BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/AD/2023-24/29524]

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

In respect of

Williamson Magor & Company Limited

[PAN: AAACW2369P]

In the matter of Williamson Magor & Company Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) had carried out an examination in the matter of Williamson Magor & Company Limited based on the complaints received from IL&FS Infrastructure Debt Fund ("**IDF"/ "Complainant**") against some of the Williamson Magor Group of companies i.e., Williamson Magor & Company Limited ("**WMCL" / "Company"/ "Noticee"**), Eveready Industries India Limited ("**EIIL**"), Mcleod Russel India Limited ("**MRIL**") and Kilburn Engineering Limited ("**KEL**"), The Complainant *inter-alia*, alleged violation of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("**SAST Regulations**") and circulars issued thereunder by Noticee. The company is listed on Bombay Stock Exchange Limited (**"BSE"**), National Stock Exchange of India Limited **("NSE"**) and The Calcutta Stock Exchange Association Limited **("CSE"**).(BSE,NSE and CSE are hereinafter collectively referred to as "**Exchanges**")

2. On the basis of the examination, SEBI alleged violation of Regulation 30(6) read with clause 6 of para A of Part A of Schedule III of LODR Regulations and para 5 read with para 3C2 of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 (hereinafter referred to as **"SEBI Loan Default Circular"**) and Regulation 31(1) read

with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Circular no. SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 07, 2019 (hereinafter also referred to as "**SEBI Encumbrance Disclosure Circular**") by Noticee.

3. Accordingly, SEBI initiated the present adjudication proceedings against Noticee under the provisions of Section 15A(b) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act'**) for the alleged violations of the aforesaid provisions.

APPOINTMENT OF ADJUDICATING OFFICER

4. Vide order dated February 23, 2022, SEBI appointed Shri. Parag Basu as Adjudicating Officer under Section 15I of the SEBI Act read with Section 19 of the SEBI Act and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties)Rules,1995 (hereinafter referred to as '**Adjudication Rules'**) to inquire into and adjudge under the provisions of Section 15A(b) of SEBI Act, the aforesaid alleged violation by Noticee. Since, Shri. Parag Basu was transferred to another department of SEBI, the undersigned was appointed as the Adjudicating Officer in the said matter by SEBI vide its order dated March 10, 2022.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. A show-cause notice dated September 06, 2022 (hereinafter referred to as '**SCN**') was issued to Noticee under Rule 4 of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticee and penalty, if any, not be imposed upon it under the provisions of Section 15A(b) of SEBI Act for the aforesaid violation alleged to have been committed by Noticee. The SCN was duly delivered to Noticee.

6. The main allegations levelled against Noticee in the SCN are as under:

Non-disclosure of default on interest payment and redemption of debentures

a. *During the course of examination, it was observed that IDF had, in October 2018, subscribed to 995 unlisted, fully secured, non-convertible, redeemable debentures having a face value of Rs.10,00,000/- each ("**WMCL Debentures**") for an aggregate consideration of Rs. 99,50,00,000/- pursuant to the execution of a debenture trust deed dated October 8, 2018 ("**WMCL DTD**") by WMCL in favour of Vistra ITCL India Limited ("**Debenture Trustee/DT**"). The WMCL DTD records the terms and conditions of issuance of the WMCL DTD. The WMCL Debentures, inter-alia carried interest*

@13.50% p.a., payable monthly in arrears. WMCL was also obliged to pay additional interest on the debentures upon occurrence of certain events. Subject to the occurrence of an early redemption event, the WMCL Debentures were redeemable forthwith and all amount outstanding under the WMCL Debentures immediately become due and payable.

b. *It was further observed during the examination that WMCL had defaulted in payment of interest on the WMCL Debentures since May 1, 2019 and the default in payment of interest has been continuing till the date of lodging the complaints i.e. November 06, 2020. Further, in terms of the WMCL DTD, WMCL was also obliged to pay additional interest due to fall in security cover provided through the pledged shares and for failure to create security over a parcel of land as agreed in the WMCL DTD. Pursuant thereto, IDF had issued an event of default notice vide emails dated May 6, 2019 and May 24, 2019 and granted WMCL a cure period of 15 days to rectify the default in accordance with clause 36.1 of the WMCL DTD. However, WMCL neither replied to those emails nor did it cure the defaults due to which an event of default had occurred in terms of clause 36.1 of the WMCL DTD.*

c. *Consequent to the occurrence of an event of default, an early redemption event had occurred and therefore, the Debenture Trustee issued a recall notice dated June 10, 2019 in terms of the said clause 36.2 of the WMCL DTD, requiring WMCL to redeem the WMCL Debentures forthwith. However, WMCL failed to redeem the WMCL Debentures and failed to pay interest on the WMCL Debentures.*

d. *It was observed during the examination that on January 01, 2022, Noticee had made a disclosure to BSE, NSE and CSE intimating the default in repayment of principal (Rs. 10.94 Crore) which was due on December 31, 2021 (as per the original terms and conditions of the WMCL DTD). Noticee also stated in the said disclosure that it was unable to specify the interest amount that was outstanding on the debentures due to absence of statement of account from IL&FS Financial Services Limited ("**IFIN**"). It was also observed during examination that Noticee had made a disclosure to BSE, NSE and CSE on January 7, 2022 (the date is incorrectly mentioned as 07.01.2021 in the disclosure) in terms of the SEBI Loan Default Circular regarding the outstanding amounts (loans and debt securities) at default as on the last date of the previous quarter.*

e. *Therefore, it was observed during the examination that Noticee had not recognized the "Event of Default" and "Recall Notice" from IDF and had claimed that the default occurred only on December 31, 2021, whereas IDF had submitted that Noticee had failed to pay interest from May 1, 2019 and failed to redeem the WMCL debentures pursuant to the Recall Notice issued by Debenture Trustee dated June 10, 2019.*

f. *Since WMCL failed to disclose the default in payment of interest and principal (consequent to the Recall Notice from IDF) on the WMCL Debentures on or before January 7, 2020, as required in terms of the SEBI Loan Default Circular, it is alleged that WMCL has violated Regulation 30(6) read with clause 6 of para A of Part A of Schedule III of LODR Regulations and para 5 read with para 3C2 of SEBI Loan Default Circular.*

