BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER: Order/MC/VS/2021-22/15736-15762]

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

In respect of –

1. **Sudhir Bhikhalal Parekh (AGKPP2595F)** having address at D-3, Parijat, UBI Employees CHS, Patel Estate Road, Jogeshwari (West), Mumbai : 400 102
2. **Bhavesh Premji Mamania (AKOPM4329C)** having address at Plot No.D 37, Sector 9 B1 Basement Floor Chitrakut Yojna, Vaishali Nagar,Jaipur : 302 021
3. **Parth Dineshbhai Kanabar (BAKPK2744N)** having address at Plot No.D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
4. **Sheetal Mitesh Shah (BKOPK9087L)** having address at Plot No. D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
5. **Kusum Jain (ADRPJ4541P)** having address at B-41 Mandir Road, Vidhyadhar Nagar, Jaipur – 302039
6. **Senthilkumar Tappali Devadoss (DRLPS3369M)** having address at Plot No. D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
7. **Hitsharan Jain (AANPJ7373E)** having address at B-41 Mandir Road, Vidhyadhar Nagar, Jaipur – 302039
8. **Saurabh Gandhi (CCDPS5093N)** having address at B1 Basement Floor Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021

9. **Beena Jain** (AHTPJ4218K) having address at B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
10. **Prafulla Subhash Chandra Bhat (AMEPB0155F)** having address at Plot No.D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
11. **Arvind Jethalal Gala (ACSPG7022Q)** having address at Flat No.2, Plot No.36A, Opp. St.Joseph High School Pushpa Park, Daftary Road, Malad (East), Mumbai : 400 097
12. **Bhupendra Ratilal Kadhi (AACPK5739Q)** having address at Plot No.D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
13. **Chanakya Arvind Dhanda (AOLPD8006N)** having address at Plot No.D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
14. **Murugan Gayathri (BAUPG8669Q)** having address at Plot No.D 37, Sector 9, B1 Basement Floor, Chitrakut Yojna, Vaishali Nagar, Jaipur : 302 021
15. **Chanchal Dalmia (ANFPD7769K)** having address at 1, Gracehill Road Coonoor Tamilnadu : 643 101
16. **Dalmia Infrapower Pvt. Ltd. (AAECD2058E)** having addresses at 301-302 Amrapali Plaza, Amrapali Circlem, Vaishali Nagar Jaipur : 302 021 and Dalmia Bhawan, Ward No. 11, Near Purani Nagarpalika, Main Market Ke Pass, Kasba Pilani Jhunjhunun, Rajasthan -333031
17. **Santosh Agrawal (AHXPA1564B)** having address at 301-302 Amrapali Plaza, Amrapali Circlem, Vaishali Nagar Jaipur : 302 021
18. **Yash Dalmia (ALDPD8741P)** having address at 1, Gracehill Road, Coonoor, Tamilnadu : 643 101
19. **Maya Dalmia (ADKPD4134H)** having address at 1, Gracehill Road, Coonoor, Tamilnadu : 643 101
20. **Basanti Devi (ADMPD0122D1)** having address at 1, Gracehill Road, Coonoor, Tamilnadu : 643 101

21. **Gopi Krishan Dalmia & Vinayak Tea Company (ADKPD4133A)** having address at 1, Gracehill Road, Coonoor Tamilnadu : 643 101
22. **Tea Exchange Bharat Ltd (AACCT8143J)** having address at 1, Shreeji Complex, Gracehill Road, Coonoor, Tamilnadu : 643 102
23. **Bhartiya Commotrade Pvt.Ltd. (AADCB8998G)** having address at 719, 7th Floor, Evershine Tower Amrapali Circle Vaishali Nagar, Jaipur : 302 021
24. **Bhartiya Natural Organic Foods Pvt. Ltd. (AADCB9369H)** having address at 720, 7th Floor Evershine Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021
25. **Golden Era Plantations India Pvt. Ltd (AABCM2142B)** having address at 94, Gracehill Road, Coonoor, Tamil Nadu : 643 101
26. **Shiv Trading Company (ARAPA3423E)** having address at DI-382, Parswnath Township, Navrangpura, Ahmedabad-382345
27. **Krishna Kant Agarwal (AGDPA7584J)** having address at 1-3/21-26 Gurukrupa Building, Kamakoti Nagar, Vijayawada, Andhra Pradesh – 520012

In the matter of Tirupati Fincorp Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") initiated adjudication proceedings against the following entities ("hereinafter together referred to as "**the Noticees**") under Section 23E of the Securities Contracts (Regulation) Act, 1956 ("hereinafter referred to as the "**SCRA**") and Sections 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 ("**the SEBI Act**") for alleged violation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 ("**PFUTP Regulations**"):-

Noticee No.	Name	PAN
1.	Sudhir Bhikhalal Parekh	AGKPP2595F
2.	Bhavesh Premji Mamania	AKOPM4329C
3.	Parth Dineshbhai Kanabar	BAKPK2744N
4.	Sheetal Mitesh Shah	BKOPK9087L
5.	Kusum Jain	ADRPJ4541P
6.	Senthilkumar Tappali Devadoss	DRLPS3369M
7.	Hitsharan Jain	AANPJ7373E
8.	Saurabh Gandhi	CCDPS5093N
9.	Beena Jain	AHTPJ4218K
10.	Prafulla Subhash chandra Bhat	AMEPB0155F
11.	Arvind Jethalal Gala	ACSPG7022Q
12.	Bhupendra Ratilal Kadhi	AACPK5739Q
13.	Chanakya Arvind Dhanda	AOLPD8006N
14.	Murugan Gayathri	BAUPG8669Q
15.	Chanchal Dalmai	ANFPD7769K
16.	Dalmia Infrapower Pvt. Ltd.	AAECD2058E
17.	Santosh Agrawal	AHXPA1564B
18.	Yash Dalmia	ALDPD8741P
19.	Maya Dalmia	ADKPD4134H
20.	Basanti Devi	ADMPD0122D
21.	Gopi Krishan Dalmia & Vinayak Tea Company	ADKPD4133A
22.	Tea Exchange Bharat Ltd	AACCT8143J
23.	Bhartiya Commotrade Pvt.Ltd.	AADCB8998G
24.	Bhartiya Natural Organic Foods Pvt. Ltd.	AADCB9369H

25.	Golden Era Plantations India Pvt. Ltd	AABCM2142B
26.	Shiv Trading Company	ARAPA3423E
27.	Krishna Kant Agarwal	AGDPA7584J

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer ("AO") under Section 15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter be referred to as the "**Adjudication Rules**") vide order dated September 7, 2020 to inquire into, and adjudge under Sections 15HA and 15 HB of the SEBI Act, the aforesaid alleged violations of the Noticees. The appointment of the undersigned as AO was communicated vide order dated October 16, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/VS/2138 dated 04.03.2021 was issued to the Noticees for alleged violation of the LODR Regulations and the PFUTP Regulations by the Noticee.

4. The allegations levelled against the Noticee in the SCN are summarized as follows:-

5. SEBI investigated suspected misutilisation of funds raised by Tirupati Fincorp Ltd. ("**TFL**"/"**the Company**"/ "**Noticee 1**") through preferential allotment of equity shares made on 07.01.2013.

6. The period of Investigation has been taken from January 05, 2013 to December 24, 2015 (hereinafter referred to as "**investigation period" / "IP**").

7. The findings of the investigation are given below.

8. TFL is an India-based non-banking finance company ("NBFC"). The Company is engaged in providing financial services. The Company provides various types of financial products and secured loans. Its services include loan against property, unsecured loans, loan against shares and business loan.

9. TFL was incorporated in 1982 under the name and style of "Surya Globefin Limited" and the name of the Company was changed to Tirupati Fincorp Limited from January 2013. The registered address of the company is PN-1, Telephone Colony Tonk Phatak, Jaipur, Rajasthan- 302 015. The company is listed at BSE since March 2015. However, the present status of listing as per BSE website is : "*Trading Restricted - On account of GSM, Suspended due to Penal reasons, Suspended - Surveillance Measure".*

Management of the company:

10. During the investigation period, the directors of TFL were as follows:

Table-1

DIN	Name	Designation	Begin Date	End Date
02910252	Kusum Jain	Director	04-Jan-2010	26-Sep-2014
02910260	Hitsharan Jain	Director	04-Jan-2010	25-Mar-2017
06462955	Saurabh Gandhi	Director	27-Dec-2012	26-Sep-2014
06962259	Murugan Gayathri	Director	01-Sep-2014	08-Apr-2015
06970069	Senthilkumar Tappali Devadoss	Director	01-Sep-2014	30-Apr-2015
07322250	Beena Jain	Director	25-Sep-2015	11-Aug-2017
06604513	Prafulla Subhashchandra Bhat	Director	14-Nov-2015	11-Mar-2016
01227408	Bhupendra Ratilal Kadhi	Director	22-Feb-2014	14-Jun-2014
02392119	Arvind Jethalal Gala	Director	30-Apr-2015	6-Feb-2019
02709047	Chanakya Arvind Dhanda	Director	14-Jan-2016	11-Mar-2016
02208146	Bhavesh Premji Mamania	Director	07-Jun-2014	Continued
07184815	Sudhir Bhikhalal Parekh	Director	30-Apr-2015	Continued
06683130	Parth Dineshbhai Kanabar	Addl Director	19-Apr-2017	Continued
08364948	Sheetal Mitesh Shah	WT Director	30-Apr-2015	Continued

Note: It is also noted from the minutes of the various meetings submitted by the Company, that a person by the name "Ms. Chanchal Dalmia" was present during the meetings in the capacity as "Director". However, name of the entity does not appear in the records of MCA/Zaubacorp as a director of the Company.

Investigation into the utilization of the proceeds of Preferential Allotment

11. Vide the "Notice of Extra Ordinary General Meeting" dated November 30, 2012 *(Annexure-1a to the SCN)* issued by the Company for the EGM of its members held on January 5, 2013, preferential issue was proposed as a Special Business. Further, the Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956 under the head: "Disclosures prescribed under the SEBI ICDR Regulations, 2009, set out the following as the objects of the preferential issue:
    - In order to generate long term resources for implementing future growth plans, it is proposed to issue equity shares on preferential basis;
    - The proceeds of proposed preferential allotment will strengthen the financial position of the company;
    - The object of the equity shares on preferential basis is to augment the capital base of the company and also to meet working capital requirement of the company.

12. The Resolution dated January 05, 2013 was passed by the Board of Directors of the Company for issue on preferential basis of 20,00,000 equity shares of Rs.10/- each at a premium of Rs.11/- per equity share aggregating to Rs.4,20,00,000/-. Accordingly, the preferential allotment by TFL was made on January 07, 2013.

13. The Company in its Extra Ordinary General Meeting ("EGM") of the members held at its Regd. Office at: E-7 Ram Sharan Dham, Jagdamba Nagar, Ajmer Road, Jaipur, on January 5, 2013, passed the resolution containing the details of the allotment and the objects of the preferential issue. Further, as per the copy of the relevant extract of the Minutes of the EGM of members of the Company held on, January 5, 2013 (*Annexure – 2 to SCN*) the aforesaid Resolution, there

was no mention about any modification made to the Objects of the Preferential Issue as set out in the "Notice of Extra Ordinary General Meeting" dated November 30, 2012.

