BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER Ref. No. ORDER/NH/KL/2022-23/20029-20031]

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

1. Ms. Kanika Arora
PAN: CHKPB0878G

2. Mr. Sumit Bansal
PAN: BVDPA1058B

3. Ms. Kirti Gupta
PAN: BZEPG2544P

In the matter of
Urja Global Limited

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) received multiple complaints in respect of a public disclosure dated July 13, 2019 made to the stock exchanges National Stock Exchange (NSE) and BSE Limited (BSE) by one listed Company viz. Urja Global Limited (hereinafter referred to as '**UGL**'/ **'Company**'). In the aforesaid complaints, it was, *inter-alia,* alleged that the Company had made misleading disclosure regarding the Company entering into business with a Japan based Company viz. Nippon Shinyaku Co. Ltd. (hereinafter referred to as **'Nippon**') for the supply of a product called 'Zacobite' for a duration of five years. On receiving complaints on

the authenticity of the said product and the business surrounding it, SEBI conducted an examination to verify the same. Further, SEBI also conducted examination in respect of other disclosures/corporate announcements made by the Company, to verify if even those were genuine. The time period considered for the examination was from April 01, 2018, to August 21, 2019 (hereinafter referred to as '**Examination period**'/ '**relevant period**').

2. It is observed that the designated Compliance officers of UGL during the examination period were Ms. Kanika Arora (hereinafter referred to as **'Ms. Kanika'/'Noticee 1'**), Mr. Sumit Bansal (hereinafter referred to as **'Mr. Sumit'/'Noticee 2'**), and Ms. Kirti Gupta (hereinafter referred to as **'Ms. Kirti'/'Noticee 3'**). From the findings of the examination, it is alleged that the aforesaid compliance officers of UGL have failed to carry out proper and adequate due diligence while overseeing the processes, correctness and authenticity of certain misleading disclosures made by the Company during the examination period. Therefore, it is alleged that the Noticee no.1, Noticee no.2 and Noticee no.3 (hereinafter collectively referred to as **'the Noticees'**) have violated the provisions of Regulation 6 (2) (a) and (c) of SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**LODR Regulations**').

3. In view of the above, SEBI initiated adjudication proceedings against the Noticees.

APPOINTMENT OF ADJUDICATING OFFICER

4. Shri Suresh B Menon was appointed as the Adjudicating Officer (‘**AO**’) in the matter vide communique dated March 03, 2021 under Section 19 of the SEBI Act read with Section 15-I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘**Adjudication Rules’**), to inquire into and adjudge the aforementioned alleged violations of the provisions of law by the Noticees, under the provisions of Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘**SEBI Act**’). Pursuant to the superannuation of Shri Suresh B Menon, the undersigned was appointed as AO in the matter vide communique dated June 07, 2022.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A common Show Cause Notice ref no. SCN/SEBI/EAD1/SBM/KL/5525/2021 dated March 08, 2021 (hereinafter referred to as **‘SCN’**) was issued to the Noticees in terms of Rule 4(1) of the Adjudication Rules read with Section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against the Noticees and why penalty be not imposed on them in terms of the provisions of Section 15HB of the SEBI Act for the violations alleged to have been committed by the Noticee. The SCN, *inter-alia,* alleged the following: -

   a. UGL is a Company listed on BSE and NSE (stock exchanges) which had made a corporate announcement dated July 13, 2019 regarding entering into a business based on a product called Zacobite. On receiving complaints on the authenticity of the aforementioned corporate announcement, SEBI conducted an examination in this regard and also expanded the scope of *time period to verify the authenticity of other corporate announcements of UGL along with the aforementioned announcement. The time period for examination is taken from April 01, 2018, to August 21, 2019 (hereinafter referred to as 'Examination period'). It is observed that Ms. Kanika, Mr. Sumit and Ms. Kirti were the designated compliance officers of UGL during examination period as mentioned below.*

Name of the compliance officer	*Tenure (time period as compliance officer)*
Mr. Sumit	*12/05/2017 to 28/06/2018*
Ms. Kirti	*28/06/2018 to 28/05/2019*
Ms. Kanika	*28/05/2019 to 05/03/2020*