Non-disclosure of encumbrance created and failure to disclose reasons for encumbrance

g. *During the course of examination, it was observed from the complaints that WMCL Debentures were secured, inter-alia, by a non-disposal undertaking ("**NDU**") over approximately 2618 equity shares held by WMCL in EIIL and 43,19,043 equity shares held by WMCL in KEL. The financial assistance had originally been granted by IFIN in the form of a loan to WMCL in the year 2017 and the original financial assistance was for a sum of Rs. 175 crores. It was stated in the complaint that in and around September 2018, out of the loan, a sum of Rs. 99.5 crores was assigned by IFIN to IDF through an assignment agreement and the WMCL Debentures were subsequently issued pursuant to the right exercised by IDF to convert the loan to debentures.*

h. *It was further observed from the complaint that WMCL had executed an NDU in favour of IFIN in 2017 ("**WMCL Undertaking 1**"), when the financial assistance was in the form of loan, depositing 8,00,000 equity shares held by it in MRIL and 40,02,618 equity shares held by it in EIIL in a designated demat account opened with IFIN. The WMCL undertaking 1, inter-alia, also stipulated that WMCL shall not, without the prior written consent of IFIN, create or attempt to create or permit to suffer or exist any encumbrance on the said shares in favour of any person and, creation of any encumbrance or an attempt to create any encumbrance on the said shares in violation of the provisions of the WMCL undertaking 1 shall be null and void ab initio. Along with the undertaking, WMCL had also executed a special power of attorney in favour of IFIN* *authorizing IFIN to operate the demat account and sell the shares and appropriate the proceeds thereof on the occurrence of an event of default as well as create a pledge on the said shares.*

*i. It was also observed from the complaint that in and around March 2018, WMCL executed another undertaking in favour of IFIN ("**WMCL Undertaking 2**") creating an NDU over 16,02,618 equity shares held by it in EIIL and 43,19,043 shares held by it in KEL. The WMCL undertaking 2 further stipulated that WMCL shall continue to be the sole legal and beneficial owner of the shares and it shall not without prior written consent of the lender either directly or indirectly inter-alia offer, pledge, sell, or agree to create or permit to arise or suffer to exist any encumbrance on the said shares and creation of encumbrance or an attempt to create any encumbrance on the said shares in violation of the provisions of the WMCL undertaking 2 shall be null and void ab initio.*

j. During the examination, it was further observed from the complaint that pursuant to assignment of the loan by IFIN to IDF, the underlying securities, including the NDU and powers of attorney, stood assigned in favor of IDF. Further, it was alleged that as of January 2021, 2618 equity shares of WMCL in EIIL and 43,19,043 equity shares of WMCL in KEL were still lying in the demat account and were covered by the undertakings.

k. During the course of examination by SEBI, comments on the alleged non-disclosure of NDU were sought from WMCL in respect of shares of EIIL vide email dated April 27, 2021. However, since no reply was received, a reminder email dated July 9, 2021 was sent. WMCL, vide email dated July 16, 2021, provided copies of disclosures dated July 15, 2021 made to BSE, NSE, CSE and EIIL in respect of shares of EIIL. Further, it was observed that revised disclosures had been made by WMCL in respect of shares of EIIL on September 23, 2021. In its reply dated July 16, 2021, WMCL submitted that it had "inadvertently" missed out on making the required disclosures due to genuine oversight and that there was no deliberate intention on part of the companies / directors to violate any provision of law.

l. Further, SEBI had sought comments on the alleged non-disclosure of NDU by WMCL in respect of shares of KEL from KEL vide email September 8, 2021. KEL, vide email dated September 8, 2021, provided copies of disclosure dated July 15, 2021 made by WMCL in respect of its encumbrance in KEL.

m. *During the course of examination by SEBI, the disclosures made by WMCL in respect of EIIL shares, the Shareholding Pattern (SHP) of EIIL & MRIL for the quarter ended September 2019 and the list of encumbrances containing the details of disclosures under regulation 31, as available on BSE website pertaining to EIIL were perused and the following were noted:*

   i. *As on September 30, 2019, the promoters of EIIL were holding 2,24,11,746 shares (30.83% of equity share capital) out of which 1,89,47,208 shares (84.54% of the promoter holding) were encumbered. Therefore, promoter(s), along with PACs, whose shares were encumbered, should have made their first disclosure, under the said SEBI Circular dated August 7, 2019, by October 4, 2019.*
   ii. *WMCL made a disclosure under the aforesaid circular on July 15, 2021, which was later revised on September 23, 2021 to specify the reasons for all such instances of encumbrance of WMCL's shares in EIIL. There was a delay of 712 days in making the required disclosures.*
   iii. *WMCL, vide disclosure dated July 15, 2021, had disclosed the reasons for encumbrance of its holding in KEL. However, the disclosure had been made after a delay of 650 days.*
   iv. *WMCL, as part of WMCL Undertaking 1, had encumbered 8,00,000 shares held by it in MRIL. On perusal of the shareholding pattern of MRIL for the quarter ended September 30, 2019, it was observed that 98.16% of promoters' holding in MRIL had been encumbered. Therefore, as per the said SEBI Circular dated August 7, 2019, WMCL should have disclosed the reasons for encumbrance on or before October 4, 2019. However, WMCL had failed to do so.*

n. *Since the disclosure of reasons for encumbrance of its holding in EIIL & KEL was made after a considerable delay (712 days in respect of EIIL shares and 650 days in respect of KEL shares) and since details of shares encumbered and the reasons for encumbrance of its holding in MRIL had not been disclosed, it is alleged that WMCL has violated the provisions of Regulation 31(1) read with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 07, 2019*

