



**CHIEF GENERAL MANAGER
QUASI JUDICIAL AUTHORITY**

SEBI/HO/QJC/QJC-1/P/OW/2025/16460/1

June 20, 2025

Noticee. No.	Name of Noticee	Address of the Noticee
1. ✓	Tarapur Transformers Limited	S-112, 1st Floor, Rajiv Gandhi Commercial Complex, Ekta Nagar, Kandivali (West) Mumbai - 400067
2.	Choudhary Global Limited	2-3, Floor-1, Plot-30, Baroda Street , Tata Power Carnac Bunder, Chinch Bunder, Mumbai - 400009
3.	Veedhata Towers Private Limited	S-105, 1st Floor, Rajiv Gandhi Commercial Complex, Ekta Nagar, Kandivali (West) Mumbai - 400067
4.	Lorraine Finance Private Limited	Office No. A /101, 1st Floor, Shweta Apartment, Opp Railway Station Nallasopara West, Vasai, Thane, Mumbai - 401203
5.	Rohit Steel Lamination Private Limited	1st Floor, Shop 7 - A, Plot No 89 AB CTS No. 319 319 1 Village Kandivali, Kandivali Industrial Area, Opp NKGSB Bank, Kandivali (W), Mumbai, 400067
6.	Deekay Iron and Steel Private Limited	1st Floor, Shop 7 - A, Plot No 89 AB CTS No. 319 319 1 Village Kandivali, Kandivali Industrial Area, Opp NKGSB Bank, Kandivali (W), Mumbai, 400067
7.	Kumudini Engineering Private Limited	Shop No B/126, 1st Floor, Sonal Amit Shopping Centre Opp. Railway Station Nallasopara West District Palghar Vasai Thane - 401203
8.	Ashadeep Multitrade Private Limited	Gala No 7, Dewan & Shah Industrial Estate No 01, Navghar Opposite BSNL Telephone Exchange, Vasai Road (East) Dist - Palghar Panvel Raigarh(MH) - 410210
9.	Suresh Sakharam More	58, Go Compound, Transoist Camp, Vani Chawl, Thokarasai Jivaraj Road, Sewri 400015
10.	Rajendra Kumar Choudhary	A /1703, 17th Floor, Vastu Tower, Evershine Nagar, Malad (West) Mumbai 400064
11.	Kanji Dayabhai Chavda	1A, 42, Kalpataru Aura Bldg, Lbs Marg, Near R City Mall, Ghatkopar West, Mumbai - 400086
12.	Suresh Kumar Choudhary	59, Sunshine Park, Opp. Kalyan Party Plot, Vasna Road, Vadodara, Race Vadodara 390007
13.	Anil Mahabir Gupta	B 201 Shalibhadra Apartments 147 Datta Mandie Road Malad East



SCN in the matter of Tarapur Transformers Limited.

सेबी भवन, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, मुंबई - ४०० ०५१

SEBI Bhavan, "G" Block, Bandra Kurla Complex, Mumbai - 400 051

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Noticee. No.	Name of Noticee	Address of the Noticee
		Mumbai - 400097
14.	Kiren Shrivastav	Flat no. 402, Aum Saheel Towers, Opp. Kamala mills, Delisle Road, Lower Parel West, Mumbai - 400013
15.	Michael Elias Dalmat	Wagholi Ponda Aali Nalasopara West Nirmal Thane, Mumbai - 401304
16.	Reena Omprakash Trivedi	D-602, Shreepati-V, Royal Complex, Sarswat Bank Poonam Sagar, Mira Road, Thane, Mumbai - 401107
17.	Rachana Baria	D/O Deepak Baria, J J Hospital Compound Sevm Quarters, Byculla, Mumbai - 400008
18.	Pooja Soni	2, Yadaiya House, Near Police Batalian Gate, Kondapur Hyderabad - 500084
19.	Ganesh Gangaram Madhari	Shri Sai Samarth, A-Wing, Room No. 10, 2nd Floor Chincholi Bundar, Malad - West Mumbai - 400064

Sub: Show Cause Notice under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Rule 4 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of Tarapur Transformers Limited.

1. An investigation was conducted by the Securities and Exchange Board of India ("SEBI/Board") to ascertain whether the books of accounts of Tarapur Transformers Limited (hereinafter referred to as the "Company/TTL") were manipulated or whether any wrongful diversion/ siphoning of Company's funds were made by the promoters/ directors/ key managerial persons and to ascertain violations, if any, of Securities and Exchange Board of India Act, 1992 ('SEBI Act'), Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'). The period of investigation undertaken was between April 01, 2018 to March 31, 2023 (hereinafter referred to as 'Investigation Period'). However, whenever deemed necessary, references have been made to the events/timeframes outside the investigation period.
2. A summary of the observations made during the investigation is provided as under:
 - i. TTL advanced a net amount of Rs. 8.67 crore to Choudhary Global Limited (CGL), Rs.3.87 crore to Veedhata Towers Private Limited (VTPL) and Rs. 9.94 crore to Lorraine Finance



Private Limited (LFPL) in the form of interest free loans and advances. Such loans and advances totaling Rs. 22.48 crore extended to its connected/related entities were observed to be suspicious in nature since they were given to non-existent related parties of TTL having negative net-worth, Nil/ negligible revenue from operations, Nil/ negligible inventory, nil/ negligible tangible assets and nil/ negligible employee cost. Further, by writing off and not recovering the said loans, investigation observed that TTL had diverted Rs. 22.48 crore from the company.

- ii. Additionally, the outstanding trade receivables of TTL due from Rohit Steel Lamination Private Limited (RSLPL), Deekay Iron and Steel Private Limited (DISPL), Kumudini Engineering Private Limited (KEPL) and Ashadeep Multitrade Private Limited (AMPL) were observed to be suspicious since they were arising due to sales made to non-existent related/ connected parties of TTL.
 - iii. TTL further failed to disclose related party transactions and made false and misleading disclosures with respect to Audit Committee meetings being held in the company;
 - iv. Non-compliance of summons by the Directors and Key Managerial Personnels of TTL;
 - v. Publication of untrue and misleading financial results of the Company which led to increase in number of shareholders during the investigation period.
3. Upon conclusion of the investigation, the Investigating Authority of the Board has submitted the Investigation Report in accordance with the provisions of Section 11C of the SEBI Act building findings, observations and allegations against the Noticees. *(A copy of the Investigation Report along with its Annexures is provided in the CD attached with this Notice – Annexure 1).* The Investigation Report has recorded several facts to bring about the background and activities involved in this case including but not limited to the details provided in this Show Cause Notice (SCN) in the following paragraphs, and has made allegations of violation of the provisions of the SEBI Act, PFUTP Regulations and LODR Regulations.
4. The detailed observations, findings and allegations as listed in the said Investigation Report shall be relied upon and the said Investigation Report shall be deemed to be part and parcel of this SCN. The salient observations in the Investigation Report are summarized herein below but this shall not be construed in any way to omit or dilute or limit the observations, findings and allegations in the Investigation Report.

I. Background of company in brief:

5. TTL is a public limited company whose shares are listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange Limited ("NSE"). The main activities of the Company are manufacturing, repair, refurbishment and upliftment of transformers. The shareholding pattern of the company during the period of investigation were as under:

Shareholding	Mar-18		Mar-23		Sep-24	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
Promoter	87,03,055	44.63	87,03,036	44.63	87,03,036	44.63
Public	1,07,96,956	55.37	1,07,96,975	55.37	1,07,96,975	55.37
Total	100.00	100.00	100.00	100.00	100.00	100.00

6. From the shareholding pattern of the company investigation observed that the company's promoters held a substantial percentage of shares during the investigation period and the shareholding pattern of the promoters had not changed during the period of investigation. The promoter group's shareholding for the Quarter ending March 2023 - September 2024 are provided as under:

Promoter Name	No. of Equity shares	% of shareholding
Rajendrakumar Anandilal Choudhary	2,72,545	1.40
Manjulata Rajendrakumar Choudhary	10	-
Varshadevi Choudhary	10	-
Prabhadevi Choudhary	10	-
Mohan Waman Randive	1	-
Bilpower Limited#	84,16,460	43.16
Choudhary Global Ltd	14,000	0.07
Promoters	87,03,036	44.63
Public	1,07,96,975	55.37
Total	1,95,00,011	100.00%

#Bilpower Limited (under liquidation) pledged 100% of its shares in TTL.

7. A snapshot of the annual financial performance and position of the Company as disclosed on the Exchange website is provided as under:

Particulars	(Rs. in crore)					
	2018-2019	2019-2020	2020-2021	2021-2022	2022-23	2023-24
Revenue from Operations	11.95	11.95	1.59	2.53	3.48	0.16
PAT	0.74	-10.25	-26.64	6.13	-22.92	-1.25
Net Worth	39.25	28.99	2.35	8.48	-14.46	-15.32
Long-term Borrowings	-	-	-	-	-	-
Property, Plant and Equipment	20.82	13.85	12.42	6.66	5.71	4.87



8. On a site visit conducted at the registered office of TTL as per MCA records (S-112, 1st Floor, Rajiv Gandhi Commercial Complex Ekta Nagar, Kandivali (West) Mumbai Kandivali West Mumbai Maharashtra 400067) it was observed that the office was locked and there were no visible office operations or employees present during the site visit of TTL.

II. Loans & Advances:

9. On perusal of the Annual Report of TTL for FY 2022-23, investigation observed that TTL had considered Loans and Advances amounting to Rs.14.04 crore (outstanding as on March 31, 2023) as doubtful. Additionally, during FY 2022-23, TTL had written off Loans and Advances amounting to Rs. 14.01 crore. The party-wise details of loans and advances written off by TTL is placed at **Annexure - 2**. The details of loans & advances given by TTL as disclosed in its Annual Reports, are detailed below:

(Rs. in crore)			
Loans & advances	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023
Related Party	6.15	12.62	8.67
Others	9.87	8.49	5.37
Sub-total	16.02	21.11	14.04

10. Investigation observed that TTL had not created any provision with respect to the doubtful Loans and Advances of Rs.14.04 crore in FY 2022-23 and FY 2023-24 despite considering the same as doubtful as on March 31, 2023. TTL had extended loans and advances of Rs. 4.64 crore to one entity, Lorraine Finance Pvt. Ltd in FY 2022-23 and written off the same in the same year itself i.e., during FY 2022-23. TTL had created provision for Loans and Advances amounting to Rs.8.67 crore receivable from one Choudhary Global Limited only during the quarter ending June 2024 and had not created any provision for the balance Rs. 5.37 crore Loans and Advances receivable as of the quarter ending September 2024.
11. From the party-wise details shared by TTL (**Annexure - 3**), the following breakup of the loans & advances given by TTL was observed:

(Rs. in crore)				
Name of Party	2020-21		2021-22	
	Amount	%	Amount	%
Veedhata Towers Pvt. Ltd	4.34	27.07%	5.22	24.71%
Lorraine Finance Pvt. Ltd	3.39	21.18%	5.13	24.32%
Choudhary Global Limited	1.81	11.30%	7.40	35.07%
Asmi Developers	1.37	8.57%	1.48	7.03%
Modispaces Real Estate Pvt. Ltd.	1.23	7.66%	-	0.00%

Name of Party	2020-21		2021-22	
	Amount	%	Amount	%
Gupta Sons	0.95	5.93%	-	0.00%
Lamcotech SRL	0.51	3.19%	0.50	2.38%
Swati V Jain	0.50	3.10%	0.50	2.35%
Vansh Auto Logisti	0.30	1.86%	0.36	1.71%
Dataway Solutions Pvt. Ltd	0.25	1.56%	-	0.00%
Pravin Agarwal	0.24	1.50%	-	0.00%
W Goa a unit of Dianna Buildwell Pvt. Ltd	0.22	1.37%	-	0.00%
Anita Khemka	0.18	1.11%	-	0.00%
Asmi Realtors	0.13	0.80%	0.13	0.63%
MMM Traders	0.12	0.75%	-	0.00%
Supreme Freightway Carriers	0.12	0.74%	-	0.00%
R.V.Shah	0.09	0.58%	0.09	0.44%
Kanchan Sunil Pimpalkhute	0.08	0.52%	-	0.00%
J U Electro Systems limited	0.04	0.26%	0.17	0.80%
Vijay V. Khedgikar	0.04	0.26%	-	0.00%
Ajit Rao (HUF)	0.03	0.16%	-	0.00%
Staff Advances	0.02	0.13%	0.08	0.40%
Transformers & Rectifiers India Ltd.	0.02	0.11%	0.02	0.08%
Estates Consultants (Prop. Ajit Rao)	0.01	0.08%	-	0.00%
Viniyog Mercantile Pvt. Ltd.	0.01	0.05%	-	0.00%
Income Receivable (VE)	0.01	0.04%	0.01	0.03%
Kamlesh Electricals	0.01	0.03%	-	0.00%
Poonam Somani (ROC Fees)	0.00	0.03%	-	0.00%
Ramkrishna Electricals Pvt Ltd	0.00	0.02%	-	0.00%
Income Tax paid under Protest	0.00	0.02%	0.00	0.01%
Dalal & Kala Associates	0.00	0.00%	-	0.00%
Prashant Pandit	-	0.00%	0.01	0.03%
Total	16.02	100.00%	21.11	100.00%

12. From the Annual Reports of TTL, it was observed that as on March 31, 2021/ March 31, 2022/ March 31, 2023, majority of the loans and advances due to TTL were outstanding from three parties namely, Choudhary Global Limited (CGL), Veedhata Towers Private Limited (VTPL) and Lorraine Finance Private Limited (LFPL). The observations made during the investigation on the above-mentioned parties to the loan are detailed in the following paragraphs.

a. Choudhary Global Limited (CGL):

13. On perusal of the Annual Reports of TTL for FY 2020-21 to FY 2023-24 and the Limited Review Report for the quarter ending June 2024, the following was observed:

Particulars	(Rs. in crore)		
	2020-21	2021-22	2022-23
Loans and advances given by TTL to CGL during FY	1.81	6.19	1.83
Loans and advances outstanding from CGL to TTL, as on March 31	1.81	7.40	8.67

14. TTL, in its Annual Report for FY 2022-23, had stated that advances of Rs. 8.67 crore to CGL (as a part of Rs.14.04 crore), is being considered doubtful. However, TTL had not created any provision for the said amount in FY 2022-23 & FY 2023-24, and had created a provision for bad and doubtful advances of Rs. 8.67 crore only during for the quarter ending June 2024.
15. From the list of shareholders details of CGL during the investigation period, it was observed that significant shareholding of CGL (approx. 85.22% as on March 31, 2018 and March 31, 2019 and approx. 48.70% as on March 31, 2020, March 31, 2021 and March 31, 2022) was with 'Promoter/ Promoter group of TTL and their relatives' and 'Related/ connected parties of TTL'. Further, during the investigation period, TTL and CGL had the following common directors:

Name of Director	Type	TTL		CGL	
		From	To	From	To
Sureshkumar Anandilal Choudhary	Promoter/ Promoter group of TTL	30-09-2020	18-11-2023	20-11-1989	29-01-2024
Rajendrakumar Anandilal Choudhary	Promoter/ Promoter group of TTL	23-11-2006	05-01-2023	21-12-1999	09-05-2023

16. It was observed that during the investigation period, CGL was the promoter group entity of TTL, owned by 'Promoter/ Promoter group of TTL and their relatives' and 'Related/ connected parties of TTL', managed by directors of TTL and audited by the same auditor as that of TTL (Dalal & Kala Associates).
17. As per the Annual Reports of CGL, CGL is engaged in the business of construction of buildings. However, as per CGL's response to SEBI dated November 02, 2023, CGL claims to be engaged in trading activities. The snapshot of financial position and performance of CGL, is as under:

(Rs. in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue from Operations	0.00	0.00	0.00	0.00	NA
Other Income	3.86	0.06	0.04	0.24	NA
Profit After Tax	3.78	-4.17	-0.85	-0.07	NA
Net worth	-0.50	-4.67	-5.51	-5.58	NA
Inventory	0.00	0.00	0.00	0.00	NA
Tangible Assets	0.00	0.00	0.00	0.00	NA
Employee Cost	0.02	0.03	0.03	0.06	
Current Investment (A)	5.61	1.42	0.57	0.57	NA
Long Term Loans & Advances given (B)	0.16	0.17	0.17	0.19	NA
Short Term Loans & Advances given (C)	1.99	0.70	4.01	5.46	NA
Total Assets (D)	7.94	2.36	4.83	6.32	NA
% of Loans & Advances and investments to total assets (A+B+C)/D	97.73%	97.03%	98.34%	98.42%	NA

NA – As per MCA records, CGL has not filed its Financial Statements for FY 2022-23

18. On perusal of the financials of CGL, investigation observed that CGL is a Company with NIL revenue from operations, negligible inventory, negligible Tangible Assets, negligible Employee cost and negative net worth for the past four available financial years. Further, 97.03% to 98.42% of the assets of CGL comprised of Investments/ Loans and Advances given during the past four available financial years.
19. On analysis of the Bank Statements of CGL (062010200007313 – Axis Bank) for the period April 01, 2018 to March 31, 2023, investigation observed that TTL had transferred Rs. 9.83 crore to CGL. Out of Rs. 9.83 crore, CGL had repaid Rs. 1.17 crore to TTL.

