price and specifications of the car is beyond comprehension.
100. It was noted from the above that Urja is communicating with two different persons at the same time for implementation of the agreement with Shenxian, where none of the persons belong to Shenxian, as Gao Lihu moved out of Shenxian after so-called bankruptcy of its parent company and Fu Zhixiang belongs to Shandong Ruijie New Material Co.,Ltd, which is in the business activity of synthetic ester.
101. Further, Urja was unable to provide any communication trail wherein it was informed to communicate with David and then again start its communication with Gau Lihu, which implies that Urja has allegedly orchestrated a fraud and later trying to hide the same under the garb of impending discussions.

102. Result of the internet searches of the email IDs of David, Fu Zhixiang and Gau Lihu:
Upon internet search of the email ID with whom Urja has been communicating with David, i.e. <15306355531@163.com> and Fu Zhixiang <fzx04190419@163.com>, it is noted that the aforesaid email-ids belong to Shandong Weiwei Power New Energy Technology Co., Ltd. [Enclosed herewith as **Annexure 42**] and does not belong to Shandong Ruijie New Material Co., Ltd.. Further, upon internet search of zuojunevcar@qq.com, it was found that there was no information available. Internet search was made for qq and it was found that QQ is an instant messaging software service and web portal developed by the Chinese technology company Tencent.
103. Considering the above that the two persons, David and Fu Zhixiang with whom Urja has been communicating, represent the Shandong Weiwei Power New Energy Technology Co., Ltd., which is not the party to the agreement and neither in any way is involved with agreement for the purposes of this JV agreement, it is alleged from the above that none of the persons with whom Urja has been communicating is actually representing Shenxian and the communication records furnished by Urja to SEBI are manipulated and forged.
104. It may be further noted that even the persons with whom the Urja (Dheeraj Sisodia on behalf of Urja) has been communicating, i.e. Gau Lihu, Fu Zhixiang and David are not traceable on the internet. It appears that Urja has used dummy names and companies to orchestrate the scheme of making misleading announcements, which casts serious aspersions on the authenticity of the agreement.
105. Considering that the story of bankruptcy of the Shenxian is not true, switching communication from one person to another on the grounds of fake story is allegedly an attempt by Urja to furnish incorrect and manipulated records to SEBI and consequently to misguide the process of examination.

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

106. Urja submitted to BSE that according to Government Policy, investment or any dealings from India's neighboring countries would be allowed only after federal government approval, even in sectors where "automatic" clearances were previously permitted which leads to the delay in the implementation of the agreement however we are trying to do the things as required. However, Urja was unable to substantiate its claim with any acknowledgement letter or application filed with GOI for such approval.
107. The instant submission read in conjunction with the failure of Urja to provide any documentary evidence to demonstrate that the approval was applied for implies that Urja was submitting false information/misleading statements to SEBI and BSE.
108. In view of the above, it is alleged that Urja had made false submission to BSE regarding delay in implementation of the agreement on account of federal government approval

Issue D: Whether the JV agreement is authentic

109. It was noted from the result of the internet search that no company was found by the name of Shenxian. Further, the website address of the manufacturing company of their group, i.e. zuojunqc.cn belongs to some other third company, i.e. Weicheng Environmental Protection Technology Co. Limited which is not related to the JV agreement and also not in the same line of business.
110. As per the submissions of Urja, the MOU is still in discussion stage and business as proposed has not started yet and no transfer of goods and money has taken place. Further, no update on the implementation of the MOU was provided by the Company till date. Even after three years from the date of the MOU, no progress was made and none of the information, i.e. layout, monthly production schedule etc. was shared by Urja with Shenxian or any of the other Company with whom Urja was communicating, to take forward the agreement.

111. Moreover, no document evidencing the transfer of technical assistance and visit of engineers to India, as stipulated in the MOU, was provided by Urja.
112. It was also noted that the JV agreement was executed for import of electric cars in CKD/SKD condition. However, the enquiry made by Urja vide email dated August 23, 2021 to Fu Zhixiang and David was regarding supply of e-scooters, which itself raises concerns over the authenticity of the MOU as so-called Shenxian was not in the business of making electric scooters, as confirmed by Fu Zhixiang vide email dated August 24, 2021 [enclosed herewith as **Annexure 43**].
113. Further, it was noted from the same email sent by Urja to Fu Zhixiang dated August 23, 2021 that Urja had shared product specifications of scooters, i.e. E-Life and E-Zess, for the purpose of import of e-scooters. It may be noted that the same models are manufactured by Urja itself. Therefore, an enquiry of a similar product which itself is being manufactured in-house by Urja from a Chinese company with whom JV agreement was entered for import of electric cars is in itself a sufficient evidence to demonstrate that the MOU is not genuine.
114. It was noted that such basis details like product profile of the counter-party to the agreement should have been known to Urja from day one. Further, as illustrated above, the story of bankruptcy of Shenxian and its parent company is proven to be fake and moreover, the justifications submitted by the Urja for delay in implementation of the agreement are also proved to be not authentic.
115. Having considered the aforementioned facts regarding non-availability of basic details regarding profile of Shenxian, Urja not authorized by its MOA to enter into the business of electric cars, no progress made in the MOU, untraceable Shenxian and its non-existent address on Google Maps, failure to demonstrate any evidence by Urja regarding visit of Gau Lihu to India, framed story on bankruptcy, manipulated communication records etc., it is alleged that both the agreement and the counter-party to the agreement are not genuine and are unauthentic.

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

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

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

118. In view of the above, it is alleged that the Board of Directors (Noticee 3, 7, 9 and 11) failed to exercise due diligence, independent and objective judgement at the time of signing of JV agreement and also failed to call for additional information relating the JV agreement. The members of the Board (Noticee 3, 7, 9 and 11) have also allegedly failed to adhere to the Company's code of conduct for directors and senior management personnel and therefore not complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

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

Dheeraj Shishodia	Chief Executive Officer with effect from November 13, 2019, who was later promoted as Managing Director on June 27, 2020.
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120. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the agreement was signed by the CEO and the same is un-authentic and the Company was not authorized by its articles/objects, it is alleged that CEO has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 5) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct.

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

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

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

Kanika Arora	Company Secretary; appointed with effect from May 28, 2019 till March 05, 2020.
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124. The signatory to the announcement dated December 07, 2019 is Kanika Arora, the compliance officer of Urja. Considering that the announcement is not authentic, the Compliance Officer of the Company (Noticee 18) allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

MOU with FVM dated October 17, 2020

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

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

- a) Purpose: The purpose of the MOU was sale of 1,00,000 pieces of E-scooters annually worth INR 480 crores for mutual benefit of both the parties to the MOU, i.e. Urja and FVM.
- b) Key features of the MOU are as under:
 - i. FVM shall act as distributor of Urja Global Limited.
 - ii. The production, planning and sourcing of vehicles shall be discussed mutually by both the parties in terms of quality and pricing, on monthly basis.
 - iii. Cost of marketing/advertisement/promotion expense of vehicles shall be incurred by both parties.
- c) It was observed that the MOU was executed in New Delhi between Urja Global Limited (First Party) and FVM (Second Party). The MOU was unstamped and signed by Dheeraj Sisodia on behalf of Urja and Mohammad Tarique Quadri, on behalf of FVM on October 20, 2020. The address of FVM was mentioned as SORO, Balasore, Odisha 756045, which is incomplete.

127. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS regarding the instant announcement, wherein it was mentioned that *"the JV agreement appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the agreement. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*
128. BSE conducted site visit of the FVM at the address mentioned in the MOU on May 12, 2022 [Reference to **Annexure 10**]. The office of the Company was not found. BSE then asked the correct address of FVM from Urja and then again conducted the site visit at the new address on July 28, 2022 [Reference to **Annexure 10**] at 8, Mubarakpur, SORO, Dist. Baleshwar, Orissa 756045.
129. Neither any office nor any Board carrying the name of the company was found. Inventory of e-scooters was also not found. Mr. Md Tarique Quadri, Director of M/s. FVM Industries (India) Private Limited was not present at the aforementioned address. However, Mr. Santana Behera, was present at the site address, who runs a local ice cream shop at the site address. He informed that, Mr. Md Tarique Quadri had duped local people a large sum & fled from that area.
130. BSE also submitted that there was no inventory of e-scooters at that place and Mr. Behera stated that there was no scooter selling done from this address. Further BSE made following Observations in its Exceptional Report on MOU with FVM
- a) M/s. Urja Global Limited is not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022, wherein it has submitted that the delay in the execution of agreement was due to the spreading news of fire in battery in summer season in different e-scooter available in market. But now the agreement is under implementation.
 - b) There is no presence of M/s. FVM Industries (India) Private Limited at Dist. Baleshwar, Orissa, and hence the Exchange could not trace any proof of M/s.

FVM Industries (India) Private Limited selling e-scooters on behalf of M/s. Urja Global Limited as agreed in the MOU executed between the parties.

131. Upon website search of FVM, it was observed from the MCA that the registered office address of FVM is C/O-SANATANA BEHERA AT/PO: SORO DIST.BALASORE Baleshwar OR 756045 IN. It may be noted that Santana Behera himself informed BSE during the site visit that Mr. Tarique Quadri, director of FVM, has duped local people with large sums of money and fled that area.
132. It was noted from the exceptional report that upon repeated follow up and insistence by BSE, the company disclosed an update on July 27, 2022 [enclosed herewith as **Annexure 44**] to the Stock Exchanges that the agreement is now under implementation. Therefore, further details with regard to implementation was sought from the company by SEBI to verify the claim of Urja that the agreement is actually under implementation. Company in response vide email dated October 18, 2022, provided copies of invoices and e-way bill for supply of the e-vehicles to Sri Ram Enterprise, Bihar.
133. An internet search was conducted for Sri Ram Enterprises, Siwan, Bihar. A contact number was available on the website (9771116462). Telephonic conversation was made with the number, during which it was informed that E-vehicles are being supplied to them by Urja Digital World Limited and they place order directly with Urja Digital World Limited (with the person named Rohit) and there is no role of FVM and Urja Global Limited in the entire process.
134. Further, clarification was sought from the Company vide email dated November 04, 2022 regarding the role of FVM and the invoices being issued by Urja Digital World Limited. Urja vide email dated November 10, 2022 [Reference to **Annexure 34**] submitted the following to SEBI:
- a) Urja Digital World Limited is Subsidiary of Urja Global Limited and marketing of the E-scooters with FVM is done through Urja Digital World Limited.

- b) FVM Industries India Limited works as distributor with the Company. Mr. Tariq gets the commission on the sale of E-scooters by introducing the buyers to the Company.
- c) Mr. Tariq introduces the buyers with direct communication with the company.

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

136. Urja vide email dated December 15, 2022 [reference to **Annexure 35**] submitted to SEBI that they are selling the e-scooters in Odisha, Bihar, West Bengal and Jharkhand and commission is payable to FVM on half yearly basis. However, Urja failed to provide any invoices or proof of payment of commission to FVM since the date of entering into MOU.

137. An internet search was conducted on FVM. It was observed that FVM is engaged in the business of manufacture of food products and the paid up capital of the company is one lakh rupees [enclosed herewith as **Annexure 45**]. It was noted that the line of business activity of Urja and FVM are different and moreover, the size of the MOU does not commensurate with the size of the FVM.

138. An internet search was conducted on Md. Tarique Quadri [enclosed herewith as **Annexure 46**]. It is noted from the results of the internet search that Tarique Quadri is associated with three companies, i.e. FVM, FVM advisory and consultants (India) Private Limited and Fundviser Management Services LLP.

139. The site visit report of the FVM conducted by BSE also reports that there was no office, no company board, no employees, no stock of goods at the mentioned address

of FVM. Further, BSE was informed during its site visit that Md Tarique Quadri had duped local people a large sum & fled from that area.

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

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

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

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

with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

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

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

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

Niyukti K Singh	Company Secretary; appointed with effect from 07 October, 2020 and resigned on 08 January 2021.
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146. The signatory to the announcement dated October 20, 2020 is Niyukti Singh (Noticee 16), the Compliance Officer of Urja. Considering that the announcement is not authentic, the Compliance Officer (Noticee 16) of the Company allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and

comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015

MOU with Ogata dated June 23, 2020.

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

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

- a) The address of Ogata Motors, as mentioned in the MOU is Plot No 97, Sector-8, IMT Manesar, Gurgaon, Haryana-122051.
- b) The purpose of the MOU was manufacturing of electric vehicles, wherein Urja shall provide the raw materials of e-vehicles, lithium-ion batteries for assembling and manufacturing of e-vehicles and Ogata shall act as a manufacturing unit for Urja.
- c) The key features of the aforesaid MOU are as under:
 - i. Cost of the goods shall be reviewed after every three months.
 - ii. Profits shall be distributed on quarterly basis among Urja and Ogata in the ratio of 90:10.
 - iii. The MOU shall remain in force for a period of five years unless mutually extended by both the parties.
 - iv. Detailed pricing and technical know-how for the purpose of the MOU may be entered into after consideration with the Board of both the companies, wherein Urja intends to provide technical inputs and batteries to Ogata for assembling of e-vehicles.
 - v. Both the parties shall work under the name and style of Urja Global Limited.

149. In compliance with SEBI Order dated May 13, 2022, Urja provided a certificate of authenticity from the PCS regarding the instant announcement, wherein it was mentioned that *"the MOU appears to be untraceable and doesn't seem to be in effect. All such evidences are not enough to reasonable authenticate the validity of the MOU. This corporate announcement seems to be made unreasonably and hence, not giving a true and fair view."*
150. BSE in its Exceptional Report on MOU with Ogata, observed that Urja Global Limited is not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022 and therefore BSE raised concerns over the veracity of the disclosures made by Urja.
151. Urja vide its various submissions to BSE dated July 20, 2022 and July 27, 2022 [reference to **Annexure 33 and Annexure 44**] submitted that Urja has placed the proforma invoice with Ogata for selling of e-rickshaw and the business has started.
152. On the basis of the above submissions of Urja to BSE, documentary evidences were sought from the Urja regarding the start of the business and the implementation of the MOU.
153. Urja vide its email dated October 18, 2022 [reference to **Annexure 41**] to SEBI provided a communication trail wherein it has ordered 6 E- Rickshaws on urgent basis from Ogata and also sought bank account details for remittance of money.
154. Thereafter, SEBI vide email dated November 04, 2022 sought clarifications regarding the shipping bills, proof of payment of six e-rickshaws as was ordered by Urja. In reply, Urja vide email dated November 10, 2022 [reference to **Annexure 34**] stated that it has received proforma invoice from Ogata and they are in the process of finalizing the supply of material with improved quality but did not provide any documentary evidence corroborating its previous submissions.