7. The Noticee was given fourteen (14) days' time from the receipt of SCN to make its submissions in respect of the allegations made in the SCN. However, no reply was received from the Noticee. Thereafter, vide email dated September 29, 2022, authorised

representative of Noticee, M/s Zarnaab Aswad (hereinafter referred to as "**AR**"), requested for inspection of documents in the matter and also requested for three weeks' time, post completion of inspection, for filing it's reply to the SCN in the matter. Noticee's request for inspection of documents was acceded to and vide email dated October 28, 2022, Noticee was granted inspection of documents in the matter on November 03, 2022. Thereafter, the inspection of documents was carried out on November 03, 2022.

8. In the interest of natural justice, vide email dated November 03, 2022, Noticee was granted an opportunity of personal hearing before the undersigned on November 23, 2022. On the request of Noticee for adjournment of hearing, the hearing was rescheduled to November 24, 2022. Vide email dated November 23, 2022, AR of Noticee made another request for adjournment of the hearing in the matter and also intimated that Noticee has filed a settlement application under SEBI (Settlement Proceedings) Regulations, 2018. In the interim, Noticee was granted another opportunity of personal hearing before the undersigned on December 09, 2022. On request of AR of Noticee, the hearing in the matter was once again adjourned and Noticee was granted a final opportunity of hearing before the undersigned on December 15, 2022.

9. On the scheduled date of hearing, AR of Noticee, appeared before the undersigned and made oral submissions on behalf of Noticee. AR also requested time till December 21, 2022 for filing written submissions in the matter and the same was acceded to by the undersigned.

10. Thereafter, vide email dated December 21, 2022, Noticee filed its reply dated December 20, 2022 to the SCN.

11. Vide email dated August 07, 2023, the concerned department of SEBI intimated undersigned that the settlement application filed by Noticee had been rejected by SEBI and that the instant adjudication proceedings can be continued and the same was also communicated to Noticee.

12. In the interest of principles of natural justices, vide email dated September 05, 2023, Noticee was given an opportunity of making additional written submissions in the matter on or before September 12, 2023. The aforementioned email was duly served on Noticee, however, no response has been received from Noticee till the date of this order In view of the several opportunities granted to the Noticee to represent itself in the matter, I am of the view that the principles of the natural justice have been duly complied with.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

13. I have carefully perused the charges levelled against Noticee, replies/submissions filed by Noticee and other documents/ evidence available on record. The issues that arise for consideration in the present case are:

Issue No. I: Whether Noticee has violated the following:

A. Regulation 30(6) read with clause 6 of para A of Part A of Schedule III of LODR Regulations and para 5 read with para 3C2 of SEBI Loan Default Circular and

B. Regulation 31(1) read with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Encumbrance Disclosure Circular?

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

Issue No. III: If the answer to issue no. II is in affirmative, then what should be the quantum of monetary penalty?

14. Before moving forward, it is pertinent to refer to the relevant provision of the LODR Regulations, SAST Regulations, SEBI Loan Default Circular and SEBI Encumbrance Circular which was in force at the time of impugned transactions, which are reproduced as under:

Relevant provisions of LODR Regulations:

Disclosure of events or information.

Regulation 30 (6): *The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay: Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within;*

Schedule III

Part A- DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

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

Clause (6): *Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter*

SEBI Loan Default Circular

Para 5: *Disclosures as applicable in terms of this circular, including quarterly disclosure shall be made beginning January 01, 2020 in the format specified in Paras 3 (C1) and 3 (C2) above.*

3C2: *Disclosures specified in the table below shall be made by listed entities, if on the last date of any quarter:*

(a) Any loan including revolving facilities like cash credit from banks / financial institutions where the default continues beyond 30 days or

(b) There is any outstanding debt security under default

S. no.	Particulars	in INR crore
1.	**Loans / revolving facilities like cash credit from banks / financial institutions**	
A.	Total amount outstanding as on date	
B.	Of the total amount outstanding, amount of default as on date	
2.	**Unlisted debt securities i.e. NCDs and NCRPS**	
A.	Total amount outstanding as on date	
B.	Of the total amount outstanding, amount of default as on date	
3.	**Total financial indebtedness of the listed entity including short-term and long-term debt**	

The above disclosure shall be made within 7 days from the end of each quarter

Relevant provisions of SAST Regulations:

Disclosure of encumbered shares

Regulation 31(1): *The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified*

Disclosure-related provisions

Regulation 28(3): *For the purposes of this Chapter, the term "encumbrance" shall include*

a) any restriction on the free and marketable title to shares, by whatever name called, whether executed directly or indirectly;

b) pledge, lien, negative lien, non-disposal undertaking; or

c) any covenant, transaction, condition or arrangement in the nature of encumbrance, by whatever name called, whether executed directly or indirectly