14. The details of the preferential allotment, as submitted by the company are as follows:-

Table-2

Sr. No	Date of allotment	No. of allottees	No of shares	Issue Price (in Rs)	Issue Proceeds (in Rs)
1.	January 07, 2013	27	20,00,000	21	4,20,00,000/-

15. The details of allottees, no. of shares allotted, and subscription money received from them are given in Table below:-

Table-3

Sl. No.	Name and address of the Allottee	Address of the Allottee	No. of Shares allotted for	Amount Payable @ Rs.21 per share	Date of Receipt of Subscription moneys	Amount
1	G K Dalmia	1, Gracehill Road, Coonoor, Tamilnadu : 643 101	95,238	1999998	30-Nov-12	20,00,000
2	Navin Gupta	33, Indraprasth Colony, Ram Nagar, Sodala, Jaipur : 302 006	47,618	999978	31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					31-Dec-12	50,000
					14-Nov-19	5,00,000
3	Krishan Kant	1-3/21-26 Gurukrupa Building, Kamakoti Nagar, Vijayawada, Andhra Pradesh	95,238	1999998	14-Dec-12	20,00,000
4	Gajanand Sharma	22, Kartik Nagar, Akera Dungri Road No.17, VKI Area, Jaipur	71,429	1500009	14-Dec-12	15,00,000
5	Subhash Chand	55, Balaji Vihar, 18 Murlipuar Ajmer Bypass,	71,429	1500009	17-Dec-12	15,00,000

Sl. No.	Name and address of the Allottee	Address of the Allottee	No. of Shares allotted for	Amount Payable @ Rs.21 per share	Date of Receipt of Subscription moneys	Amount
	Chaudhary	Jaipur				
6	Hitsaran Jain	B-41 Mandir Road, Vidhyadhar Nagar, Jaipur	71,429	1500009	30-Nov-12	15,00,000
7	Mahavir Singh Panwar	Plot No.146/79, Lower Attadi, Coonoor, Nilgris : 643 104	47,618	999978	17-DE-12	10,00,000
8	Dalmia Infrapower P Ltd.	301-302 Amrapali Plaza, Amrapali Circle, Vaishali Nagar, Jaipur : 302 021	71,429	1500009	04-Dec-12	15,00,000
9	Tea Exchange Bharath Ltd.	1, Shreeji Complex, Gracehill Road, Coonoor, Tamilnadu : 643 102	95,238	1999998	30-Nov-12	20,00,000
10	Golden Era Plantations P. Ltd.	94, Gracehill Road, Coonoor, Tamil Nadu : 643 101	95,238	1999998	30-Dec-12	20,00,000
11	Bharatiya Natural and Organic Foods Pvt. Ltd.	720, 7th Floor Evershine Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021	95,238	1999998	18-Dec-12	20,00,000
12	Bharatiya Commotrade Pvt. Ltd.	719, 7th Floor, Evershine Tower, Amrapali Circle, Vaishali Nagar, Jaipur : 302 021	71,429	1500009	18-Dec-12	15,00,000
13	Shiv Trading Co. (Shiv Kumar Agarwal)	DI-382, Parswnath Township, Navrangpura, Ahmedabad	71,429	1500009	03-Dec-12	15,00,000
14	Yash Dalmia	1, Gracehill Road, Coonoor, Tamilnadu : 643 101	71,429	1500009	15-Dec-12	15,00,000
15	Chanchal Dalmia	1, Gracehill Road, Coonoor, Tamilnadu : 643 101	71,429	1500009	05-Dec-12	15,00,000
16	Maya Dalmia	1, Gracehill Road, Coonoor, Tamilnadu : 643 101	71,429	1500009	15-Dec-12	15,00,000
17	Basant Devi	1, Gracehill Road, Coonoor, Tamilnadu : 643 101	71,429	1500009	04-Dec-12	15,00,000
18	Santosh Trading Co.	301-302 Amrapali Plaza, Amrapali Circle, Vaishali Nagar, Jaipur : 302 021	71,429	1500009	03-Dec-12	15,00,000
19	Kaushal Agarwal	B-396, Murlipura Scheme, Murlipura, Jaipur	76,190	1599990	14-Dec-12	16,00,000
20	Rekha Agarwal	B-396, Murlipura Scheme, Murlipura, Jaipur	80,952	1699992	13-Dec-12	17,00,000
21	Kusum Jain	B-41 Mandir Road, Vidhyadhar Nagar, Jaipur	71,429	1500009	29-Nov-12	15,00,000
22	Jabhar Jat	55, Balaji Vihar, 18 Murlipuar Ajmer Bypass, Jaipur	71,429	1500009		15,00,000
23	Bimla Devi Sharma	22, Kartik Nagar, Akera Dungri Road No.17, VKI Area, Jaipur	71,429	1500009	14-Dec-12	15,00,000
24	Chandra Prakash Sharma	22, Kartik Nagar, Akera Dungri Road No.17, VKI Area, Jaipur	80,952	1699992	13-Dec-12	17,00,000
25	Ramesh Badai	P.O.Kukas Tehsil, Ajmer, Jaipur	80,952	1699992	14-Dec-12	17,00,000
26	Tulsi Ram Bunker	P.O.Kukas Tehsil, Ajmer, Jaipur	61,904	1299984	20-Dec-12	13,00,000

Sl. No.	Name and address of the Allottee	Address of the Allottee	No. of Shares allotted for	Amount Payable @ Rs.21 per share	Date of Receipt of Subscription moneys	Amount
27	Sarita Gupta	33, Indraprasth Colony, Ram Nagar, Sodala, Jaipur : 302 006	47,618	999978	21-Dec-12	10,00,000
TOTAL			20,00,000	4,20,00,000		4,20,00,000

16. From the Bank Statement submitted by the Company (duly highlighting the respective credit transactions), it was observed that the aforesaid amounts were received by the Company in its Bank Account with Bank of Maharashtra.

17. Connection among the Preferential Allottees:
    a. Based on the addresses given in the Application Form and as per letter dated June 14, 2019 of the Company, Dalmia Infrapower Pvt. Ltd., and Santhosh Trading Company are connected as they share common address of 301-302, Amrapali Plaza, Amrapali Circle, Vaishali Nagar, Jaipur – 302 021.
    b. Tea Exchange Bharat Ltd., Yash Dalmia, Chanchal Dalmia, Maya Dalmia, Basanti Devi, and G K Dalmia, are connected as they share common address of 1, Gracehill Road, Coonoor, Tamilnadu – 643 101. In this regard, during the statement recording of the AR on December 2, 2019, they were asked whether Dalmia Infrapower P Ltd., Yash Dalmia, Maya Dalmia, Chanchal Dalmia and Besant Devi are related to Mr.G.K.Dalmia. It was also asked whether any other allottees were related to Mr.G.K.Dalmia. The representatives submitted that they were not aware of the exact details and that the requisite information would be furnished by December 9, 2019. However, the Company did not provide any information on the same yet.
    c. Further, G K Dalmia is the promoter-director of Dalmia Infrapower Pvt. Ltd., and Tea Exchange Bharat Ltd. Maya Dalmia was a director in Tea Exchange Bharat Ltd.,
    d. G K Dalmia and Basanti Devi are directors in Golden Era Plantations Pvt. Ltd.

e. Kaushal Agarwal and Rekha Agarwal shared the same residential address of B-396, Murlipura Scheme, Murlipura, Jaipur.
f. Hitsaran Jain and Kusum Jain shared the same residential address of B-41, Mandir Road, Vidhyadhar Nagar, Jaipur, and they were also directors of TFL.
g. Subhash Chand Chaudhary and Jaibhar Jat shared the same residential address of 55, Balaji Vihar, 18 Murlipuar Ajmer Bypass, Jaipur
h. Gajanand Sharma, Bimla Devi Sharma and Chandra Prakash Sharma shared the same residential address of 22, Kartik Nagar, Akera Dungri Road, No.17, VKI Area, Jaipur.
i. Ramesh Badai and Tulsi Ram Bunker shared the common residential address of P.O.Kukas Tehsil, Ajmer, Jaipur.
j. Sarita Gupta and Navin Gupta shared the common residential address of 33 Indraprasth Colony, Ram Nagar, Sodala, Jaipur – 302 206
k. Yash Dalmia and Maya Dalmia were directors in Bhartiya Commotrade Private Ltd., till May 2019 and April 2019 respectively
l. Maya Dalmia and Yash Dalmia were directors in Bhartiya Natural and Organic Foods Pvt. Ltd., till September 2013 and February 2016 respectively.
m. K Dalmia was a director in both Bhartiya Commotrade Pvt. Ltd., and Bhartiya Natural and Organic Foods Pvt. Ltd., since November 2009 and December 2009 respectively.
n. Vide letter dated February 24, 2020, G K Dalmia was asked to explain the relationship/connection with the Company/other preferential allottees. The said letter sent to the address as available in the records furnished by the Company, was returned undelivered with a postal remark: “Addressee left without instructions”.
o. The Company vide its email dated February 25, 2020, confirmed that the entities G K Dalmia, Damia Infrapower P Ltd., TEBL, Golden Era Plantations P Ltd., Bhartiya Natural and Organic Foods P Ltd., Bhartiya Commotrade P Ltd., Yash Dalmia, Chanchal Dalmia, Maya Dalmia, and

Basanti Devi Dalmia were related to each other.

Connection among the Company and the Preferential Allottees:

18. Kusum Jain, Hit Saran and Chanchal Dalmia were Directors in the Company (it is noted that though the name of Chanchal Dalmia appeared in the copies of various minutes (eg., Minute of the meeting held on June 17, 2012, July 26, 2012, August 16, 2012, etc.) submitted by the Company January 28, 2020, as "present" in the meetings as a Director of the Company, however, her name did not appear in MCA website as a director of the Company);

19. Chanchal Dalmia was connected to G K Dalmia based on the residential address given by them, as well as the Company email dated February 25, 2020.

20. Dalmia Infra Power Pvt. Ltd., Tea Exchange Bharat Ltd., Golden Era Plantations Pvt. Ltd., Bharatiya Natural and Organic Foods Pvt. Ltd., Bhartiya Commotrade Pvt. Ltd., Yash Dalmia, Maya Dalmia, Basanti Dalmia was connected with the Company through Chanchal Dalmia, who was a Director of the Company, as stated earlier.

Connection of the Company with the Preferential Allottees and the entities that received proceeds of the preferential allotment:

21. Bhartiya Natural and Organic Foods Pvt. Ltd., were connected to preferential allottees Maya Dalmia and Yash Dalmia. Further, Maya Dalmia and Yash Dalmia share the same residential address of Chanchal Dalmia, a Director in the Company;

22. Santosh Trading Company was represented by one Santosh Agrawal in the loan agreement. He held directorship in TEBL along with Gopi Krishan Dalmia (G K Dalmia), Maya Dalmia and Basanti Devi Dalmia during the period from June 2006 and March 2009. Further, Gopi Krishan Dalmia, Maya Dalmia and Basanti

Devi Dalmia shared the same residential address with Chanchal Dalmia, a Director in the Company.