(Rs. in crore)				
Particulars	2020-21	2021-22	2022-23	Total
Loans and advances given by TTL to CGL during FY	1.81	6.19	1.83	9.83
Loans and advances repaid by CGL to TTL during FY	-	0.58	0.59	1.17
Loans and advances outstanding from CGL to TTL, as on March 31	1.81	7.42	8.67	NA

20. CGL had not repaid the balance amount of Rs. 8.67 crore to TTL. TTL, in its Annual Report for FY 2022-23, had considered the Loans and Advances of Rs. 8.67 crore due from CGL as doubtful. However, TTL had not created any provision for the said amount in FY 2022-23 & FY 2023-24 and had created a provision for the said amount only during the quarter ending June 2024.

21. On perusal of the financial statements of TTL for the FY 2020-21, FY 2021-22 and FY 2022-23, it was observed that TTL had not disclosed any interest income received/ receivable from CGL under related party transactions. There was also no increment in the outstanding balance receivable from CGL in the books of TTL on account of any interest provision. The bank statements of CGL also did not indicate any payment towards interest by CGL to TTL.

22. Upon seeking clarifications from TTL, with respect to the loans and advances given by TTL to CGL, TTL had *inter-alia* failed to provide the following information:

- Whether TTL has taken the relevant approvals for granting the afore-mentioned loans and advances to CGL, including approvals by Board, Audit Committee and Shareholders. The supporting documentation including certified copies of Minutes of Meetings.*
- The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc. entered between CGL and TTL.*
- Whether TTL received any interest component from CGL for the afore-mentioned loans and advances made to CGL.*
- The supporting documentation including certified copies of Minutes of Meetings of Board/ Audit Committee, wherein the provisioning/ write off of loans and advances made to CGL was discussed.*

23. On seeking clarifications from CGL, w.r.t. the loans and advances taken from TTL, CGL had *inter-alia* failed to provide the following information:

- The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc., entered between CGL and TTL*
- Whether CGL paid any interest component on the afore mentioned loans and advances to TTL*

b. Veedhata Towers Private Limited (VTPL):

24. On perusal of the Annual Reports of TTL for FY 2019-20 to FY 2022-23, the following was observed:

Particulars	(Rs. in crore)			
	2019-20	2020-21	2021-22	2022-23
Loans and advances given by TTL to VTPL during FY	1.95	2.91	1.89	0.01
Loans and advances outstanding from VTPL to TTL, as on March 31	1.94	4.34	5.22	-

25. TTL and VTPL, in their submissions during the investigation have stated that VTPL had repaid the outstanding loans and advances to TTL and as on March 31, 2023, the outstanding loans and advances of TTL from VTPL was Nil.



26. TTL in its annual reports for the FY 2020-21, FY 2021-22 & FY 2022-23, disclosed VTPL as a related party by virtue of VTPL being 'Company of relative of KMP' of TTL. However, investigation observed that VTPL is a promoter group entity of TTL as per Regulation 2(1)(w) of the LODR Regulations read with Regulation 2(1)(pp)(iv) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The list of shareholders of VTPL during the investigation period, is as under:

Sl. No.	As on March 31, 2018 to March 31, 2022				As on March 31, 2023			
	Name of Shareholder	Type	Number of shares	%	Name of Shareholder	Type	Number of shares	%
1	Harsh Choudhary#	Promoter/ Promoter group of TTL and their relatives	95,000	95%	Harsh Choudhary#	Promoter/ Promoter group of TTL and their relatives	95,000	95%
2	Rajendrakumar Drolia###	Related/ Connected Party of TTL	5,000	5%	Manjulata Choudhary##	Promoter/ Promoter group of TTL and their relatives	5,000	5%
	Total		1,00,000	100%	Total		1,00,000	100%

Mr. Harsh Choudhary is the son of Mr. Rajendrakumar Choudhary, the promoter director of TTL.

##Ms. Manjulata Choudhary is disclosed as Promoter Group of TTL. Also, she is the wife of Mr. Rajendrakumar Choudhary, the promoter director of TTL.

###Mr. Rajendrakumar Drolia is the relative of Mr. Rahul Drolia and Mr. Anand Drolia

27. From the above shareholding details of VTPL, investigation observed that substantial shareholding of VTPL i.e., 95% as on March 31, 2018 to March 31, 2022 and 100% as on March 31, 2023 was with 'Promoter/ Promoter group of TTL and their relatives'. Further, during the investigation period, the following were the directors of VTPL:

Name of Director	Type	From	To
Harsh Choudhary	Promoter/ Promoter group of TTL and their relatives	01-06-2017	-
Manjulata Choudhary	Promoter/ Promoter group of TTL and their relatives	16-10-2017	-

28. From the above director details of VTPL, investigation observed that VTPL was managed by 'Promoter/ Promoter group of TTL and their relatives'. Thus, VTPL was a Promoter group entity of TTL, owned and managed by 'Promoter/ Promoter group of TTL and their relatives'.

29. As per section 2(76)(iv) of Companies Act, 2013, a related party of a Company includes a private company in which a director/ manager or his relative is a member/ director. In the instant matter, VTPL was observed to be a Related Party of TTL by virtue of Mr. Harsh

Choudhary, the son of Mr. Rajendra Choudhary, being a significant shareholder (member) and director of VTPL. TTL disclosed VTPL as a Related Party only for the period FY 2020-21 onwards and failed to disclose VTPL as a Related Party for FY 2019-20. However, VTPL was a Related Party of TTL even for the FY 2019-20. Hence, TTL failed to disclose VTPL as a related party and the Loans and Advances given by TTL to VTPL as related party transactions for FY 2019-20.

30. As per the Annual Reports of VTPL, VTPL is engaged in the business of manufacturing and trading of deodorants and other cosmetic products. However, as per VTPL's response to SEBI dated November 01, 2023, VTPL is involved in the business of investments. On perusal of the financials of VTPL, it was observed that VTPL is a Company with NIL revenue from operations, NIL inventory, NIL Tangible Assets, negligible employee cost and negative net worth for the past five financial years. Further, 97.16% to 99.89% of the assets of VTPL comprised of Investments/ Loans and Advances given during the past five financial years.
31. On analysis of the Bank Statements of VTPL (510101006902119 – Union Bank and 914020034493096 – Axis Bank) for the period April 01, 2018 to March 31, 2023, investigation observed that TTL had transferred Rs. 6.72 crore to VTPL. Out of Rs. 6.72 crore, VTPL had repaid only Rs. 2.86 crore to TTL.

(Rs. in crore)					
Particulars	2019-20	2020-21	2021-22	2022-23	Total
Loans and advances given by TTL to VTPL during FY	1.95	2.89	1.89	0.01	6.72
Loans and advances repaid by VTPL to TTL during FY	0.01	0.49	1.01	1.36	2.86
Loans and advances outstanding from VTPL to TTL, as on March 31	1.94	4.34	5.22	3.87	NA

32. The aforesaid bank statement analysis revealed that out of Rs. 5.23 crore (Rs 5.22 crore outstanding as on 31/03/2022 + Rs 0.01 crore granted during FY 2022-23), TTL received only Rs. 1.36 crore during FY 2022-23 and had failed to recover the balance amount of Rs. 3.87 crore from VTPL. However, both TTL and VTPL, in their submissions to SEBI, have falsely stated that TTL had recovered the entire amount of Rs. 5.23 crore from VTPL and as on March 31, 2023, the outstanding loans and advances of TTL due from VTPL was NIL.

33. On perusal of the financial statement of TTL for the FY 2020-21, FY 2021-22 and FY 2022-23, investigation observed that TTL had not disclosed any interest income received/receivable from VTPL under related party transactions. Further, there was no increment in the outstanding balance receivable from VTPL in the books of TTL on account of interest provision. The bank statements of VTPL also do not indicate any payment towards interest by VTPL to TTL. Further, VTPL, in their submissions to SEBI have, inter-alia, stated that they have not paid any interest for the loans and advances taken from TTL.
34. On seeking clarifications from TTL, w.r.t. the loans and advances given by TTL to VTPL, TTL had *inter-alia* failed to provide:
- Whether TTL has taken the relevant approvals for granting the afore-mentioned loans and advances to VTPL, including approvals by Board, Audit Committee and Shareholders. The supporting documentation including certified copies of Minutes of Meetings.*
 - The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc., entered between VTPL and TTL.*
 - Whether TTL received any interest component from VTPL for the afore-mentioned loans and advances made to VTPL.*
35. On seeking clarifications from VTPL, w.r.t. the loans and advances taken from TTL, VTPL had *inter-alia* stated as under:
- There is no Loan agreement with TTL, VTPL borrowed the loan for some urgent business needs.*
 - VTPL has not paid any interest against loan received from TTL*

c. Lorraine Finance Private Limited (LFPL):

36. From the party-wise details of loans and advances and the LFPL's response dated November 01, 2023 to SEBI, the following was observed:

(Rs. in crore)					
Particulars	2019-20	2020-21	2021-22	2022-23	Total
Loans and advances given by TTL to LFPL during FY	2.62	1.48	2.49	4.64	11.23
Loans and advances repaid by LFPL to TTL during FY	0.33	0.38	0.75	1.57	3.02
Loans and advances outstanding from LFPL to TTL, as on March 31	2.29	3.39	5.13	—*	NA

*The entire Loans and Advances of Rs. 8.20 crore (Rs. 5.13 crore + Rs. 4.64 crore – Rs.1.57 crore) was written off by TTL during FY 2022-23.

37. TTL in its submission dated October 25, 2023 to SEBI had stated that they have written off the outstanding loans and advances from LFPL during the FY 2022-23. The same was confirmed from the party-wise details of loans and advances written off by TTL provided by the Statutory Auditor of TTL.

38. The list of shareholders of LFPL as on March 31, 2018 to March 31, 2022 was as under:

Sl. No.	Name of Shareholders	Number of shares	%
1	Chandrashekhar Trivedi	9,900	99.00%
2	Sudha Chandrashekhar Trivedi	100	1.00%
	Total	10,000	100.00%

39. It was observed that Mr. Chandrashekhar Trivedi, the significant shareholder of LFPL was the past director of TTL and the below-mentioned related/ connected parties of TTL.

Sl. No.	Name of the Company	Type	From	To
1	Tarapur Transformers Limited	-	30/05/2015	30/05/2016
2	Aesthetic Stampings & Laminations Limited	Related/ Connected Party of TTL	09/08/2014	05/01/2015
3	Bil Energy Systems Limited	Related/ Connected Party of TTL	30/05/2015	30/05/2016
4	Bilpower Limited	Promoter/ Promoter group of TTL	30/05/2015	30/05/2016
5	Laukya Alloys And Steel Private Limited	Related/ Connected Party of TTL	05/01/2006	31/07/2013
6	Lorraine Finance Private Limited	Related/ Connected Party of TTL	24/06/1997	31/07/2013

40. During the investigation period, the Mr. Omprakash Trivedi and Mr. Rajesh Ganpat Gotadwere the directors of LFPL. Investigation observed that Mr. Omprakash Trivedi, a director of LFPL is the father of Ms. Reena Omprakash Trivedi, an independent director of TTL. Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023. Further, Mr. Rajesh Ganpat Gotad and Mr. Omprakash Trivedi are the present/past directors of TTL and the below-mentioned related/ connected parties of TTL.

Sl. No.	Name of the Company	Type	Mr. Rajesh Ganpat Gotad		Mr. Omprakash Trivedi	
			From	To	From	To
1	Tarapur Transformers Limited	-	13/02/2015	14/08/2015	-	-
2	Kumudini Engineering Private Limited	Related/ Connected Party of TTL	03/07/2023	-	16/01/2009	-
3	Laukya Alloys And Steel Private Limited	Related/ Connected Party of TTL	01/06/2017	-	26/06/2015	-





Sl. No.	Name of the Company	Type	Mr. Rajesh Ganpat Gotad		Mr. Omprakash Trivedi	
			From	To	From	To
4	Choudhary Global Limited	Promoter group Entity of TTL	13/03/2018	09/05/2023	-	-
5	Veedhata Towers Private Limited	Promoter group Entity of TTL	31/03/2015	01/06/2017	-	-
6	Aesthetic Stampings & Laminations Limited	Related/ Connected Party of TTL	-	-	03/08/2015	15/02/2018

41. Further, LFPL held 4.27% shares in CGL, a promoter group entity of TTL. Additionally, Mr. Omprakash Trivedi, director of LFPL also held 4.61% in CGL. Thus, LFPL and its director together held 8.88% in CGL, a promoter group entity of TTL.
42. As per section 2(76)(iv) of Companies Act 2013, a related party of a Company includes a private company in which a director/ manager or his relative is a member/ director. In the instant matter, Mr. Omprakash Trivedi, a director of LFPL is the father of Ms. Reena Omprakash Trivedi, an independent director of TTL. While Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023, her father Mr. Omprakash Trivedi, was a Director in LFPL for the period June 20, 2015 to till date. Accordingly, LFPL is a Related Party of TTL. However, TTL failed to disclose LFPL as Related Party for FY 2022-23 & FY 2023-24.
43. As per the LFPL's response to SEBI dated November 01, 2023, LFPL is involved in the business of accepting and/ or giving loans and advances. However, investigation observed that that LFPL neither features in the list of NBFCs registered with RBI nor in the list of NBFCs whose Certificate of Registration has been cancelled by RBI.
44. On perusal of the financials of LFPL, investigation observed that LFPL is a Company with negligible revenue from operations, negligible inventory, NIL Tangible Assets, negligible employee cost and negative net worth for the past four available financial years. Further, 77.47% to 99.91% of the assets of LFPL comprised of Investments/ Loans and Advances given during the past four available financial years.
45. On analysis of the Bank Statements of LFPL (4509002100000803 – PNB and 573010200000833 - Axis Bank) for the period April 01, 2018 to March 31, 2023, investigation observed that TTL had transferred Rs. 13.07 crore to LFPL. Out of Rs. 13.07



crore, LFPL had repaid only Rs. 3.13 crore and as on March 31, 2023 LFPL had outstanding amount of Rs. 9.94 crore payable to TTL.

Particulars	(Rs. in crore)					
	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Loans and advances given by TTL to LFPL during FY	2.24	2.62	1.48	2.12	4.62	13.07
Loans and advances repaid by LFPL to TTL during FY	-	0.34	0.38	0.75	1.67	3.13
Loans and advances outstanding from LFPL to TTL, as on March 31	2.24	4.52	5.62	7.00	9.94	NA

46. From the submissions of LFPL, TTL, and the statutory auditor of TTL, it was observed that TTL had written off Rs. 8.20 crore receivable from LFPL and had NIL outstanding balance as on March 31, 2023. However, the bank statement analysis reveals that LFPL had outstanding amount of Rs. 9.94 crore to TTL during FY 2022-23. Considering the discrepancy in the books of account of TTL and the bank statement analysis, it is observed that the financial statements of TTL, with regard to the loans and advances granted to LFPL were misrepresented. Further, LFPL in its submissions to SEBI had stated that it had not taken any loan from TTL during FY 2018-19. However, the bank statement analysis revealed that even during FY 2018-19, TTL had paid an amount of Rs. 2.24 crore to LFPL.