SEBI Encumbrance Disclosure Circular

Disclosure of reasons for encumbrance by promoter of listed companies

Clause 2(iii): *If the existing combined encumbrance by the promoter along with PACs with him is either 50% or more of their shareholding in the company or 20% or more of the total share capital of the company as on September 30, 2019, he shall specifically make first disclosure on detailed reasons for encumbrance in the format provided at Annexure -II, by October 04, 2019*

Clause 2(iv): *The disclosure on reasons for encumbrance in the format provided at Annexure-A shall be made to:*

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

b) the listed company

Issue No. I: **Whether Noticee has violated the following:**

A. Regulation 30(6) read with clause 6 of para A of Part A of Schedule III of LODR Regulations and para 5 read with para 3C2 of SEBI Loan Default Circular and

B. Regulation 31(1) read with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Encumbrance Disclosure Circular?

15. It has been, *inter alia,* alleged in the SCN that Noticee has violated Regulation 30(6) read with clause 6 of para A of Part A of Schedule III of LODR Regulations and para 5 read

with para 3C2 of SEBI Loan Default Circular as Noticee had failed to disclose the default in payment of interest and principal (consequent to the Recall Notice from IDF) on the WMCL Debentures on or before January 7, 2020, as required in terms of the SEBI Loan Default Circular.

16. With respect to the aforementioned allegation in the SCN, Noticee has contended the following in its reply to the SCN:

    a. Noticee has contended that there was no default in payment of interest for a period of more than a year as alleged in the SCN as Vistra/DT had invoked the pledged shares of EIIL and MRIL held by it, *inter alia,* as security for WMCL Debentures and realized interest amounts on debentures and principal amount and thus, there was no default. Therefore, Noticee has contended that since the security was invoked by IFIN, there was no delay in payment of outstanding interests on the part of the Noticee. Noticee has also submitted that IFIN had also not given any statement of adjustment for invocation of such securities. Thus, Noticee has contended that in view of the premature invocation of security by IFIN and in the absence of any statement of account, the interest on balance principal amount could not be ascertained.

    b. Noticee has also contended that pursuant to recall notice dated June 10, 2019, IFIN had been engaging in discussions from time to time with Noticee in relation to the possible shifting of the exposure under the debentures with the Noticee in relation to extend the time period for the immediate redemption of debentures as set out in the aforementioned recall notice.

    c. Noticee has also contended that default under the SEBI Loan Default Circular would deemed to have occurred only in case of non-payment of the debt when such debt has become due and payable i.e., pre-agreed payment date. In the present case, the "pre-agreed payment date" was by way of 10 quarterly instalments commencing from December 31, 2020. Given that the pre-agreed payment date is supposed to commence from December 31, 2020 as per the terms of the issue of debentures, it is submitted that there was no violation of SEBI Loan Default Circular. Noticee also contended that he had made a the relevant disclosures with reasons for delay on January 01, 2022.

d. SCN proceeds on a completely flawed footing by charging the Noticee for the violation of SEBI Loan Default Circular as the same came into force subsequent to the date of execution of the DTD. Noticee has placed reliance on the judgement of the Hon'ble Supreme Court of India in Assistant Excise Commissioner, Kottayam and Ors. v. Esthappan Cherian and Ors., wherein it was held that "*in the absence of express statutory authorization, delegated legislation in the form of Rules or Regulations, cannot operate retrospectively".*

e. The allegations pertaining to non-disclosures against the Noticee are only academic at this juncture since correct disclosures have been made. In this regard, it is submitted that the Noticee with respect to default in repayment of principal leading to the alleged contravention of the SEBI Loan Default Circular has already made the relevant disclosures with reasons for delay on January 01, 2022.

17. Before dealing with the aforementioned contentions of Noticee, I find it pertinent to state the factual matrix in this case.

18. The financial assistance had originally been granted by IL&FS Financial Services Limited ("IFIN") in the form of a loan to WMCL in the year 2017 and the original financial assistance was for a sum of ₹175,00,00,000. In and around September 2018, a sum of ₹99,50,00,000, out of the loan, was assigned by IFIN to IDF through an assignment agreement. The WMCL Debentures were subsequently issued pursuant to exercise by IDF of its right to convert loan to debentures.

19. I note from the materials available on record that IDF, vide email dated May 6, 2019, had issued an event of default notice to Noticee which *inter alia* stated that:

a. Noticee had failed to pay the interest due on May 01, 2019 to IDF.
b. Noticee had failed to pay additional interest of 1% p.a. on account of pending security (i.e. creation of security on Neemrana Land) and shortfall in share cover as per the aforesaid terms and conditions under Schedule 1 of WMCL DTD.
c. Noticee had failed to pay additional interest (25 bps additional interest since June 08, 2018 and 1% additional interest since March 29, 2019) on account of downgrade in rating of MRIL.
d. Delay in compliances beyond the stipulated due dates, shortfall in security cover and payment default constitute events of default under the WMCL DTD.

20. I note that thereafter, IDF, vide email dated May 24, 2019, had issued another event of default notice to Noticee, wherein it was stated that Noticee had not cured the defaults and granted Noticee a cure period of 15 days to rectify the default in accordance with clause 36.1 of the WMCL DTD. Subsequently, DT issued a recall notice dated June 10, 2019 stating that the Company had failed to cure the defaults / breaches of the WMCL DTD and related documents, thereby leading to an “Event of Default” and in terms of clause 36.2 of the WMCL DTD, the WMCL Debentures were liable to be redeemed forthwith and the outstanding amounts under the WMCL Debentures held by IDF as on date i.e. Rs. 1,05,15,22,429/- was due and payable by Noticee with immediate effect.