23. Vinayaka Tea Company (HUF) – As per information given in "About Us" page of website of Dalmia Technologies (tebl.org/about-us.html), Vinayaka Tea Company and Tea Exchange Bharat Limited were promoted by the same promoters *(Annexure-3 to SCN)*. Further, TEBL is connected to the Company through G K Dalmia and Chanchal Dalmia. Further, the mobile number of G K Dalmia (9443366852) as per copy of his KYC Form *(Annexure-4 to SCN)* obtained from Motilal Oswal Securities Ltd., is same as that of G.K. Dalmia (Proprietor) of The Vinayaka Trading Company in its listing in the Indiamart website (*Annexure-5 to SCN*).

24. Govind Kripa Buildwell P Ltd., and Tirupati Mahima Infratec P Ltd., were represented by one Abhimanyu in the capacity of director for executing the loan agreements.

25. TEBL was connected to the Company through G K Dalmia who was connected to the director of the Company Chanchal Dalmia.

26. Shiv Trading Company was preferential allottee for shares worth Rs.15 Lakh, and was supplier of goods to the Company to the tune of Rs.68 Lakh which was duly paid by the Company (as submitted by the Company to BSE).

27. Santosh Trading Company was another preferential allottee for shares worth Rs.15 lakh, who was also supplier of goods worth Rs.50 Lakh and was given short term loan of Rs.38.45 Lakh.

28. Krishan Kant was one of the preferential allottee as per the records submitted by the Company. The Company in its submission before BSE stated that it had deployed a sum of Rs.20.00 Lakh for purchase of goods from one Krishan Kant Agarwal. The PAN of Krishna Kant Agarwal was AGDPA7584J. Allottee by name "Krishan Kant" also held the same PAN.

Deployment of funds by Company

29. The Company, vide its letter dated June 14, 2019, delivered to SEBI on June 17, 2019 (*Annexure-6 to SCN*), furnished certain information/documents in response. According to the said letter of the Company, the funds mobilized through the preferential allotment were deployed as under:

Table - 5

S.No.	Accounting Head	Amount (INR)
1.	Short Term Loans and Advances	2,05,28,088.17
2.	Cash and Bank Balances	90,02,783.52
3.	Non-Current Investments	2,16,11,000.00
TOTAL		5,11,47,871.69

30. The Company vide its aforesaid letter also informed the following, with regard to the deployment of funds:

> "………. *Also being the Company is NBFC in nature, Company has invested the money in the other body Corporate to generate long term resources as specified in the Object of the issue. Accordingly, the Company has executed the share purchase agreement with Tea Bharat Exchange Limited (TEBL)…."*

31. It is noted that the aforesaid information relating to deployment of funds raised through the preferential issue as given in Table-5 above, is different from what has been stated by the Company before BSE. The Company's claim to have deployed the funds mobilized through the preferential issue, broadly under three account heads as mentioned in Table-5 above, was examined as under:

Short Term Loans and Advances

32. BSE vide its notice dated July 7, 2017 addressed to the Company (*Annexure-7 to SCN*) observed that the Company had utilized a sum of Rs.1.48 Crore for granting loans. Out of the said amount of Rs.1.48 Crore, Rs.37.81 Lakh was given to Santosh Trading Co., as Loan. The said Santosh Trading Co., was one of the preferential allottees with 71,429 shares for a total consideration of Rs.15 Lakh.

33. The Company vide its letter dated September 30, 2019 *(Annexure-9 to SCN)* submitted a ledger extract of "Loans & Advances (Asset) Account" as at the end of the financial year 2012-13. As per the said ledger extract, the following parties carried the respective Debit balances for the loans and advances made to them:

Table-7

Sl. No.	Name of the Parties	Debit balance as on March 31, 2013
1.	Govind Kripa Buildwell Pvt. Ltd.,	706,041.00
2.	Jagrati Hotels Pvt. Ltd.	29,383.00
3.	Meena Steel	1,000,000.00
4.	Mona Poddar	814,597.00
5.	Mukta M Goyal	1,624,520.55
6.	Neelam Devi Chopra	769,479.00
7.	Pawan Natani HUF	1,025,973.00
8.	Pramod Gupta Jaipur	1,572,986.23
9.	Rajesh Techno Plast Jaipur	651,885.00
10.	Rama Plastics Jaipur	1,087,206.00
11.	Sachin Water Supply Co.	1,050,630.00
12.	Tirupati Mahima Infratec Pvt. Ltd.	1,815,534.00
13.	Vinod Kumar Gupta HUF	2,516,644.00
14.	Bhartiya Natural & Organic Food P Ltd.	48,468.00
15.	Dulal P Chowdhary	200,000.00
16.	Santosh Trading Company	3,845,682.00
17.	Vinayaka Tea Co. (HUF)	1,769,059.00
TOTAL		20,528,087.78

34. Following were the observations from the Ledger extracts (party-wise) submitted by the Company:

   i. From the ledger extract of Govind Kripa Buildwell Pvt. Ltd. (Annexure-10 to SCN), which was submitted by the Company vide its letter dated January 24, 2020 (received on January 27, 2020), it was observed that the principal amount of Rs.7,00,000/- was lent on February 25, 2013 and the same was also reflected in the bank statement furnished by the Company. An amount of Rs.6,041/- was debited to the loan account on March 31, 2013 towards interest on the loan. However, the Company has stated to have deployed an amount of Rs.7,06,041/- from out of the preferential issue proceeds under the head "Short Term Loans and Advances". The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.6,041/-.

ii. As per the ledger extract of ***Jagrati Hotels Pvt. Ltd., (Annexure-11)*** the principal amount of Rs.5,00,000.00 was lent on August 31, .2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. Further, it is stated by the Company that the said loan amount was received back on March 15, 2013. The net debit balance of Rs.29,382/- shown as outstanding as on 31st March 2013 represents the total interest charged on the loan of Rs.32,383/- and after deducting TDS of Rs.3,000/-.

iii. As per the ledger extract of ***Meena Steel (Annexure-12)***, the principal amount of Rs.10,00,000/- was lent on December 18, 2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger extract submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. *However, interest has not been charged/debited to the account for the quarters ended 31st December 2012 and March 31, 2013.*

Hence, it cannot be stated that the loan has been granted to earn revenue on the capital deployed and does not appear to be in the ordinary course of business of the Company. In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" or misutilized the preferential issue proceeds by Rs.10,00,000/-.

iv. As per the ledger extract of ***Mona Poddar (Annexure-13)***, the principal amount of Rs.8,00,000/- was lent on January 17, 2013 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger extract submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. An amount of Rs.14,597.00 has been debited to the Account on March 31, 2013 towards interest for the loan. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.14,597/-.

v. As per the ledger extract of ***Mukta Goyal (Annexure-14)***, the principal amount of Rs.15,00,000/- was lent on June 2, 2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's

Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.1,24,520.55 has been debited to the Account on June 30, 2012, September 30, 2012, December 31, 2012 and on March 31, 2013, towards interest for the loan. However, TDS credit as mentioned in other loan accounts has not been seen in the ledger account. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.1,24,520.55/-.

vi. As per the ledger extract of ***Neelam Devi Chopra (Annexure-15)***, the principal amount of Rs.7,50,000/- was lent on January 12, 2013 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. An amount of Rs.19,479.00 has been debited to the Account on March 31, 2013 towards interest for the loan. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.19,479/-.

vii. As per the ledger extract of ***Pawan Natani HUF (Annexure-16)***, the principal amount of Rs.10,00,000/- was lent on January 12, 2013 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. An amount of Rs.25,973.00 has been debited to the Account on March 31, 2013, towards interest for the loan. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.25,973/-.

viii. As per the ledger extract of ***Pramod Gupta Jaipur (Annexure-17)***, the principal amount of Rs.15,00,000/- was lent on two dates (Rs.10,00,000/- on September 15, 2012 and Rs.5,00,000/- on September 17, 2012). The copy of bank statement submitted by the Company indicates that the loan proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.72,986.23 has been debited to the Account on various dates, towards interest for the loan. However, TDS credit as mentioned in other loan accounts has not been seen in the ledger account. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.72,986.23.

ix. As per the ledger extract of ***Rajesh Techno Plast Jaipur (Annexure-18)***, the principal amount of Rs.6,00,000/- was lent on June 14, 2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred on June 15, 2012 by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.57,650/- has been debited to the Account on various dates, towards interest for the loan. Further, a total amount of Rs.5,765/- was credited towards TDS. Accordingly, an additional amount of Rs.51,885/- was outstanding towards interest on the loan account, along with the principal amount of Rs.6,00,000/-. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.51,885/-.

x. As per the ledger extract of ***Rama Plastics Jaipur (Annexure-19)***, the principal amount of Rs.10,00,000/- was lent on July 11, 2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.87,206/- has been debited to the Account on various dates, towards interest for the loan. *However, no amount was adjusted towards TDS.* Accordingly, a total amount of Rs.10,87,206/- was outstanding as on March 31, 2013. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.87,206/-.

xi. As per the ledger extract of ***Sachin Water Supply Co.(Annexure-20)***, the principal amount of Rs.10,00,000/- was lent on October 29, 2012 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.50,630/- has been debited to the Account on various dates, towards interest for the loan. *However, no amount was adjusted towards TDS.* Accordingly, a total amount of Rs.10,50,630/- was outstanding as on March 31, 2013. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.50,630/-.

xii. As per the ledger extract of ***Tirupati Mahima Infratc Pvt. Ltd.(Annexure-21)***, the principal amount of Rs.18,00,000/- was lent on February 25, 2013 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Oriental Bank of Commerce. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.15,534/- has been debited to the Account on various dates, towards interest for the loan. *However, no amount was adjusted towards TDS. .* Accordingly, a total amount of Rs.18,15,534/- was outstanding as on March 31, 2013. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.15,534/-.

xiii. As per the ledger extract of ***Vinod Kumar Gupta HUF (Annexure-22)***, the principal amount of Rs.15,00,000/- was lent on March 5, 2013 and another amount of Rs.10,00,000/- was lent on March 7, 2013. The copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of RTGS from the Company's Account with Oriental Bank of Commerce. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. A total amount of Rs.16,644/- has been debited to the Account on various dates, towards interest for the loan. *However, no amount was adjusted towards TDS.* Accordingly, a total amount of Rs.25,16,644/- was outstanding as on March 31, 2013. The interest amount that accrued as on March 31, 2013 cannot be classified as amount deployed out of preferential issue proceeds.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.16,644/-.

xiv. As per the ledger extract of ***Bhartiya Natural & Organic Food P Ltd. (BNO) (Annexure-23)***, the loan account had an opening Balance of Rs.6,00,000/- on April 1, 2012, i.e., the amount has been lent prior to the financial year 2012-13. Further, repayments of Rs.2,77,538/- on November 27, 2012, Rs.3,22,462/- on December 19, 2012 and Rs.5,00,000/- on March 7, 2013 were received by the Company. Accordingly, the borrower BNO had repaid Rs.11,00,000/- which is in excess of the principal amount of Rs.6,00,000/-. The excess amount of Rs.5,00,000/- was repaid in 7 instalments of various amounts on various dates (in cash : Rs.4,90,000/- and through bank : Rs.10,000/-).