b. *The corporate announcement dated July 13, 2019, made by UGL was titled 'Intimation for entering into an agreement with Japan', and informed the stock exchanges that it entered into an agreement with a Japanese firm viz. Nippon Shinyaku Co. Ltd. (Nippon) (hereinafter referred to as 'Zacobite announcement') for supply of a product called 'Zacobite' for a period of five years. It is noted that the Zacobite announcement was signed by Ms. Kanika/Noticee 1 on behalf of UGL. Thereafter, it is seen that the trading volume in the shares of UGL spiked up on July 16, 2019, reaching a volume of 93,41,234 shares on BSE, just after the Zacobite announcement. It is observed that the abovementioned increase in volume is much higher compared to daily average volume of 5,91,408 shares on BSE during the examination period. Further, on NSE too, the trading volume on July 16, 2019 (after the announcement) spiked up to 1,42,84,261 shares which was much higher than daily average volume of 14,41,921 shares. Therefore, it prima facie appeared that the Zacobite announcement had a positive impact on the trading volume of the Company's shares.*

c. *On further perusal of the complaints, it is seen that Nippon had denied business relationship with UGL and it had not entered into official agreement in respect of Zacobite with UGL. Similar complaints were also received by BSE against the Zacobite announcement made by UGL. Therefore, BSE sought information from UGL, pertaining to its Zacobite announcement. In* *this regard, UGL in its reply dated July 20, 2019, submitted a copy of Memorandum of Understanding (MoU) entered between itself and Nippon to BSE. However, it is observed that none of the details as submitted by UGL could be verified or confirmed by BSE. Additionally, it is also seen that BSE had issued a warning letter dated January 24, 2020, to UGL as it had not complied with its instructions about submission of information regarding Zacobite announcement. Further, it is also observed that pursuant to a clarification sought from the UGL and the subsequent follow-up by BSE, UGL withdrew the Zacobite announcement vide another corporate announcement dated August 21, 2019 (Annexure 6), which was also signed by Ms. Kanika.*

d. *Subsequently, SEBI sent letters to UGL to seek additional information in respect of Zacobite announcement and the Company submitted its reply vide email dated February 07, 2020. In this context, it is observed that UGL submitted only a copy of Zacobite agreement with Nippon and no other documents such as relevant board agenda, minutes of the board meeting, pre MoU correspondence etc were provided. It is also observed that UGL failed to submit chronology of events related to Zacobite MoU leading to the corporate announcement dated July 13, 2019. It is further seen that UGL had submitted a copy of complaint dated January 09, 2020, which was filed with Economic Offences Wing of Delhi Police alleging that a fraud was committed against UGL in respect of Zacobite related MoU. However, it is noted that UGL had not submitted any documentary evidence to support its claims in the aforesaid complaint. It is further observed that no FIR has also been registered, even though the fraud alleged by the Company was claimed to be worth of a substantial amount of Rs 2.93 crores. Further, UGL did not make any corporate announcement regarding the police complaint and the purported fraud committed against it.*

e. *It is observed that subsequently Nippon filed its response dated January 10, 2020 to BSE and denied entering into any business agreement with UGL. In this regard, UGL alleged that the aforesaid business agreement was signed by Prof. Yukio Sugiura, (external director of Nippon) and received through his mail (i.e) prof.yukiosugiura@nippon-shinyaku-jp.com. However, Nippon* *submitted that its domain name of email ids is @po.nippon-shinyaku.co.jp which is different from the domain of the email id as submitted by UGL. On further examination, it was observed that a Google search for word Zacobite had not given any significant search results and no information could be obtained on internet or otherwise regarding material or element Zacobite and its uses. Thus, in view of the discussions above, it appears that the word Zacobite is fictitious and hence the corporate announcement dated July 13, 2019 regarding Zacobite is alleged to be fake and misleading.*

f. *In this context, an examination was also conducted on other corporate announcements made by UGL during the examination period to verify the authenticity of the same. In this regard, the following announcements mentioned in the table below were observed to be made by UGL.*

Sr. No.	***Announcement***	***Date of Announcement***	***Compliance officer***
1	*Signed a MOU with Atul Auto Limited on 27th March, 2018 for marketing of 3 wheelers in Madagascar, off the coast of East Africa.*	*March 29, 2018*	*Mr. Sumit*
2	*Signed a MOU with Divansu Automobiles Limited on April 04,2018 for ICAT approved Paras Eco-Rickshaw Auto Model with Solar Panel for opening the Urja Kendras at gram panchayats*	*April 04, 2018*	*Mr. Sumit*

Sr. No.	Announcement	Date of Announcement	Compliance officer
3	*Signed a MOU with Walden Agri Infra Private Limited on June 06, 2018 for creating Panchayat level Urja Kendra"s across various districts in Uttar Pradesh and Rajasthan for sales and marketing of Solar Products, batteries, E-Rickshaws and LEDs.*	*June 07, 2018*	*Mr. Sumit*
4	*Signed the Business Cooperation Agreement with Macsun Solar Energy Technology Co. Limited, (MSET) a China based Company on September 23, 2018 to develop business in Indian Market and to avail the technical services from MSET.*	*September 24, 2018*	*Ms. Kirti*
5	*Signed a MOU with Economic Development Board-Andhra Pradesh for the development of Integrated Plant of Electronic Vehicles &*	*March 01, 2019*	*Ms. Kirti*