21. I note from the material available on record that on January 1, 2022, Noticee had intimated the default in redemption of WMCL Debentures under Regulation 30 of LODR Regulations and SEBI Loan Default Circular to BSE, NSE and CSE. In the aforementioned disclosure, the default amount was shown as Rs. 10.94 Crore and date of default was shown as December 31, 2021. I also note from the material available on record that WMCL had made a disclosure to BSE, NSE and CSE on January 07, 2022 (the date is incorrectly mentioned as 07.01.2021 in the disclosure) in terms of the SEBI Loan Default Circular regarding the outstanding amounts (loans and debt securities) of default as on the last date of the previous quarter.

22. The aforementioned facts have not been disputed by Noticee and hence stands established.

23. I note from the WMCL DTD that in case of downgrade in rating of Credit Risk Companies i.e. down grade from “AA” rating by ICRA for MRIL or down grade from “A+” rating by IND for EIIL the coupon rate payable by the company to the debenture holders would increase by 25 bps for every notch downgrade for any of the Credit Risk Companies. As mentioned earlier, IDF, vide email dated May 6, 2019 had submitted there was downgrade in rating of MRIL which resulted in Noticee being under an obligation to pay additional interest (25 bps additional interest since June 08, 2018 and 1% additional interest since March 29, 2019) and Noticee failed to pay such additional interest.

24. I also note that WMCL DTD states that “*In the event the company or any other obligator fails to furnish and /or execute any Definitive Document/create security including top up security in the stipulated time period/file the requisite form with the Registrar of Companies in relation to creation, modification, application, perfection, confirmation of any security (in form and manner satisfactory to the Debenture holders) as required in*

relation to the Debentures and as set out in the Deed or such other documents as may be required in this connection as are intimated by Debenture Holders/ Debenture Trustee to the company, the company shall pay to the Debenture Holders an additional coupon at the rate of 1% p.a. over and above the prevailing coupon rate ("Additional Coupon"). Any such Additional Coupon shall be payable by the Company to the Debenture Holders retrospectively from March 31, 2017 upto the date of rectification of such defect, in sole discretion of the Debenture Trustee/Debenture Holders.". I note from IDF's email that Noticee had failed to pay the additional interest of 1% p.a. on account of pending security and shortfall in share cover as stated in the WMCL DTD

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25. I also note from the WMCL DTD that debentures issued to IDF carried a coupon rate of 13.50% p.a. (exclusive of taxes) payable monthly in arrears by Noticee and the coupon payments were due on the 1st of the calendar month immediately following the date of first disbursement under the loan agreement and every 1st day of each calendar month thereafter. I note from the submissions of IDF during examination in the matter that Noticee, Noticee had failed to pay the interest from May 01, 2019 till the time when the submissions were made by IDF to SEBI in the year 2021. I find that Noticee in its reply to SCN has not contradicted the aforementioned submissions of IDF and therefore the default, as detailed above, on the part of Noticee stands established.

26. As already mentioned earlier in the Order, DT had issued a recall notice dated June 10, 2019 stating that the Company had failed to cure the defaults / breaches of the WMCL DTD and related documents, thereby leading to an "Event of Default" and in terms of clause 36.2 of the WMCL DTD, the WMCL Debentures were liable to be redeemed forthwith and the outstanding amounts under the WMCL Debentures held by IDF was due and payable by Noticee with immediate effect. In this context, I note that it is pertinent to refer clause 36.1 of the WMCL DTD which lists down the events that would constitute an "Event of Default". The relevant provisions in the WMCL DTD in respect of non-payment of interest or redemption of debentures (clause 36.1(i)) are reproduced below:

"The occurrence of the following events shall be an "Event of Default", provided that in case of events mentioned below, for which the cure period has been provided, an Event of Default shall be deemed to have occurred upon expiry of such cure period:

i. *The Debentures are not redeemed or coupon or principal in relation thereto is not paid by the Company to the Debenture Holders within the due date and / or in the manner provided hereunder;*

…

Upon occurrence of any of the events described aforesaid (except the default as mentioned under clause 36.1(i) above), the Company and / or the Obligors and / or the Borrowers and / or the Credit Risk Company and / or MBECL (as applicable) shall be provided a cure period of 15 (fifteen) days from the date of such default to regularize such default to the satisfaction of Debenture Holders, failing which, such event shall be deemed to be an Event of Default and the Debenture Holders would be entitled to the remedies as stated in Clause 36.2 hereof."

27. At this juncture, it is pertinent to refer clause 36.2 of the WMCL DTD which read as under:

    "Upon occurrence and / or continuation of an Event of Default specified in clause 36.1 above and notification thereof by the Debenture Trustee to the Company, the Debentures shall become redeemable forthwith and an Early Redemption Event shall be deemed to have occurred and accordingly any and all amounts outstanding under the Debentures, shall immediately become due and payable and the Debenture Holders / Debenture Trustee (acting through the instructions from the Representative Majority of the Debenture Holders) may through a written notice given to the Company exercise any or all rights and remedies available to each of them by Law, contract or in equity including without limitation: …"

28. The aforementioned provisions of the WMCL DTD show that that Noticee was under the obligation to pay the outstanding amount under the WMCL Debentures with effect from the date of recall notice i.e. June 10, 2019. I note that SEBI Loan Default Circular has defined the default as "*non-payment of the interest or principal amount in full on the date when the debt has become due and payable ('pre-agreed payment date')".* However, I note from the disclosures dated January 01, 2022 and January 07, 2022, Noticee had not paid the aforementioned amount even on the date of the said disclosures.