An amount of Rs.48,468/- has been debited to the Account towards interest for the loan at the close of the financial year (transaction date not shown in the ledger). *However, interest was not charged to the account for the quarters ended June 30, 2012, September 30, 2012 and December 31, 2012.* Accordingly, an amount of Rs.48,468/- only was outstanding towards interest on the loan account. . The Company has not furnished any document in support of the aforesaid excess re-payment received from the Borrower, and the subsequent refund by the Company. Further, while refunding the excess amount to the borrower, the Company has not chosen to deduct the interest amount of Rs.48,468/- accrued on the loan account. Further, refunds were also made in cash to the tune of Rs.490,000/-. Further, BNO is also one of the preferential allottees and connected entity, which is discussed in detail under Para No.10 below.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.48,468/-.

xv. As per the ledger extract of ***Dulal P Chowdhary (Annexure-24)***, the principal amount of Rs.2,00,000/- was lent on March 27, 2013 and the copy of bank statement submitted by the Company indicates that the proceeds were transferred by way of NEFT from the Company's Account with Bank of Maharashtra. From the ledger submitted by the Company, it was observed that the said amount was lying outstanding as on March 31, 2013. Interest has not been debited to the account for the quarter ended March 2013. Accordingly, an amount of Rs.2,00,000/- was stated to have been utilized by the Company from out of the proceeds of the preferential issue. As the Company has not charged any interest on the borrower for the quarter ended March 31, 2013, the loan could not have been extended in the ordinary course of business.

Hence, the same cannot be stated that the loan has been granted to earn revenue on the capital deployed and does not appear to be in the ordinary course of business of the Company.

In view of the above, the Company has overstated the amount deployed under the head "Short Term Loans and Advances" or misutilized the preferential issue proceeds by Rs. 2,00,000/-.

xvi. As per the ledger extract of "***Santosh Trading Company-Loan" (Annexure-25)***, an amount of Rs. 7,81,571/- was lent on December 14, 2012 and an amount of Rs.30,00,000/- on December 15, 2012. The copy of bank statement submitted by the Company indicates that an amount of Rs.11,00,000/- was transferred to M/s.Santosh Trading Company on December 14, 2012 and another sum of Rs.30,00,000/- was transferred on December 15, 2012, thus totaling to Rs.41,00,000/-. However, the Company had booked only Rs. 37,81,571/- as loan given to the entity. From the ledger submitted by the Company, it was observed that an amount of Rs.66,000/- was repaid by the borrowing entity on January 1, 2013 and interest of Rs.1,30,111/- was debited to the borrower on March 31, 2013, for which no TDS credited in the ledger account as contained in other ledger accounts. Further, interest was not charged for the quarter ended December 31, 2012. Thus the outstanding amount as at the yearend was Rs. 38,45,682/. Further, the borrower is also one of the preferential allottees, and hence the AC of BSE alleged that the funds mobilized through preferential allotment from this entity was refunded by the Company to the allottee in the garb of loans granted. It is also noted that the borrower is also connected entity.

In view of the above, the Company overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.38,45,682/-.

xvii. As per the ledger extract of "***Vinayaka Tea Co.(HUF)-Loan Given" (Annexure-26 to SCN)***, an amount of Rs.23,19,028/- was lent on December 18, 2012. The copy of bank statement and the transaction in the said bank statement as identified by the Company indicated that an amount of Rs.35,00,000/- was transferred to Gopi Krishna Dalmia HUF on December 18, 2012. However, the Company had booked only Rs. 23,19,028/- as loan given to the entity.

From the ledger submitted by the Company, it was observed that a total sum of Rs.6,12,500/- was repaid by the borrowing entity on January 1, 2013 (Rs.1,62,500/-); and January 14, 2013 (Rs.4,50,000/- - in two credits of Rs.2,25,000/- each). Interest of Rs.62,531/- was debited to the borrower on March 31, 2013, for which no TDS was credited in the ledger account as contained in other ledger accounts. Further, interest was not charged for the quarter ended December 31, 2012. Vinayaka Tea Company (HUF) is also an entity connected to other preferential allottees. In view of the above, it was seen that the funds mobilized through preferential allotment was refunded by the Company to the allottee(s) in the garb of loans granted.

35. In view of the above, the Company overstated the amount deployed under the head "Short Term Loans and Advances" by Rs.17,69,059/-.

36. The Company submitted loan agreements executed with some of the parties/borrowers towards proof of amounts lent to them. The Company vide its letter dated January 24, 2020, stated that the loan agreements in respect of the following parties were not traceable:

   a. Jagrati Hotels Pvt. Ltd.,
   b. Mukta M Goyal
   c. Pramod Gupta Jaipur
   d. Rajesh Techno Plast Jaipur
   e. Rama Plastics Jaipur
   f. Sachin Water Supply Co
   g. Bharatiya Natural & Organic Food P Ltd.

37. Out of 17 parties to whom "Short Term Loans and Advances" were given and claimed to be the deployment of preferential issue proceeds, only loan agreements in respect of 10 parties were submitted by the Company. Wherever the agreements were made available they were observed to be executed in Mumbai on Non Judicial stamp papers sold in the state of Maharashtra. Whereas, the address of the parties to the agreement i.e., of the Company and

the borrowers were situated in the state of Rajasthan and the seal of the Company affixed on the agreements is that of Tirupati Fincorp Ltd., Jaipur. Incidentally, the agreements did not contain any clause on the judicial limits for the enforcement of the same before a court of law. Further, it was observed that the loan agreements were not registered. The agreements did not contain any definitive repayment period / repayment schedule for the loans granted under the said agreements.

38. The following three borrowers were connected with the Company and preferential allottees:

   a. Bharatiya Natural & Organic Foods Pvt. Ltd.,
   b. Santosh Trading Company
   c. Vinayaka Tea Company (HUF)

39. In view of the above, it was alleged that the Company has returned the amount paid by the preferential allottees under the garb of short term loans and advances.

40. From the aforesaid observations, the following summary of amounts overstated by the Company as deployment of funds / misutilization of the preferential issue proceeds, under the head "Short Term Loans and Advances" was noted:

Table-8

Name of the Parties	**Debit balance as on March 31, 2013**	**Amount overstated/ not considered**	**Remarks**
Govind Kripa Buildwell Pvt. Ltd.,	706,041.00	6,041.00	Interest income accrued on the loan account cannot be considered as deployment of issue proceeds
Meena Steel	1,000,000.00	1,000,000.00	The disbursement cannot be considered as loans granted in the ordinary course of business
Mona Poddar	814,597.00	14,597.00	Interest income accrued on the loan account cannot be considered as deployment of
Mukta M Goyal	1,624,520.55	124,520.55	

Neelam Devi Chopra	769,479.00	19,479.00	issue proceeds
Pawan Natani HUF	1,025,973.00	25,973.00	Interest income accrued on the loan account cannot be considered as deployment of issue proceeds
Pramod Gupta Jaipur	1,572,986.23	72,986.23	
Rajesh Techno Plast Jaipur	651,885.00	51,885.00	
Rama Plastics Jaipur	1,087,206.00	87,206.00	
Sachin Water Supply Co.	1,050,630.00	50,630.00	
Tirupati Mahima Infratec Pvt. Ltd.	1,815,534.00	15,534.00	
Vinod Kumar Gupta HUF	2,516,644.00	16,644.00	
Bhartiya Natural & Org. Food P Ltd.	48,468.00	48,468.00	
Dulal P Chowdhary	200,000.00	200,000.00	The disbursement cannot be considered as loans granted in the ordinary course of business
Santosh Trading Company	3,845,682.00	3,845,682.00	TDS was not made on the interest debited; Interest was not debited for one quarter. AC of BSE alleged that the Company has returned the subscription money under the garb of loans.
Vinayaka Tea Co. (HUF)	1,769,059.00	1,769,059.00	From the pattern of disbursements/ repayments and accounting, this transaction cannot be considered as deployment of preferential issue proceeds as loans granted – Borrower is also an entity connected to the preferential allottees.
TOTAL	20,528,087.78	7,348,704.78	

41. Thus, the Company allegedly diverted/misutilized an amount of Rs.73,48,704.78 out of the preferential issue proceeds on activities other than the ones approved by the shareholders in the EGM.

“Non Current Investments”

42. In respect of deployment of preferential issue proceeds under the head “Non Current Investments” of Rs.2,16,11,000/-, the Company, vide letter dated June 14, 2019 ***(**Annexure-31 to SCN**)***, stated that the Company being Non-Banking Finance Company, invested the money in the other body corporate to generate long term resources as specified in the object of the issue. Accordingly, the Company had executed the Share Purchase Agreement with Tea Exchange Bharat Ltd., (TEBL). A copy of the said Agreement has been submitted by the Company vide its letter dated June 14, 2019 *(Annexure-28)*.

43. The following were noted from the Share Purchase Agreement (SPA) executed by the Company with the said Tea Exchange Bharat Ltd.(TEBL):
    i. The SPA was stamped with *“Court Fee Stamps*” for a total value of Rs.20/-
    ii. The SPA was executed on March 31, 2013, for purchase of 21,61,100 shares of Rs.10/- each of TEBL at par of Rs.10/- per share for a total consideration of Rs.2,16,11,000/- (Rupees two crore sixteen lakh and eleven thousand only)
    iii. The consideration/subscription money for the above share purchase was paid in the following manner:
        - Rs.48,87,000/- (Rupees forty eight lakh and eighty seven thousand only) paid by the Company to TEBL during May 2012 to March 2013 through Bank/Cash;
        - Rs.1,67,24,000/- (Rupees one crore sixty seven lakh and twenty four thousand only) standing to the credit of ledger account in the books of the Company as on March 31, 2013, be adjusted towards consideration for the share purchase. *The said credit balance was stated to be on account of goods supplied by the Company to TEBL*
    iv. The parties to the SPA agreed to take approval of their companies’ shareholders under applicable sections of Companies Act, 1956 at their respective Extraordinary General Meeting held and fulfill all the statutory

compliances.

44. From the copies of the share certificates issued by TEBL in the name of the Company, it was observed that the shares certificate were issued on 31st March, 2013.

45. The Company, vide its letter dated January 13, 2020 *(Annexure-32 to SCN)*, submitted copies of the minutes of board meetings and general meetings for the financial years 2012-13 and 2013-14. From the aforesaid copies of the minutes, no board resolution could be seen for the investment in TEBL as required under Section 372 of the Companies Act, 1956. Whereas, it was observed from the copies of minutes that there was a resolution in the board meeting held on November 7, 2012 whereby consent was accorded by the Board for investment of Rs.3,00,000/- (1000 equity shares of face value Rs.100/- each at a premium of Rs.200/- per share) in Golden Era Plantations India Pvt. Ltd.

46. TEBL was also one of the preferential allottees with 95,238 shares for Rs.19,99,998/.

47. The Company stated that it adjusted the debit balance of Rs.1,67,24,000/- (Rupees one crore sixty seven lakh twenty four thousand only) in the books of the Company towards the subscription moneys payable to TEBL, and the said debit balance was attributed to supply of fabrics to TEBL by the Company.