47. On seeking clarifications from TTL, w.r.t. the loans and advances given by TTL to LFPL, TTL had *inter-alia* failed to provide:

- Whether TTL has taken the relevant approvals for granting the afore-mentioned loans and advances to LFPL, including approvals by Board, Audit Committee and Shareholders. The supporting documentation including certified copies of Minutes of Meetings.*
- The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc., entered between LFPL and TTL.*
- Whether TTL receive any interest component from LFPL for the afore-mentioned loans and advances made to LFPL.*
- The supporting documentation including certified copies of Minutes of Meetings of Board/ Audit Committee, wherein the provisioning/ write off of loans and advances made to LFPL was discussed.*

48. On seeking clarifications from LFPL, w.r.t. the loans and advances taken from TTL, LFPL had *inter-alia* failed to provide:

- The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc., entered between LFPL and TTL*
- Whether LFPL paid any interest component on the afore mentioned loans and advances to TTL*

49. Thus, in view of the loans and advances given by TTL, investigation observed as under:
- a. Despite multiple summons and repeated reminders, TTL, CGL, VTPL and LFPL failed to provide satisfactory responses to the queries of SEBI. They failed to provide any supporting documentation viz., Loan agreements prescribing the rate of interest, tenure of loan, purpose of loan etc., entered between them. TTL also failed to provide the copies of minutes of meetings of Board/ Audit Committee/ Shareholders of TTL, where granting the loans and advances to CGL/ VTPL/ LFPL and the write-offs/ creating provisioning for outstanding loans and advances to CGL/ LFPL were discussed.
 - b. The loans & advances given by TTL appeared to be suspicious, since they were given to non-existent related parties of TTL having negative net-worth, Nil/ negligible revenue from operations, Nil/ negligible inventory, nil/ negligible tangible assets and nil/ negligible employee cost. Further, these companies were:
 - i. CGL - promoter group entity of TTL that is owned by 'Promoter/ Promoter group of TTL and their relatives' and 'Related/ connected parties of TTL', managed by the directors of TTL and audited by the same auditor as that of TTL.
 - ii. VTPL – promoter group entity of TTL that is owned and managed by 'Promoter/ Promoter group of TTL and their relatives'
 - iii. LFPL - entity owned and managed by present/past directors of 'TTL and the related/ connected/ promoter group entities of TTL'. Together with its director, LFPL holds 8.88% stake in CGL, a promoter group entity of TTL
 - c. During the investigation period, TTL had advanced a net amount of Rs. 8.67 crore to CGL, Rs.5.23 crore (Rs 5.22 crore outstanding as on 31/03/2022 + Rs 0.01 crore granted during FY 2022-23) to VTPL and Rs. 9.94 crore to LFPL in the form of interest free loans and advances.
 - d. TTL had failed to recover Rs. 8.67 crore from CGL, for which TTL had created a provision in the quarter ending June 2024. In case of VTPL, TTL had received only Rs. 1.36 crore as against the entire amount (Rs. 5.23 crore) claimed by TTL and VTPL. Further, in case of LFPL, TTL had created a provision of only Rs. 8.20 crore, whereas bank statement revealed that the amount to be received from LFPL was Rs. 9.94 crore. The same is tabulated as under:

(Rs. in crore)

Name of the Party	Amount	Remarks
CGL	8.67	TTL created provision for Rs. 8.67 crore in the quarter ending June 2024
VTPL	3.87	TTL falsely claimed to receive the entire amount from VTPL, whereas TTL had not recovered Rs. 3.87 crore from VTPL
LFPL	9.94	TTL had written off the loans and advances of Rs. 8.20 crore in FY 2022-23
Total	22.48	

- e. Considering the non-submission of appropriate documentary evidences for the transfer of loans & advances to CGL, VTPL and LFPL and the observations detailed at preceding paragraphs, investigation observed that TTL, by transferring amounts to CGL, VTPL and LFPL and later by writing off or by creating provision or not recovering, had diverted Rs. 22.48 crore from the Company. These acts of diversion of funds from the Company are in nature of manipulative, fraudulent and unfair trade practice in securities market in violation of Regulation 3(b), 3(c), 3(d), and 4(1) of the PFUTP Regulations read with Section 12A(a), 12A(b) and 12A(c) of the SEBI Act.

50. Investigation further observed that the Statutory Auditors of TTL i.e., M/s Dalal & Kala Associates (for FY 2018-19 to FY 2021-22) and GRANDMARK & Associates (for FY 2022-23), *inter-alia*, raised concerns over the following issues in the Audit Reports either by way of qualifying the audit report or by highlighting them in key audit matter paragraphs:

"With regard to unsecured loans given to party not covered in the register maintained under section 189 of the Companies Act, 2013: The Company has sent balance confirmation letters to parties who are not covered in the register maintained under section 189 of the Companies Act, 2013, but in most of the cases the company have not received written confirmation confirming the balance outstanding as at March 31, 2019/ March 31, 2020/ March 31, 2021/ March 31, 2022/ March 31, 2023. Further in respect of loans granted, repayment of the principal amount was not as stipulated and payment of interest has also not been regular."

III. Trade Receivables:

51. The details of outstanding trade receivables of TTL as disclosed in its Annual Reports, are as detailed below:

(Rs. in crore)

Trade Receivables	2018-19	2019-20	2020-21	2021-22	2022-23
Due for period exceeding 6 months	17.98	14.41	26.67	24.29	-
Other receivables	8.57	12.69	-	3.56	-
Sub-total	26.55	27.10	26.67	27.85	-
Provision for doubtful debts	3.07	2.28	10.17	1.70	-
Total	23.48	24.82	16.50	26.15	-

52. On perusal of the Annual Report of TTL for FY 2022-23, investigation observed that during FY 2022-23, TTL had written off the outstanding Trade Receivables amounting to Rs. 14.37 crore. From the party-wise details (Annexure 4), the following breakup of trade receivables written off by TTL was observed:

Name of Party	Amount (in Rs.)
Kumudini Engineering Pvt Ltd	6,17,00,000
Rohit Steel Lamination Pvt Ltd	5,51,80,173
Deekay Iron & Steel Pvt Ltd	85,00,000
Uttar Hariyana Bijlee Viteran Nigam Ltd	59,99,000
Shiva Electric Co.	33,13,429
Karnataka Power Transmission Corp. Ltd	22,74,794
Urja Techniques India Pvt Ltd	19,85,612
MSEDCL	12,57,585
Magnetic Metal Industries	10,08,717
UPPTCL	7,65,992
S. K. Steels Transcore P. Ltd.	5,33,114
Kerala State Electricity Board-Dr	4,42,469
Jai Shrikrishna Enterprise	2,02,301
Shree Shiv Steels Traders	1,79,203
Transformers & Rectifiers India Ltd	1,73,040
Larsen & Toubro Limited	1,18,000
HMTD Engineering Pvt. Ltd	27,620
Svasca Industries (India) Ltd	17,920
Aviral Resources	10,512
Total Bad Debts Written Off	14,36,89,481

53. From the party-wise details shared by TTL with NSE (Annexure 5), the following breakup of the outstanding trade receivables of TTL was observed:

(Rs. in crore)

Name Of Party	2018-19		2019-20		2020-21		2021-22	
	Amount	%	Amount	%	Amount	%	Amount	%
Ashadeep Multitrade Pvt. Ltd	-	-	5.67	20.91%	6.43	24.12%	8.03	28.84%
Kumudini Engineering Pvt. Ltd.	11.07	41.70%	7.62	28.13%	6.96	26.08%	7.46	26.80%
Rohit Steel Lamination Pvt. Ltd	-	-	2.97	10.96%	5.55	20.80%	5.97	21.42%
Deekay Iron & Steel Pvt. Ltd.	8.93	33.62%	6.07	22.41%	4.36	16.36%	3.30	11.85%
Shreenathji Metals	3.27	12.32%	1.93	7.13%	1.40	5.25%	0.79	2.85%
Uttar Hariyana Bijlee Viteran Nigam Ltd.	0.60	2.26%	0.60	2.21%	0.60	2.25%	0.60	2.15%



Name Of Party	2018-19		2019-20		2020-21		2021-22	
	Amount	%	Amount	%	Amount	%	Amount	%
Aesthetic Stampings & laminations Ltd.	-	-	-	-	-	-	0.44	1.57%
Shiva Electrical & Co.	0.33	1.25%	0.33	1.22%	0.33	1.24%	0.33	1.19%
Karnataka Power Transmission Corpn Ltd	0.42	1.59%	0.23	0.84%	0.23	0.85%	0.23	0.82%
Urja Techniques India Pvt Ltd	0.20	0.75%	0.20	0.73%	0.20	0.74%	0.20	0.71%
MSEDCL	0.13	0.47%	0.13	0.46%	0.13	0.47%	0.13	0.45%
Magnetic Metal industries	0.44	1.66%	0.41	1.50%	0.19	0.72%	0.10	0.36%
UPPTCL	0.08	0.29%	0.08	0.28%	0.08	0.29%	0.08	0.28%
S.K. Steels Transcore Pvt. Ltd.	0.05	0.20%	0.05	0.20%	0.05	0.20%	0.05	0.19%
KERLA STATE ELECTRICITY BOARD-DR	0.04	0.17%	0.04	0.16%	0.04	0.17%	0.04	0.16%
Ajmer Vidyut Vitran Nigam Ltd	0.35	1.32%	0.35	1.29%	0.04	0.15%	0.04	0.15%
Jai Shrikrishna Enterprise	0.02	0.08%	0.02	0.07%	0.02	0.08%	0.02	0.07%
Shree Shiv Steels Traders	0.02	0.07%	0.02	0.07%	0.02	0.07%	0.02	0.06%
LARSEN & TOUBRO LTD	-	-	-	-	-	-	0.01	0.04%
HMTD Engineering Pvt. Ltd	0.00	0.01%	0.00	0.01%	0.00	0.01%	0.00	0.01%
Svasca Industries (India) Ltd.	0.00	0.01%	0.00	0.01%	0.00	0.01%	0.00	0.01%
Aviral Resources	-	-	-	-	-	-	0.00	0.00%
Ramkrishna Electricals Ltd.	0.13	0.49%	0.13	0.48%	0.13	0.49%	-	-
Chokhani Pharma Vet	0.13	0.49%	-	-	-	-	-	-
SNR CORP	0.12	0.44%	0.04	0.14%	-	-	-	-
J U Electro Systems Pvt. Ltd.	0.10	0.36%	0.10	0.35%	0.10	0.36%	-	-
Jaipur Vidyut Vitran Nigam Ltd	0.06	0.22%	0.06	0.22%	-	-	-	-
Uttar Gujarat Vij Co Ltd	0.03	0.11%	0.03	0.11%	-	-	-	-
Jodhpur Vidyut Vitran Nigam Ltd	0.03	0.10%	0.03	0.10%	-	-	-	-
Guardian casting Pvt. Ltd	0.01	0.04%	-	-	-	-	-	-
Arecus Infotech Pvt. Ltd	-	-	-	-	0.12	0.44%	-	-
Sehgal Wire Sales (P) Ltd	-	-	-	-	-	-	-	-
KPTCL - BG (Encashment)	-	-	-	-	(0.30)	-1.12%	-	-
Gross value	26.56	100.00 %	27.10	100.00 %	26.67	100.00 %	27.84	100.00 %
Provision for doubtful debts	3.07		2.28		10.17		1.70	
Net value	23.49		24.82		16.50		26.14	

54. From the Annual Reports of TTL and the submissions made by TTL to SEBI, it is observed that TTL had majority of the trade receivables outstanding from four parties namely, Rohit Steel Lamination Pvt Ltd, Deekay Iron & Steel Pvt Ltd, Kumudini Engineering Pvt Ltd and Ashadeep Multitrade Pvt Ltd, the details of which are discussed as under:

a. **Rohit Steel Lamination Pvt Ltd ('RSLPL'):**

55. From the party-wise details shared by TTL with NSE, the following breakup of the outstanding trade receivables of TTL due from RSLPL is observed:

(Rs. in crore)					
Parties	2018-19	2019-20	2020-21	2021-22	2022-23
Rohit Steel Lamination Pvt Ltd	-	2.97	5.55	5.97	-

56. As per the party-wise details shared by the Statutory Auditor of TTL with SEBI, investigation observed that TTL had written off Rs 5.52 crore outstanding Trade Receivables from RSLPL during FY 2022-23.

57. On perusal of the list of shareholders of RSLPL as on March 31, 2018 to March 31, 2022, it was observed that Krishna Kumar Banarasi Sharma and Mukesh K Sharma were the past directors of related/ connected parties of TTL namely, Rohit Steel Lamination Pvt Ltd, Deekay Iron & Steel Pvt Ltd and Aesthetic Stampings & Laminations Limited.

58. Further, during the investigation period, the following were the directors of RSLPL:

Name of Director	From	To
Michael Elais Dalmet	29-06-2015	17-08-2021
Ganesh Gangaram Madari	01-06-2017	-
Laxmi Gangaram Madari	17-08-2021	-

59. It was observed that Mr. Michael Elais Dalmet, Mr. Ganesh Gangaram Madari and Ms. Laxmi Gangaram Madari were the present/past directors of TTL and the related/ connected parties of TTL namely, BIL Energy Systems Limited, Deekay Iron & Steel Pvt Ltd, Rohit Steel Lamination Pvt Ltd and Aesthetic Stampings & Laminations Limited.

60. On perusal of the financials of RSLPL, investigation observed that that RSLPL is a non-operating company, with NIL inventory, NIL employee benefit expense, NIL tangible assets, negligible profit after tax, and negligible net worth. Further, 100% of sales and purchases of RSLPL for FY 2018-19 and FY 2019-20 were only with TTL and related parties of TTL i.e., BIL Energy Systems Limited and Aesthetic Stampings & Laminations Limited. Considering

RSLPL is a non-operational entity, investigation observed that the sale and purchase transactions entered into by TTL with RSLPL was fictitious. The fictitious transactions entered into by TTL with RSLPL as disclosed in the sale and purchase registers of TTL are tabulated below:

		(Rs. in crore)			
Particulars		2018-19		2019-20	
		Amount	%	Amount	%
PURCHASE REGISTER	Purchases of TTL from RSLPL	2.35	23.52	0.60	4.27
	Total Purchases of TTL	9.99	100.00	14.05	100.00
SALE REGISTER	Sales of TTL to RSLPL	-	-	0.99	6.78
	Total Sales of TTL	14.19	100.00	14.60	100.00

Note: Amounts inclusive of GST

61. From TTL's response to SEBI dated November 14, 2023 and RSLPL response to SEBI dated November 02, 2023, a discrepancy with respect to the trade receivables of TTL from RSLPL and the corresponding trade payables of RSLPL to TTL was observed. RSLPL had shown 'Loans & Advances outstanding to TTL'. Investigation observed that the amounts of 'Trade Receivables outstanding from RSLPL' shown by TTL and the amounts of 'Loans & Advances outstanding to TTL' shown by RSLPL were exactly same. Further, RSLPL in its submissions to SEBI, had claimed that it had taken loans and advances, carrying outstanding balance of Rs. 5.97 crore as on March 31, 2022, for business purpose from TTL.
62. On perusal of sale and purchase registers of TTL, during the investigation period, TTL showed sale to the tune of Rs. 0.99 crore to RSLPL and purchase to the tune of Rs. 2.95 crore from RSLPL. The same is confirmed on the perusal of sale and purchase registers of RSLPL. Further, the increment in the trade receivables of TTL outstanding from RSLPL is not reflected in the sales register of TTL. The same is tabulated below:

(Rs. in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Trade Receivables Outstanding from RSLPL	-	2.97	5.55	5.97	-
Increment in Trade Receivables	-	2.97	2.57	0.42	-
Sale of TTL to RSLPL (as per TTL's sale register)	-	0.99	-	-	-

63. Based on the above, investigation observed that TTL had incorrectly recorded the loans and advances given to RSLPL as trade receivables outstanding from RSLPL, thereby overstating the trade receivables and understating the loans and advances given.



64. On analysis of the Bank Statements of TTL (510101003051004 – Bank of India) and RSLPL (50380715321 – Indian Bank) for the period April 01, 2018 to March 31, 2023, investigation observed that TTL had transferred a total amount of Rs. 9.75 crore to RSLPL and had received a total amount of Rs. 0.77 crore from RSLPL.

(Rs. in crore)						
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Amount transferred by TTL to RSLPL during FY	2.51	4.51	2.74			9.75
Amount transferred by RSLPL to TTL during FY		0.11	0.15	0.07	0.44	0.77

65. Out of Rs. 9.75 crore received by RSLPL from TTL, Rs. 5.97 crore was on account of Loans and Advances given by TTL to RSLPL. TTL had incorrectly recorded the loans and advances given to RSLPL as trade receivables outstanding from RSLPL and during FY 2022-23 had written off Rs. 5.51 crore, thereby diverting Rs. 5.51 crore from the Company.
66. The balance Rs. 4.24 crore (Rs. 9.75 crore – Rs. 5.51 crore) payment made by TTL to RSLPL appeared to be against the fictitious purchases made by TTL from RSLPL and the receipt of Rs.0.77 crore by TTL from RSLPL appeared to be against fictitious sales/ recovery of outstanding loans and advances made by TTL to RSLPL, thereby diverting Rs. 3.47 crore (Rs. 4.24 crore – Rs. 0.77 crore) from the Company. Thereby, causing total loss of Rs. 8.98 crore (Rs. 5.51 crore + Rs. 3.47 crore) to the shareholders of TTL.
67. Upon seeking clarifications from TTL, w.r.t. the outstanding trade receivables due from RSLPL, TTL had *inter-alia* failed to provide:
- Documentation in support of the sale made to RSLPL including but not limited to e-way bills, sales invoices etc.*
 - Comments of TTL on the claim of RSLPL that RSLPL has taken loans and advances carrying outstanding balance of Rs. 5.97 crore as on March 31, 2022, from TTL for business purpose.*
68. On seeking clarifications from RSLPL, w.r.t. the outstanding trade receivables due to TTL, RSPL had *inter-alia* failed to provide:
- Documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc.*

b. Deekay Iron and Steel Private Limited ('DISPL'):

69. From the party-wise details shared by TTL, the following breakup of the outstanding trade receivables of TTL due from DISPL was observed.

(Rs. in crore)					
Parties	2018-19	2019-20	2020-21	2021-22	2022-23
Deekay Iron & Steel Pvt Ltd	8.93	6.07	4.36	3.30	-

70. As per party-wise details shared by the Statutory Auditor of TTL with SEBI, it was observed that TTL had written off Rs 0.85 crore outstanding Trade Receivables from DISPL during FY 2022-23.

71. The list of shareholders of DISPL as on March 31, 2018 to March 31, 2022 is as under:

Sl. No.	Name of Shareholders	Number of shares	%
1	Krishna Kumar Banarasi Sharma	5,000	50.00%
2	Mukesh Sharma	5,000	50.00%
	Total	10,000	100.00%

72. It was observed that Krishna Kumar Banarasi Sharma and Mukesh K Sharma were the past directors of related/ connected parties of TTL namely, Rohit Steel Lamination Pvt Ltd (RSLPL), Deekay Iron & Steel Pvt Ltd (DISPL) and Aesthetic Stampings & Laminations Limited (ASLL).