29. With respect to the failure in payment of interest and principal, Noticee in its reply to SCN during the investigation has submitted that Vistra had from time to time invoked the securities pledged with the debenture trustee and sold such shares in the open market

and realised the outstanding interest and principal amount due from the proceeds of such invocation and hence there was no default. I am of the view that efforts undertaken by the DT to recover the amount due to it because of the default on the payment of interest/ principal by Noticee cannot be used by Noticee to contend that there was no event of default. Similarly, any subsequent recovery of amount by DT also cannot be used by Noticee contend that there was no event of default. In light of the aforesaid, I am not inclined to accept the aforesaid contention of Noticee that due to invocation of pledge of shares of EIL and MRIL held by DT as security for WMCL Debentures, there was no default.

30. With regard to the contention of Noticee that there was no violation of SEBI Loan Default Circular as the debt become due and payable only from December 31, 2020, I note from Schedule 1 (Terms and Conditions of the Debentures) of WMCL DTD that the redemption of debenture would commence from December 31, 2020, if and only if, no early redemption event occurs. However, as noted earlier in this order, Noticee had defaulted in making interest payment from May 01, 2019 and had committed other breaches of WMCL DTD, as per clause 36.1 and 36.2 of the WMCL DTD, because of which an early redemption event had occurred and the WMCL Debentures were redeemable forthwith and all amount outstanding under the WMCL Debentures immediately become due and payable by the Noticee. In light of the aforesaid, I am not inclined to accept the contention of Noticee.

31. In light of the observations in the preceding paragraphs, I conclude that Noticee had failed to make the payment of interest and principal and such default was persisting even at the time of coming into force of SEBI Loan Default Circular. In this regard, I note that as per 3C2 of SEBI Loan Default Circular, all listed entities having any outstanding debt securities under default or any loan including revolving facilities like cash credit from banks / financial institutions where the default continues beyond 30 days at default have to disclose them in the prescribed format within 7 days from the end of each quarter. Further, para 5 of SEBI Loan Default Circular states that "*disclosures as applicable in terms of this circular, including quarterly disclosure, shall be made beginning January 01, 2020 in the format specified in Paras 3 (C1) and 3 (C2) of the Circular.*" Therefore, I note that since Noticee had defaulted in WMCL Debentures under the terms of WMCL DTD, as per SEBI Loan Default Circular, Noticee was under an obligation to make requisite disclosures in regard to the default within 7 days from January 01, 2020, i.e. January 07, 2020. However, I find from available records that Noticee had made the disclosures in this regard on January 07, 2022 i.e. after a delay of 2 years.

32. Further, Noticee has contended that it cannot be charged under the provisions of SEBI Loan Default Circular as the aforementioned Circular came into force subsequent to the date of execution of the DTD. However, I am unable to accept the aforementioned contention of Noticee as the DTD as well as default of Noticee was still persisting at the time of coming into force of SEBI Loan Default Circular.

33. In light of the aforesaid, I find that allegation in the SCN that Noticee has violated para 5 read with para 3C2 of SEBI Loan Default Circular stands established.

34. The SCN has also alleged that delay in disclosure of default by Noticee is also in violation of Regulation 30(6) of LODR Regulations read with Clause 6 of para A of part A of Schedule–III of LODR Regulations. With regard to the applicability of Clause 6 of para A of part A of Schedule–III read with Regulation 30(6) of LODR Regulations to the aforementioned delay in disclosure of default by Noticee, I note that para A of part A of Schedule III of LODR Regulations lists out events that have to be disclosed by a listed entity to the stock exchange without the application of any guideline of materiality as specified in Regulation 30(4) of LODR Regulations. For understanding, clause 6 of para A of Part A of Schedule III of LODR Regulations is reproduced hereunder:

> *"6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter."*

35. Thus, the aforesaid provision considers frauds/defaults, inter- alia, of listed entity to be a material event which has to be disclosed to stock exchanges. In this context, I also note that Annexure 1 of SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 specifies the details which a listed entity needs to disclose for the events that are deemed to be material as specified in Para A of Part A of Schedule III of LODR Regulations. Clause 6 of Annexure 1 of SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 lists out details which need to be disclosed for the event specified in Clause 6 of para A of part A of Schedule III of LODR Regulations. The same is reproduced hereunder:

> *"6. Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter:*
>
> *6.1. At the time of unearthing of fraud or occurrence of the default / arrest:*
>
> *a) nature of fraud/default/arrest;*
>
> *b) estimated impact on the listed entity;*
>
> *c) time of occurrence;*
>
> *d) person(s) involved;*

e) estimated amount involved (if any);

f) whether such fraud/default/arrest has been reported to appropriate authorities.

6.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest including:

a) actual amount involved in the fraud /default (if any);

b) actual impact of such fraud /default on the listed entity and its financials; and

c) corrective measures taken by the listed entity on account of such fraud/default.

fraud/default/arrest including:

a) actual amount involved in the fraud /default (if any);

b) actual impact of such fraud /default on the listed entity and its financials; and

c) corrective measures taken by the listed entity on account of such fraud/default.

36. From a combined reading of Clause 6 of Annexure 1 of SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 of the Circular and Clause 6 of the para A of Part A of Schedule III of LODR Regulations, I find that there does exist ambiguity in the meaning of default as used therein. In this context, I also note that it was only by virtue of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (which came into force w.e.f. 15.7.2023) that the term "default" in Clause 6 of the para A of Part A of Schedule III of LODR Regulations has been defined. By the aforesaid amendment, the term 'default' has been defined to mean "non-payment of the interest or principal amount in full on the date when the debt has become due and payable". Therefore, considering lack of clarity in the aforesaid provisions relating to the use of the term "default" at the relevant time, I am of the view that benefit could be given to Noticee. In this context, I find it pertinent to note that Hon'ble Supreme Court in its decision in Tolaram Relumal and Another vs. State of Bombay (Date of Judgment: May 13, 1954) held that it is a well settled rule of construction of penal statutes that if two views and reasonable constructions can be put on a provision, the court must lean in favor of construction which exempts the subject from penalty rather than one which imposes penalty. In light of the aforesaid and relying on the aforementioned judgment, I find that delay in disclosure of the default by Noticee in the present matter would not attract the provisions of Regulation 30(6) of LODR Regulations read with Clause 6 of para A of part A of Schedule–III of LODR Regulations. Therefore, I find that allegation in the SCN that Noticee has violated Regulation 30(6) of LODR Regulations read with Clause 6 of para A of part A of Schedule–III of LODR Regulations does not stand established.