48. In this regard, the following are observed to be the objects of the Company as per its Memorandum of Association ("MoA") *(Annexure-33 to SCN)*:

"III. The objects for which the Company is established are:

A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on the business of dealers, brokers, investors, owners, proprietors, underwriters, bargainers, financiers, concessionaires, contractors, booking agents, managers, trustees, advertisers of all kind of securities, shares debentures, scrips, bonds, bill of exchanges, letters of credit, stocks and the other securities in which dealing is permissible as per stock exchange regulations and other laws in force *from time to time.*

2. *To carry on the business of traders, importers, exporters, suppliers, brokers stockists, commission agents of chemicals, fertilisers, ferrous and non-ferrous metals, minerals, salts, pesticides, insecticides, drugs and pharmaceuticals."*

49. There was no provision in the ancillary/incidental objects or other objects in the MoA for the Company to carry out the activity in the nature of trading in fabrics.

50. Further, the company being a Non-Banking Finance Company registered with the Reserve Bank of India, derived 96.37% of its total revenue for the financial year 2012-13 from the sale of fabrics and that was indicated as "Revenue from Operations". Further, the debit balance in the name of TEBL towards sale of fabrics worked out to 62.74% of the total revenue by way of fabric sale.

51. From the Statement of Profit and Loss Account read with Notes No.13 and No.14, for the year ended 31st March 2013 ***(**Annexure-35 to SCN**)*** provided by the Company, it was observed that the Company reported a total revenue of Rs.2,76,77,486.78 comprising of:

    - Rs.2,66,55,717/- as "Revenue from Operations" - from sale of fabrics; and
    - Rs.10,21,769.78 as Other income - from interests on loans and fixed deposits.

52. The Company has not booked any revenue on account of sale of fabrics during the subsequent financial year 2013-14. Also, the ledger account of "Tea Exchange Bharat Ltd., Sell A/c" in the books of the Company [submitted as Annexure-4 to the Company letter dated December 10, 2019 *(Annexure-37 to SCN**)*** did not have any opening balance on account of sale of fabrics for the financial year 2012-13 indicating that there were no fabric sales to TEBL during the previous financial year.

53. RBI, vide its Circular No. RBI/2006-07 [DNBS (PD) C.C. No.81 / 03.05.002/2006-07] dated October 19, 2006 *(Annexure-38 to SCN)*, has stipulated the following:

> *"…….*
>
> *3. In this regard, it is further clarified that the business of non-banking financial institution (NBFI) means a company engaged in the business of financial institution as contained in Section 45 I(a) of the RBI Act, 1934. For this purpose, the definition of 'Principal Business' given, vide Press Release 1998-99/1269 dated April 8, 1999 (copy enclosed) and mentioned in below may be followed:*
>
> *The company will be treated as a non-banking financial company (NBFC) if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company."*

54. Vide its Press Release dated April 8, 1999 *(Annexure-3 to SCN)*, RBI *inter alia* clarified the following:-

> *"Any company which carries on the principal business of agricultural activities, industrial activities, trading in commodities, dealing in immovable properties, etc., is, however, not a financial institution. Since the term 'principal business' has not been defined in law, the Reserve Bank has now decided the description of principal business for the purpose of identification of an NBFC."*

55. In addition, the Company, in its submissions before BSE, stated that out of the proceeds of the preferential allotment, an amount of Rs.68.00 Lakh was utilized for purchase of fabrics from Shiv Trading Co., another preferential allottee. The AC of the BSE observed that the Company has returned Rs.20.00 Lakh to Krishankant Agarwal in the garb of purchase of fabrics.

56. From the objects of the preferential issue as seen above, it was noted that the preferential issue was to augment the Company's resources for deployment in its NBFC related business activity. Whereas, the Company has stated that the

funds mobilized have been deployed partly for purchase of goods and also for the purpose of investment in a body corporate viz., Tea Exchange Bharat Ltd.

57. In view of the above, the Company had not utilized the proceeds of preferential issue for the purposes approved by the shareholders of the Company. Further, the substantial portion of the preferential issue proceeds have been either paid back to the preferential allottees in the garb of short term loans or under share purchase agreement or towards purchase of goods.

58. Further, by its own admission, the Company being a Non-Banking Finance Company registered with the RBI, was in need of additional capital for shoring up its networth in order to comply with the requirements of the RBI. However, after having made the preferential issue of equity shares to increase the share capital and thereby enhancing the net-worth of the Company, it was observed that, the Company had not deployed the funds in full towards its main business of NBFC but only made fictitious book entries by creating false purchases/invoices for supply of non-taxable goods (fabrics) and built up artificial debit/credit balance in its book. The said purchase/sales transactions were made for the purposes of creating fictitious debit and credit balances which were then used to return the moneys to the preferential allottees.

59. By deploying such a dubious device/scheme including preferential allotment of shares, the Company apparently attempted to fulfil the networth requirements of RBI to keep its NBFC registration in force, and also tried to evoke better investor sentiment by making the preferential allotment appear to be a genuine capital mobilization activity by the listed Company engaged in business of non-banking finance company. Further, the Company by recording various artificial/fictitious transactions with associates/related entities, falsely portrayed higher business transactions/revenue.

60. In view of the above, the Company was alleged to have engaged in fraudulent activity and thereby violated Regulation 3 (a) (b), (c), (d) and 4 (1) and (2) (a)

and (f) of the PFUTP Regulations. Consequently, the directors of TFL i.e. Noticees 1-15 (Sudhir Bhikalal Parekh, Bhavesh Premji Mamania, Parth Dineshbhai Kanabar, Sheetal Mitesh Shah, Kusum Jain, Senthilkumar Tappali Devadoss, Hitsharan Jain, Saurabh Gandhi, Beena Jain, Prafulla Subhash Chandra Bhat, Arvind Jethalal Gala, Bhupendra Ratilal Kadhi, Chanakya Arvind Dhanda , Murugan Gayathri, Chanchal Dalmia) were alleged to have violated Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(f) of PFUTP Regulations.

61. The entities Dalmia Infrapower Pvt.Ltd., Santosh Agrawal, Yash Dalmia, Maya Dalmia, Basanti Devi, Gopi Krishan Dalmia, Tea Exchange Bharat Ltd., Bhartiya Commotrade Pvt. Ltd., Bhartiya Natural Organic Food Pvt. Ltd., Golden Era Plantations India Pvt. Ltd., Vinayak Tea Company, Shiv Trading Company and Krishan Kant Agrawal i.e. Noticees 16 to 27, which were connected with each other as mentioned earlier, aided and colluded with the Company in deploying a dubious device/scheme in the garb of preferential allotment of shares made by the Company, and thereby allegedly violated Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(f) of the PFUTP Regulations.

Compliance with Clause 43 of the Listing Agreement (now Regulation 32 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as the LODR Regulations

62. Following were the objects of the preferential issue as contained in the Notice dated November 30, 2012 convening the Extra Ordinary General Meeting wherein it was proposed to transact the special business of passing a special resolution approving the proposed preferential allotment:

A. *Objects of the Preferential issue*
   - *In order to generate long term resources for implementing future growth plans, it is proposed to issue Equity Shares on Preferential basis*
   - *The proceeds of proposed preferential allotment will strengthen the financial position of the company*

- *The object of the Equity Share on preferential basis is to augment the capital base of the Company and also to meet working capital requirement of the Company*

63. The Company, vide its letter dated December 23, 2015 *(Annexure-4 to SCN)*, informed the following to BSE:

    "……
    1. *Networth of the Company was Rs.84.08 lacs prior to making preferential issue of shares to investors.*
    2. *As already stated, the company is RBI registered NBFC, which need to have networth of Rs. Two crores as per RBI guidelines.*
    3. *So to keep NBFC license in force, we were required to raise the networth of the company beyond Two crores.*
    4. *We were required to induct the funds into the company to do the NBFC business more efficiently and cost effective manner. Any finance company cannot survive without the availability of funds to its disposal to keep the company afloat as it is continuous requirement for a finance company to borrow the funds and deploy the funds and earn the interest income on it. Thus we wanted to raise funds for the working capital requirement of the company, which is lifeline of any Non Banking Finance Company (NBFC)."*

64. BSE vide its Notice dated October 9, 2018 *(Annexure-41)* addressed to the Company advised it to make mandatory disclosures w.r.t. mis-utilization of preferential proceeds along with ensuing quarterly unaudited/audited financial results and to get the same ratified by the shareholders of the company within 3 months from intimation. However, as confirmed by BSE, vide its email dated January 3, 2020 *(Annexure-42)*, the Company had not complied with the aforesaid direction.

65. BSE also furnished a copy of the letter dated September 10, 2018 *(Annexure-43)* received from the Company wherein it had attached a document with title "Proceedings of the Annual General Meeting of the Company held on 10th September, 2018". The said document contained *inter alia* the following:

    "The Board of Directors has appointed CS Mandar Palav, partner of M/s.DSM & Associates, Company Secretaries (Membership No.27695 and COP No.13006) as the scrutinizer to scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent matter.
    ……..

- *He (the Chairman of the meeting)* moved the following resolutions which were duly proposed & seconded and were then put to vote through ballot paper (to be voted by only those shareholders whom have not voted earlier through e-voting):-*

Item No.	*Description of Resolution*	*Type of Resolution*
1.	*To receive, consider and adopt Audited Financial Statement of the Company for the financial year ended 31st March, 2018 and Reports of the Auditors' and Directors' thereon*	*Ordinary*
2.	*To appoint a Director in place of Mr. Sudhir Parekh (DIN: 07184815), who retires by rotation and being eligible offers himself for re-appointment*	*Ordinary*
3.	*To ratify the Utilisation of funds raised through Preferential Issue*	*Special*

He then requested scrutinizer Mr. Mandar Palav to start the voting process through ballots and request him to oversee the voting process.

- *He informed the meeting that the result of the voting would be declared within 2 days from conclusion of the meeting. The result would be also informed to Stock Exchanges where the shares of the Company are listed.*
- *After conclusion of voting process the meeting ended with a vote of thanks to the chair."*

66. It was observed that despite proposing the ratification resolution for voting in the Annual General Meeting of the Company held on September 10, 2018, the Company did not disclose its outcome. Thus, the Company did not comply with disclosure requirements stipulated in Clause 43 and 43A of the erstwhile Listing Agreement read with Regulation 32 of the LODR Regulations, in respect of variation/deviation in the utilization of preferential allotment proceeds**.**

Status of Registration granted to the Company to act as Non-Banking Finance Company (NBFC) by the Reserve Bank of India (RBI)

67. The Company in its various submissions before SEBI and the AC of the BSE, informed that the preferential allotment was made to enhance the long term resources of the Company and to meet the networth requirements stipulated by RBI for registered NBFCs. It was observed from the revenue inflow of the

Company as recorded in the financial statements submitted, that trading fabrics contributed a major share of the Company's total revenues for the financial year 2012-13. Further, the Company was also observed to be lending to various connected entities. The loan accounts (ledger extracts) submitted by the Company and the loan agreements furnished in support of the said loan transactions, did not infuse confidence in the loan transactions portrayed as deployment of the proceeds of the preferential issue.

68. Vide their letter dated January 13, 2020 *(Annexure-32 to SCN)*, the Company submitted a copy of the last correspondence received from the RBI. The said copy of correspondence was found to be a Show Cause Notice (SCN) dated March 16, 2018. Vide the said SCN, the RBI pointed out several failures on the part of the Company and called upon the Company to show-cause why the Certificate of Registration granted to the Company should not be cancelled:

69. RBI, vide its email dated February 20, 2020 to informed SEBI that the Certificate of Registration (COR) of the company was cancelled vide orders dated January 25, 2019. RBI also issued Press Release dated February 25, 2019, RBI regarding the cancellation of certificates of registration of the Company.