155. Urja vide email dated December 15, 2022 [reference to Annexure 35] to SEBI further clarified that Urja and Ogata are in constant communication for high speed scooter and other products and are making changes as per the requirement. The same was reiterated by Urja vide its email dated January 18, 2023 [enclosed herewith as Annexure 48].
156. Urja was unable to provide any documentary evidence regarding proof of payment or invoices generated towards transfer of raw materials to Ogata for e-rickshaws.
157. Further, it was noted from the above communications that Urja is oscillating between ordering e-rickshaws and then e-scooters within a period of a month. It has changed its stand from placing orders for six e-rickshaws to negotiating for high speed scooters.
158. It was observed that previously on June 08, 2021 and August 13, 2021 [enclosed herewith as Annexure 32] Urja submitted the following to BSE, with respect to its MOU with Ogata Motors:
Due to ongoing Covid-19 pandemic our own manufacturing activity has been hampered along with the imports. Now, we have got approvals for two base models of Electric Two Wheelers – E-Zess and E-Life from ICAT on 27th May, 2021 [enclosed herewith as Annexure 49]. we are in process of resuming manufacturing activity with the Ogata.
159. It is noted from the ICAT approval certificate that the maker of motor and engine of vehicle is mentioned as Urja Global Limited. As per the terms and conditions of the MOU, Urja were to supply raw materials for e-vehicles and lithium ion batteries to Ogata for manufacture of electric vehicles. Therefore, for the purpose of sample vehicle prepared for ICAT exemption, Urja should have supplied batteries/raw materials to Ogata and Ogata would have in turn manufactured the vehicle, as contemplated in the MOU, and applied for ICAT certification.

160. However, not a single document has been provided by Urja wherein it is evident that Ogata is the manufacturer of the e-vehicles, as contemplated in the MOU. Even in the ICAT certificate, the maker of motor and engine is mentioned as Urja Global Limited. Though the Company/Urja has provided the ICAT certificate, it was unable to demonstrate that business is actually taking place through Ogata and that there was any progress on the MOU.
161. Comments of the counter-party, i.e. Ogata: Email IDs of the concerned persons were retrieved from the public domain, i.e. 'raajkumar@ogatamotors.com and vikashbansalhm@gmail.com' and emails dated June 29, 2022 and July 14, 2022 were sent to them by SEBI. Further, several emails were written to Ogata by BSE vide emails dated July 27, 2022. However, no response was received from Ogata, which raises serious concerns over the authenticity of the MOU.
162. Considering that no progress was made in the MOU despite receipt of the ICAT approval, Urja renegotiating e-scooters specifications, failure to demonstrate supply of raw materials to Ogata for the e-rickshaws and e-scooters and failure to provide any specific documentary evidence showing that the manufacture of vehicles is Ogata, it is alleged that Urja has no intention to implement the MOU and it has made a misleading announcement. Further, Urja was making false submissions to SEBI and shareholders.
163. The members of the Board of Directors (only Executive Director and Whole Time Directors) at the time of signing of JV agreement and the Independent Directors, who were present during the meeting in which the agenda was ratified, are as under:

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

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

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

Arun Bhardwaj	Chief Executive Officer with effect from May 18, 2020 to September 02, 2020
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166. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the agreement was entered into even when the Company was not authorized by its articles/objects, it is alleged that CEO (Noticee 14A) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 14A) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct.

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

and without any deliberations even when the Company was not authorized to enter into such business activity.

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

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

Manisha Jain	Company Secretary; Appointed w.e.f. 18.05.2020 and resigned w.e.f. 15.09.2020
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170. The signatory to the aforesaid announcement w.r.t. MOU with Ogata is Manisha Jain (Noticee 15), the Compliance Officer of the Company. Considering the announcement is not authentic, the Compliance officer (Noticee 15) failed to ensure conformity with the regulations and also failed to ensure that correct procedures were followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

MOU with Malbro dated March 16, 2016

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

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

- a) The MOU is executed in New Delhi on March 16, 2016 between Urja Global Limited (First Party) and Malbro Energy Limited (Second Party). The MOU is unstamped and signed by Abhitansh Gupta on behalf of Urja and Noel Maluza, on behalf of Malbro Energy Limited.
- b) The address of Malbro Energy Limited mentioned in the MOU is incomplete and is only mentioned as Lilongwe, Malawi.
- c) The purpose of the MOU is to provide technical knowhow support for designing and manufacturing of solar products to the Malbro for replicating in the agreed region of Malawi, Mozambique, Zambia, Zimbabwe and Tanzania.
- d) The key features of the aforesaid MOU are as under:
 - i. The detailed pricing shall and technical know-how shall be entered into after consideration of the terms by both the companies.
 - ii. First Party, i.e. Urja shall provide the support for manufacturing, designing of the solar products in the agreed region.
 - iii. Second Party, Malbro shall be liable to not disclose any of the confidential information provided to it during the execution of the MOU.
 - iv. The production, planning and sourcing of vehicles shall be discussed mutually by both the parties in terms of quality and pricing, on monthly basis.
 - v. Cost of marketing/advertisement/promotion expense of vehicles shall be incurred by both parties.

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

174. BSE observed in the Exceptional Report on MOU with Malbro that Urja Global Limited was not providing any concrete clarification for not providing status update on the MOUs executed by the company, since its initial disclosure till July 27, 2022 and therefore BSE raised concerns over the veracity of the disclosures made by Urja.
175. The MOU is signed between Urja and Malbro Energy Limited. However, upon internet search of Malbro Energy Limited, it is observed that there is no company found on the internet search by the name of Malbro Energy Limited belonging to Malbro Group.
176. It was observed from the MOU that the agreement was signed by Abhitansh Gupta, Authorized signatory on behalf of Urja. However, it was noted from the Annual Report of the FY 2015-16 that Abhitansh Gupta is not a KMP or any director in Urja Global Limited. Internet search was also conducted for Abhitansh Gupta and no result were found for Abhitansh Gupta being related to Urja in any capacity. Clarification was sought from Urja regarding the delegation of authority to sign such MOUs. Urja failed to provide the delegation of authority to any specific official for entering into such MOUs.
177. A website search was conducted for Mr. Noel Maluza, representative of Malbro in the MOU. It is observed that Noel Maluza is related to Malbro Group, which is engaged in diversified projects, i.e. Corn Starch Production Plant Project, pharmaceuticals, warehouses, maize production, etc.
178. It was observed from the various publicly available documents from the Common Market for Eastern and Southern Africa (COMESA) that Mr. Noel Maluza is only associated with Wet Milling Corn Starch Production in Malawi and Development of Kanengo Northgate Industrial Park in Malawi [enclosed herewith as **Annexure 50**]. The business line activity of Malbro Group and Urja are completely different.
179. During the course of examination of the matter, correspondence of Urja with Malbro was sought from Urja. Urja vide email dated September 10, 2021 provided the

communication trail with Malbro to SEBI. There were communications between Urja and Malbro during the month of March, 2016-July 2016 [enclosed herewith as **Annexure 51**] wherein Urja provided specifications of solar exports and batteries to Malbro. The gist of the communications is as under:

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

- a) Waste to Energy Projects
- b) Mining Projects
- c) Corn Starch Project
- d) Real Estate Project Malawi
- e) Gold and Copper concessions Zambia

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

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

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

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

- (i) Upon internet search, it was observed that gng@ikftech.in belongs to Mr. Sunil Kumar Goyal, who is a director in IKF Technologies Limited. In all, he is

associated with 9 companies and prima-facie, he is not related to Malbro in any manner.