Sr. No.	**Announcement**	**Date of Announcement**	**Compliance officer**
	Lithium Ion Battery including Skilling in the state of Andhra Pradesh on February 28, 2019.		
6	*Zacobite announcement*	*July 13, 2019*	*Ms. Kanika*

g. SEBI sought information from UGL vide letters dated January 31, 2020 and March 04, 2020 in respect of the corporate announcements made by UGL as mentioned in the table above along with Zacobite MoU. In this regard it is alleged that UGL merely submitted copies of various MoUs entered into by it, without providing any substantial evidence regarding the same such as minutes and agenda of board meeting, quotations, mail correspondence etc. Further, it is also alleged that UGL has repeatedly failed to provide to SEBI, any satisfactory reply to queries regarding its products, employees, bank statements, debtors, creditors, distributors etc. and also none of the abovementioned announcements were followed up with update, completion, progress of the MoU's, by UGL. It is also seen that UGL, had not disclosed details regarding various agreements/MoU it entered into, on its website. Further, it is alleged that out of all the above mentioned announcements made by UGL, none of those were mentioned in its Annual Reports except for an MoU with Andhra Pradesh state government.

h. In view of the discussions made therein, it is alleged that the Company has been making misleading positive corporate announcements, without any intention to fulfill the same and with the sole intention of misleading the investors. It is alleged that the Noticees who were the designated Compliance officers and part of Key Managerial Personnel of UGL during the examination period failed to carry out proper and adequate due diligence while overseeing the process of disclosures and communications in respect *of Zacobite and various other corporate announcements of UGL, its business agreements and its monetary transfers to other firms. Therefore, it is alleged the Noticees have violated the regulatory provisions of the Regulation 6 (2) (a) and (c) of LODR Regulations.*

6. The Noticees, *inter-alia,* made the following major submissions in their individual replies to the SCN: -

<u>Reply dated March 22, 2021 of Ms. Kanika Arora/Noticee no.1</u>

i *I acted on information provided to me which I trusted as bonafide as it was supported by a duly signed and stamped agreement and board resolution of Nippon.*

ii *Agreement was signed by none other than the CFO of the Company, Mr. Avinash Agarwal. The signatory was a person of authority in the Company thus there was no reason for me to not trust the document handed over for making the announcement.*

iii *Company had also made payments to some entities for obtaining the product Zacobite, acting upon the said Agreement, which further bolstered the fact that there was a genuine transaction happening and gave me no reason to see anything amiss.*

iv *The actions taken by the Company with regard to filing of police complaint, submitting sufficient documents etc with BSE or the Police was not within my purview thus the same cannot be alleged upon me.*

v *I was not involved in the negotiations or decision making process of the Company. The top management of the Company was directly dealing with the persons concerned. I had acted only upon the documents provided to me after the agreement was negotiated and executed.*

vi *I acted upon the information and documents provided to me and carried out due diligence with regard to the said documents to the extent that they were duly signed stamped and supported by a Board resolution. The withdrawal was done after it came to light that the said entity i.e. Nippon was not coming forth to make any payment despite the Company having spent a substantial amount in getting the* *required approvals, procuring the product etc, which is explained in the complaint letter to the police. The said withdrawal was also recorded in the Board Meeting dated 13.11.2019.*

vii *I request your good offices to consider my above submissions as all acts of mine were under bonafide impression that the Company was acting on true and correct information and the documents and information provided to me were correct. On the basis of the said documents I trusted that the Company had carried out the legal due diligence on its part and that nothing was amiss or that there was any intention of the Company to defraud any of the authorities in question.*