73. During the investigation period, Mr. Michael Elais Dalmet, Mr. Ganesh Gangaram Madari and Ms. Laxmi Gangaram Madari were the directors of DISPL. As mentioned earlier, Mr. Michael Elais Dalmet, Mr. Ganesh Gangaram Madari and Ms. Laxmi Gangaram Madari are the present/past directors of TTL and the related/ connected parties of TTL.

74. Investigation further observed that DISPL was a non-operating company with NIL inventory, NIL employee benefit expense, negligible profit after tax, negligible tangible assets and negligible net worth. Further, 100% of sales and purchases of DISPL for FY 2018-19 to FY 2020-21 were only with TTL and related parties of TTL i.e., ASLL. Considering that DISPL was a non-operational entity, it investigation observed that the sale and purchase transactions entered into by TTL with DISPL were fictitious. The transactions entered into by TTL with DISPL as disclosed in the sale and purchase registers of TTL are tabulated below:



		(Rs. in crore)					
Particulars		2018-19		2019-20		2020-21	
		Amount	%	Amount	%	Amount	%
PURCHASE REGISTER	Purchases of TTL from DISPL	-	-	-	-	0.35	13.57
	Total Purchases of TTL	9.99	100.00	14.05	100.00	2.58	100.00
SALE REGISTER	Sales of TTL to DISPL	6.99	49.26	5.28	36.16	-	-
	Total Sales of TTL	14.19	100.00	14.60	100.00	3.34	100.00

Note: Amounts inclusive of GST

75. On perusal of the responses of TTL and DISPL, a discrepancy with respect to the trade receivables of TTL from DISPL and the corresponding trade payables of DISPL to TTL was observed. The same is tabulated below:

(Rs. in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Trade Receivable from DISPL-Response of TTL	8.93	6.07	4.36	3.30	-
Trade Payables due to TTL-Response of DISPL	-	8.14	1.71	1.06	0.85

76. However, the Sale and Purchase Registers of DISPL, provided by the Statutory Auditor of DISPL (GRANDMARK & Associates), indicate DISPL made wrongful submission before SEBI with respect to purchases from TTL relating to FY 2018-19.
77. On seeking clarifications from TTL, w.r.t. the outstanding trade receivables due from DISPL, TTL had *inter-alia* failed to provide:
- Documentation in support of the sale made to DISPL including but not limited to e-way bills, sales invoices etc.
78. On seeking clarifications from DISPL, w.r.t. the outstanding trade receivables due to TTL, DISPL had *inter-alia* failed to provide:
- Documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc.

c. Kumudini Engineering Private Limited ('KEPL')

79. From the party-wise details, the following breakup of the outstanding trade receivables of TTL due from KEPL was observed:

(Rs. in crore)					
Parties	2018-19	2019-20	2020-21	2021-22	2022-23
Kumudini Engineering Pvt Ltd	11.07	7.62	6.96	7.46	-



80. As per party-wise details shared by the Statutory Auditor of TTL with SEBI, it was observed that TTL had written off Rs 6.17 crore outstanding Trade Receivables from KEPL during FY 2022-23.

81. The list of shareholders of KEPL as on March 31, 2018 to March 31, 2022 is as under:

Sl. No.	Name of Shareholders	Number of shares	%
1	Omprakash Trivedi	5,000	50.00%
2	Laxmi Trivedi	5,000	50.00%
	Total	10,000	100.00%

82. During the investigation period, Mr. Omprakash Trivedi and Ms. Laxmi Trivedi were also the directors of KEPL. It was observed that Mr. Omprakash Trivedi was the past director of related/ connected parties of TTL namely, Lorraine Finance Private Limited (LFPL) and Aesthetic Stamping and Lamination Limited (ASLL).

83. It was further observed that Mr. Omprakash Trivedi and Ms. Laxmi Trivedi, the directors and shareholders of KEPL are the parents of Ms. Reena Omprakash Trivedi, an independent director of TTL. Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023. Further, KEPL held 9.42% in CGL, a promoter group entity of TTL. Additionally, Mr. Omprakash Trivedi, director-shareholder of KEPL also holds 4.61% in CGL. Thus, KEPL and its director together holds 14.03% in CGL, a promoter group entity of TTL.

84. As per section 2(76)(iv) of Companies Act 2013, a related party of a Company includes a private company in which a director/ manager or his relative is a member/ director. In the instant matter, Mr. Omprakash Trivedi and Ms. Laxmi Trivedi, shareholders and directors of KEPL are the parents of Ms. Reena Omprakash Trivedi, an independent director of TTL. While Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023, her father Mr. Omprakash Trivedi, was a Director in KEPL for the period January 16, 2009 to till date and her mother Ms. Laxmi Trivedi, was a Director in KEPL for the period January 16, 2009 to July 10, 2023. Accordingly, KEPL is a Related Party of TTL. However, TTL failed to disclose KEPL as Related Party for FY 2022-23 and FY 2023-24.

85. Investigation further observed that KEPL is a non-operating company with NIL inventory, NIL employee benefit expense, negligible profit after tax, and negligible net worth. Further, 100% of sales and purchases of KEPL for FY 2018-19 to FY 2019-20 were only with TTL and related parties of TTL i.e., ASLL. Considering that KEPL is a non-operational entity



with no physical presence, the sale and purchase transactions entered into by TTL with KEPL were observed to be fictitious. The fictitious transactions entered into by TTL with KEPL as disclosed in the sale and purchase registers of TTL are tabulated below:

		(Rs. in crore)			
Particulars		2018-19		2019-20	
		Amount	%	Amount	%
PURCHASE REGISTER	Purchases of TTL from KEPL	-	-	3.11	22.14
	Total Purchases of TTL	9.99	100.00	14.05	100.00
SALE REGISTER	Sales of TTL to KEPL	0.92	6.48	-	-
	Total Sales of TTL	14.19	100.00	14.60	100.00

Note: Amounts inclusive of GST

86. From the party-wise details of outstanding trade receivables shared by TTL, and TTL's response to SEBI dated November 14, 2023, the following was observed:

(Rs. in crore)					
Trade Receivables Outstanding from	2018-19	2019-20	2020-21	2021-22	2022-23
KEPL	11.07	7.62	6.96	7.46	-

87. Further, TTL had stated that the receivable due from KEPL of Rs 6.17 crore was written off in its books of account during FY 2022-23. KEPL, in its response to SEBI dated November 01, 2023, had stated as under:

(Rs. in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Purchases from TTL	-	-	-	-	-
Trade Payables due to TTL	-	0.46	0.67	0.11	1.35
Sales to TTL	-	3.11	-	-	-
Trade Receivables due from TTL	-	0.12	-	0.62	0.06

88. On perusal of the responses of TTL and KEPL, a discrepancy with respect to the trade receivables of TTL from KEPL and the corresponding trade payables of KEPL to TTL was observed. The same is tabulated below:

(Rs. in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Trade Receivable from KEPL-Response of TTL	11.07	7.62	6.96	7.46	-
Trade Payables due to TTL-Response of KEPL	-	0.46	0.67	0.11	1.35

89. However, the Sale and Purchase Registers of KEPL, provided by the Statutory Auditor of KEPL (GRANDMARK & Associates) indicate that KEPL made wrongful submission before SEBI with respect to purchase from TTL relating to FY 2018-19.

90. Upon seeking clarifications from TTL, with respect to the outstanding trade receivables due from KEPL, TTL had *inter-alia* failed to provide:

- i. *Documentation in support of the sale made to KEPL including but not limited to e-way bills, sales invoices etc.*

91. On seeking clarifications from KEPL, w.r.t. the outstanding trade payables due to TTL, KEPL had *inter-alia* failed to provide:

- i. *Documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc.*

d. Ashadeep Multitrade Private Limited ('AMPL')

92. From the party-wise details shared by TTL, the following breakup of the outstanding trade receivables of TTL due from AMPL was observed:

Parties	(Rs. in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Ashadeep Multitrade Pvt Ltd	-	5.67	6.43	8.03	-

93. The list of shareholders of AMPL investigation observed that one Mr. Harish Makharia was the past director of Aesthetic Stamping and Lamination Limited (ASLL), a related party of TTL. Further, Kumudini Engineering Pvt Ltd (KEPL), the shareholder of AMPL was also the related party of TTL for the FY 2022-23 and FY 2023-24.

94. During the investigation period, the following were the directors of AMPL:

Name of Director	From	To
Neha Lalit Agarwal	16-11-2017	-
Anil Mahabir Gupta	31-01-2021	06-06-2023
Manoj Ganeshdas Bhatia	12-09-2005	10-02-2021

95. It is observed that Anil Mahabir Gupta was the past director of TTL and Aesthetic Stamping and Lamination Limited (ASLL) a related/connected party of TTL. Investigation observed that AMPL was owned by Related Party of TTL and past director of related party of TTL and managed by past director of 'TTL and related/ connected parties of TTL'. As per section 2(76)(iv) of Companies Act 2013, a related party of a Company includes a private company in which a director/ manager or his relative is a member/ director. In the instant matter, Mr. Anil Mahabir Gupta, a director of AMPL was a director in TTL too during FY 2020-21 to 2023-24. He was a common director in AMPL and TTL for the period January 31, 2021 to

June 06, 2023. Accordingly, AMPL is a Related Party of TTL. However, TTL failed to disclose AMPL as Related Party for FY 2020-21, FY 2021-22, FY 2022-23.

96. On perusal of the financials of AMPL, it was observed that AMPL is a non-operating company, negative net worth, negligible employee benefit expense, negligible inventory, negligible tangible assets, negligible profit after tax, and some revenue from operations and purchases, for the past three available financial years. Considering that AMPL is a non-operational entity with no physical presence, investigation observed that the sale/ purchase transactions entered into by TTL with AMPL were fictitious. The fictitious transactions entered into by TTL with AMPL as disclosed in the sale and purchase registers of TTL are tabulated below:

		(Rs. in crore)					
Particulars		2019-20		2021-22		2022-23	
		Amount	%	Amount	%	Amount	%
PURCHASE REGISTER	Purchases of TTL from AMPL	-	-	-	-	-	-
	Total Purchases of TTL	14.05	100.00	1.09	100.00	2.87	100.00
SALE REGISTER	Sales of TTL to AMPL	7.83	53.63	0.48	11.37	0.42	9.77
	Total Sales of TTL	14.60	100.00	4.22	100.00	4.30	100.00

Note: Amounts inclusive of GST

97. On seeking clarifications from TTL, w.r.t. the outstanding trade receivables due from AMPL, TTL *inter-alia* failed to provide:
- Documentation in support of the sale made to AMPL including but not limited to e-way bills, sales invoices etc.
98. On seeking clarifications from AMPL, w.r.t. the outstanding trade payables due to TTL, AMPL *inter-alia* failed to provide:
- Documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc.
99. Thus in view of the trade receivables of TTL, investigation observed as under:
- Despite multiple summons and repeated reminders, TTL, RSLPL, DISPL, KEPL and AMPL failed to provide satisfactory responses to the queries of SEBI. While, TTL failed to provide any documentation in support of the sale made to RSLPL/ DISPL/ KEPL/ AMPL including but not limited to e-way bills, sales invoices etc., RSLPL, DISPL, KEPL and AMPL failed

to provide any documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc. TTL also failed to provide the copies of minutes of meetings of Board/ Audit Committee/ Shareholders of TTL where approvals for sales made to related parties and approvals taken for write-offs/ creating provisioning for outstanding trade receivables, were taken.

- b. The outstanding trade receivables of TTL due from RSLPL, DISPL, KEPL and AMPL was observed to be suspicious, since they were arising due to sales made to non-existent related/ connected parties of TTL having negative net-worth, Nil/ negligible revenue from operations, Nil/ negligible inventory, nil/ negligible tangible assets and nil/ negligible employee cost. Further, these companies are

- RSLPL - Owned by past director of related/ connected parties of TTL, managed by directors appointed only on paper on behalf of TTL and audited by the internal auditor of TTL.
- DISPL - Owned by past director of related/ connected parties of TTL, managed by dummy directors appointed only on paper and audited by the internal auditor of TTL.
- KEPL - Owned and managed by past director of related/ connected parties of TTL and audited by the internal auditor of TTL.
- AMPL - Owned and managed by related party of TTL and/ or past director of related/ connected parties of TTL.

- c. As per the sale and purchase registers of TTL submitted by the Statutory Auditor of TTL (Dalal & Kala Associates), TTL recorded the following sale and purchase transactions with RSLPL, DISPL, KEPL and AMPL during the investigation period.

(Rs. in crore)

Particulars	2018-19		2019-20		2020-21		2021-22		2022-23	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Purchases of TTL from RSLPL, DISPL, KEPL and AMPL	2.35	23.52	3.71	26.41	0.35	13.57	-	-	-	-
Total Purchases of TTL	9.99	100.00	14.05	100.00	2.58	100.00	1.09	100.00	2.87	100.00
Sales of TTL to RSLPL, DISPL, KEPL and AMPL	7.91	55.74	14.10	96.58	-	-	0.48	11.37	0.42	9.77
Total Sales of TTL	14.19	100.00	14.60	100.00	3.34	100.00	4.22	100.00	4.30	100.00

- d. Further, during the investigation period, TTL recorded the following outstanding trade receivables from RSLPL, DISPL, KEPL and AMPL.



Particulars	(Rs. in crore)									
	2018-19		2019-20		2020-21		2021-22		2022-23	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Trade Receivables due from RSLPL, DISPL, KEPL and AMPL	20.00	75.33	22.33	82.40	23.30	87.36	24.76	88.90	-	-
Total Trade Receivables of TTL	26.55	100.00	27.10	100.00	26.67	100.00	27.85	100.00	-	-

- e. Considering the non-submission of appropriate documentary evidences for the sales made to RSLPL, DISPL, KEPL and AMPL and the corresponding trade receivables arising out of these sales; and the observations detailed at preceding paragraphs, it is alleged that the sales and purchases made by TTL to RSLPL, DISPL, KEPL and AMPL, and the corresponding trade receivables of TTL from RSLPL, DISPL, KEPL and AMPL are fictitious.
- f. Additionally, bank statement analysis revealed that RSLPL received a net amount of Rs. 8.98 crore from TTL. Out of Rs. 8.98 crore, Rs. 5.51 crore were in the form of Loans and advances and the balance Rs. 3.47 crore were against fictitious net purchases. Hence, TTL used RSLPL, which acted as a conduit entity, to divert a net amount of Rs. 8.98 crore from the Company, thereby causing loss to shareholders of TTL.
- g. By recording fictitious transactions and booking non-genuine sales/ purchases, TTL had fraudulently misrepresented its financial statements and inflated its revenue and net-worth during the Investigation Period. This led to publication of misrepresented financial statements for FY 2018-19 to FY 2022-23, which were false and misleading. This act of TTL operated as a device to deceive and defraud the investors dealing in the shares of TTL, thereby violating Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b), and 12A(c) of SEBI Act. Further, by publishing mis-represented financial results, TTL violated Regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), and 4(2)(e)(i) of the LODR Regulations, 2015.
- h. Additionally, as detailed in the preceding paragraphs, by failing to present a true and fair view of the financial performance and position, TTL violated IND AS 1 (Presentation of Financial Statements) and by failing to recognize revenue accurately, TTL violated IND AS 115 (Revenue from Contracts with Customers). Accordingly, by violating IND AS 1 and IND AS 115, TTL thereby violated Regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.

- i. TTL used RSLPL, which acted as a conduit entity, to divert a net amount of Rs. 8.98 crore, thereby causing loss to shareholders. These acts of diversion of funds from the Company are in nature of manipulative, fraudulent and unfair trade practice in securities market in terms of the PFUTP Regulation.

100. Investigation observed that the Statutory Auditors of TTL i.e., M/s Dalal & Kala Associates (for FY 2018-19 to FY 2021-22) and GRANDMARK & Associates (for FY 2022-23), *inter-alia*, raised concerns over the following issues in their Audit Reports either by way of qualifying the audit report or by highlighting them in key audit matter paragraphs:

“With regard to pending confirmation of balances of trade receivable: The Company has sent letters to customers in respect of trade receivables for confirming balances as at March 31, 2023, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2019/ March 31, 2020/ March 31, 2021/ March 31, 2022/ March 31, 2023. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified.”

IV. Corporate Governance:

a. Non-disclosure of related party transactions:

101. During the Investigation Period, TTL, *inter-alia*, entered into transactions with the following parties. As detailed in the preceding paragraphs, these parties were related to TTL as per Section 2(76) of the Companies Act 2013.