37. It has been further alleged in the SCN that Noticee has violated the provisions of Regulation 31(1) read with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 07, 2019 as Noticee had failed to disclose the reasons for encumbrance of its holding in EIIL & KEL within the timeline and also the details of shares encumbered and the reasons for encumbrance of its holding in MRIL had not been disclosed.

38. With respect to the aforementioned allegation in the SCN, Noticee has contended the following in its reply to the SCN:

a) Non-Disposal Undertaking ("**NDU**") in the present case were undated. To remedy the same, the Noticee on several occasions reached out to IFIN vide emails dated June 01, 2021, June 08, 2021 and July 09, 2021 to no avail. Further, WMCL and MRIL, promoters of EIIL and KEL were not required to make disclosures of NDU under Regulation 31(1) of SAST 2011, prior to July 29, 2019 as the requirement of disclosing NDU's was not in place at the time of executing the NDUs. Such requirement was introduced by way of SEBI (SAST) (Second Amendment) Regulations, 2019 which came into effect only from July 29, 2019. Thus, an obligation of making such disclosures cannot be cast upon the Noticee at this belated stage. the non-filing of relevant disclosures was due to lack of communication between the Noticee and IFIN. Thus, the lapse was purely inadvertent due to genuine oversight and should be dealt with leniency.

b) SEBI Encumbrance Circular was introduced on August 07, 2019 and came into effect from October 01, 2019 i.e., almost a year after the date of execution of the DTD. it is submitted that the SCN proceeds on a completely flawed footing by charging the Noticee for provisions and Circulars which were introduced after the execution of the DTD.

c) The allegations pertaining to non-disclosures against the Noticee are only academic at this juncture since correct disclosures have been made. Similarly, for the non-disclosures pertaining to creation of encumbrance, the Noticee made the requisite disclosures in respect of shares of EIIL on September 23, 2021 and on similar disclosures were made by the Noticee with respect to encumbrance in the shares of KEL on July 15, 2021.

d) Noticee has also placed reliance submitted that Hon'ble Securities Appellate Tribunal's order in P.G Electroplast Limited v. SEBI [Appeal No.281 of 2017] and Hon'ble SAT had observed that in cases of venial / technical violations, an authority, exercising its discretion under Section 15J of the SEBI Act would be justified in refusing to impose any penalty.

e) Regulation 28(3) of SAST Regulations and SEBI Loan Default Circular and SEBI Encumbrance Circular under which the Noticee is sought to be penalized were not part of the statute book / applicable when the DTD was executed, the violation at best is a technical or venial breach, no gain has been made by the Noticee, no loss has been caused to public investors a consequence of the same, and the Noticee had no mala fide intent to suppress or conceal information, the facts of the matter do not merit imposition of penalty. In this regard, reliance is placed on Ld. WTM's Order ***In the matter of acquisition of shares of Refex Refrigerants Limited*** dated February 02, 2017, whereby considering the aforesaid factors, the Ld. WTM disposed the proceedings without any adverse directions against the Noticee.

f) Noticee has also placed reliance on the ruling of the Hon'ble Supreme Court of India, in ***Hindustan Steel Ltd. v. State of Orissa*** (1969 (2) SCC 627). *Even if a minimum penalty is prescribed, the authority competent to impose the penalty will be justified in refusing to impose penalty, when there is a technical or venial breach of the provisions of the Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the statute.*

g) Noticee has also submitted that in Reliance Industries Ltd. v. SEBI (SAT Appeal No. 39/2002, where the company failed to make relevant disclosure in time under the company failed to make relevant disclosure in time under Regulation 7(1) of Takeover Regulations, 1997, Hon'ble SAT observed that "*The High Court in Cabot's case has pronounced that if a breach was merely technical and unintentional, it does not merit penal consequence. It ultimately depends on the facts of each case*." Therefore, any penal consequence is not warranted as a result of the alleged violation.

39. I note from the complaint filed by IDF and the material available on record that Noticee had executed NDU in favour of IFIN in 2017 depositing 8,00,000 equity shares held by

Noticee in MRIL and 40,02,618 equity shares held by Noticee in EIIL in a designated demat account opened with IFIN. I also note that Noticee had executed another NDU in favour of IFIN in March 2018, depositing 16,02,618 equity shares held by Noticee in EIIL and 43,19,043 shares held by Noticee in KEL. I note from the complaint by IDF that pursuant to assignment of the loan by IFIN to IDF, the underlying securities stood assigned in favor of IDF. I note from the submission of IDF during the examination that as of January 2021, 2618 equity shares of Noticee in EIL and 43, 19, 043 equity shares of Noticee in KEL were still lying in demat account of IFIN and were covered by undertakings.

