



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

**G Ramar**  
**CHIEF GENERAL MANAGER**  
Email: [ramarg@sebi.gov.in](mailto:ramarg@sebi.gov.in)

EAD-4/ADJ/GR/KG/195/8/11/OW/12019

August 1, 2019

**By SPAD**

**Nihon Nirman Limited**  
Bubna House, Budsu,  
District: Nagore,  
Rajasthan- 341539

**Sub: Hearing Notice under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995**

**Ref: Show Cause Notice No. ILO/AO/AS/6421/2015 dated March 2, 2015**

1. Your attention is drawn to the mentioned Show Cause Notice No. ILO/AO/AS/6421/2015 dated March 2, 2015 (**SCN**) issued to you by the erstwhile Adjudicating Officer (**AO**), Shri Achal Singh. As per the available records, it is noted that you have not submitted your reply to the aforesaid SCN.
2. This is to bring to your notice that the undersigned has presently been appointed as the Adjudicating Officer in the present matter. Copy of communication of AO appointment dated July 26, 2019 is enclosed.
3. Copy of the aforesaid SCN is enclosed herewith. You are advised to submit your reply, if any, to the SCN latest by August 20, 2019.
4. In the interest of natural justice and in order to conduct inquiry as per rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, you are hereby being granted an opportunity of personal hearing before the undersigned, as per the details hereunder –

**Date** : **August 20, 2019**  
**Day** : **Tuesday**  
**Time** : **3 PM.**  
**Venue** : **SEBI Bhavan - II**  
**4th Floor, C-7, G Block, Bandra Kurla Complex,**  
**Bandra (E), Mumbai – 400051**

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.  
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : [www.sebi.gov.in](http://www.sebi.gov.in)



अनुवर्ती :  
Continuation :

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और विनियम बोर्ड  
Securities and Exchange  
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5. You or your duly authorized representative may appear on the cited date, time and venue and make necessary submissions along with supporting documents, if any. You are advised to confirm your attendance by letter/email at least 2 days prior to the hearing date.
6. Please note that if you fail to appear before the undersigned on the date, time and venue as aforesaid, then the matter would be decided on the basis of documents available on record.

**G. Ramar**  
**Adjudicating Officer**

Encl: As above.



DEPUTY GENERAL MANAGER  
INDORE LOCAL OFFICE

ILO/AO/AS/6421 /2015  
March 02, 2015

Nihon Nirmaan Ltd.  
Bubna House, Budsu,  
District Nagore, (Rajasthan)-341539

**Subject: Show Cause Notice under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995**

1. In terms of SEBI circulars CIR/ OIAE/ 2/ 2011 dated June 03, 2011, Cir/ OIAE/1/2012 dated August 13, 2012 and Cir/OIAE/1/2013 dated April 17, 2013, investor grievances are now being redressed online through the SCORES system. In terms of these circulars, on receipt of the authentication details from you, a user account has been created on the SCORES system for you and investor grievances are being duly forwarded to you through SCORES.
2. It has been alleged that SEBI vide letter dated February 22, 2013 had forwarded list of pending complaint to your company and requested to resolve all pending complaints within fourteen days from date of receipt of the letter. However, your company failed to resolve these complaints and submit Action Taken Report (ATR) on SCORES.
3. Subsequently, SEBI vide letter dated April 15, 2013 had informed that there was 4 investor complaints pending against your company. Out of these, 3 investor complaints are more than six months old. You were advised to resolve the pending complaint in fourteen days from date of receipt of letter & submit ATR. Similar letter dated April 15, 2013 was also sent to directors namely Mahendra Kumar Jain, Soumya Dutta, Sambit Mitra, Srikanta Roy. The said letter was duly delivered to its director namely, Mahendra Kumar Jain, Soumya Dutta, Sambit Mitra.
4. Since your company did not comply with advice to redress the pending complaint, another letter dated May 20, 2013 was sent to the company & its directors of your company wherein final opportunity was given before initiating regulatory action under 15A(a) and 15 C of SEBI Act, 1992. The said letter was duly delivered to the company and its directors namely, Mahendra Kumar Jain, Soumya Dutta, Sambit Mitra.