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

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

185. It is observed from the communication that representatives of Urja met with Noel Maluza during the Taj Conclave in March 2016 and the MOU was signed during the same period. Upon internet search, it was observed that 11th CII EXIM Bank Conclave on India Africa Project Partnership was conducted during March 14-15, 2016 at Taj Palace Hotel, New Delhi. The aforesaid conclave was hosted by Exim bank and CII. Mr. Noel Maluza attended the event and the sectors in which the collaboration was intended included Steel & Iron Construction, Mining, Real Estate Dev. Engg., Agro Processing and Procurement. It was noted that Urja is in altogether different business line of industry and has no connection with the aforesaid sectors. Moreover, it could not be ascertained whether this Noel Maluza, who attended the meeting, is the same person who signed the MOU.

186. Thereafter, upon repeated follow-ups by BSE, Urja through its various submissions to BSE dated July 27, 2022 [reference to **Annexure 44**] and to SEBI dated October 18, 2022, November 10, 2022, December 15, 2022 [reference to **Annexure 34, 35 and 41**] stated that Urja is in communication with Mr. Noel Maluza, Chairman of Malbro Energy Limited, and have shared updated products details for implementation of the MOU.

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

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

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

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

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

complied with Regulation 26(3) read with Clause A, C, H, L, M and Clause 1,2,3 of the Duties of Director Section in the Company's Code of Conduct.

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

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

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

Akshay Mehta	Company Secretary; appointed with effect from February 13, 2016.
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194. The signatory to the aforesaid announcement w.r.t. MOU with Malbro was Akshay Mehta (Noticee 14), the Compliance Officer of the Company. Considering the announcement is alleged to be not authentic, the Compliance officer (Noticee 14) has allegedly failed to ensure conformity with the regulations and also failed to ensure that correct procedures have been followed which would result in correctness, authenticity and comprehensiveness of the information filed by the listed entity and

thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

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

195. BSE conducted site visit of Nashik facility on April 29, 2022 [enclosed herewith as **Annexure 52**]. The following observations were noted by the BSE during the site visit.

- a) Company/Urja has painted or affixed its name and the address of the registered office outside of the office.
- b) Operational Head of the plant location was available on the day of site visit.
- c) Company Secretary was not present on the day of visit.
- d) Ownership of office and factory buildings was on lease for 36 months executed between Mansa Automation (Lessor) and Urja (Lessee) on March 22, 2022.
- e) Electricity bills in the name of lessor were provided.
- f) Sales/Purchase register/bank statements/GST receipts were not provided.
- g) Pollution Board Approval Certificate taken on March 17, 2022 in the name of Lessor for Assembly of bicycles, baby carriages and other small non-motorizing vehicles
- h) Factory License taken on January 31, 2021 in the name of the Lessor.
- i) Stock was available for assembling 300 e-scooters. No details of vendors or consignee have been provided.
- j) 2 E-scooters were available as stock of finished goods.
- k) Office infrastructure, i.e., 5 laptops, 1 personal computer and 1 sofa set was also present.

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

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

Capacity addition:

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

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

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

200. Moreover, it is noted that regular updates to the material event, as specified under Regulation 30(7) of the announcement were also not disclosed to the Stock Exchanges, due to which the shareholders were deprived of the crucial information. In view of the above, Urja has allegedly violated Regulation 30(7) and Regulation 34 read with Schedule V Para 2 of the LODR Regulations.

Findings in respect of the MOU with Govt. of UP

201. Upon perusal of the MOU dated February 11, 2023 [enclosed herewith as **Annexure 53**] provided by Urja vide email dated March 28, 2023, it is observed that the key features of the MOU were as under:

- (i) The purpose of the MOU is to set up Solar Based Charging Station Investment (Crore) Under PPP Model in every Gram Panchayat for INR 100 crores and to set up the electric Car & Scooter Manufacturing unit 100 for

- INR 100 crores. The total cost of investment is INR 200 crores. The aforesaid MOU is intended to create employment for 5000 people.
- (ii) The proposed location for implementation of the MOU is Kanpur Nagar and the proposed time of commencement of the implementation of the MOU is July 2023
 - (iii) The objectives of the MOU are proposed to be achieved with the guidance of 6P's, i.e. public, private, Panchayat, progressive, profitable, partnership principles.
 - (iv) The MOU was signed by Shri Prathamesh Kumar, Additional Chief Executive Officer, Invest UP and Govind Mishra, Director Urja Global Limited.

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

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

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

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

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

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

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

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

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

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

211. The outcome of the Board meetings of the Urja have been perused to check whether the agenda pertaining to the instant MOU was approved by the Board. No such Board meeting was found on the corporate announcements page, wherein the instant MOU

was approved. Therefore, it is alleged that neither prior approval of the Board nor the post facto ratification by the Board was taken in respect of the instant MOU till date.

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

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

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

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

Gaurav Agarwal	Chief Executive Officer till March 03, 2023. Resigned on March 03, 2023.
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216. The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company. Considering that the Company was not authorized by its articles, it is alleged that CEO (Noticee 12) has erred in its duties and not acted in the best interests of the stakeholders of the Company. The CEO (Noticee 12) has therefore allegedly not complied with Regulation 26(3) read with Clause A,C,H,L and M of the Company's Code of conduct and thereby alleged to be in violation of Reg. 6(2)(a) and 6(2)(c) of LODR Regulations, 2015.

Findings in respect of agreement of Urja Global Limited with Tesla Power India Private Limited

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

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

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

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

221. In view of the unusual volatility in the scrip of the Company, an article was published in Business Standard newspaper on June 12, 2023, which stated that Investors misinterpreted this deal with the real Tesla, leading Urja stock to rally. The article also

stated that over 26 million shares were traded in three sessions starting June 6 in the run up to the order announcement by Urja, while about 9.4 million shares had been traded since the announcement.

222. Urja vide announcement dated June 14, 2023 [enclosed herewith as **Annexure 54**] clarified that the Tesla with which agreement was entered is Tesla Power India Private Limited, which is an associate company of Tesla Power USA LLC. The announcement also stated that Tesla power USA LLC Chairman Mr. John H. Vratsinas visited Urja global limited On 7th June 2023, along with the Managing Director of Tesla Power India Private Limited for signing the agreement.

223. Upon perusal of the agreement dated June 07, 2023 [reference to **Annexure 53**] provided by Urja vide email dated June 20, 2023, it was observed that the key features of the agreement were as under:

- (i) The agreement is stamped and signed by Managing Director, Kavinder Khurana on behalf of Tesla Power India Private Limited (First Party) and Yogesh Kumar Goyal on behalf of Urja Global Limited (Second party).
- (ii) In the e-stamp, the name of the first party is mentioned as Tesla Power USA Private Limited.
- (iii) It is stated in the agreement that the First party approached the second party for manufacturing and supply of various types of batteries under the Tesla Power USA Brand.
- (iv) First party (Tesla Power) has appointed Second Party (Urja) as manufacturer and supplier of batteries and related products and accessories.
- (v) Urja can utilize Tesla Service Centers for the promotion of their EV battery service requirement for the batteries purchased from the First party in respect of E-2 Wheeler batteries.