Sl. No.	Name of the Party	Nature of Relation
1	VTPL	VTPL is a Related Party of TTL by virtue of Mr. Harsh Choudhary, the son of Mr. Rajendra Choudhary, being a significant shareholder (member) and director of VTPL. TTL disclosed VTPL as a Related Party only for the period FY 2020-21 onwards and failed to disclose VTPL as a Related Party for FY 2019-20. However, as per above-mentioned legal provision, VTPL was a Related Party of TTL even for the FY 2019-20. Hence, TTL failed to disclose VTPL as a related party and the Loans and advances given by TTL to VTPL as related party transactions for FY 2019-20.
2	LFPL	Mr. Omprakash Trivedi, a director of LFPL is the father of Ms. Reena Omprakash Trivedi, an independent director of TTL. While Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023, her father Mr. Omprakash Trivedi, was a Director in LFPL for the period June 20, 2015 to till date. Accordingly, LFPL is a Related



Sl. No.	Name of the Party	Nature of Relation
		Party of TTL. However, TTL failed to disclose LFPL as Related Party for FY 2022-23 and FY 2023-24.
3	KEPL	Mr. Omprakash Trivedi and Ms. Laxmi Trivedi, shareholders and directors of KEPL are the parents of Ms. Reena Omprakash Trivedi, an independent director of TTL. While Ms. Reena Omprakash Trivedi was a Director in TTL for the period July 21, 2022 to July 17, 2023, her father Mr. Omprakash Trivedi, was a Director in KEPL for the period January 16, 2009 to till date and her mother Ms. Laxmi Trivedi, was a Director in KEPL for the period January 16, 2009 to July 10, 2023. Accordingly, KEPL is a Related Party of TTL. However, TTL failed to disclose KEPL as Related Party for FY 2022-23 and FY 2023-24.
4	AMPL	Mr. Anil Mahabir Gupta, a director of AMPL was a director in TTL too during FY 2020-21 to 2023-24. He was a common director in AMPL and TTL for the period January 31, 2021 to June 06, 2023. Accordingly, AMPL is a Related Party of TTL. However, TTL failed to disclose AMPL as Related Party for FY 2020-21, FY 2021-22, and FY 2022-23.

102. Hence, by not disclosing the aforementioned related party transactions, TTL thereby violated Regulation 34(3) read with Clause 1 of Para A of Schedule V to the LODR Regulations and Regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), and 48 of the LODR Regulations.

103. Further, as per Regulation 23(2) of LODR Regulations, all the related party transactions require approval of the Audit Committee. However, in the instant matter, the transactions, as tabulated above, of TTL with VTPL, LFPL, KEPL and AMPL were not disclosed as related party transactions. Hence, no prior approval of the Audit Committee were obtained for the transactions entered by TTL with these parties, thereby violating Regulation 23(2) of the LODR Regulations.

b. Failure to convene meetings

104. The details of the number of Audit Committee meetings attended by the Audit Committee members, as disclosed in the Annual Reports of TTL, are tabulated as under:

Sl. No.	Name	Category	2022-23	2021-22	2020-21	2019-20	2018-19	Total
Audit Committee Meetings held during the FY			6	5	6	4	4	25
1	Rajendrakumar Choudhary	AC Member	5	5	6	4	4	24
2	Kiren Shrivastav	AC Member	-	5	6	4	4	19
3	Lalit Laxiram Agarwal*	AC Chairperson	-	3	6	4	4	17
4	Anil Mahabir Gupta#	AC Chairperson	6	2	-	-	-	8

5	Reena Omprakash Trivedi	AC Member	5	-	-	-	-	5
6	Michael Elias Dalmet	AC Member	1	-	-	-	-	1

*Mr. Lalit Laxiram Agarwal's demise on September 04, 2021

#Mr. Anil Mahabir Gupta's appointment as Audit Committee Chairperson w.e.f October 04, 2021

105. Further, the details of the number of Board meetings attended by the Board of Directors, as disclosed in the Annual Reports of TTL, are tabulated as under:

S. No.	Name	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Total
Board Meetings held during the FY		11	10	7	7	10	45
1	Suresh Sakharan More	11	10	7	7	10	45
2	Rajendrakumar Choudhary	9	10	7	7	10	43
3	Kiren Shrivastav	1	10	7	7	10	35
4	Lalit Laxiram Agarwal	0	4	7	7	10	28
5	Sureshkumar Choudhary	11	10	2	0	0	23
6	Anil Mahabir Gupta	11	10	2	0	0	23
7	Michael Elias Dalmet	7	1	0	0	0	8
8	Reena Omprakash Trivedi	6	0	0	0	0	6

106. Despite multiple summons and repeated reminders, TTL failed to produce the certified copies of minutes of Audit Committee / Board meetings, wherein approvals for granting the loans and advances to CGL, VTPL and LFPL, were taken, provisioning/ write off of loans and advances made to CGL and LFPL and provisioning/ write off of trade receivables outstanding from RSLPL, DISPL, KEPL and AMPL were discussed. Further, the members of Audit Committee i.e., Mr. Anil Mahabir Gupta, Mr Michael Elias Dalmet, Ms. Reena Omprakash Trivedi and Ms. Kiren Shrivastav, in their respective depositions had stated as under:

Michael Elais Dalmet: "I have never attended any AC meetings. I used to drink tea outside the meeting and sign the papers given to me after the meetings."

Reena Omprakash Trivedi: "I used to sign the papers sent by the TTL. I never attended any Board/ Audit Committee meetings of TTL during my tenure of Directorship at TTL. I have never visited TTL's office. I have not attended any meetings. But my signatures were taken by TTL. I don't know what Audit Committee is. I don't know if I was a member of the Audit Committee or not."

Kiren Shrivastav: "I had no role to play in TTL. I have attended approx. 4-5 meetings for name sake that too for last 5-10 minutes for signing the minutes of the meetings. Yes, I was a member of Audit Committee. I had no role as member of Audit Committee. During my tenure in TTL as ID, I do not know the exact number of AC meetings I had attended. I have

definitely not attended 15 AC Meetings in TTL. I had no contribution in the AC meetings. I had signed the minutes of the meetings I had attended. There were few instances, wherein I had signed few documents that were sent to my home. I do not know if minutes of meetings were present among those documents."

Anil Mahabir Gupta: *"I attended few meetings. I do not know if they were Board Meetings or Audit Committee (AC) meetings of TTL. I do not know (if I was the Chairman of AC of TTL). I have never attended any AC meetings. Moreover, I think the AC meetings did not take place."*

107.Mr. Anil Mahabir Gupta, vide email dated November 22, 2023, submitted to SEBI few minutes of Board meetings, Audit Committee meetings and meeting of Independent Directors of TTL. As per the minutes of meetings of TTL, submitted by Mr. Anil Mahabir Gupta, the meetings took place at S-105, Rajiv Gandhi Complex, Ekta Nagar, Kandivali (West) Mumbai 400067.

108.Considering the depositions of Audit Committee members, including the deposition of Mr. Anil Mahabir Gupta, and the minutes of meetings submitted by Mr. Anil Mahabir Gupta, to verify the genuineness of the meetings being held, Call Data Records ('CDR') and the Tower Locations of the mobile numbers of KMPs of TTL for the period October 30, 2022 to October 30, 2024 were sought from respective telecom service providers. The data received from the telecom providers is placed at **Annexure 6a**. The tower locations of the mobile numbers of KMPs of TTL for the period October 30, 2022 to October 30, 2024, are placed at **Annexure 6b**. An analysis of the tower locations of the attendees of the meetings as per the minutes submitted by Mr. Anil Mahabir Gupta, is tabulated below:

Date	Time	Type	Attendees	Phone Number	Tower Location
14/11/2022	02:00 PM to 02:30 PM	AC Meeting	Anil Mahabir Gupta	7977942290	Mahavir Nagar, Malad West
				9820732900	Sainath Road, Malad West
				9825412632	Amroli Road, Surat
			Reena Omprakash Trivedi	9029129064	Shanti Nagar, Mira Road East
			Rajendra Kumar Choudhary	9322329788	Chakala, Andheri East
				9820430910	Umargaon, Valasad
07/02/2023	12:00 PM to 12:30 PM	AC Meeting	Anil Mahabir Gupta	7977942290	Pratap Nagar, Malad East
				9820732900	Malad East
				9825412632	Bal Ashram, Katargam Road, Surat

Date	Time	Type	Attendees	Phone Number	Tower Location
			Reena Omprakash Trivedi	9029129064	-
			Michael Elias Dalmet	9892624705	Shammi Nagar, Dharavi
14/11/2022	03:00 PM to 04:00 PM	Board Meeting	Anil Mahabir Gupta	7977942290	Mahavir Nagar, Malad West
				9820732900	Sainath Road, Malad West
				9825412632	Amroli Road, Surat
			Reena Omprakash Trivedi	9029129064	Mira Road East
			Rajendra Kumar Choudhary	9322329788	Chakala, Andheri East
				9820430910	Thane
			Michael Elias Dalmet	9892624705	Dharavi, Mahim
16/01/2023	07:00 PM to 08:00 PM	Board Meeting	Anil Mahabir Gupta	7977942290	Mahavir Nagar, Malad West
				9820732900	Sainath Road, Malad West
				9825412632	Surat
			Reena Omprakash Trivedi	9029129064	Balaji Nagar, Bhayandar West
			Michael Elais Dalmet	9892624705	Dharavi, Mahim
07/02/2023	03:00 PM to 04:30 PM	Board Meeting	Anil Mahabir Gupta	7977942290	Mahavir Nagar, Malad West
				9820732900	Sainath Road, Malad West
				9825412632	Madhavanand Ashram, Katargam Road, Surat
			Reena Omprakash Trivedi	9029129064	
			Michael Elias Dalmet	9892624705	Shammi Nagar, Dharavi
			Suresh Kumar Choudhary	9824298985	Ramangamdi, Vadodara
03/03/2023	10:30 AM to 11:00 AM	Meeting of Independent Directors	Anil Mahabir Gupta	7977942290	Pratap Nagar, Malad East
				9820732900	Malad East
				9825412632	Madhavanand Ashram, Katargam Road, Surat
			Reena Omprakash Trivedi	9029129064	
			Michael Elias Dalmet	9892624705	Mahim East

109. The tower location analysis (as tabulated above) of the mobile numbers of attendees of meetings at TTL, revealed that the attendees of the meetings did not meet during the date



and time of the meetings as tabulated above. Moreover, the tower locations of the attendees of the meetings were far away from the place of the meeting (Ekta Nagar, Kandivali (West)) being held as per the minutes. Hence, considering the depositions of Audit Committee members and the Tower Location Analysis, investigation observed that the meetings were never held in TTL.

110. In view of the above, by making false and misleading disclosures w.r.t. the meetings being held in the Company, TTL misled the investors and violated Regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulation 4(1)(c) of the LODR Regulations.

c. Improper constitution of Audit Committee (AC)

111. As per Regulation 18(1)(c) of the LODR Regulations, 2015, all the members of Audit Committee shall be financially literate. In the instant matter, Ms. Reena Omprakash Trivedi, the Audit Committee member of TTL for FY 2022-23, in her deposition before SEBI, had *inter-alia* stated that she had no idea/ knowledge regarding finance viz., shares, listing, balance sheet, Independent Director etc., Also, Mr. Michael Elias Dalmet, the Audit Committee member of TTL for FY 2022-23, in his deposition before SEBI, had *inter-alia* stated that his educational qualification is SSC and he works as a peon in one entity Ruth Developers. In light thereof, investigation observed that Ms. Reena Omprakash Trivedi and Mr. Michael Elias Dalmet, the Audit Committee members of TTL were not financially literate. Thus, TTL by not constituting proper Audit Committee violated the provision of Regulation 18(1)(c) of SEBI (LODR) Regulations, 2015.

112. Further, by making false and misleading disclosures with respect to the constitution of the Audit Committee, TTL misled the investors and violated Regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulation 4(1)(c) of the LODR Regulations.

V. Non-cooperation during investigation:

113. During the investigation, the summons for personal appearance were issued to the Key Managerial Personnel (KMP) of TTL, CGL, VTPL, LFPL, RSLPL, DISPL, KEPL and AMPL. The same is tabulated as under:

Summons for Personal Appearance before the Investigating Authority:





Sl. No.	Name	Designation	Date of Summons	Delivery Status	Proof of Delivery	Date of Deposition
1	Anil Mahabir Gupta	Independent Director of TTL	October 20, 2023	Delivered	Yes	November 10, 2023
2	Reena Omprakash Trivedi	Independent Director of TTL	October 20, 2023 November 15, 2023	Delivered Delivered	Yes Yes	December 01, 2023
3	Rajendra Kumar Choudhary	Promoter Director of TTL	October 20, 2023 November 10, 2023	Delivered Delivered	Yes Yes	November 30, 2023
4	Michael Elias Dalmet	Independent Director of TTL	October 20, 2023 January 19, 2024 January 30, 2024 February 07, 2024	Delivered Delivered Delivered Delivered	Yes Yes Yes Yes	November 10, 2023
5	Kiren Shrivastav	Independent Director of TTL	January 10, 2024 September 19, 2024	Undelivered Delivered	Yes	September 24, 2024
6	Kanji Dayabhai Chavda	Chief Financial Officer of TTL	October 20, 2023 November 10, 2023	Delivered Delivered	Yes Yes	November 29, 2023
7	Pooja Soni	Company Secretary of TTL	October 20, 2023 December 01, 2023 September 12, 2024	Delivered Undelivered Undelivered	Yes	September 13, 2024
8	Rachana Baria	Company Secretary of TTL	September 19, 2024	Undelivered	-	September 25, 2024
9	Suresh Sakharam More	Managing Director of TTL	October 20, 2023 November 10, 2023 December 14, 2023 September 12, 2024 September 26, 2024	Undelivered Undelivered Undelivered Undelivered Undelivered	-	-
10	Suresh Kumar Choudhary	Promoter Director of TTL	October 20, 2023 November 10, 2023 December 01, 2023	Delivered Delivered Delivered	Yes Yes Yes	-
11	Meenakshi Chimata	Director of CGL	December 01, 2023 December 19, 2023 January 01, 2024	Undelivered Undelivered Undelivered	-	-
12	Harsh Rajendra Kumar Choudhary	Director of VTPL	December 01, 2023 December 14, 2023 January 01, 2024	Delivered Delivered Delivered	Yes Yes Yes	January 09, 2024
13	Manjulata Rajendra Kumar Choudhary	Director of VTPL	December 01, 2023 December 14, 2023 December 31, 2023	Delivered Delivered Delivered	Yes Yes Yes	-
14	Rajesh Ganpat Gotad	Director of LFPL	December 01, 2023 December 14, 2023 January 01, 2024 January 10, 2024	Delivered Delivered Undelivered Undelivered	Yes Yes	-
15	Ganesh Gangaram Madari	Director of RSLPL	December 01, 2023 December 14, 2023 January 01, 2024 January 10, 2024	Delivered Delivered Undelivered Delivered	Yes Yes Yes	-

SL No.	Name	Designation	Date of Summons	Delivery Status	Proof of Delivery	Date of Deposition
16	Laxmi Gangaram Madhari	Director of DISPL	December 01, 2023 December 19, 2023 January 01, 2024 January 16, 2024 January 31, 2024 February 12, 2024	Delivered Delivered Delivered Delivered Undelivered Delivered	Yes Yes Yes Yes Yes Yes	February 16, 2024
17	Trivedi Omprakash	Director of KEPL	December 01, 2023 December 19, 2023	Delivered Undelivered	Yes	-
18	Laxmi Trivedi	Director of KEPL	December 10, 2023	Undelivered	-	-
19	Neha Lalit Agarwal	Director of AMPL	December 01, 2023 December 19, 2023 January 01, 2024 January 10, 2024	Delivered Delivered Undelivered Undelivered	Yes Yes	-

114. In view of the above, investigation observed as under:

- The summons for personal appearance issued to six entities (Mr. Suresh More, Ms. Meenakshi Chimata, Mr. Rajesh Ganpat Gotad, Mr. Omprakash Trivedi, Ms. Laxmi Trivedi and Ms. Neha Lalit Agarwal) couldn't be delivered at their correspondence addresses.
- The depositions of 10 entities (Anil Mahabir Gupta, Reena Omprakash Trivedi, Rajendra Kumar Choudhary, Michael Elias Dalmet, Kiren Shrivastav, Kanji Dayabhai Chavda, Pooja Soni, Rachana Baria, Harsh Choudhary, and Laxmi Gangaram Madhari) were recorded and are placed at Annexure 7.
- One entity, Mr. Suresh Kumar Choudhary, vide emails dated November 27, 2023 and December 18, 2023, stated that his doctor has advised him not to travel anywhere and attached a doctors' certificate substantiating his claim. In view of the same, he was given an opportunity to attend the statement recording via videoconferencing. Accordingly, on January 15, 2024, his statement was recorded at his residence, through video conferencing and the recorded statement was emailed to him for his signature with advice to return the same to SEBI. Mr. Suresh Kumar Choudhary submitted the signed copy after multiple follow ups by SEBI. Upon examining the signed copy, it was observed that he had altered the statement that was recorded under oath before the Investigating Authority. Hence, his statement recording could not be considered for the purpose of this investigation.

- d. Ms. Manjulata Choudhary, one of the director of VTPL, vide email dated December 12, 2023 stated that the day-to-day management and operational responsibilities of VTPL were primarily overseen by her son Mr. Harsh Choudhary (another director of VTPL) and requested any inquiries or clarifications to be directed to him on her behalf.
- e. The summons for personal appearance issued to Mr. Ganesh Gangaram Madhari, Director of RSLPL, were delivered at his correspondence addresses. However, he failed to appear before the Investigating Authority.