<u>Reply dated March 21, 2022 of Mr. Sumit Bansal/ Noticee no.2</u>

i *During my tenure as Compliance Officer of UGL, UGL had entered into MOUs/Agreements with Atul Auto Limited (on March 29, 2018), Divansu Automobile Limited (on April 04, 2018) and Walden Agri Infra Private Limited (on June 07, 2018) which were legally executed keeping in mind by the management of UGL about the business aspects.*

ii *I thereafter resigned on June 20, 2018 within a period of less than three months of entering into these MOUs/Agreements as I got better opportunity leaving UGL*

iii *It is pertinent to state here that I have observed that the announcements made by UGL with respect to MoU's entered by UGL with Companies are on the website of UGL.*

iv *I would like to inform, in response to paragraph 9 of the subject notice, your good-self that neither the Annual Report for the year 2018 was prepared by me nor the Board Report/Corporate Governance Report for the FY 2017-18 was prepared and approved during my association with UGL as I had resigned on June 20, 2018.*

v *It is therefore I cannot be responsible to mention the announcements in Annual Report for the year 2018 with respect to MoU's entered by Company with M/s Atul Auto Limited, M/s Divansu Automobile Limited and M/s Walden Agri Infra Private Limited as the Annual Report for the year 2018 was prepared my Successor. I* *cannot be held responsible for reporting updates, if any that took place after my cessation.*

Reply dated March 21, 2022 of Ms. Kirti Gupta/ Noticee no.3

i *Appointed on June 20, 2018 resigned on May 28, 2019.*

ii *It is submitted that Noticee 3 have always taken due care and diligence in observance of and in compliance with the disclosure requirements and the correct procedures have been followed for disclosing any details in public i e. discuss the agenda in the Board, Approval of the Board, recording of announcements in Minutes, preserving of MOU/Agreements and its correspondence.*

iii *the disclosure of Business Cooperation Agreement with Macsun Solar Energy Technology Co Limited dated September 23, 2018 and MOU with Andhra Pradesh State Government dated February 28 2019 as entered by the Company has been disseminated on the Website of the Company under the section of "Investor Announcement"*

iv *The Business Cooperation Agreement with Macsun Solar Energy Technology Co. Limited was inadvertently missed to be included in the Annual Report for financial year 2018-19 The omission was unintentional and was in the nature of clerical mistake.*

v *Further, the position of Noticee 3 was for a short span and during the term of Noticee 3, there were no updates, completion or progress with respect to MOUs/Agreements and thus, no update was given to Stock Exchanges.*

vi *It is submitted that the MOUs/Agreements was duly signed by Chief Financial Officer on behalf of the Company*

vii *It is the responsibility of the Chief financial officer of the listed entity to not make any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. Hence, Noticee 3 as a Compliance Officer have trusted the authenticity of the agreements signed by the Chief Financial Officer of the Company and adopted the correct procedures in taking up the MOLT/Agreements in the Board.*

viii *Further, the overall access of monetary transfers to other firms was with Chief financial officer of the Company and as per Section 224 (5) of the Companies Act, 2013, CEO/CFO shall be liable personally without any limit, if any Fraud made by CEO/CFO whether in the form of any asset, property or cash or in any other manner.*

7. In terms of the Adjudication Rules and in the interest of natural justice, the Noticees were provided with an opportunity of hearing, individually in the matter and the hearing was scheduled on July 19, 2022, through online Cisco webex platform. The Noticees appeared individually on the stipulated date of hearing and reiterated the submissions made in their replies to the SCN (reply dated March 22, 2021 of Ms. Kanika Arora, reply dated March 21, 2022 of Mr. Sumit and reply dated March 21, 2022 of Ms. Kirti).

CONSIDERATION OF ISSUES AND FINDINGS

8. I have carefully perused the allegations leveled against the Noticees in the SCN, the replies of the Noticees and also the documents/evidence available on record. The issues that arise for consideration in the present case are: -

I. Whether the Noticees have violated the provisions of Regulations 6 (2) (a) and (c) of LODR Regulations?
II. If yes, whether the violations would attract monetary penalty on the Noticees under the provisions of the Section 15HB of the SEBI Act?
III. If yes, what should be the quantum of the monetary penalty?

9. The relevant extracts of the provisions of law, allegedly violated by the Noticees are mentioned as under:

SEBI LODR Regulations

Compliance Officer Obligations

6. (2) *The compliance officer of the listed entity shall be responsible for-*

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

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

ISSUE I :- Whether the Noticees have violated the provisions of Regulations 6 (2) (a) and (c) of LODR Regulations?

A. Findings of Examination Report

10. One of the main allegations leveled against the Noticees in the SCN revolves around findings w.r.t the corporate announcement/disclosure dated July 13, 2019, made by the Company on NSE and BSE. It is seen that the said announcement was disclosed with title 'Intimation for entering into an agreement with Japan', under the signature of Ms. Kanika Arora/Noticee no.1. The Company in the said announcement informed that it entered into an agreement with a Japanese firm viz. Nippon Shinyaku Co. Ltd. (Nippon-Shin) (hereinafter referred to as '**Zacobite announcement'**) for supply of a product called 'Zacobite' for a period of five years.