70. The aforesaid information regarding cancellation of registration to act as a non-banking finance company is material to the business of the Company. However, such disclosure is not appearing on the website of BSE where its shares are listed. Such failure to disclose the material information to the stock exchange was alleged to be in violation of the aforesaid Regulation 30 of the LODR Regulations.

71. The Company did not disclose to the BSE statement of variation between object of the issue approved by the shareholders of the Company in its EGM and the actual utilization of the funds raised through the preferential issue, in violation of Clauses 43 and 43A of the then Listing Agreement read with Regulation 32 of the LODR Regulations. Further, the Company furnished piecemeal/incomplete

information and suppressed material information regarding regulatory actions initiated by the RBI, thus allegedly violating Regulation 30 of the LODR Regulations.

72. The directors of the company i.e. Noticees 2-16 (Sudhir Bhikalal Parekh, Bhavesh Premji Mamania, Parth Dineshbhai Kanabar, Sheetal Mitesh Shah, Kusum Jain, Senthilkumar Tappali Devadoss, Hitsharan Jain, Saurabh Gandhi, Beena Jain, Prafulla Subhash Chandra Bhat, Arvind Jethalal Gala, Bhupendra Ratilal Kadhi, Chanakya Arvind Dhanda, Murugan Gayathri, Chanchal Dalmia), by allegedly failing to ensure the aforesaid disclosures were alleged to have violated Clause 43 of Listing Agreement read with Regulation 32 of the LODR Regulations and Regulation 30 of the LODR Regulations.

73. The SCN was served on Noticees 1,5, 7, 11, 12 and 16 by SPAD on 08.03.2021 and 09.03.2021, on Noticees 1-5, 8, 11-13, 16, and 26 by e-mails dated 05.03.2021 and 08.06.2021, and on Noticees 6, 9, 14, 17, 18, 19, 20, 22, 23, 24 and 27 by newspaper publication in terms of Rule 7 (d) of the Adjudication Rules. The SCN was served upon Noticee 6 (Senthilkumar Tappali Devadoss), Noticee 9 (Beena Jain), Noticee 14 (Murugan Gayathri), Noticee 18 (Yash Dalmia) and Noticee 26 (Shiv Trading Company) vide newspaper publication in the Hindustan Times (English – Delhi Edition), Rajasthan Patrika (Hindi – Jaipur Edition), The Times of India (English-Ahmedabad Edition), Garvi Gujarat (Hindi – Ahmedabad Edition), Sandesh (Gujarati – Ahmedabad Edition), The Times of India (English- Chennai Edition), Rajasthan Patrika (Hindi – Chennai Edition) and the Daily Thanthi (Tamil – Coimbatore Edition) on 26.06.2021. The said publication also contained a public notice of hearing granted to the said Noticees on 01.07.2021, and the said Noticees were advised to confirm their desire to avail the said opportunity of hearing by 30.06.2021. However, no response was received from the said Noticees.

74. The SCN was served upon Noticee 17 (Santosh Agrawal), Noticee 19 (Maya Dalmia), Noticee 20 (Basanti Devi), Noticee 22 (Tea Exchange Bharat Ltd.),

Noticee 23 (Bhartiya Commotrade Pvt. Ltd.), Noticee 24 (Bhartiya Natural Organic Foods Pvt. Ltd.), and Noticee 27 (Krishna Kant Agarwal) vide newspaper publication on 09.11.2021 in The Times of India (English – Conoor Edition), Dakshin Prakash (Hindi – Coonoor Edition), Daily Thanthi (Tamil – Coonoor Edition), The Hindustan Times (English – Delhi Edition), The Rajasthan Patrika (Hindi – Jaipur Edition), The Times of India (English – Vijayawada Edition), Navbharat Times (Hindi – Vijayawada Edition) and Sakshi (Telugu – Vijayawada Edition) in terms of rule 7 (d) of the Adjudication Rules. The said publication also contained public notice of opportunity of hearing granted to the aforesaid Noticees on 09.12.2021, for which the Noticees were advised to confirm their desire to avail the opportunity of hearing by 30.11.2021. However, none of the said Noticees responded to the Public Notice of SCN or hearing opportunity.

75. Vide letter dated 17.03.2021 Noticee 12 Bhupendra Kadhi submitted the following:-
    (a) He was director for only 103 active days from 22.03.2014 to 14.06.2014 and no irregularities are alleged during that period.
    (b) Preferential allotment dated 07.01.2013 was not made during his directorship
    (c) He has no knowledge of funds utilisation or decisions taken after his resignation.
    (d) He did not sign any document nor was party to any transaction impugned in the SCN
    (e) The SCN was defamatory as making allegations of fraud which were not even connected with his tenure

76. E-mail dated 20.03.2021 was received from the Authorised Representative of Noticee 1 Sudhir Bhikhalal Parekh, stating that Alliance Law and Mr. Ankur Loona, Advocate and Ms. Aparna Wagle, Advocate have been appointed Authorised Representatives for Sudhir Bhikhalal Parekh in the matter, and

seeking time of six weeks to collate documents and make their submissions. Vide e-mail dated 23.03.2021 Noticee 4 Sheetal Mitesh Shah sought extension by four to six weeks to prepare her response in the matter. Vide e-mail dated 24.03.2021, Noticee 11 Arvind Gala sought inspection of any material collected during investigation, whether relied upon or not.

77. Vide letter dated 21.06.2021, Noticee 11 Arvind Gala was informed that all relevant material relied upon for the purpose of crystallising the allegations levelled against him had been provided to him in the SCN and its Annexures, and that if in addition to all the relevant and relied upon material already provided to him there was a specific document which he would like to request access to, he may specify the said document and the reason for seeking access. Further, an opportunity of hearing through videoconferencing using WebEx was granted to him on 14.07.2021.

78. Vide e-mail dated 09.07.2021, Noticee 11 once again requested for copies of statements recorded during investigation, and 5 weeks' time thereafter, to file his reply in the matter. Vide e-mail dated 09.07.2021, Noticee 11 was informed that his request for inspection of documents had been responded to vide letter dated 21.06.2021, and that he may make any submissions including those on inspection of documents during the hearing on 14.07.2021.

79. During the hearing conducted through videoconferencing on 14.07.2021, Shri Kunal Katariya, the Authorised Representative ("AR") for Noticees 1, 2, 3, 4 and 11 as well as Noticee 11-in-person sought time for making submissions undertook to submit a consolidated reply by August 12, 2021 and to appear for hearing on the same day (August 12, 2021).

80. The Company TFL was also served the SCN dated 04.03.2021 and it appeared for hearing with Noticees 1-5 and 11. However, vide letter dated 20.08.2021 and e-mail dated 23.10.2021 the Company intimated that it had filed for settlement in terms of the SEBI (Settlement Proceedings) Regulations, 2018.

81. Vide e-mail dated 10.08.2021, Noticees 1-4 and 11 stated that their AR had fallen ill and requested adjournment of hearing by one week to enable him to prepare a reply on behalf of the said Noticees. Vide e-mail dated 20.08.2021 the said Noticees were informed that their request for adjournment of hearing was considered by the Adjudicating Officer and acceded to in the interest of natural justice and that the hearing in respect of the said Noticees was to be conducted on 20.08.2021.

82. Vide e-mail dated 20.08.2021, Noticees 2 and 11 made the following submissions:-

a) Bhavesh Mamania (Noticee 2) and Arvind Gala (Noticee 11) were both independent directors of Tirupati Fincorp Ltd. Noticee 2 was appointed as an independent director on 7 June 2014 and Noticee 11 was appointed as an Independent Director on 30 April 2015.

b) Noticee 11 resigned from his directorship with effect from 6 February 2019. Copies of the forms from the MCA website evidencing the appointments and resignations were annexed hereto as Annexure A to the reply.

c) All the allegations contained in the SCN pertain to the year 2013. As stated hereinabove, Noticee 2 was appointed to the board of the company only on 7 June 2014 and Noticee 11 was appointed on 30 April 2015. The allegations therefore pertained to a period prior to the appointment of the Noticees to the Company. The answering Noticees therefore had no knowledge or information about the nature or content of the allegations and have no specific reply to offer to the same.

d) The Noticees are independent directors and have no role to play in the day to day management of the company.

e) Noticees cited Section 27 of the SEBI Act to state that "*Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained* *in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.*"

f) It was further submitted that in order to make a charge against a director for the acts of the company, Section 27 (2) of the SEBI Act puts the burden on SEBI to establish that the alleged acts are *committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company.*

g) In the present case, all the allegations in relation to the preferential allotment pertain to the year 2013 and admittedly, Noticees 2 and 11 were appointed in 2014 and 2015 respectively. Therefore, there arises no question of their being aware of or having participated in any alleged acts of violation by the Company.

h) The only allegation against the Noticees is in paragraph 102 of the SCN whereby it is stated that the Directors failed to ensure some disclosures. It is respectfully submitted that as independent directors, the Appellants had no control over what was placed in the board meetings. Further, the non disclosure, if any was by the Company and not by the Directors. It is submitted that historically SEBI has only passed penalty orders against the entity who was required to make the disclosure and not against any of the directors. In view of the same, a director cannot be penalized for failing to make a disclosure. Further, it is unsustainable to have an omnibus clause to suggest that the entire board is responsible. The SCN must clearly state what is the role attributed to that specific director for the violation.

i) The law on the liability of an independent director is required to be noted. The Circular dated 29.7.2011 issued by the Government of India, Ministry of Corporate Affairs, expressly provides for an Independent Director not being held liable for any act or omission by the company or any officer of the company which occurred without his knowledge attributable through board process and without his consent or connivance or where he has acted diligently in the Board process.

j) Section 149(12) of the Companies Act 2013 also expressly provides that notwithstanding anything contained in the Act, an independent director shall be held liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

k) Under Section 27 of the SEBI Act, a director is if it is proved that the contravention was committed with his consent or connivance, or is attributable to his neglect; the director is not liable if the contravention was committed without his knowledge or that he had exercised due diligence.

l) Various judgments including the order of the Securities Appellate Tribunal in the case of *PG Electroplast Limited vs. SEBI dated 2.8.2019* were cited to state that – "*The AO must give a specific finding that all the appellants as Directors were responsible for the alleged violation and were in charge of the affairs of the Company. In the instant case, there is no shred of evidence to show that the alleged act was committed by any of the Directors from which a reasonable inference could be drawn that the said Directors could also be vicariously liable. Vicarious liability can be inferred against a Company and its Directors only if the requisite assertions / allegations are averred in the Show Cause Notice so as to make the Company and its Directors vicariously liable for the violation of the provisions of the Act and its Regulations. The assertions / allegations should also include that the Director / Directors were in charge of and responsible for the business of the Company and by virtue of their position they are liable for penalty.*"

83. Vide reply dated 17.08.2021, Noticee 4 Sheetal Mitesh Shah, made the following submissions:-

(a) Noticee 4 was appointed as a Director of Tirupati Fincorp Limited on 6.2.2019. The said fact was evident from the MCA website as well as the Forms which were filed with the MCA by the company.