115. Additionally, summons for production of documents were issued to the following entities:

Summons for Production of Documents

Sl. No.	Name	Designation	Date of Summons	Delivery Status	Date of Reply received
1	Suresh Sakhamore	Managing Director, TTL	October 10, 2023 October 11, 2023 September 12, 2024 September 23, 2024 November 08, 2024		November 14, 2023
2	Rajendra Kumar Choudhary	Director, TTL	December 01, 2023 January 01, 2024	Yes Yes	January 18, 2024
3	Meenakshi Gupta	Tarapur Transformers Limited	September 26, 2024 November 08, 2024	Yes Yes	
4	Tarapur Transformers Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024	-	
5	Sureshkumar Choudhary	Director, Choudhary Global Limited	October 20, 2023 January 10, 2024 January 31, 2024	Yes	November 06, 2023 February 20, 2024
6	Meenakshi Gupta	Director, Choudhary Global Limited	September 12, 2024 September 23, 2024 November 08, 2024 November 08, 2024	Yes Yes	
7	Choudhary Global Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024		
8	Harshkumar Choudhary	Director, Veedhata Towers Private Limited	October 20, 2023 September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes Yes Yes	November 06, 2023 February 17, 2024
9	Manjulata Rajendra Kumar Choudhary	Director, Veedhata Towers Private Limited	September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes Yes	
10	Veedhata Towers Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024		





Sl. No.	Name	Designation	Date of Summons	Delivery Status	Date of Reply received
11	Trivedi Omprakash	Director, Lorraine Finance Private Limited	October 20, 2023 January 10, 2024 January 31, 2024 September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes Yes Yes - Yes	-
12	Rajesh Ganpat Gotad	Director, Lorraine Finance Private Limited	September 12, 2024 September 23, 2024	- -	
13	Lorraine Finance Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024		
14	Laxmi Gangaram Madhari	Director, Rohit Steel Lamination Private Limited	October 20, 2023 January 10, 2024 January 31, 2024 September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes -	November 06, 2023
15	Ganesh Gangaram Madari	Director, Rohit Steel Lamination Private Limited	September 12, 2024 September 23, 2024 November 08, 2024	-	
16	Rohit Steel Lamination Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024		
17	Laxmi Gangaram Madhari	Director, Deekay Iron and Steel Private Limited	October 20, 2023 January 10, 2024 January 31, 2024 September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes -	November 06, 2023
18	Ganesh Gangaram Madari	Director, Deekay Iron and Steel Private Limited	September 12, 2024 September 23, 2024 November 08, 2024	-	
19	Deekay Iron and Steel Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024	-	
20	Trivedi Omprakash	Director, Kumudini Engineering Private Limited	October 20, 2023 January 10, 2024 January 31, 2024 September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes Yes Yes Yes Yes	November 07, 2023
21	Rajesh Ganpat Gotad	Director, Kumudini Engineering Private Limited	September 12, 2024 September 23, 2024 November 08, 2024	-	
22	Kumudini Engineering Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024		

Sl. No.	Name	Designation	Date of Summons	Delivery Status	Date of Reply received
23	Anil Mahabir Gupta	Director, Ashadeep Multitrade Private Limited	October 20, 2023 January 10, 2024 January 31, 2024	Yes Yes Yes	November 07, 2023
24	Neha Lalit Agarwal	Director, Ashadeep Multitrade Private Limited	September 12, 2024 September 23, 2024 November 08, 2024	Yes Yes Yes	
25	Ashadeep Multitrade Private Limited	Company	September 12, 2024 September 23, 2024 November 08, 2024	-	
26	CA Anand Drolia, Partner at Dalal & Kala Associates	Statutory Auditor of TTL and CGL	January 18, 2024 January 30, 2024		-
27	CA Praful Agarwal, Partner at P. B. Agarwal & Co	Statutory Auditor of VTPL and AMPL	January 18, 2024 January 30, 2024	Yes	February 13, 2024
28	CA Rahul Drolia, Partner at GRANDMARK & Associates	Statutory Auditor of TTL, LFPL, DISPL, KEPL and RSLPL	January 18, 2024	Yes	January 31, 2024

116. Vide multiple summons, TTL was asked to provide, *inter-alia*, the following information/ documents:

- Bank Statements of TTL from April 01, 2018 to June 30, 2024, highlighting the
 - Payment of loans and advances made to CGL, VTPL and LFPL
 - Source of loans and advances made to CGL, VTPL and LFPL
 - Repayment of loans and advances made by CGL, VTPL and LFPL to TTL.
 - Repayment of outstanding trade receivables by RSLPL, DISPL, KEPL and AMPL to TTL
- The supporting documentation including certified copies of minutes of the meetings in which approvals for granting the loans and advances to CGL, VTPL and LFPL, are taken from Board/ Audit Committee/ Shareholders.
- The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc. entered between TTL and CGL/ VTPL/ LFPL.
- Whether TTL received any interest component from CGL/ VTPL/ LFPL for the aforementioned loans and advances.
- The supporting documentation including certified copies of Minutes of Meetings of Board/ Audit Committee, wherein the provisioning/ write off of loans and advances made to CGL and LFPL was discussed.



- f. Ledgers of RSLPL, DISPL, KEPL and AMPL in the books of TTL for FY 2018-19 to FY 2022-23.
- g. Documentation in support of the sale made to RSLPL, DISPL, KEPL and AMPL including but not limited to e-way bills, sales invoices etc.
- h. The supporting documentation including certified copies of Minutes of Meetings of Board/ Audit Committee, wherein the provisioning/ write off of trade receivables outstanding from RSLPL, DISPL, KEPL and AMPL was discussed.

117. Vide multiple summons, CGL, VTPL, and LFPL were asked to provide, *inter-alia*, the following information/ documents:

- a. All the Bank account details of CGL/ VTPL/ LFPL. Bank Statements of CGL/ VTPL/ LFPL from April 01, 2018 to June 30, 2024, highlighting the-
 - Loans and advances received from TTL;
 - Utilization of funds received from TTL;
 - Repayment made to TTL;
 - Source of repayment made to TTL.
- b. The Loan agreements or any other relevant documentation prescribing the rate of interest, tenure of loan, purpose of loan etc. entered between CGL/ VTPL/ LFPL and TTL;
- c. Whether CGL/VTPL/LFPL paid any interest component on the afore-mentioned loans and advances to TTL.

118. Vide multiple summons, RSLPL, DISPL, KEPL and AMPL were asked to provide, *inter-alia*, the following information/ documents:

- a. Ledger of TTL in the books of RSLPL, DISPL, KEPL and AMPL for FY 2018-19 to FY 2022-23;
- b. Documentation in support of the purchases made from TTL including but not limited to e-way bills, purchase orders, invoices etc;
- c. All the Bank account details of RSLPL, DISPL, KEPL and AMPL. Bank Statements of RSLPL, DISPL, KEPL and AMPL from April 01, 2018 to June 30, 2024, highlighting the:
 - Payment made to TTL;
 - Source of payment made to TTL.

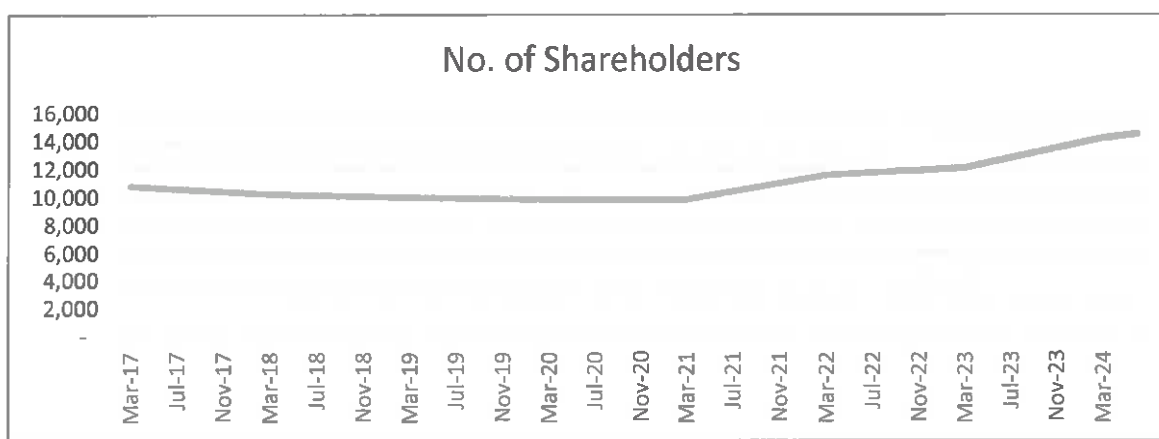


119. Investigation observed that despite multiple summons and repeated reminders, TTL, CGL, VTPL, LFPL, RSLPL, DISPL, KEPL and AMPL failed to provide the complete information that was sought. They further did not provide any documentary evidences supporting the loans and advances and/ or sales/ purchases with TTL. The entities have also not provided the bank statements highlighting the receipt/ payment of loans and advances and/or trade receivables.

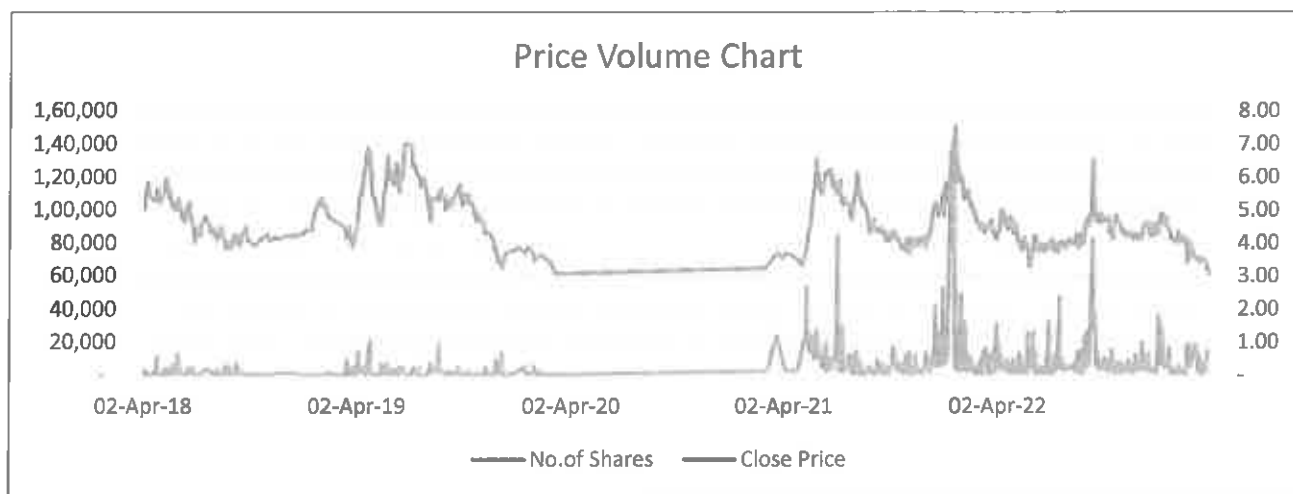
120. Thus, by not providing complete information, TTL, CGL, VTPL, LFPL, RSLPL, DISPL, KEPL and AMPL hampered the investigation of SEBI, due to which the genuineness of the loans and advances granted by TTL to CGL, VTPL and LFPL and the sales and corresponding trade receivables arising out of sales made by TTL to RSLPL, DISPL, KEPL and AMPL could not be verified. Hence, investigation has observed that the aforementioned entities (TTL, CGL, VTPL, LFPL, RSLPL, DISPL, KEPL and AMPL) failed to comply with the requirements of SEBI summons issued under section 11C(3) of SEBI Act, 1992.

VI. Price Volume Movement during the investigation period:

121. Investigation observed that the financial statements of TTL were fraudulently manipulated and the figures contained therein were significantly misrepresented which led to the publication of untrue and misleading financial results of the Company during the investigation period. The financial statements were false, misleading, and operated as deceit not only to the company's shareholders but also to the public being misled about the financial health of the company. Publication of such manipulated financial figures by TTL had a significant impact on the number of shareholders and on the scrip price. The same is illustrated below:



122. While the number of shareholders in TTL increased, as shown above, the share price of TTL witnessed rapid rise and subsequent fall during the investigation period. The price volume chart of TTL, during the investigation period is depicted below:



123. Investigation observed that TTL was suspended for the period March 12, 2020 to February 28, 2021 on account of non-payment of Annual Listing Fees. Investigation further observed that during the Investigation Period, when TTL misrepresented its financial statements, the share price of TTL touched its highest (Rs. 7.86) on January 19, 2022, had the company presented the real picture of financial statements, the shareholders would have taken an informed decision and the share price rise and fall would have been different.

124. As TTL made false and misleading disclosures and did not disclose the true state of affairs of the Company, these disclosures acted as a fraud/ deceit upon the investors of TTL who took investment decisions during the investigation period. Shareholders while making the investment decision were not privy to the genuine financial position of the company and were induced to trade at an unrealistic price based on the manipulated financial statements of the company.

VII. Role of the Noticees No. 1 to 19:

125. **Tarapur Transformers Limited (TTL/Noticee No. 1):** As detailed in the preceding paragraphs investigation observed that TTL had:

- Diverted an amount of Rs. 31.46 crore (CGL - Rs. 8.67 crore, VTPL – Rs. 3.87 crore, LFPL – Rs. 9.94 crore and RSLPL – Rs. 8.98 crore) from the Company to benefit related/ connected entities;

- b. Fraudulently manipulated its books of account and misrepresented its financial statements during the investigation period i.e., FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23;
- c. Failed to comply with various corporate governance requirements; and
- d. Hampered the investigation by not providing complete information as sought by SEBI summons.

126. In view thereof, TTL (Noticee No. 1) allegedly violated:

- a. Regulation 3(b), 3(c), 3(d), 4(1) of the PFUTP Regulations read with Section 12A(a), 12A(b) and 12A(c) of the SEBI Act.
- b. Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b), and 12A(c) of SEBI Act. Regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), and 4(2)(e)(i) of the LODR Regulations. Additionally, by violating IND AS 1 (Presentation of Financial Statements) and IND AS 115 (Revenue from Contracts with Customers), TTL violated Regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c), 48 of the LODR Regulations.
- c. Regulation 34(3) read with Clause 1 of Para A of Schedule V to the LODR Regulations. Regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 23 (2) and 48 of the LODR Regulations. Regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulation 4(1)(c) of the LODR Regulations.
- d. Section 11C(3) of the SEBI Act.

127. **Choudhary Global Limited (CGL/Noticee No. 2), Veedhata Towers Private Limited (VTPL/Noticee No. 3), Lorraine Finance Private Limited (LFPL/Noticee No. 4), Rohit Steel Lamination Private Limited (RSLPL/Noticee No. 5), Deekay Iron and Steel Private Limited (DISPL/Noticee No. 6), Kumudini Engineering Private Limited (KEPL/Noticee No. 7) and Ashadeep Multitrade Private Limited (AMPL/Noticee No. 8):** Investigation observed that:

- a. CGL/Noticee No. 2, a promoter group paper company of TTL, aided and abetted TTL in diverting Rs. 8.67 crore from TTL and hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act;
- b. VTPL/Noticee No. 3, a promoter group company of TTL, aided and abetted TTL in diverting Rs. 3.87 crore from TTL and hampered the investigation by not providing complete

- information sought by SEBI under section 11C(3) of SEBI Act and further made wrong submissions to SEBI.
- c. LFPL/Noticee No. 4, a related paper company of TTL, aided and abetted TTL in diverting Rs. 9.94 crore from TTL and hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act.
 - d. RSLPL/Noticee No. 5, a connected paper company of TTL, aided and abetted TTL in inflating the sales and trade receivables of TTL and also in diverting Rs. 8.98 crore from TTL and hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act.
 - e. DISPL/Noticee No. 6, a connected paper company of TTL, aided and abetted TTL in inflating the sales and trade receivables of TTL hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act.
 - f. KEPL/Noticee No. 7, a related paper company of TTL, aided and abetted TTL in inflating the sales and trade receivables of TTL and hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act.
 - g. AMPL/ Noticee No. 8, a related paper company of TTL, aided and abetted TTL in inflating the sales and trade receivables of TTL and hampered the investigation by not providing complete information sought by SEBI under section 11C(3) of SEBI Act.

128. In view thereof, Noticee No. 2, 3, 4, 5, 6, 7 and 8 violated (i) Section 12A (b) & (c) of the SEBI Act read with Regulations 3 (c), (d) and 4(1) of the PFUTP Regulations; and (ii) Section 11C(3) of the SEBI Act.