11. Based on the analysis stated in the examination report, I note that the trading volume in the shares of UGL spiked up on July 16, 2019, reaching a volume of 93,41,234 shares on BSE, just after the Zacobite announcement. It is observed that the aforesaid increase in volume is much higher compared to daily average

volume of 5,91,408 shares on BSE during the examination period. Further, on NSE too, the trading volume on July 16, 2019 (after the announcement) spiked up to 1,42,84,261 shares which was much higher than daily average volume of 14,41,921 shares. I further note that prior to the said corporate announcement, the closing price of the scrip on BSE during July 08, 2019 to July 12, 2019 ranged between Rs. 2.15 to Rs. 2.18. However, immediately after the corporate announcement, the scrip closed at Rs.2.60 and Rs.3.05 on July 15, 2019 and July 16, 2019 respectively. In view thereof, it is seen that the said corporate announcement had a direct positive impact on the price and volume in the scrip.

12. In this context, I note that the following major findings, *inter-alia*, were made in the examination report against the Company w.r.t the Zacobite Announcement:

   i. Apart from the copy of the alleged MoU with Nippon-Shin, the Company has failed to provide any other relevant documents such as relevant board agenda, minutes of the board meeting, pre-MoU correspondence etc. in respect of agreement with Nippon and thereafter of corporate announcement dated July 13, 2019. It was noted in this context that the Company had no prior experience regarding dealing in Zacobite.

   ii. The counter party to the alleged MoU – Nippon-Shin vide its email dated February 07, 2020, has denied entering into any such MoU with the Company.

   iii. The announcement dated July 13, 2019 was withdrawn on August 21, 2019 by the Company.

iv. The Company has failed to provide any evidence of defrauding the Company by other unknown persons, apart from Police complaint dated January 09, 2020 filed by it.

v. The Company has also failed to provide details of Key Managerial Personnel involved in the decision-making process, evidence of performing due diligence and further signing of MoU with Nippon-Shin.

vi. Further, no information regarding Zacobite is available in publicly available sources. It was concluded that no such matter, material or element exists named Zacobite.

vii. Thus, the Company made a misleading announcement related to supply of Zacobite, without any intention to fulfil the same.

13. In light of the above, it was concluded in the examination report of SEBI that the aforesaid disclosure dated July 13, 2019 i.e. Zacobite Announcement made by the Company is a misleading and a fake disclosure which was done without any intention to fulfil the same. It was further inferred in the report that the intention of the Company was to influence price volume of the shares of the Company and mislead general public at large and thereby committing a fraud against the investors.

14. Similar findings were also made against other announcements made by the Company during the examination period. The details in this regard are given below:

i. Only the MoU with Andhra Pradesh Govt was mentioned as part of Annual Report 2018-19.

ii. None of the other MoU's were mentioned in the Company's Annual Reports. There was no mention of MoU with either Atul Auto Ltd, Walden Agri Ltd, Divansu Automobiles Ltd or MacSun Solar Ltd. Further there was no mention of Zacobite in any of the Annual Report 2017-18, 2018-19.

iii. None of the announcements were followed up by Update, completion, progress of the MoU's, by the Company.

iv. Further, none of the Announcements have been shown to have any Economic impact or financial impact on the affairs of the Company.

v. The management discussion and analysis (MDA) section in the Annual Reports does not mention any of the products developed, sold or dealt by the Company. The MDA section contains general commentary about energy sector and broad facts about revenue of the Company, without highlighting the products of the Company in it announcements. Further, the financials of the Company did not provide any segmental break-up so as to draw inference regarding the products dealt with by the Company.

vi. Notwithstanding that Atul Auto Ltd has confirmed the MoU with Urja Global Ltd, the Company has failed to provide any evidence regarding follow up for executing the agreement.

vii. Notwithstanding that the Andhra Pradesh state Govt has acknowledged on its website about entering into MoU with Urja Global Ltd for investment in Andhra Pradesh, the Company has failed to provide any evidence regarding follow up of this corporate announcement including detailed project plan, feasibility studies conducted etc.

viii. Company, on its website, has not disclosed details regarding the agreements/MoUs. it has entered. Board of Directors of the Company has failed in overseeing the process of disclosure and communications. Key Managerial Persons including CFO Avinash Kumar Agarwal and CEO Mr Dheeraj Shishodia have failed to carry out their responsibilities and in supervision.

ix. The Company has failed to provide satisfactory reply and clarifications to exchange's queries. It also has failed to provide complete and satisfactory replies to factual queries regarding its personnel, products, distributors, partners, sundry debtors and creditors etc.