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

- (i) In the e-stamp, the name of the first party is mentioned as Tesla Power USA Private Limited, which is incorrect, as the agreement was entered into between Tesla Power India Private Limited and Urja Global Limited.
- (ii) At one place in the agreement, it is mentioned that Urja shall manufacture and supply batteries to Tesla Power under the Brand name of Tesla Power USA. At the other place, it is mentioned that Urja can utilize Tesla Service Centers for the promotion of their EV battery service requirement for the batteries purchased from the First party in respect of E-2 Wheeler batteries. The above clauses in the agreement, *prima-facie* appear contradictory as in

- one place, the manufacturer and supplier is Urja and at the other place, Urja is mentioned to be purchasing batteries from the Tesla Power.
- (iii) The Board approval for the aforesaid agreement and the agenda papers have not been provided by the Company, so it cannot be ascertained whether the aforesaid item was placed before the Board for ratification.

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

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

227. Upon google search of the registered office address, it was observed that Tesla Power USA LLC could not be traced on the Google maps. There was another company known by the name of Advantage Delaware at the aforesaid registered office address. The only matching results found are hosted by Teslapowerusa.com website and no other matching result is found in any other publicly available websites.

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

229. Further, in the Contact tab on both the websites, it is mentioned that *"I agree to be contacted at the number provided with more information or offers about Tesla Power India Pvt. Ltd products."* It is noted from the above that on the both the websites, the queries are being directed to Tesla Power India Private Limited, which casts serious aspersions on the genuineness of the global presence of the Tesla Power India Private Limited. It is alleged from the above that the two websites have only been created to give an impression that the Indian entity, Tesla Power India Private Limited, is an Indian counterpart to a global company.
230. The website of teslapowerusa.in and teslapowerusa.com were tracked since their inception on Wayback machine website. It was found that the website "teslapowerusa.in" was first captured on July 14, 2021 [enclosed herewith as **Annexure 55**]. Upon website tracking of "teslapowerusa.com", it was found that the website was first captured on February 02, 2021 [enclosed herewith as **Annexure 56**]. It may be noted that both the websites were first captured almost during the same time and the website "teslapowerusa.in", the website of the Indian entity, was captured even before the Indian Company was incorporated in January 2022. The above findings casts serious aspersions on the genuineness of the Company.
231. From the website "teslapowerusa.in" and "teslapowerusa.com", it was observed that the Chairman of the Tesla Power USA LLC and Tesla Power India Private Limited is John H Vrastinas. Further, on both the websites, he was described as to be a person who had established numerous global investment and operational enterprises spanning industries from Insurance to Agtech to Clean Energy. He has been *Named to the 40 under 40 list* by the Des Moines Business Record. He has served on multi philanthropic and civic boards. He was serving on the city of Lauderdale Fire Bond Commission.
232. However, upon linkedin search for the same, it was observed from the description that he is Insurance Executive Leader at Atlantic Speciality Risk and his contact number is mentioned as 9496780977 [enclosed herewith as **Annexure 57**]. Upon

truecaller search of the number, it was found that the number is BSNL number and it belongs to Vidhya Sreejith. The aforesaid number was not reachable. It may be mentioned here that the photograph of John Vrastinas, as available on the website of Tesla Power and LinkedIn is same.

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

234. Upon further website search of teslapowerusa.in in the press release section, it was found that Tesla Power USA and Indian Oil Corporation Limited (IOCL) have announced a national strategic alliance for battery distribution. The partnership will enable Tesla Power USA batteries to potentially sell and service their batteries at over 36,000 IOCL petrol pumps across India beginning with Delhi-NCR region. The article enclosed herewith as **Annexure 58**.

235. The reading of the article gives and impression that the article has been caused to be published in the media by Tesla Power USA as it contains only positive and forward looking statements made by Tesla Power to establish the credence of the Company. The genuineness of the article was verified from the IOCL. IOCL vide email dated June 20, 2023 [enclosed herewith as **Annexure 59**] stated that IOCL entered into an agreement with the Tesla Power India Private Limited on February 16, 2023. The formal launch of the alliance took place in Delhi on April 26, 2023 at one of IOCL's RO.

236. IOCL, vide the aforesaid email further stated that it had received complaints regarding the credentials of Tesla Power India Private Limited's (Party) on April 28, 2023 and May 04, 2023. IOCL further informed that based on complaint received, IOCL on May

03, 2023 instructed the Party to put on hold all activities/transactions from IOCL ROs. On May 19, 2023, IOCL issued a show cause notice to the Party. The Party has responded to the show cause notice, along with subsequent clarifications as sought by IOCL. The party's response was being evaluated by IOCL.

237. The issue was also discussed over telephonic conversation with officials of IOCL namely, Mr. Manoj Bhagat and Mr. Samrat Sethia (Joint Company Secretary) wherein they informed that the agreement was about Tesla Power India Private Limited selling its batteries at the IOCL petrol pumps. Clarification was sought from IOCL regarding the process of selection of the Company. IOCL informed that the Party approached IOCL with this business proposal and since it was Non-Fuel Revenue (NFR) for IOCL and very minuscule portion of the IOCL profits, the same was approved by the Regional Director of IOCL. During the telephonic discussion, it was also informed that owing to the complaint received and non-genuineness of the credentials of Tesla Power India Private Limited, the management of IOCL has decided not to continue with this agreement.

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

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

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

241. Yogesh Kumar Goyal (Noticee 3), the Whole Time Director, being a signatory to the agreement is alleged to be aware that the agreement is discrepant and not genuine.

He signed them despite the same and allegedly failed in effectively discharge his duties and failed to act in the interests of the shareholders of the Company. Considering that the Company has not provided the minutes of the Board meetings and the agenda papers, it is alleged that the agreement was not placed before the Board for ratification.

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

243. Further, Yogesh Kumar Goyal, Whole Time Director (Noticee 3) and the MD (Noticee 6) have allegedly helped Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the MD and Yogesh Kumar Goyal, the Whole Time Director, (Noticee 3 and 6) have allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

Observations from the Annual Report of Urja Global Limited

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

245. In this context, it was noted that Urja has entered into various MOU for the purpose of overall business development. However, the discussion on the financial impact pertaining to the MOU, business proposed to be achieved through the MOU, risks and overall outlook were not mentioned anywhere in the Annual Report. Instead of the above, the Annual Report just contained a passing reference that a MOU/agreement was entered for the purpose of the respective MOU.
246. It was noted from the above that the discussion in the MDA section of the Annual Report was not adequate and the intended purpose for dissemination of information to the shareholders was not fulfilled.
247. Further, basis inadequate disclosures in the Annual Report read in conjunction with Urja making fake announcements regarding the MOUs, as detailed above, it is alleged that such MOUs were entered into by Urja with mala-fide intention and therefore, Urja was not able to provide adequate disclosures/discussion in the Annual Report.
248. Urja is, therefore, allegedly in violation of Regulation 34(3) read with Schedule V of LODR Regulations.

Observations on the role of Board of Directors

249. The Board of Directors (BOD), being the decision making body of the Company, is responsible for monitoring the performance of the Company and adhering to good corporate governance practices and acting in the best interests of the shareholders. The major observations pertaining to the role of the Board of Directors in the instant matter were as under:
- a) As observed from the minutes, the BOD had been simply endorsing the agendas post facto on the basis of incomplete information without having any further deliberation or calling for additional information. It may be noted that neither the copy of the agreement/MOU nor the complete details i.e. the cost benefit analysis, schedule of activities, SWOT analysis etc. were placed before the BOD nor the same was asked for by any member of the BOD.