129. Mr. Suresh Sakhamore, Managing Director (MD) and Chairman (Noticee No. 9):

- a. Mr. Suresh More (Noticee No. 9) was the 'Chairman' and 'Managing Director' in the Annual Reports of TTL for FY 2018-19 to FY 2022-23. He was appointed as the Managing Director on August 12, 2016 and ceased to be a Managing Director on September 30, 2024. He was also a Director in VTPL (related party of TTL to which Rs. 3.87 crore have been diverted by TTL), AMPL (related party of TTL to which fictitious sales have been recorded by TTL), BPL (promoter group entity of TTL) and BESL (related party of TTL).
- b. As disclosed in the Annual Reports, he attended 45 (out of 45) board meetings for FY 2018-19 to FY 2022-23. In addition, during the investigation period, he signed the financials of the Company along with the compliance certificate as per Regulation 17(8) of the LODR Regulations for FY 2018-19 to FY 2022-23 and the quarterly compliance reports on corporate governance as per Regulation 27(2)(a) of the LODR Regulations for all the quarters from June 2018 to March 2023.



c. Considering the widespread misrepresentations in the financial statements, diversion of funds, and the lapses in corporate governance, he (being the Chairman and Managing Director) was issued summons for personal appearance to explain his role in the company. However, the summons for personal appearance issued to Mr. Suresh More at his correspondence addresses were undelivered. Moreover, his mobile numbers (9833850642, 9833777922 and 8108580526)¹ were found to be not reachable.

d. The KMPs of TTL in their respective depositions about Mr. Suresh More have *inter-alia* stated as under:

Kanji Chavda: *"Yes he is peon in TTL"*

Pooja Soni: *"He was either Office boy/ Peon/ Driver in TTL. He was Managing Director of TTL on paper."*

Rachana Baria: *"I know Mr. Suresh More. He was a Managing Director on paper. He was a office boy/ peon/ clerk in the Company."*

e. On seeking clarifications from Dalal & Kala Associates (the Statutory Auditor of TTL for FY 2018-19 to FY 2021-22) and GRANDMARK & Associates (the Statutory Auditor of TTL for FY 2022-23), on their interaction with Suresh More and his financial literacy, the statutory auditors of TTL, *inter-alia* stated as under:

"I used to interact with Mr. Suresh More, Managing Director of TTL. He is more of administration person and looks after the office administrative functions of the organization. As far as financial literacy is concerned, his knowledge about finance & accounts is very limited."

f. A Managing Director (MD) as defined under Section 2(54) of the Companies Act, 2013, means a Director who is entrusted with substantial powers of management of the affairs of the company. Investigation has observed that Mr. Suresh More did not act in the best interests of the shareholders of the Company and abused his position as MD and aided and abetted Mr. Rajendra Kumar Choudhary (Noticee No. 10), the Promoter and Director, in the entire fraud of diverting funds from the company as well as the subsequent misrepresentation of the financial statements and corporate governance failure. Thus, Mr. Suresh More, being a member of the Board of Directors and also being in charge of the operations and decision-making process violated Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b),

¹ As per MCA and BSE records



- 12A(c) of SEBI Act. Mr. Suresh More also failed to perform his duties and obligations as a Director under Regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), and 4(2)(f)(iii)(7) of the LODR Regulations.
- g. Further, despite knowing that financial statements for FY 2018-19 to FY 2022-23 are misrepresented, Mr. Suresh More furnished the Compliance Certificates under Regulation 17(8) read with Part B of Schedule II of LODR Regulations to the Board of Directors, *inter-alia*, stating that the financial statements do not contain any materially untrue statement, thereby violating Regulation 17(8) of LODR Regulations.
- h. Additionally, in terms of Section 27 of SEBI Act, where a contravention of any of the provisions of the SEBI Act or any regulation has been committed by a company, every person who at the time the contravention 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 contravention and shall be liable to be proceeded against and punished accordingly. Therefore, the contravention/violations of the company TTL (Noticee No. 1) also fall on Mr. Suresh More, as he was the Managing Director of the Company. Thus, Mr. Suresh More has not only failed to discharge his responsibilities as a Managing Director of the listed company but also violated the regulatory provisions as violated by TTL (Noticee No. 1) in terms of Section 27 of the SEBI Act.

130.Mr. Rajendra Kumar Choudhary, Promoter, Non-Independent Non-Executive Director and Audit Committee member (Noticee No. 10):

- a. Mr. Rajendra Kumar Choudhary (Noticee No. 10) was the 'Non-Independent Non-Executive Director' and member of Audit Committee in the Annual Reports for FY 2018-19 to FY 2022-23. He was appointed as the Director on November 23, 2006. He ceased to be Director w.e.f. January 05, 2023. Further, he was also a member of Audit Committee for FY 2018-19 and FY 2022-23. He was also a Director in CGL (related party of TTL to which Rs. 8.67 crore have been diverted by TTL), BPL (promoter group entity of TTL) and BESL (related party of TTL).
- b. As disclosed in the Annual Reports, he attended 43 (out of 45) board meetings for FY 2018-19 to FY 2022-23 and 24 (out of 25) Audit Committee meetings for FY 2018-19 to FY 2022-23. In addition, during the investigation period, he signed the financials of the



Company for FY 2021-22. In his deposition dated November 30, 2023 (**Annexure 7**), he, *inter-alia*, stated the following:

- *I was looking into general works of TTL. As far as I remember I was appointed as a director in TTL around 2008. I resigned in March 2023. I resigned due to my health issues.*
- *VTPL is an investment company. My son i.e., Mr. Harsh Choudhary and my wife i.e., Mrs. Manjulata Choudhary are the directors and shareholders of VTPL. TTL gave the loan to VTPL for making investments in other companies, with an understanding that the equity investments of VTPL would ultimately be transferred to TTL at a later date. VTPL used the amount to invest in the shares of Aesthetics Stamping and Lamination Private Limited.*
- *I do not know that Mr. Dalmat is not financially literate. Mr. Michael Elias Dalmat never worked in TTL. He was an employee in Bilpower Limited in 2012-2013. He was the supervisor for filing of office papers.*

- c. During the deposition, in response to multiple queries, Mr. Rajendra Choudhary stated that he'll provide the responses with supporting documentation latest by December 20, 2023. However, vide letter dated January 15, 2024, he *inter-alia* stated that he had no access to information pertaining to TTL and CGL as he ceased to be a Director in these companies.
- d. Investigation revealed that Mr. Rajendra Choudhary is directly/ indirectly the Promoter of TTL and the below-mentioned entities to which funds have been diverted in the instant matter.

Name of the Company	Rajendra Choudhary's connection with the Company	Observations brought out in Investigation
TTL	Rajendra Choudhry is the Promoter of TTL	TTL had diverted an amount of Rs. 31.46 crore (CGL - Rs. 8.67 crore, VTPL – Rs. 3.87 crore, LFPL – Rs. 9.94 crore and RSLPL – Rs. 8.98 crore) from the Company to benefit related/ connected entities of TTL; TTL fraudulently manipulated its books of account and misrepresented its financial statements during the investigation period i.e., FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23; and TTL failed to comply with various corporate governance requirements
CGL	Rajendra Choudhry, together with his family members and group entities, held approx. 85.22% of CGL until March 31, 2019 and holds approx.	TTL repeatedly provided interest free loans and advances to CGL, a non-operational promoter group paper company, without executing any loan agreements and diverted a net amount of Rs. 8.67 crore from the Company.

Name of the Company	Rajendra Choudhary's connection with the Company	Observations brought out in Investigation
	48.70% of CGL after March 31, 2019	
VTPL	Rajendra Choudhary's Son and Wife together hold 100% of VTPL	TTL repeatedly provided interest free loans and advances to VTPL, a non-operational promoter group paper company, without executing any loan agreements and diverted a net amount of Rs. 3.87 crore from the Company.

- e. The KMPs of TTL in their respective depositions about Mr. Rajendra Choudhary, have *inter-alia* stated as under:

Anil Mahabir Gupta (AC Chairperson): *"I used to sign the papers/ minutes of the meetings presented before me by Mr. Rajendra Kumar Choudhary."*

Michael Elais Dalmat (Independent Director): *"I was asked by Mr. Rajendra Kumar Choudhary to sign on the papers presented before me."*

Kanji Chavda (CFO): *"After 2017, I stopped working for TTL and they stopped paying me. I haven't submitted any formal resignation letter. I have never attended any meetings in TTL. I was only signing balance sheets in TTL. I signed the balance sheets (after 2017 also) as Mr. Rajendra Kumar Choudhary asked me to do so. I had faith in Mr. Rajendra Kumar Choudhary as he had given me job after my retirement in SBI. I signed the balance sheets as Mr. Rajendra Kumar Choudhary asked me to do so. I have no knowledge regarding any compliances. I signed the documents because of the trust I had with Mr. Rajendra Kumar Choudhary. All the decisions in the company were taken by Mr. Rajendra Kumar Choudhary. After receiving summons from SEBI, Mr. Rajendra Kumar Choudhary asked me to resign formally from TTL."*

Rachana Baria (Company Secretary): *"During my tenure, no Board/ AC Meetings took place in TTL. Being a Company Secretary, I used to prepare the minutes of Board/ AC meetings. These were only on paper, i.e., for compliance purpose only. Mr. Rajendra Kumar Choudhary used to tell me what to record in the minutes. He used to review the minutes and suggest any changes."*

- f. Investigation observed from the above-mentioned depositions and the depositions of the above entities with respect to Mr. Suresh More that Mr. Rajendra Kumar Choudhary had planted Mr. Suresh More, as the Managing Director of the Company on paper and in reality it was Mr. Rajendra Kumar Choudhary who was managing the Company as a Managing Director without being named so. Additionally, by appointing Mr. Michael Elias Dalmat and Ms. Reena Omprakash Trivedi, who were not financially literate as members of Audit Committee of TTL, and by appointing Mr. Kanji Chavda, who had signed the balance sheets on the instructions of Mr. Rajendra Kumar Choudhary, as CFO of TTL,

investigation observed that Rajendra Choudhary devised a scheme to manipulate the corporate governance mechanisms in TTL.

- g. Investigation observed that Mr. Rajendra Choudhary was the key decision making authority in TTL and was actively involved in the day to day affairs of the Company. In the instant matter, various transactions that were detrimental to the interest of shareholders and are in violation of various regulatory requirements were undertaken by TTL during the tenure when Mr. Rajendra Choudhary was the Director. Such transactions could not have taken place without the approval or knowledge of Mr. Rajendra Choudhary.
- h. As Mr. Rajendra Choudhary did not act in the best interests of the shareholders of the Company and abused his position in the entire fraud of diverting funds from the company, as well as the subsequent misrepresentation of the financial statements, investigation observed that Mr. Rajendra Choudhary, being a member of the Board of Directors and also being in charge of the operations and decision-making process, violated Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b), 12A(c) of SEBI Act. Mr. Rajendra Choudhary further failed to perform his duties and obligations as a Director thereby violating Regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), 4(2)(f)(iii)(7) and 18(3) read with Para A of Part C of Schedule II of the LODR Regulations.
- i. Additionally, in terms of Section 27 of SEBI Act, where a contravention of any of the provisions of the SEBI Act or any regulation has been committed by a company, every person who at the time the contravention 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 contravention and shall be liable to be proceeded against and punished accordingly. Therefore, the contravention/violations of the company TTL (Noticee No. 1) also fall on Mr. Rajendra Choudhary. Thus, Mr. Rajendra Choudhary not only failed to discharge his responsibilities as a Director of the listed company but also violated all the regulatory provisions violated by TTL (Noticee No. 1) in terms of Section 27 of the SEBI Act 1992.

131. Mr. Kanji Dayabhai Chavda, Chief Financial Officer (CFO) (Noticee No. 11):

- a. Investigation observed that Mr. Kanji Chavda (Noticee No. 11) was the CFO in the Annual Reports of TTL for FY 2018-19 to FY 2022-23. He was appointed as CFO w.e.f. November 14, 2014 and ceased to be CFO w.e.f. November 06, 2023. As disclosed in the



Annual Reports, during the investigation period, he signed the financials of the Company and the compliance certificate as per Regulation 17(8) of the LODR Regulations for FY 2018-19 to FY 2022-23.

b. Mr. Kanji Chavda in his deposition dated November 29, 2023 (**Annexure 7**), *inter-alia*, stated the following:

- *I knew Mr. Rajendra Kumar Choudhary as he had an account with SBI, Ghatkopar Branch, where I was working as a manager. After my retirement, I was looking for a job and contacted Mr. Rajendra Kumar Choudhary. I joined TTL in 2011. There were 10-15 people in TTL when I joined.*
- *I don't know my designation in TTL. I was looking after purchase and transport in TTL. Mr. Rajendra Kumar Choudhary made me CFO after 2-3 years of me joining TTL.*
- *I was paid Rs. 30,000/- p.m. until 2017. After 2017, I stopped working for TTL and they stopped paying me. I haven't submitted any formal resignation letter.*
- *I have never attended any meetings in TTL. I was only signing balance sheets in TTL. I signed the balance sheets (after 2017 also) as Mr. Rajendra Kumar Choudhary asked me to do so. I had faith in Mr. Rajendra Kumar Choudhary as he had given me job after my retirement in SBI. Mr. Suresh / Mr. Jagannath (another peon) used to bring the papers to me at my home for my signatures. I signed the balance sheets as Mr. Rajendra Kumar Choudhary asked me to do so. I have no knowledge regarding any compliances. I signed the documents because of the trust I had with Mr. Rajendra Kumar Choudhary. All the decisions in the company were taken by Mr. Rajendra Kumar Choudhary.*
- *After receiving summons from SEBI, Mr. Rajendra Kumar Choudhary asked me to resign formally from TTL. I don't know Mr. CA Anand Drolia. Mr. Suresh More is peon in TTL.*

c. In the instant matter, various transactions that were detrimental to the interest of shareholders and are in violation of various regulatory requirements were undertaken by TTL during the tenure when Mr. Kanji Chavda was the CFO. Such transactions could not have taken place without the approval or knowledge of the CFO. Mr. Kanji Chavda did not act in the best interests of the shareholders of the Company and abused his position as CFO and aided and abetted Mr. Rajendra Kumar Choudhary in the entire fraud of diverting funds from the company, as well as the subsequent misrepresentation of the financial statements. Thus, Mr. Kanji Chavda, violated the provisions of Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b), 12A(c) of the SEBI Act.

d. Further, by signing the Compliance Certificates Mr. Kanji Chavda violated Regulation 17(8) of the LODR Regulations.



- e. Additionally, in terms of Section 27 of SEBI Act, where a contravention of any of the provisions of the SEBI Act or any regulation has been committed by a company, every person who at the time the contravention 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 contravention and shall be liable to be proceeded against and punished accordingly. Therefore, the contravention/violations of the company TTL (Noticee No. 1) also fall on Mr. Kanji Chavda. Thus, Mr. Kanji Chavda not only failed to discharge his responsibilities as the CFO of the listed company but also violated all the regulatory provisions violated by TTL (Noticee No. 1) in terms of Section 27 of the SEBI Act 1992.

132.Mr. Suresh Kumar Choudhary, Promoter and Non-Executive Non-Independent Director (Noticee No. 12):

- a. Mr. Suresh Choudhary (Noticee No. 12) was the Non-Executive Non-Independent Director in the Annual Reports for FY 2020-21 to FY 2022-23. He was appointed on September 30, 2020, and ceased to be the Director w.e.f. November 18, 2023. He was also a Director in CGL, BPL and BESL, related parties of TTL. As disclosed in Annual Reports, he attended 23 (out of 28) board meetings for the period FY 2020-21 to FY 2022-23. In addition, during the investigation period, he signed the financials for FY 2022-23.
- b. Mr. Suresh Kumar Choudhary was issued summons for personal appearance to explain his role in the matter. Mr. Suresh Kumar Choudhary, vide emails dated November 27, 2023 and December 18, 2023, stated that his doctor had advised him not to travel anywhere and attached a doctors' certificate substantiating his claim. In view thereof, he was given an opportunity to attend the statement recording via videoconferencing. Accordingly, on January 15, 2024, his statement was recorded at his residence, through video conferencing and the recorded statement was emailed to him for his signature with advice to return the same to SEBI. Mr. Suresh Kumar Choudhary submitted the signed copy after multiple follow ups by SEBI. Upon examining the signed copy, it was observed that he had altered the statement that was recorded under oath before the Investigating Authority. As his statement recording could not be considered for the purpose of this investigation, his actions constitute violation of Sections 11(C)(5), 11(C)(6) and 11(C)(7) of the SEBI Act.

- c. Further, Mr. Suresh Choudhary, being a part of the Board of Directors, failed to perform his duties and obligations under the LODR Regulations, thereby violating Regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6) and 4(2)(f)(iii)(7) of the LODR Regulations.