(b) A copy of the form from the MCA website evidencing the appointment was annexed as Annexure A to the reply.

(c) SCN erroneously stated that Noticee 4 was appointed in 30.4.2015. On the contrary, the record of the MCA clearly stated that Noticee 4 was appointed on 6.2.2019. All the allegations in the SCN pertain to the period of 2013 and 2018, both of which are prior to her appointment in the company. The Noticee therefore had no knowledge or information about the nature or content of the allegations and had no specific reply to offer to the same. The Noticee was not present in the company during any of the alleged violations as alleged in the SCN.

(d) The remaining submissions of Noticee 4 were identical to those of Noticees 3 and 11.

84. Vide e-mail dated 20.08.2021, Noticee 1 submitted that he was appointed director of Tirupati Fincorp Ltd. on 30.04.2015 and resigned on 07.02.2020, copies of forms from MCA website evidencing resignation being annexed as Annexure A to his reply. It was submitted that the allegations i/n the SCN pertained to a period prior to his appointment in the Company.

85. Vide e-mail dated 20.08.2021, the Company informed that Noticee 3, Parth Kanabar had authorised Mr. Kunal Katariya, Advocate, to represent him in the matter. Further, vide e-mail dated 20.08.2021, Noticee 3 submitted that he was appointed as a director of the Company on 19.04.2017 and ceased to be a director on 18.11.2019. Copies of forms from the MCA website were annexed to his reply at Annexure A. The remaining submissions of Noticee were identical to those of Noticees 1, 2, 4 and 11.

86. During the hearing conducted by videoconferencing on 20.08.2021, the AR of the Noticees 1-4 and 11 reiterated the submissions made the respective Noticees in their replies dated 20.08.2021.

87. Vide Hearing Notices dated 03.02.2022, Noticee 5 (Kusum Jain), Noticee 7 (Hitsharan Jain), Noticee 8 (Saurabh Gandhi), Noticee 10 (Prafulla Subhash Chandra Bhat), Noticee 12 (Bhupendra Ratilal Kadhi), Noticee 13 (Chanakya Arvind Dhanda) and Noticee 15 (Chanchal Dalmia) were granted opportunity of hearing on 10.02.2022. However, the said Noticees 5, 7, 8, 10, 12, 13 and 15 did not respond to the Hearing Notices or avail the opportunities of hearing provided.

88. Vide e-mail dated 10.02.2022 containing letter dated 09.02.2022, the Company Tirupati Fincorp Ltd. submitted that it had received the Hearing Notices issued to Noticees 8, 10, 12 and 13, and that they were directors of the Company for the following period:-

Sr No	Name of the Director	Date of Appointment	Date of Cessations
1	Mr. Saurabh Gandhi	27-12-2012	26-09-2014
2	Ms. Prafulla Saurabh Chandra Bhatt	14-11-2015	11-03-2016
3	Mr. Bhupendra Ratilal Kadhi	22-02-2014	14-06-2014
4	Mr. Chanakya Arvind Dhanda	14-01-2016	11-03-2016

89. The Company further submitted that as per its records the above Noticees were Non-executive Directors of the Company, and that the Company at present did not have any contact details of these individuals and therefore would not be able to forward the hearing notice to them.

90. In response, vide e-mail dated 10.02.2022, the Company was informed that the Hearing Notice dated 03.02.2022 issued to Noticees 8, 10, 12 and 13 was validly served to the Noticees therein at their e-mail addresses on record as obtained from the Depositories, and that the said Notice was not addressed to Tirupati Fincorp Ltd. Therefore the said Noticees, also marked in the e-mail, were advised to reply to the e-mail to confirm their desire to avail the opportunity for hearing by videoconferencing scheduled on 10.02.2022, and that in the absence of a reply from the said Noticees, the matter shall proceed on the basis of evidence on record.

91. I note that, through the SCN and the hearing notices, the Noticees were advised to furnish their replies, if any, within stipulated time, failing which, it shall be presumed that the Noticees had no reply to submit and the matter will be proceeded on the basis of the material available on record. Since Noticees 7, 10, 15, 17, 18-21, 23-27 did not respond to the SCN or Hearing Notice despite sufficient opportunity granted to them to submit a reply and attend hearings, I hereby proceed to adjudicate *ex parte* and on the basis of material on record in respect of the allegations levelled against them.

92. In the light of the allegations contained in the SCN, the Noticees' submissions in respect of the allegations made in the SCN and relevant material available on record, I hereby proceed to decide the case on merits.

CONSIDERATION OF ISSUES AND FINDINGS

93. The issues arising for consideration in the instant proceedings are:-

I. Whether Noticees 1-15 have violated (i) Clauses 43 and 43A of the erstwhile Listing Agreement read with Regulation 32 of the LODR Regulations (ii) Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (f) of the PFUTP Regulations, and whether Noticees 16-27 violated Regulations 3 (a), (b), (c), (d) and 4 (1) of the PFUTP Regulations

II. If yes, whether Noticees 1-15 are liable for imposition of monetary penalty under Section 15 HA and 15HB of the SEBI Act and whether Noticees 16-27 are liable for imposition of monetary penalty under Section 15 HA of the SEBI Act

III. If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules, and Section 23-J of the SCRA read with Rule 5 (2) of the SCRA Adjudication Rules?

I. Whether Noticees 1-15 have violated (i) Clauses 43 and 43A of the erstwhile Listing Agreement read with Regulation 32 of the LODR Regulations (ii) Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (f) of the PFUTP Regulations, and whether Noticees 16-27 violated Regulations 3 (a), (b), (c), (d) and 4 (1) of the PFUTP Regulations

94. The facts of the case are that during the investigation period Tirupati Fincorp Ltd. ("TFL/the Company") was an NBFC, and a company listed on the BSE since March 2015. On 07.01.2013 the Company made a preferential issue of 20,00,000 equity shares of Rs. 10 each issued at a premium of Rs. 11 each for a total amount of Rs. 4.20 crores, to 27 preferential allottees including Noticees 5, 7, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 ("the preferential issue").

95. TFL issued a Notice of Extraordinary General Meeting ("EGM") dated 30.11.2012 detailing, *inter alia,* the objects of the preferential issue for an EGM held on 05.01.2013 regarding the preferential issue. A Resolution dated 05.01.2013 was passed by the Board of Directors of the Company for the preferential issue, which was then carried out on 07.01.2013.

96. Certain preferential allottees were connected to each other. Noticee 16 (preferential allotee) and Noticee 17 had the same address. Noticees 15, 18,.19, 20 and 22 also had the same address, which was also shared by Noticee 21, a promoter-director of Noticee 16 and 22. Noticee 19 was also a director in Noticee 22. Noticees 20 and 21 were directors in Noticee 25. Noticees 5 and 7 had the same address and were directors of the Company. Noticees 18 and 19 were directors in Noticee 23 till May 2019 and April 2019 respectively. They were also directors in Noticee 24 till September 2013 and February 2016 respectively. TFL itself has confirmed that Noticees 15, 16, 18, 19, 20, 21, 22, 23, 24 and 25 are related to each other.

97. Noticees 5 (Kusum Jain), 7 (Hitsharan Jain) and 15 (Chanchal Dalmia) were Directors in the Company between 04.01.2010 and 26.09.2014. Noticee 15 also

connected Noticees 16, 18, 19, 20, 22, 23, 24 and 25 to the Company, TFL. Noticee 24 is connected to Noticees 18 and 19, which share a residential address with Noticee 15. Noticee 17 (Santosh Agrawal) was a director in Noticee 22 (TEBL), as were Noticees 19, 20 and 21. Noticees 19-21 also had the same residential address as Noticee 15. Noticee 17 and Noticee 22 have same promoters, an Noticee 22 is connected to TFL through Noticees 15 and 21.

98. Noticee 26 (Shiv Trading Co.) was preferential allottee for shares worth Rs. 15 lakh, and supplied goods to the Company for Rs. 68 lakhs. Noticee 17 (Santosh Trading Co.) was preferential allottee for Rs. 15 lakhs and supplied goods worth Rs. 50 lakhs and was given short-term loan of Rs. 38.45 lakhs. Noticee 27 was preferential allottee for shares worth Rs. 1999998, and as per the Company's submission to BSE it paid Noticee 27 Rs. 20 lakhs for purchase of goods.

99. The first set of allegations against the Noticees arise on account of making preferential allotment of shares to connected entities, with which it had also entered into various other transactions, leading to the allegation that the preferential issue was not genuine and was only a device or scheme to give a fraudulent impression of capital infusion into the Company because it needed to increase its net worth to meet RBI's NBFC requirements. Secondly, the Company could not satisfactorily explain utilisation of preferential issue proceeds for the objects for which they were raised i.e. generation of long-term resources for growth, strengthening financial position of the Company and augmenting capital base of the Company.

100. The third set of allegations relate to violation of Listing Agreement and LODR Regulations by the Company and consequently, the directors of the Company. Clause 43 of the Listing Agreement read with Regulation 32 of the LODR Regulations, requires furnish quarterly statements to BSE indicating variations between projected utilisation of funds raised through preferential issue and the actual utilisation of funds. Regulation 30 of the LODR Regulations mandates

disclosure of material events and information to the stock exchanges. Company failed to furnish the necessary disclosures.

101. I note that the Company TFL was also served the SCN dated 04.03.2021 and it appeared for hearing with Noticees 1-5 and 11 through a common Authorised Representative. However, vide letter dated 20.08.2021 and e-mail dated 23.10.2021 the Company intimated that it had filed for settlement in terms of the SEBI (Settlement Proceedings) Regulations, 2018.

Violation of the PFUTP Regulations

Preferential Allotment

102. The preferential issue of Rs. 4.20 crores was allotted to 27 preferential allottees. Of this Rs. 2.5 crores was received from Noticees 5, 7, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 which were connected to the Company based on either common addresses or common directors or promoters. Few of the allottees were suppliers of goods. The connections are not disputed in the replies made.

103. The SCN has brought out certain instances of fund transactions between the company and preferential allottees being Noticees 17, 21, 24, 26 and 27. All of these transactions took place in 2012 i.e. prior to the preferential issue, wherein company had lent funds to the first 3 Noticees, which were also repaid, and had obtain goods from other 2 Noticees. However, the SCN does not bring on record how the loans made by the companies to these 3 Noticees were not in the regular course of business or were fraudulent. The SCN merely brings out some irregularities in the loan transactions regarding interest charged and repayments made. It is not the case that no repayments of loans were made. Noticees 26 and 27 were goods suppliers and the transactions are recorded as commercial transactions in the ledger. The SCN does not bring out how these transactions, which took place prior to preferential issue, are linked to preferential issue in terms of funding or otherwise. Other allottees, i.e. Noticees 5, 7, 15, 16, 18, 19,

20, 22, 23 and 25 have been charged merely because they were connected to the Company. No other facts are brought against them in the SCN. In this regard, I note that by its nature, the raising of capital through preferential issue involves raising funds through persons who may be known or related to the company in some way. Preferential allotment takes place through private solicitation of funds from known persons. Hence, the fact that the allottees are related or known to the company by itself does not raise any negative connotation or amount to fraud. The material on record does not bring out role of the preferential allottees in the alleged device or scheme to give a fraudulent impression of capital infusion into the Company. Hence the allegations against the Noticees 5, 7 and 15 - 27 are not established.