15. Thus, it was concluded that the Company has made announcements without any intention to fulfill the same. It was further inferred that the intention of the Company was to influence price volume of the shares of the Company and mislead general public at large and thereby committing fraud against the investors.

B. Findings and Violations established in WTM – SEBI order dated May 13, 2022.

16. It is further pertinent to mention that in the instant matter with regards to the examination conducted by SEBI, proceedings were also initiated under section 11B of the SEBI Act, against the Company and its key managerial personnel during the period of examination viz. its Executive Directors, Chief Executive

Officers (‘CEO’) and Chief Financial Officer (CFO). In this regard, the Whole Time Member, SEBI conducted the 11B proceedings and vide order ref no. WTM/AB/CFD/CMD-2/16388/2022-23 dated May 13, 2022, WTM-SEBI established the violations committed by the Noticees mentioned therein and, *inter-alia,* issued directions against them.

17. Form the perusal of the WTM-SEBI vide order dated May 13, 2020, I note that briefly, the following violations of securities laws were established against the Company:

    i. That the Company had indulged in the act of issuing false and misleading corporate announcement (Zacobite) to induce investors to deal in the scrip of the Company and hence violated the provisions of Regulations 4(1) (c) & (e) of the LODR Regulations and Regulations 3 (a), (c) & (d), 4(1) and 4(2) (k) & (r) of the Sebi (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as ‘**PFUTP Regulations, 2003**’).

    ii. That the Company failed to publish updates about the corporate announcements made during March 29, 2018 to March 01, 2019 and hence violated the provisions of Regulations 4(1)(e) and 30(7) read with 30(4)(i)(a) and Schedule III Part A Para B (4) of the LODR Regulations.

    iii. That the Company has admitted that there was a violation of Regulation 30(8) of LODR Regulations as it had failed to disclose the details of MoU with Nippon Shinyaku on its website due to oversight of the then Company Secretary. As regards the other corporate announcements, the Company has neither submitted any proof of compliance with Regulation 30(8) nor any explanation in this regard. Therefore, the Company has violated the provisions of Regulation 30(8) of the LODR Regulations.

iv. That the Company has not provided any explanation except generally stating that it has provided all information and relevant documents requested by BSE, NSE and SEBI from time to time. Therefore, the Company has violated the provisions of Regulation 30(10) of the LODR Regulations.

v. That the Company secretaries during the examination period viz. Ms. Kanika Arora, Ms. Kirti Gupta and Mr. Sumit Bansal were reporting to CFO, Mr. Avinash Kumar Agarwal. Thus, Mr. Avinash was responsible for ensuring that the primary responsibility of a Company Secretary, which is to ensure compliance with statutory and regulatory requirements is discharged. However, he failed to ensure the same and in fact, was actively involved in signing the purported MoU with Nippon Shinyaku leading to false and misleading corporate announcement on July 13, 2019.

18. Based on the discussions above and on the examination conducted by concerned department of SEBI and from the observations made by WTM of SEBI, it was established that the announcements/disclosures made by the Company without any intention to fulfil the same. In view of the same, I note that the Company by making fake disclosures during the examination period, misled the investors at large.

C. Allegations and Findings against Compliance officers of the Company

19. In the instant matter I note that the Noticees being designated Compliance Officers (company secretaries) of the Company during examination period, had the responsibility to ensure conformity with the regulatory provisions applicable to the disclosures made by the Company (the tenure of the Noticees as compliances officers of the Company, which was mentioned in the SCN was not disputed by the Noticees in their submissions to the SCN). Further, the Noticees had the responsibility to ensure that correct procedures have been followed that would result in correct, authentic and comprehensive information, statements and disclosures filed by the Company to the stock exchanges and on websites in terms of Regulation 30 of LODR Regulations and that the necessary information is disclosed in the Annual Reports in terms of Regulations 53 (f) of LODR Regulations. However, it has been alleged that the Noticees have failed the above duties as compliance officers. It is also pertinent to mention the relevant provisions regarding functioning and duties of Company secretary as given under the Companies Act, 2013:

Companies Act, 2013

205. Functions of company secretary. —

(1) The functions of the company secretary shall include, —

(a) to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company;

(b) to ensure that the company complies with the applicable secretarial standards;

(c) to discharge such other duties as may be prescribed.

Explanation. — For the purpose of this section, the expression —secretarial standards means secretarial standards issued by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980) and approved by the Central Government

C-1. Analysis w.r.t the responsibility of compliance officer (Ms. Kanika Arora/Noticee no.1) for the public disclosure dated July 13, 2019 (Zacobite Announcement).