- b) Further, in spite of multiple instances, neither there is any evidence to show that the BOD had shown its displeasure on the post-facto ratification of the MOU nor there was any effort from the side of MD or CS to go for approval of the BOD before signing such MOU.
- c) BOD while ratifying the agreement/MOU never advised the management to come with further update on the MOU. BOD did not exercise any objectivity or independence in judgement while ratifying the MOUs.
- d) It was mentioned in all the MOUs that the detailed planning and production schedule may be mutually decided by the Board of the Companies. However, the matter was never taken up by the BOD nor did the Board seek any updates on the JV agreement/MOUs from the Company.
- e) JV agreement/MOU with Shenxian, FVM and Ogata have been entered for an activity which is not allowed as per the object clause of the Company. The object clause was amended on August 25, 2021 much later to the signing of the agreement/MOU. Despite the same, the BOD did not question the management or enquire on the same. It rather ratified the agendas which were placed before them without applying independent and objective judgment.
- f) Further, all the announcements except pertaining to setting up assembly plant at Nashik are found to be not authentic. Such perpetration of fraud allegedly can only be possible by collusion between the Board of Directors, including the IDs and the management of the Company.
- g) In the cases of MOU with Malbro and Govt. of UP, it was noted that the signatory to the MOU on behalf of Urja was shown as director of Urja, but it was found that the signatory is not even on the BOD of the Company, which implies gross negligence of duties by the BOD. This reflects poorly on the functioning of the BOD, especially with regard to keeping themselves updated on the affairs of the Company.
- h) BOD also allegedly failed to oversee compliance with the regulatory action in respect of SEBI Order dated May 13, 2022.

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

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

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

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

253. The Code of Conduct [enclosed herewith as **Annexure 60**] for Directors and Senior Management Personnel, as available on the website of the Company was perused and it was observed that the said code is applicable to all Directors/Senior Management personnel, who are expected to comply with the code in letter and spirit.

The relevant clauses of the aforesaid Code of Conduct are as under:

- a) As per the Clause A ("Accountability") of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.
- b) As per Clause C ("Compliance") of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further,

any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

- c) Clause L ("Safeguarding Company's Assets") casts the responsibility on SMPs to protect the Company's assets regardless of whether the same is tangible or intangible and;
- d) Clause M ("Financial Record Keeping and Reporting") casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.
- e) Clause H ("Consumer Focus") states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

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

- a) Act in accordance with the articles of the Company
- b) Act in good faith in order to promote the objects of the Company for the benefit of members as a whole and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment
- c) Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- d) Not involve in a situation in which he may have direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

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

- 256.** Further, the members of the Board of Directors have allegedly aided the Company in making false announcements by simply taking on record the agendas pertaining to the MOUs without seeking any further clarification from the Company and without any deliberations even when the Company was not authorized to enter into such business activity. The aforesaid act of omission by the members of the Board has allegedly helped Company perpetrate the fraudulent scheme by disclosing the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the BOD (Noticee 2, 3, 4, 5, 6, 7, 8) have allegedly violated Reg. 3 (a), (b), (c), (d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1) (c) of SEBI (PFUTP) Regulations, 2003.
- 257.** Moreover, the function of the independent directors is to bring in objectivity, balance the conflicting interests of the stakeholders, safeguarding the interests of minority shareholders, ensure that adequate deliberations are held and raise concerns about any unethical behavior or suspected fraud in the affairs of the Company.
- 258.** The role of Independent Directors (IDs) in such cases becomes very crucial to act as a balancing factor in avoiding any conflict of interest. But, as evident from the analysis above, allegedly the IDs too failed to take an independent and objective view on the issues placed before it and also failed to ensure that adequate deliberations are held by not seeking additional information w.r.t. incomplete agenda items placed before it.
- 259.** IDs also allegedly failed to act responsibly and in the best interests of the Company. No question was raised from the management by the IDs regarding the aforesaid issues, which implies that the IDs also acted and abetted the management of the Company in such fake announcements. The IDs, therefore have failed to perform their following duties:
- a) uphold ethical standards of integrity and probity;
 - b) act objectively and constructively while exercising his duties

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

260. Hence, the Board (Noticee 2, 3, 4, 5, 6, 7, 8), including the Independent Directors (Noticee 9, 10, 11), allegedly did not effectively discharge their responsibility and therefore, they are alleged to be in violation of principle 4(2)(f)iii (3), 4(2)(f)iii (6), 4(2)(f)iii (7), 4(2)(f)iii (12) and 4(2)(f)iii (13) of LODR Regulations. Further, the independent directors (Noticee 9, 10, 11) have allegedly failed to comply with Regulation 17(5)(b) of LODR Regulations, 2015 read with Clause I.1, I.2, I.3, II.1, II.2, II.5, II.6, III.2 and III.11 of Schedule IV (Code for independent directors) of Companies Act, 2013. The IDs (Noticee 9, 10, 11) have allegedly also not complied with Regulation 26(3) read with Clause 2,7,11 and 12 of the Duties of Independent Director's Section in the Company's Code of Conduct.

Observation on the role of Managing Director

261. The Managing Director (MD) is responsible for managing overall operations, and setting the company's strategic direction. In other words, it may be noted that both the MD and Board of Directors are jointly and severally responsible for effective

functioning of the Company and therefore, obligated to act in the best interests of the shareholders.

- 262.** Considering that agreements have been entered into by Urja with various counter-parties and most of them (Shenxian, FVM and Ogata) have been signed by the MD, the responsibility to ensure that the agreements signed are in accordance with Memorandum of Association of the Company lies with the MD. Further, MD, who is in charge of day to day operations of the Company, should also have ensured that complete information is placed before the Board to facilitate efficient decision making by the Board. Therefore, the MD allegedly failed to maintain operational transparency in the functioning of the Company.
- 263.** MD, being a signatory to the fake MOUs/JVs was allegedly aware that the agreements were discrepant and not genuine. He signed them despite the same and failed in effectively discharging his duties and failed to act in the interests of the shareholders of the Company.
- 264.** It was also noted that Managing Director of the Company is obligated to keep the entire Board informed of complete and accurate information for a healthy and objective decision making process. MD while being the signatory of the MOUs allegedly failed to apprise the Board of complete information.
- 265.** Moreover, the Managing Director of the Company (Mr. Dheeraj Sisodia (Noticee 5) [MD at the time of MOU with FVM] and Mr. Honey Gupta (Noticee 2) [MD at the time of Malbro]) also allegedly failed to effectively discharge its obligations by placing incomplete information to the Board for ratification of the said agendas and also failed to maintain operational transparency and ethical standards within the Company. Further, with respect to the MOU with Govt. of UP, the MD (Noticee 6) allegedly failed to place the agenda before the Board of Directors for approval or ratification. MD being in-charge of day to day operations of the Company allegedly failed to adhere to SEBI Order dated May 13, 2022.