Misutilisation of Funds

104. The stated objective of the preferential issue was to generate long term resources for implementing future growth plans, strengthen the financial position of the company, augment the capital base of the company and to meet working capital requirement of the company. The company was an NBFC and its business involved giving of loans, and offering financial products and services.

105. Of the 4.2 crores amount raised, as per the company, Rs.2.05 crores was deployed in short term loans and advances, non-current investments were of Rs.2.16 crores and Rs.90.02 lakhs was as cash and bank balance.

106. The Company's explanations regarding deployment of preferential issue proceeds did not stand up to scrutiny during investigation. On perusal of the ledger account of the company, several of the short term and advances were made prior to the preferential allotment. TFL provided 10 out of 17 loan agreement copies which were submitted in support of company's claim of utilisation of Rs. 2.05 crores of issue proceeds. On perusal of the loan agreements, it is seen that 6 of the 10 agreements were made prior to the preferential issue on 07.01.2013. These agreements were dated between 05.02.2012 to 04.01.2013 i.e. even prior to the EGM convened for approval for

preferential issue on 05.01.2013. These agreements made prior to the preferential issue account for 92.24 lakhs. Of the 17 loans made, disbursal of loan as seen from the ledger account in respect of 9 entities is made in 2012, much prior to the preferential issue. This amounts to Rs.1.26 crores. Hence, the explanation given by the company of the utilisation of issue proceeds towards loans and advances appears incorrect, and several discrepancies are found in the utilisation details.

107. Material on record brings out that Company derived 96.37% of total revenue for the financial year 2012-13 from the sale of fabrics and this was indicated as "Revenue from Operations". Further, of the loans and advances shown by the company as utilisation, Rs.38.45 lakhs was to Santosh Trading. The ledger states that Santosh Trading was a supplier of fabrics. This further shows that company utilised proceeds to pay for fabrics rather than for engaging in the business of NBFC.

108. Regarding the non-current investments of Rs.2.16 crores, company entered into an SPA with TEBL, Noticee 22. The company submitted that Rs.48,87,000/- (Rupees forty eight lakh and eighty seven thousand only) was paid by the Company to TEBL during May 2012 to March 2013 through Bank/Cash and Rs.1,67,24,000/- (Rupees one crore sixty seven lakh and twenty four thousand only) was standing to the credit of ledger account in the books of the Company as on March 31, 2013, and was adjusted towards consideration for the share purchase. The said credit balance was stated to be on account of fabrics supplied by the Company to TEBL. This further substantiates that company was into business other than that of NBFC.

109. In view of the inability of the company to give proper account of Rs.2.05 crores shown as loan and advances, and use of funds for procuring fabrics rather than in the business of financial products, it is established that the company did not utilise the preferential issue proceeds for the objects of issue.

110. Therefore, I find that there is sufficient evidence on record to conclude that the Company violated Regulations 3(b), (c) and (d) and 4(1) and 4(2) (f) of PFUTP Regulations by misutilising preferential issue proceeds. At the time of the said violations, it is seen from the minutes of the meeting of Board of Directors of the Company held on 07.01.2013 that the directors Noticees 5, 7 and 8 and another additional director Mr. Devendra Agrawal were present and took note of shareholder approval of the preferential issue. Noticees 5 and 7 were authorised to give effect to the resolution for preferential allotment. The EGM for approval of preferential allotment which was held on 05.01.2013 was chaired by Mr. Devendra Agrawal as additional director. The Notice dated 30.11.2012 of the EGM held on 05.01.2013, and well as Explanatory Statement to the said Notice under Section 173 (2) of the Companies Act, 1956 were signed by Noticee 7 (Hitsaran Jain) as Director and Compliance Officer. Noticee 7 has also signed the Balance Sheet as well as Statement of Profit and Loss for FY 2012-13. As per minutes of 1st meeting for FY 2012-13 of Audit Committee of the Company held on 15.04.2013, Noticees 5, 7 and 8 were present at the meeting and Noticee 8 was elected Chairman of the meeting, which approved unaudited accounts for quarter ended 31.03.2013.

111. In this regard, the submissions made on behalf of Noticees 5, 7 and 8 that they were not involved in the affairs of the Company as directors during the preferential allotment in 2013, cannot absolve them from their responsibility as members of Audit Committee in 2013.

112. In view of the above, in terms of Section 27(1) of SEBI Act, person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, shall be deemed to be guilty of the offence. Hence, I find that Noticees 5, 7 and 8 have violated 3(b), (c) and (d) and 4(1) and 4(2) (f) of PFUTP Regulations.

Violation of Listing Agreement and LODR Regulations

113. As per Clause 43 of the Listing Agreement, the Company is required to furnish on a quarterly basis a statement to the Exchange indicating the variations between projected utilisation and the actual utilisation of funds, which shall also be published in newspapers simultaneously with the unaudited/audited financial results and provided in the Directors' Report. The company was earlier listed on Jaipur SE. Company got listed on BSE on 16.03.2015. BSE was not able to give any information on compliance with aforesaid clause by company prior to listing with BSE.

114. BSE vide notice dated 09.10.2018 advised the Company to make disclosures regarding misutilisation of preferential issue proceeds with quarterly audited/unaudited results and to get them ratified by shareholders of the company within three months. As per letter dated 10.09.2018 submitted by the Company to BSE on "Proceedings of the Annual General Meeting of the Company held on 10.09.018", ratification of utilisation of funds raised through Preferential Issue was one of the special resolutions moved. It is alleged that outcome of ratification was not disclosed by Company. However, I note that non-disclosure of outcome of ratification does not amount to violation of Clause 43 of Listing Agreement.

115. Material on record shows that no statements of deviation in use of issue proceeds were given on a quarterly basis to the BSE in terms of Clause 43 of the Listing Agreement read with Regulation 32 of the LODR Regulations either. Further, certificate of registration of Noticee as NBFC was cancelled by RBI vide its order dated 25.02.2019. This was material information and required to be disclosed to the exchange in terms of Regulation 30 of the LODR Regulations. However, no such disclosure was made.

116. Noticee 1 was Whole Time Director of the company when BSE advised the Company to make disclosures regarding misutilisation of preferential issue

proceeds. Noticee 1, as Whole Time Director was responsible for ensuring the aforesaid compliance. Further, the minutes of the proceedings of the AGM of the Company held on 10.09.2018 was signed by Noticee 1 who chaired the meeting. As per Annual report of 2018-19, Noticee 4 was Chief Financial Officer of the Company. Directors Report of 2018-19 is signed by Noticee 1 and 4. As per her submission, Noticee 4 was appointed as Director of the Company on 06.02.2019.

117. In terms of Section 27(1) of SEBI Act, person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, shall be deemed to be guilty of the offence. In this regard, the submissions made on behalf of Noticees 1, 4, 5, 7 and 8 that they were not involved in the affairs of the Company as directors during the preferential allotment in 2013, cannot absolve them from their responsibility as signatories to formal board processes involving-

    (a) non-disclosure of statements of deviation in use of issue proceeds of proceeds (Noticee 1 and 4) involving violation of Clause 43 of the Listing Agreement read with Regulation 32 of the LODR Regulations, and for

    (b) non-disclosure of material information that the Company's certificate of registration to function as NBFC had been cancelled by RBI (Noticee 1 and 4) involving violation of Clause 30 of the LODR Regulations.

118. Hence, I find that Noticees 1 and 4, being Whole Time Director and CFO in 2018-19, and being signatories to Directors Report, were responsible for ensuring compliance with LODR Regulations and by failing to do so, have violated Clause 43 of the Listing Agreement read with Regulation 32 of the LODR Regulations and Regulation 30 of LODR Regulations.

II. If yes, whether the Noticees are liable for imposition of monetary penalty under Sections 15 HA and 15 HB of the SEBI Act

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

119. As it has been established that Noticee 5, 7 and 8 have violated Regulations 3 (b), (c), (d) and 4 (1) and (2) (f) of the PFUTP Regulations, they are liable for imposition of penalty in terms of Section 15 HA of the SEBI Act. Further, Noticee 1 and 4 have violated Clause 43 of the Listing Agreement read with Regulation 32 of the LODR Regulations, and Regulation 30 of the LODR Regulations. Therefore, Noticees 1 and 4 are liable for imposition of monetary penalty under Section 15 HB of the SEBI Act.

120. Sections 15HA and HB of the SEBI Act read as follows at the time of commission of the contravention by the Noticees:-

SEBI Act

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty *[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].*

***** *Substituted for the words "twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher" by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014.*

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.]*

** Substituted for the words "liable to a penalty which may extend to one crore rupees" by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014.*

121. While determining the quantum of penalty under Sections 15HA and 15 HB of the SEBI Act, the following factors stipulated in Section 15J of the SEBI Act, have to be given due regard:

    a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

    (b) the amount of loss caused to an investor or group of investors as a result of the default;

    (c) the repetitive nature of the default.

122. Gains made or losses avoided unlawfully by the Company on account of the misutilisation of preferential issue proceeds have not been quantified nor have been shown to have accrued to the directors. Further, the investor impact of suppression of information required to be disclosed to the BSE regarding deviation from objects of preferential issue, or cancellation of certificate of registration of the Company as NBFC by RBI has not been quantified. I also note that RBI issues a notice when it cancels registration of NBFCs which is available in public domain. I take into account that the matter pertains to preferential issue made more than 9 years ago. I also note that presently the company is suspended by BSE due to penal reasons. The company which bears primary responsibility for ensuring compliance with aforesaid regulations has applied for settlement.

123. Taking into account the facts and circumstances of this matter and mitigating factors, I am of the view that a penalty of Rs. 2,00,000/- each payable by Noticees 5, 7 and 8, and of Rs. 1,00,000 each payable by Noticees 1 and 4 for failure to comply with disclosure requirements under the LODR Regulations, will be commensurate with the violations committed by the respective Noticees.

ORDER

124. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15 I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty of Rs. 2,00,000/- (Rupees two lakhs only) each on Noticee 5 i.e. Kusum Jain, Noticee 7 i.e. Hitsharan Jain and Noticee 8 i.e. Saurabh Gandhi i.e. in terms of Section 15HA of the SEBI Act for violation of Regulations 3 (a), (b), (c), (d) and 4 (1) and (2) (f) of the PFUTP Regulations and a penalty of Rs. 1,00,000/- (Rupees One Lakh only) each on Noticees 1 and 4 i.e. Sudhir Bhikhalal Parekh and Sheetal Mitesh Shah, for violations of the Listing Agreement read with the LODR Regulations.

125. Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link –

ENFORCEMENT → Orders → Orders of AO → PAY NOW

126. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – 5 of SEBI.

127. The Noticees shall provide the following details while forwarding DD/ payment information:

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

128. Copies of this Adjudication Order are being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

MANINDER CHEEMA Digitally signed by MANINDER CHEEMA Date: 2022.03.30 17:31:41 +05'30'

DATE: MARCH 30, 2022 **MANINDER CHEEMA**

PLACE: MUMBAI **ADJUDICATING OFFICER**