20. From the perusal of the records available, I note that the compliance officer of the Company under whose tenure the disclosure dated July 13, 2019 (Zacobite announcement) was made was Ms. Kanika Arora/Noticee no.1 (tenure as compliance officer – from May 28, 2019 to March 05, 2020). It is also seen that the aforesaid disclosure bears the signature of the Noticee no.1. As already discussed in pre paragraphs, it is noted that the disclosure/announcement of Zacobite made by Company is misleading and fictitious and was made with an aim to induce investors to deal in the scrip of the Company. Therefore, the Company involved in fraud pertaining to securities market which led to its violations of PFUTP Regulations as stated in the examination report. As regard the compliance officers of the Company, it is noted that the examination did not

find their involvement in the decision making, strategic analysis or collusion with other directors or KMP of the Company w.r.t misleading disclosures and allegations related to fraud have not been made against them. The purpose of the instant adjudication proceedings is to adjudicate and inquire only upon, whether they have carried their duties as a Compliance Officer responsibly, in ensuring the conformity with the regulatory provisions applicable to the Company and also in ensuring that followed correct procedures were followed and due diligence was exercised while overseeing the disclosures made by Company.

21. The Noticee no.1 submitted that she was not involved in the negotiations or decision making process of the Company and contented that the Zacobite Agreement was supported by board resolution of Nippon, and signed by none other than Chief Financial Officer of Company. Hence, Noticee no.1 submitted that she trusted the Company bonafide and made the disclosure dated July 13, 2019. The Noticee in this regard contented that since the Company hired a law firm to manage the said affairs and complaints, submitting sufficient documents etc. with the stock exchanges or with the Police was not within her purview and the same cannot be alleged upon her.

22. In the context of responsibilities of Noticee no.1 as compliance officer, the following observations, *inter-alia*, are made against the Noticee no.1 w.r.t Zacobite announcement:

    i. The chronology of the events regarding the Zacobite announcement are enumerated in the table below:

Table-1

Sl. No.	Date	Event
1.	July 13, 2019	Intimation by Urja Global Limited to exchanges regarding entering into an agreement with Nippon Shinyaku Co. Ltd. having its registered office at "14, Nishinoshu – Monguchi – Cho Kishhoin Minami Ku Kyoto 601-8550" for supply of product Zacobite for five years.
2.	July 16, 2019	Complaint from Surendra Singh Rao alleging that the MoU announcement made by Urja Global with Japanese Co Ltd is fake and misleading.
3.	July 19, 2019	BSE email to Company for clarification regarding Zacobite MoU announcement.
4.	July 20, 2019	Company reply email to BSE.
5.	August 21, 2019	Disclosure/Announcement on the stock exchanges NSE and BSE by the Company that it had not received any payment from Japanese Company and on account of queries raised by the Company stakeholders, it had withdrawn the agreement with the Japanese Company *inter-alia* stating "*to avoid the misunderstanding between the stakeholders and the Company*".

6.	September 05, 2019	Email from Nippon to Urja, explicitly stating that from their end no agreement was entered into by Nippon or any of its directors with Urja and also mentioned that the documents served to them in the name of Nippon are forged and fraudulent.
6.	November 13, 2019	Extract of Minutes of Board meeting duly signed by Ms. Kanika Arora, which mentions about withdrawal of Zacobite disclosure and action taken by Company against Nippon.
7.	January 09, 2020	Complaint filed by Company with Economic Offences Wing (EOW), Delhi Police on the issue of Zacobite MoU.
8.	January 10-20, 2020	Correspondence by BSE with Company seeking clarifications w.r.t its disclosures made by the company during the relevant period.
9.	January 21, 2020	Copy of complaint filed with EOW was provided to BSE by Company.
10.	February 10, 2020	Company disclosure w.r.t outcome of Board meeting held on the date. Also mentioned about complaint filed to EOW w.r.t Zacobite announcement.

ii. From the records available, apart from providing a copy of MoU with Nippon Shinyaku, no other documents, such as relevant Board agenda, minutes of the Board Meeting, pre-MoU correspondences, correspondences with the alleged persons impersonating as officials/employees of Nippon Shinyaku, correspondences with one Ms. Sanjeeta Sharma etc. were provided by the Company in its submissions to SEBI during the course of investigation. In this regard, the Noticee no.1 who was rendering duties as a designated compliance officer of Company from May 28, 2019 was expected to monitor the developments of Zacobite Announcement during the board meetings of the Company and other pre-MoU Company correspondences. However, it is seen that Noticee no.1 was unaware of the same and made no supporting submissions as to why relevant documents could not be provided by Company.