133. Role of Mr. Anil Mahabir Gupta, Independent Director and Audit Committee Chairperson (Noticee No. 13):

- a. Mr. Anil Gupta (Noticee No. 13) was an Independent Director in the Annual Reports for FY 2020-21 to FY 2022-23. He was appointed on September 30, 2020, and ceased to be the Independent Director w.e.f. November 06, 2023. He was also a part of the Audit Committee for FY 2021-22 to FY 2022-23, as the Chairman of the Audit Committee. He was also a Director in AMPL and ASLL, related parties of TTL. As disclosed in Annual Reports, he attended 23 (out of 28) Board Meetings for the period FY 2020-21 to FY 2022-23 and 8 (out of 11) AC meetings for the period FY 2021-22 to FY 2022-23.
- b. Mr. Anil Gupta in his deposition dated November 10, 2023 (Annexure 7), inter-alia stated the following:
- *I joined TTL as an Independent Director in September 2020 and resigned on November 06, 2023, after receiving summons from SEBI.*
 - *I attended few meetings in TTL. I do not know if they were Board Meetings or Audit Committee (AC) meetings of TTL. I do not know if I was Chairman of AC of TTL. I have never attended any AC meetings. Moreover, I think the AC meetings did not take place.*
 - *AMPL was into trading but I do not know what goods were traded by AMPL. I do not know the details regarding the business between AMPL and TTL*
 - *I'm not aware that TTL has written of trade receivables worth Rs. 8.01 crore due from AMPL. This matter was never discussed in the meetings. I don't know if material worth Rs. 8 crore was sold to AMPL by TTL or only billing was done.*
 - *CA Anand Drolia is my cousin. I never had any interaction with Dalal & Kala Associates/ Mr. Anand Drolia to discuss Audit related queries/ qualifications related to TTL.*
 - *I used to sign the papers/ minutes of the meetings presented before me by Mr. Rajendra Kumar Choudhary.*
 - *I do not know what position Mr. Kanji Chavda holds in TTL*
- c. Investigation observed that Mr. Anil Gupta failed to discharge his basic duties as an Independent Director and as a Chairperson of Audit Committee in terms of the LODR Regulations. Considering the widespread misrepresentations in the financial statements,

diversion of funds, and the lapses in corporate governance, had he performed his duties and obligations, required as per the regulations, the above violations could have been prevented. This failure of his was detrimental to the interest of shareholders of TTL. Thus, Mr. Anil Gupta, being a part of Board of Directors and Audit Committee, violated the provisions of Regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), 4(2)(f)(iii)(7) and 18(3) read with Para A of Part C of Schedule II of LODR Regulations.

134. Role of Mr. Kiren Shrivastav (Noticee No. 14) Mr. Michael Elias Dalmet, (Noticee No. 15) Ms. Reena Omprakash Trivedi (Noticee No. 16) and Independent Directors and Audit Committee members:

a. Mr. Kiren Shrivastav (Noticee No. 14) was an Independent Director of TTL in the Annual Reports for FY 2018-19 to FY 2022-23. She was appointed as an Independent Director w.e.f. February 13, 2015 and ceased to be the Independent Director of TTL w.e.f. May 02, 2022. She was also a part of the AC for FY 2018-19 to FY 2021-22. She was also the Director in Bilpower Limited and Bil Energy Limited, related parties of TTL. As disclosed in Annual Reports, she attended 35 (out of 45) Board Meetings for FY 2018-19 to FY 2022-23 and 19 (out of 25) AC meetings for FY 2022-23.

b. Mr. Kiren Shrivastav (Noticee No. 14) in her deposition dated September 24, 2024 (Annexure 7), inter-alia stated the following:

- *I had no role to play in TTL. I have attended approx. 4-5 meetings for name sake that too for last 5-10 minutes for signing the minutes of the meetings.*
- *Yes, I was a member of Audit Committee. I had no role as member of Audit Committee. During my tenure in TTL as ID, I do not know the exact number of AC meetings I had attended. I have definitely not attended 15 AC Meetings in TTL. I had no contribution in the AC meetings.*
- *I had signed the minutes of the meetings I had attended. There were few instances, wherein I had signed few documents that were sent to my home. I do not know if minutes of meetings were present among those documents.*
- *I resigned from TTL as I was not doing anything in the Company since 2015. Out of courtesy I had stayed with the Company for 6 years. I thought they were planning to sell the Company and it won't look nice to leave the Company as their paper work would get disturbed.*

c. Mr. Michael Elias Dalmet (Noticee No. 15) was the Independent Director and an Audit Committee member of TTL in the Annual Report for FY 2022-23. He was appointed on



July 01, 2022, and continued to be an Independent Director as on September 30, 2024. He was also a Director in RSLPL, DISPL and BESL, related/ connected parties of TTL. As disclosed in Annual Reports, he attended 7 (out of 11) Board Meetings and 1 (out of 6) AC meetings for FY 2022-23 and one Board Meeting for FY 2021-22.

d. Mr. Michael Elias Dalmet (Noticee No. 15) in his deposition dated November 10, 2023 (Annexure 7), inter-alia stated the following:

- *My educational qualification is SSC. I work as a peon for Ruth developers, owned by Mr. Anil Agarwal.*
- *Mr. Lalit Agarwal (expired) introduced me to Mr. Rajendra Kumar Choudhary. Mr. Lalit Agarwal helped me financially and gave me one lakh rupees for me being a director in TTL. I was asked by Mr. Rajendra Kumar Choudhary to sign on the papers presented before me.*
- *I have never attended any AC meetings. I used to drink tea outside the meeting and sign the papers given to me after the meetings.*
- *I don't know the companies Deekay Iron and Steel Private Limited and Rohit steel lamination Private Limited). I was told that I'm a director only in TTL for an amount of 1 lakh rupees.*
- *I don't know Mr. Suresh More and Mr. Kanji Chavda*
- *I don't know anything. Mr. Lalit Agarwal helped me financially when I was ill. He helped me for my heart operation and in return I became an Independent Director in TTL*

e. Ms. Reena Omprakash Trivedi (Noticee No. 16) was the Independent Director and an Audit Committee member of TTL in the Annual Report for FY 2022-23. She was appointed on July 21, 2022, and ceased to be the Independent Director w.e.f. July 17, 2023. As disclosed in Annual Reports, she attended 6 (out of 11) Board Meetings and 5 (out of 6) AC meetings for FY 2022-23.

f. Ms. Reena Omprakash Trivedi (Noticee No. 16) in her deposition dated December 01, 2023 (Annexure 7), inter-alia stated the following:

- *I used to sign the papers sent by the TTL. I never attended any Board/ Audit Committee meetings of TTL during my tenure of Directorship at TTL. I have never visited TTL's office. At the time of my appointment as Director I went to one of the offices in Mira Road to sign the papers. I don't know if that office belongs to TTL or not.*
- *I don't know what Audit Committee is. I don't know if I was a member of the Audit Committee or not.*
- *Ms. Pooja Soni called me twice for OTP related to email configuration. I don't know what she does in TTL.*



- *Mr. Omprakash Trivedi is my father. He was working as a broker in transportation business.*

135. Investigation observed that Mr. Kiren Shrivastav (Noticee No. 14) Mr. Michael Elias Dalmet, (Noticee No. 15) Ms. Reena Omprakash Trivedi (Noticee No. 16) being a part of Board of Directors showed gross negligence and disregard to the provisions of Corporate Governance, failed to raise concerns regarding the non-convening of Audit Committee meetings and failed to perform their duties and obligations as director/independent director thereby violating the provisions of Regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), 4(2)(f)(iii)(7) and 18(3) read with Para A of Part C of Schedule II of the LODR) Regulations.

136. Compliance Officers Ms. Rachana Baria and Ms. Pooja Soni (Noticee No. 17 and 18):

- a. The list of Compliance Officers of TTL during the investigation period, along with their tenure is as under:

Name	ICSI Membership Number	Date of appointment	Date of cessation	Remarks
Rachna Baria	A53336	July 01, 2018	August 21, 2019	Signed FY 2018-19
Pooja Soni	A34355	February 19, 2020 December 27, 2021	June 29, 2021 October 03, 2023	Signed FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23

- b. Ms. Rachana Baria (Noticee No. 17) was the Company Secretary and Compliance Officer in the Annual Report for FY 2018-19. She was appointed on July 01, 2018, and ceased to be the Company Secretary and Compliance Officer w.e.f. August 21, 2019. She signed the financials of the company for FY 2018-19. As per the Annual Reports of TTL for FY 2018-19 and FY 2019-20, five Audit Committee meetings took place in the Company during the period when Ms. Rachana Baria was the Company Secretary.

- c. In Ms. Rachana Baria's deposition dated September 25, 2024 (Annexure 7), she inter-alia stated the following:

- *Initially I was working for a company named Aesthetic Stamping and Lamination Limited, for its IPO. For some reason the IPO of Aesthetic did not materialize. Later, somewhere around June 2018, when Mr. Prakash Sogam resigned as a Company Secretary from TTL, I was appointed as Company Secretary in TTL (as advised by Mr. Rajendra Kumar Choudhary).*
- *During my tenure, no Board/ AC Meetings took place in TTL. Being a Company Secretary, I used to prepare the minutes of Board/ AC meetings. These were only on paper, i.e., for compliance purpose only. Mr. Rajendra Kumar Choudhary used to tell*

me what to record in the minutes. He used to review the minutes and suggest any changes.

- I joined TTL as a fresher. I was not aware about the Regulation 6(2)(a) and 6(2)(c) of SEBI (LODR) Regulations pertaining to obligations of Compliance Officer in a listed company.*
- I know Mr. Suresh More. He was a Managing Director on paper. He was an office boy/peon/ clerk in the Company.*
- I know Mr. Kanji Chavda. He was a Chief Financial Officer on paper. He rarely used to visit the Office.*
- The practices followed by TTL were only on paper. There was no scope for CS in TTL. I had resigned from TTL to learn and grow as CS. I have told Mr. Rajendra Kumar Choudhary multiple times that the practices concerning compliances in TTL are against the applicable rules and regulations. I do not have any supporting documentation in this regard.*

- d. Similarly, Ms. Pooja Soni (Noticee No. 17) was the Company Secretary and Compliance Officer in the Annual Report for FY 2019-20 to FY 2022-23. Ms. Pooja Soni was also the Company Secretary and Compliance Officer of TTL for FY 2014-15 as well. She was re-appointed as Company Secretary and Compliance Officer of TTL for the period February 19, 2020 to June 29, 2021 and for the period December 27, 2021 to October 03, 2023. She signed the financials of the company for FY 2019-20 to FY 2022-23. As per the Annual Reports of TTL for FY 2019-20 to FY 2022-23, 15 Audit Committee meetings took place in the Company during the period when Ms. Pooja Soni was the Company Secretary.
- e. In Ms. Pooja Soni's deposition dated September 13, 2024 (**Annexure 7**), she inter-alia stated the following:

- I do not remember exactly when I joined TTL. I stopped working in TTL since FY 2014-15. After that I was there only for name-sake i.e., name-lending. Until my official resignation in October 2023, I was a Company Secretary in TTL only on paper. I have resigned from the Company after receiving summons from SEBI.*
- I had no role as a Company Secretary in TTL. I used to sign the financials of the Company. I used to read the balance sheet and match the closing and opening balances. I had no role in the Board/ AC meetings. I was in TTL only for name sake. I was not recording the minutes of the Board/ AC meetings. I have never attended any Board Meetings in TTL. I have never attended any AC meetings in TTL. I have not complied with Regulation 6(2)(a) and 6(2)(c) of SEBI (LODR) Regulations.*
- Mr. Suresh More was either Office boy/ Peon/ Driver in TTL. He was Managing Director of TTL on paper. Mr. Kanji Chavda was an old employee of TTL. He was Chief Financial Officer of TTL on paper. Mr. Michael Elias Dalmet was either Office boy/ Peon/ Driver in TTL. He was part of Audit Committee on paper.*



137. Investigation observed from the depositions of Ms. Rachana Baria and Ms. Pooja Soni indicate that they failed in performing their duties as a Compliance Officer of TTL, thus violating the provisions of Regulation 6(2)(a) and 6(2)(c) of the LODR Regulations.

138. Mr. Ganesh Gangaram Madhari (Noticee No. 19):

- a. Investigation observed that Mr. Ganesh Gangaram Madhari (Noticee No. 19) was the present/past directors of TTL and related/ connected parties of TTL. Summons for personal appearance was issued to Mr. Ganesh Gangaram Madhari, Director of RSLPL and were delivered at his correspondence addresses. However, he failed to appear before the Investigating Authority. The failure to appear before the Investigating Authority has led to the violation of Section 11(C)(5) of the SEBI Act, 1992.

139. In view of the foregoing, the aforesaid Noticee No. 1 to 19 are called upon to show cause as to why one or more of the following actions should not be taken against them i.e suitable directions under the Section 11(1), 11(4), 11(4A) and 11B(1) of SEBI Act and appropriate directions to levy penalty under Section 11B(2) and Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, respectively for the contraventions alleged hereinabove:-

- a. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15A(a), 15HA and 15 HB of the SEBI Act against Noticee No. 1 viz. TTL.
- b. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15A(a) and 15HA of the SEBI Act against Noticee No. 2, 3, 4, 5, 6, 7 and 8 viz. Choudhary Global Limited (CGL), Veedhata Towers Private Limited (VTPL), Lorraine Finance Private Limited (LFPL), Rohit Steel Lamination Private Limited (RSLPL), Deekay Iron and Steel Private Limited (DISPL), Kumudini Engineering Private Limited (KEPL) and Ashadeep Multitrade Private Limited (AMPL).
- c. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15HA and 15 HB of the SEBI Act against Noticee No. 9 viz. Suresh Sakhamore.
- d. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15HA and 15 HB of the SEBI Act against Noticee No. 10 viz. Rajendra Kumar Choudhary.
- e. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15HA and 15 HB of the SEBI Act against Noticee No. 11 viz. Kanji Dayabhai Chavda.

- f. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Sections 15A(a) and 15 HB of the SEBI Act against Noticee No. 12 viz. Suresh Kumar Choudhary.
- g. Directions under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15 HB of the SEBI Act against Noticee No. 13, 14, 15 and 16 viz. Anil Mahabir Gupta, Kiren Shrivastav, Micheal Elias Dalmat and Reena Omprakash.
- h. Directions under Sections 11(4A) and 11B(2) read with Section 15 HB of the SEBI Act against Noticee No. 17 and 18 viz. Rachna Baria and Pooja Soni.
- i. Directions under Section 11B(2) read with Section 15 A(a) of the SEBI Act against Noticee No. 19 viz. Ganesh Gangaram.

140. The relevant provisions of SEBI Act invoked in this case are reproduced below:

Section 11(1)

Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

Section 11(4)

Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely:—

- (a) *suspend the trading of any security in a recognised stock exchange;*
- (b) *restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;*
- (c) *suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;*
- (d) *impound and retain the proceeds or securities in respect of any transaction which is under investigation;*
- (e) *attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:*

Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the



pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached];

(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation :

Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market :

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.]

Section 11(4A)

Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.]

Section 11B(1)

Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary,—(i) in the interest of investors, or orderly development of securities market; or(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or(iii) to secure the proper management of any such intermediary or person, it may issue such directions,—(a) to any person or class of persons referred to in section 12, or associated with the securities market; (b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Section 11B(2)



Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

Section 15A(a)

If any person, who is required under this Act or any rules or regulations made thereunder,— (a) to furnish any document, return or report to the Board, fails to furnish the same [or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to [a penalty [which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]

Section 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.

Section 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.

141. The relevant extract of the PFUTP Regulations, LODR Regulations and SEBI Act alleged to have been violated by the Noticees are given in **Annexure 8**.

142. The written submissions of the Noticee No. 1 to 19, if any, along with relevant documents/ records which are adduced in support of the reply, should reach the undersigned at the address given below as well as through email at santoshk@sebi.gov.in and ripzongs@sebi.gov.in (in MS-Word format) within 21 days from the date of receipt of this notice, failing which it shall be construed that the Noticees have no reply to submit to refute the allegations made above and the matter shall be proceeded *ex-parte* on the basis of material available on record.





Securities and Exchange Board of India

Quasi-Judicial Cell -1

SEBI Bhavan II, Plot No. C-7, G Block, Opp. NSE Building,
Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

143. The Noticees may indicate in their reply whether they are desirous of a personal hearing before the Quasi-Judicial Authority in the matter. The Noticees are also advised to keep SEBI informed about the change in the correspondence address, if any, and provide updated email-ids and phone numbers until the proceedings in the extant matter are complete. The Noticees are also advised to submit a photocopy of their Income Tax Permanent Account Number Cards (PAN Card).

144. This Show Cause Notice is without prejudice to rights of SEBI to issue a Supplementary SCN and to initiate any other proceedings / actions for aforesaid violations.

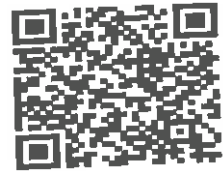
145. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticees wish to opt for the settlement process, they may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, the Noticees may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

146. The documents relied upon in the SCN have been provided in a CD.

Santosh Shukla

Santosh Shukla

Quasi Judicial Authority



No.	Particulars
1.	Scanned copy of investigation Report and the annexures as per the Investigation Report.
2.	The party-wise details of loans and advances written off by TTL for FY 2022-23.
3.	The party-wise details of the loans & advances given by TTL.
4.	The party-wise details of trade receivables written off by TTL.
5.	The party-wise details of the outstanding trade receivables submitted to NSE.



6 a.	Data received from the telecom providers.
6 b.	The tower locations of the mobile numbers of KMPs of TTL for the period October 30, 2022 to October 30, 2024
7.	The depositions of 10 entities (Anil Mahabir Gupta, Reena Omprakash Trivedi, Rajendra Kumar Choudhary, Michael Elias Dalmet, Kiren Shrivastav, Kanji Dayabhai Chavda, Pooja Soni, Rachana Baria, Harsh Choudhary, and Laxmi Gangaram Madhari).
8.	The relevant extract of the PFUTP Regulations, LODR Regulations and SEBI Act.

Santosh Shukla