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

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

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

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

- a) Act in accordance with the articles of the Company

- b) Act in good faith in order to promote the objects of the Company for the benefit of members as a whole and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment
- c) Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- d) Not involve in a situation in which he may have direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

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

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

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

- 272.** Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors under Schedule II Part A of LODR Regulations, it is stated that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation.
- 273.** Therefore, the Managing Director (Noticee 2, 5 and 6), being signatory to the agreement and in-charge of day to day operations of the Company, have allegedly not complied with Regulation 17(7) of LODR Regulations by failing to place the minimum information before the Board of directors to enable them to take an informed decision.
- 274.** Considering that MD had replied to the Stock Exchange on the clarifications raised by the BSE, MD is also allegedly guilty of submitting false information to the BSE and SEBI, thereby misleading the entire examination of the matter. Therefore, the MD (Noticee 2, 5 and 6) are allegedly in violation of Section 15A(a) and 15A(b) of SEBI Act, 1992.
- 275.** Further, as per Schedule V of the LODR Regulations, the details of the Industry structure and developments, opportunities and threats and segment wise performance needs to be discussed in the Management Discussion and Analysis Section of the Annual Report. However, it is noted from the Annual Report that no such discussion were made in the Annual Report for the respective financial years in which MOU was executed and only a passing one-liner reference stating that Urja has entered into a MOU with respective counter-party is mentioned. Considering that the annual report/Directors' report is signed by Whole Time Directors (Noticee 3 and 7) they have allegedly violated 4(2)(f)i(2), 4(2)(f)ii(8), and 4(2)(f)iii(6) of LODR Regulations. The details of the Whole time directors for the Annual Report during the period from FY 2016-17 to FY 2021-22 are as under:

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

Observations on the role of Chief Executive Officer

- 276.** The CEO of the Company is in-charge of day to day operations of the Company and he is obligated to discharge his duties with diligence and maintain ethical standards within the Company.
- 277.** In terms of Regulation 26(3) of LODR Regulations, the members of the Board of Directors shall affirm compliance with the Code of Conduct of Board of Directors and Senior Management personnel on an annual basis.
- 278.** The Code of Conduct for Directors and Senior Management Personnel, as available on the website of the Company was perused and it was observed that the said code is applicable to all Directors/Senior Management personnel, who are expected to comply with the code in letter and spirit. The relevant clauses of the aforesaid Code of Conduct are as under:
- As per the Clause A ("Accountability") of the aforesaid Code of Conduct, the SMPs shall act ethically, honestly, with due care, competence, diligence and without allowing their independent judgment to be subordinated. The SMPs shall act in the best interests of the Company and fulfill their fiduciary obligations.
 - As per Clause C ("Compliance") of the aforesaid code of conduct, SMPs shall ensure to comply with all the applicable laws, rules and regulations. Further, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

- c) Clause L ("Safeguarding Company's Assets") casts the responsibility on SMPs to protect the Company's assets regardless of whether the same is tangible or intangible and;
- d) Clause M ("Financial Record Keeping and Reporting") casts the responsibility on SMPs to ensure that all business records and reports are accurate, complete and reliable.
- e) Clause H ("Consumer Focus") states that SMPs shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

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

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

281. Moreover, CEO being in-charge of day to day functioning of the Company were obligated to ensure that the records are complete, accurate and reliable. Considering that CEO directly reports to the Board/MD and apprises the Board for efficient decision making. Considering that the information placed before the Board was incomplete and inadequate and no information was placed before the Board w.r.t.

MOU with Govt. of UP, the CEOs (Noticee 5, 12 and 13) have allegedly violated Clause M of the Company's Code of Conduct.

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

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

Observations on the role of Company Secretary

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

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

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

287. The Company secretary (Noticee 14, 15, 16, 17, and 18) allegedly also failed to ensure compliance with the SEBI Order dated May 13, 2022. In view of the above, the compliance officer (Noticee 14, 15, 16, 17, and 18) have allegedly violated Regulation 6(2)(a) and 6(2)(c) of the LODR Regulations.
288. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors. Schedule II Part A of LODR Regulations, states that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. In this regard, the Compliance Officer (Noticee 14, 15, 16, 17, and 18), being secretary to the Board of the Company failed to place complete information and the agenda item before the Board, thereby allegedly violating Regulation 17(7) of LODR Regulations.

Non-compliances by the Company

289. As noted from the paragraphs above, the JV agreement/MOU entered into between Urja and the counter-parties are allegedly not genuine, are fake and intended to mislead the shareholders. Further, the information in the announcement is not complete and adequate. Therefore, Urja has allegedly violated Regulation 4(1)(c), 4(1)(d) and Regulation 4(1)(e) of LODR by providing misleading information to the shareholders and by failing to ensure that the disclosures are adequate and accurate.
290. Considering the series of events like entering into MOU without requisite due diligence, giving false submissions to SEBI for not being able to implement the MOUs/JV agreement, it is alleged that Urja had no intention to implement the MOU since beginning and it had just made an announcement to provide a good image of itself to its shareholders. Therefore, Urja had allegedly failed to act in the best interests of the shareholders and to ensure that relevant information is disseminated to enable the shareholders track the performance of the Company. Thus, Urja is also allegedly in violation of Regulation 4(1)(g), 4(1)(h), 4(1)(i) and 4(1)(j) of SEBI LODR Regulations.

291. It may also be noted that in respect of the clarifications sought from the Company during the examination of the MOUs/JV agreement, the company has allegedly submitted false and misleading information to SEBI and BSE and also submitted the falsified communication records. In view of the same, Urja has allegedly not complied with Regulation 4(1)(c) of LODR Regulations.
292. Further, by not disclosing information in the MDA section of the annual report, Urja has not allegedly complied with Regulation 34 read with Schedule V of LODR Regulations.
293. Further, Regulation 17(7) of LODR stipulates the requirement for minimum information to be placed before the Board of Directors, as specified in Schedule II of LODR Regulations. Schedule II Part A of LODR Regulations states that Details of any joint venture or collaboration agreement shall be placed before the Board of Directors for their information and deliberation. The Company, has therefore allegedly failed to comply with the specified requirement as complete information was not placed before the Board for deliberation and discussion.
294. Further, Urja had allegedly failed to give material updates to the MOUs till their conclusion. Therefore, Urja is alleged to be in violation of Regulation 30(7) of LODR Regulations.
295. Moreover, the Company is alleged to have intentionally disclosed the false information which is in the nature of fraud as defined under SEBI (PFUTP) Regulations, 2003, as it includes misrepresentation of truth, concealment of material fact and a promise without intention to fulfill etc. Therefore, the Urja has allegedly violated Reg. 3 (a),(b),(c),(d) and 4 (1), 4(2)(k) and (r) read with Reg. 2(1)(b) and 2(1)(c) of SEBI (PFUTP) Regulations, 2003.
296. The regulations alleged to be violated by Noticees in paragraphs above are reproduced as under:

SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015

Regulation 4(1): Principles governing disclosures and obligations

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(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.

(d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.

(e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.

(g) The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.

(h) The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.

(i) Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.

(j) Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

Regulation 4(2)(f) Responsibilities of the board of directors:

The board of directors of the listed entity shall have the following responsibilities

Responsibilities of the board of directors:

(i)..

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii)...

(8) Overseeing the process of disclosure and communications.

(iii)....

(3) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

(6) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders

(7) The board of directors shall exercise objective independent judgement on corporate affairs.

(12) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.

(13) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.

General obligation of compliance.

5. The listed entity shall ensure that key managerial personnel, directors, promoters or any other person dealing with the listed entity, complies with responsibilities or obligations, if any, assigned to them under these regulations.

Regulation 6(2) Compliance Officer and his/her Obligations.

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

...

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

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

Regulation 34: Annual Report

(3) The annual report shall contain any other disclosures specified in Companies Act, 2013 along with other requirements as specified in Schedule V of these regulations.