40. I note from the available record that Noticee had made a disclosure to NSE, BSE, CSE and EIIL dated July 15, 2021 in respect of encumbrance of its 2,618 shares of EIIL. I also note that Noticee had made a revised disclosure in respect of encumbrance of its 2,618 shares of EIIL on September 23, 2021 to specify the reasons for all such instances of encumbrance of WMCL’s shares in EIIL. From perusal of the shareholding pattern of EIIL for the quarter ended September 2019 as available on BSE website pertaining to EIIL, I observe that the promoters of EIIL were holding 2,24,11,746 shares (30.83% of equity share capital) out of which 1,89,47,208 shares (84.54% of the promoter holding) were encumbered. As per clause 2(iii) and (iv) of the SEBI Encumbrance Disclosure Circular read with Regulation 31(1) and Regulation 28 (3) of SAST Regulations, if the existing combined encumbrance by the promoter along with persons acting in concert (PACs) with him is either 50% or more of their shareholding in the company or 20% or more of the total share capital of the company as on September 30, 2019, then he has to make first disclosure on detailed reasons for encumbrance in the format provided by October 04, 2019 to every stock exchange where the shares of the company are listed and the listed company. Therefore, I observe that Noticee was required to make the disclosure in terms of the aforesaid provisions in respect of encumbrance of its 2,618 shares of EIIL by October 04, 2019. However, I observe that Noticee had made the required disclosures in this regard on September 23, 2021 after a delay of 712 days. Therefore, I find that Noticee has violated Clauses 2 (iii) and (iv) of SEBI Encumbrance Disclosure Circular read with Regulation 31(1) and Regulation 28 (3) of SAST Regulations.

41. Similarly, I note from the available record that Noticee had made a disclosure to BSE, CSE and KEL dated July 15, 2021 in respect of encumbrance of its 43,19,043 shares of KEL. I also note from the said disclosure that the encumbered share is 100% of the promoter shareholding and more than 20% of the total share capital. Therefore, I find that in terms of clauses 2(iii) and (iv) of the SEBI Encumbrance Disclosure Circular read with Regulation

31(1) and Regulation 28 (3) of SAST Regulations, Noticee was required to make the disclosure in respect of encumbrance of its 43,19,043 shares of KEL by October 04, 2019 which Noticee had made on July 15, 2021 after a delay of 650 days. Therefore, I find that Noticee has violated Clauses 2 (iii) and (iv) of SEBI Encumbrance Disclosure Circular read with Regulation 31(1) and Regulation 28 (3) of SAST Regulations.

42. Noticee has contended that requirement of disclosing NDU's was not in place at the time of executing the NDUs. In this regard, I note that Clause iii of SEBI Encumbrance circular states if the existing combined encumbrance by the promoter along with PACs with him is either 50% or more of their shareholding in the company or 20% or more of the total share capital of the company as on September 30, 2019, he shall specifically make first disclosure on detailed reasons for encumbrance in the format provided at Annexure –II of the Circular, by October 04, 2019. Thus, by the virtue of Clause iii of SEBI Encumbrance Circular, the existing encumbrance by the promoter(s) at the time of coming in force of Circular needed to be disclosed by October 04, 2019 if it satisfied the conditions provided therein. Since the NDUs in the present case were in existence at the time of coming into force of the Circular, I am not inclined to accept the aforementioned contention of Noticee.

43. In light of the aforesaid, I find that allegation in the SCN that Noticee has violated Clauses 2 (iii) and (iv) of SEBI Encumbrance Disclosure Circular read with Regulation 31(1) and Regulation 28 (3) of SAST Regulations stands established.

<u>Issue No. II- Do the violations attract monetary penalty under Section 15A (b) of SEBI Act?</u>

44. In this regard, I place reliance on the order of the Hon'ble SAT in the matter of Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 order dated October 14, 2014), wherein Hon'ble SAT held that *"………. obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation."*

45. I note that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established..….".*

46. Therefore, in view of the above judgments and considering that Noticee has violated para 5 read with para 3C2 of SEBI Loan Default Circular and Regulation 31(1) read with Regulation 28(3) of SAST Regulations read with Clauses 2 (iii) and (iv) of SEBI Circular no. SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 07, 2019, as established in the foregoing paragraphs, I find that Noticee would be liable for monetary penalty under Section 15A (b) of the SEBI Act. The text of Section 15A(b) of the SEBI Act is reproduced below:

<u>SEBI Act</u>

Penalty for failure to furnish information, return, etc.

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

(b) to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, 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;

<u>Issue No. III - What should be the quantum of monetary penalty</u>?

47. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:-

<u>SEBI Act</u>

Factors to be taken into account by the adjudicating officer.

Section 15J *- While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

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

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

(c) the repetitive nature of the default.

***Explanation**- For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.*

48. In view of the charges established and the facts and circumstances of the case, the quantum of penalty would depend on the factors referred in Section 15-J of the SEBI Act, stated as above. In the instant case, it is not possible from the material on record to quantify the amount of disproportionate gain or unfair advantage resulting from the default of Noticee in making disclosures or the consequent loss caused to investors as a result of the default. Further, the material available on record also do not show that violations of Noticee are repetitive in nature. However, I am also conscious of the fact that delay involved in making required regulatory disclosures by Noticee is substantial in the present case and such delay has been made by Noticee on multiple occasions.

ORDER

49. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticee and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a penalty of Rs. 2,00,000/-(Rupees Two Lakh only) on Noticee i.e. Williamson Magor & Company Limited , under the provisions of Section 15A(b) of SEBI Act. I am of the view that the said penalty is commensurate with the lapse/omission on the part of Noticee.

50. Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

51. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - I, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

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

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

53. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee and also to SEBI.

Place: Mumbai **SOMA MAJUMDER**
Date: September 28, 2023 **ADJUDICATING OFFICER**