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स्थानीय कार्यालय-इन्दौर / Local Office - Indore

104 - 105, प्रथम मंजिल, सतगुरु परिणय, सी-21 मॉल के सामने, ए. बी. रोड, इन्दौर-452 010 (म. प्र.)  
दूरभाष : 0731-2557003/04/05, टेलिफैक्स : 0731-2557002

104 & 105, 1st Floor, Satguru Parinay, Opp. C-21 Mall, A. B. Road, Indore-452010 (M.P.)  
Phone : 0731-2557003/04/05, Telefax : 0731-2557002



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5. It is noted that 5 complaints are still pending in SCORES. The earliest complaint is pending since 2012. A status report from SCORES is enclosed herewith.
6. It is therefore alleged that despite being called upon to do so you have failed to redress the pending investor grievance within the time specified by the Board and also failed to furnish the Action Taken Report in this regard resulting in violation of Section 15A(a) and 15C of the SEBI Act, 1992.
7. Your failure to redress investor complaint as brought out above is liable to penalty under section 15C of the SEBI Act, 1992 which is reproduced below:-

*15C. Penalty for failure to redress investors' grievances- If any listed company or any person who is registered as an intermediary, after having been called upon by the Board in writing, to redress the grievances of investors, fails to redress such grievances within the time specified by the Board, such company or intermediary shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*

8. Further, your failure to submit Action Taken report in respect to the above is liable to penalty under section 15A(a) of SEBI Act, which is reproduced below:-

**"Penalty for failure to furnish information. return, etc. 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, 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."*

9. In view of the above, you are advised to show cause as to why further Inquiry should not be held against you in terms of Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 and why penalty should not be imposed on you under Sections 15A(a) and 15C of the Act.
10. Your reply, if any, substantiated with documents/records which you may choose to rely in support of your submissions, should reach the undersigned, at the address given below, within 15 days from the date of receipt of this notice, indicating whether you desire a personal hearing in the matter, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with exparte, based on material available on record. You are also requested to send a soft-copy (MS Word) of your reply to the under-mentioned email id.

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Securities and Exchange Board of India  
Indore Local Office  
104-105, Satguru Parinay, Opposite C21 Mall,  
A.B. Road, Indore (Madhya Pradesh)-452010

Email: achals@sebi.gov.in

11. You are also advised to submit a duly certified photocopy of your PAN Card for our record.
12. As the proceedings as informed above are in progress, you are advised to keep the undersigned informed about the change in your correspondence address, if any, till the proceedings are complete.
13. SEBI, vide its Circular no. EFD/ED/Cir-1/2007 dated April 20, 2007 (available at www.sebi.gov.in), has come out with guidelines for passing of consent orders. If you wish to avail the consent process, you may apply in the prescribed form given at the end of the said Circular. Your application should be forwarded to the address mentioned in the said Circular under intimation to the undersigned.
14. You may also note that the consent circular dated April 20, 2007 has been challenged before the Hon'ble Delhi High Court in the Writ Petition NO. 6949/2011. The Court has passed the following order in its interim order dated October 17, 2011:-

*"At this stage only order that can be passed is that depending upon the final outcome of the writ petition and in case the impugned scheme is quashed the appropriate orders can be passed in respect of those cases which have been dealt with by the respondent under the scheme."*

In view of the above, the consent order would be subject to the outcome of the said writ petition. You may note that SEBI has decided that notwithstanding any consent application, the adjudication proceedings would be continued and appropriate order would be issued after conclusion / rejection of consent proceedings.

  
ACHAL SINGH  
ADJUDICATING OFFICER

Encl.: as above

स्थानीय कार्यालय-इन्दौर / Local Office - Indore

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