Schedule V Para B Clause 1 states as under:

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

- (a) Industry structure and developments.
- (b) Opportunities and Threats.
- (c) Segment-wise or product-wise performance.

Regulation 17(5) of LODR Regulations

(5) (a) The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.

(b) The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Code For Independent Directors (As prescribed under Schedule IV of the Companies Act, 2013)

An independent director shall:

Guidelines for professional conduct

Clause I.1: uphold ethical standards of integrity and probity;

Clause I.2: act objectively and constructively while exercising his duties;

Clause I.3: exercise his responsibilities in a bona fide manner in the interest of the company;

Role and functions

Clause II.1: help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

Clause II.2: bring an objective view in the evaluation of the performance of board and management;

Clause II.5: safeguard the interests of all stakeholders, particularly the minority shareholders;

Clause II.6: balance the conflicting interest of the stakeholders;

Duties

Clause III.2: seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

Clause III.11: report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

Regulation 17(7) of LODR Regulations, 2015

The minimum information to be placed before the board of directors is specified in Part A of Schedule II.

Schedule II Clause J

...

Details of any joint venture or collaboration agreement.

...

Section 24 of SEBI Act, 1992

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to 121[ten years, or with fine, which may extend to twenty-five crore rupees or with both].

24 (2) If any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

Schedule III Para A Clause 14 states as under

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

(14) Amendments to memorandum and articles of association of listed entity, in brief.

SEBI (PFUTP) Regulations, 2003

Reg 2 (1) (b) 1["dealing in securities" includes:

1 Substituted vide Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2018. w.e.f. from February 01, 2019 .

(i) an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any persons including as principal, agent, or intermediary referred to in section 12 of the Act;

(ii) such acts which may be knowingly designed to influence the decision of investors in securities; and

(iii) any act of providing assistance to carry out the aforementioned acts.]

2 1(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behaviour by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price. And "fraudulent" shall be construed accordingly;

3. Prohibition of certain dealings in securities No person shall directly or indirectly—(a) buy, sell or otherwise deal in securities in a fraudulent manner;

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves [any of the following]:—

.....

.....

(k) ["disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;]

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

297. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under section 15A(a), 15A(b), 15HA and 15HB of the SEBI Act, which read as under:

SEBI Act, 1992

Section 15A of SEBI Act, 1992

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

(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupee];

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

Penalty for fraudulent and unfair trade practices.

15HA.

If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh

rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

Penalty for contravention where no separate penalty has been provided.

15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

298. In view of the above, the Noticees are called upon to show cause as to why an inquiry should not be held against it in terms of Rule 4(1) of Adjudication Rules and why penalty should not be imposed under sections 15HB of the SEBI Act.

299. The reply of the Noticees, along with the supporting documents and enclosures, if any, should reach the undersigned at the address mentioned below as well as through email at shashikumarv@sebi.gov.in and at ramank@sebi.gov.in within 14 days from the date of receipt of this Notice, failing which it shall be presumed that the Noticees have no submissions to make, in which case, the matter shall be proceeded with on the basis of material/ facts available on record:

**Enquiries and Adjudication Department-8
Securities and Exchange Board of India
SEBI Bhavan - II, Plot no. C-7, Block 'G',
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051**

300. The Noticees are required to submit a copy of its PAN Card and contact details (contact person, phone number, email details, fax etc.) for records. Further, in case of change in the address or contact details of the Noticee during the pendency of the current Adjudication Proceedings, the same may be brought to the notice of the Adjudicating Officer immediately.

301. For all correspondence in these proceedings, Noticees shall quote the subject and reference number as mentioned in this notice and the correspondence should be addressed to Enquiries and Adjudication Department-8, SEBI. This Office shall not be responsible for any late receipt of your correspondence if not addressed to this office specifically. You may also indicate whether you desire a personal hearing in the matter.

302. You may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter refer to as 'Settlement Regulations'). If you wish to opt for the settlement process, you may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. You may also note that, in terms of Regulation 8(1) of the Settlement Regulations, the filing of an application for settlement shall not affect the continuance of the instant proceedings except for the passing of the final order.



SHASHI KUMAR
VALASKUMAR

Digitally signed by SHASHI
KUMAR VALASKUMAR
Date: 2024.03.19 17:02:17
+05'30'

SHASHI KUMAR VALSAKUMAR

CHIEF GENERAL MANAGER & ADJUDICATING OFFICER

Enclosures (in CD): Documents relied upon are as follows:-

1. **Annexure 1-** commune, dated November 17, 2023
2. **Annexure 2** - disclosure dated March 21, 2016
3. **Annexure 3-** disclosure dated December 07, 2019
4. **Annexure 4** - disclosure dated July 01, 2020
5. **Annexure 5** - disclosure dated October 20, 2020
6. **Annexure 6** - Disclosure dated March 22, 2022
7. **Annexure 7** - disclosure dated March 03, 2023
8. **Annexure 8** - Intimation dated June 08 2023 regarding agreement with Tesla
9. **Annexure 9, 10** - Exceptional Report of the Exchange and site visit of FVM

10. **Annexure 11-** Certificate of authenticity provided by the PCS dated February 07, 2023
11. **Annexure 12, 28 -** Copy of the JV agreement with Shenxian and email dated December 27, 2019
12. **Annexure 13, 14, 15 -** copy of the MOU with FVM, Ogata, Malbro
13. **Annexure 16, 17, 18, 19-** Minutes of Board Meetings wrt MOUs approved
14. **Annexure 20, 21, 22, 23-** Agenda papers placed before the board for MoU
15. **Annexure 24-** SEBI Email dated May 09, 2023
16. **Annexure 25 -** Corporate Announcement dated August 02, 2021
17. **Annexure 26 -** copy of the previous MOA and the altered MOA of the Company
18. **Annexure 27-** PCS email dated April 10, 2023
19. **Annexure 32-** urja's letter dated June 08, 2021 and August 13, 2021
20. **Annexure 33 -** Letter dated July 12, 2022
21. **Annexure 34-** Urja email dated November 10, 2022
22. **Annexure 35 -** Urja email dated December 15, 2022
23. **Annexure 36, 37-** Internet Searches
24. **Annexure 38, 31, 29, 30-** Emails of Urja in respect of Electric Cars
25. **Annexure 39-** Internet Search Results
26. **Annexure 40-** Email dated July 27, 2022
27. **Annexure 41-** Urja Email dated October 18, 2022
28. **Annexure 42 -** Google search results for email
29. **Annexure 43 -** Email dated August 24, 2021
30. **Annexure 44-** Letter dated July 27, 2022
31. **Annexure 45, 46-** Internet Seaches on FVM and Md. Tarique
32. **Annexure 47 -** copy of the MOU with Tesla
33. **Annexure 48-** clarification dated January 18, 2023
34. **Annexure 49-** ICAT approval dated May 27, 2021
35. **Annexure 50-** Publicly available document from COMESA
36. **Annexure 51 -** Communication between Urja and Malbro
37. **Annexure 52 -** FVM site visit report



- 38. **Annexure 53** - MOU with Govt. of UP
- 39. **Annexure 54**- Urja announcement dated June 14, 2023
- 40. **Annexure 54, 56** -Internet Search results for Teslapowerusa.in and
Teslapowerusa.com
- 41. **Annexure 57**-Linkedin Search result
- 42. **Annexure 58**- Article dated April 29, 2023
- 43. **Annexure 59** -IOCL email dated June 20, 2023
- 44. **Annexure 60**- Company's Code of Conduct