iii. Further, from the perusal of the table above, it is noted that the Company vide disclosure dated August 21, 2019 duly signed by Noticee no.1, withdrew the agreement dated July 13, 2019 with Nippon, *inter-alia,* stating the reason that the Company did not receive any payment from Nippon till-date. However, it is seen that the aforesaid reason, for which the announcement was withdrawn was not as per the terms and conditions mentioned in MoU i.e., it was *ultra vires* to the MoU. Further, it is also seen that the aforesaid decision to withdraw the Nippon Agreement, i.e. acting *ulta vires* to the MoU, has been taken unilaterally by the Company without any deliberations with Nippon Shinyaku. In this context, being a compliance officer/Company secretary, it was expected from the Noticee no.1 that due diligence was done by her, while making the withdrawal disclosure dated August 21, 2019 by mentioning all the necessary reasons/details in it, especially, when the disclosure was duly signed by her. However, I note that the Noticee no.1 failed to ensure the same.

iv. Further, the Company also failed to disclose the material fact that Nippon Shinyaku vide its email dated September 5, 2019 addressed to CFO of the Company, had explicitly indicated to the Company that no dealings of the kind described by it had been undertaken by Nippon Shinyaku or any of its Directors, specifically by Prof. Yukio Sugiura.

v. The Company in its emails dated April 15, 2021 and December 14, 2021 submitted to SEBI during the course of 11B proceedings has admitted that there was a violation of Regulation 30(8) of LODR Regulations as it had failed to disclose the details of MoU with Nippon Shinyaku on its website due to oversight of the then Company Secretary. Therefore, I note that the Noticee no.1 even failed in this aspect to ensure that the developments of Company w.r.t Zacobite are duly disclosed on Company's website and to stock exchanges in a timely manner as required under various provisions of Regulation 30 of LODR Regulations pertaining to material events.

vi. Further, the complaint filed by Company with EOW on January 09, 2020 w.r.t Zacobite Agreement ought to have been disclosed on stock exchanges and on the website in a timely manner in terms of LODR Regulations, as the said agreement allegedly involved a value of US$ 6,55,00,000 which could have given rise to civil liability of large proportion in case of default by the Company. However, the Company failed to disclose the same and therefore the Noticee no.1 failed in her duties to ensure that the said information is duly disclosed on stock exchanges and Company’s website.

vii. The Noticee no.1 contented that as a legal firm was managing Zacobite issue since the date of their appointment i.e. from September 16, 2019, she was unaware of developments and any disclosures in this regard were not within her purview. However, it is clearly seen from the extract of minutes of Board meeting of Company dated November 13, 2019 duly signed by Noticee no.1 that she was aware of developments happening w.r.t Zacobite agreement such as withdrawal of the said agreement and subsequent actions taken by Company against Nippon. Further, it is also seen from the disclosure dated February 10, 2020 duly signed by Noticee no.1 that the information of filing complaint with EOW was disclosed therein. Therefore, the Noticee no.1 ordained with the responsibility of ensuring that material events w.r.t important agreements such as Zacobite agreements are disclosed to stock exchanges and websites by the Company, failed to do so. The disclosure dated February 10, 2020 duly signed by Noticee no.1, which was in-fact made after a delay of one month from the filing of complaint i.e. on January 09, 2022, itself substantiates the failure on the part of Noticee no.1, who as a compliance officer of the Company has the responsibility to keep the investors informed through continual disclosures of the Company’s Agreements and further developments on such material information. Therefore, the Noticee no.1 cannot resort to the submissions that the said events do not come within her purview.

23. Based on the discussions above, I hold that the Noticee no.1 who was the compliance officer/Company secretary w.r.t Zacobite Announcement failed to ensure that that correct procedures were followed that would result in correct, authentic and continual disclosures filed by Company regarding the Zacobite Agreement. I also hold that it is also for the part of the failure of the Noticee no.1, that ultimately resulted into Company not making required disclosures w.r.t culmination and termination of the said agreement. In view thereof, the Company induced the gullible investors to purchase the scrip of the Company thereby increasing the trading volumes artificially during the relevant period. In view of the above, I hold that the Noticee had violated the provisions of Regulation 6 (2) (a) and (c) of LODR Regulations.

C-2. Analysis w.r.t the responsibility of compliance officers (Mr. Sumit Bansal/Noticee no.2 and Ms. Kirti Gupta/Noticee no.3) for other corporate announcements made by the Company during the examination period.

24. It is seen that the compliance officers of the Company during the period of five other announcements made by Company i.e. from sl. no. 1 to sl. no. 3 as mentioned in Table-1 was Mr. Sumit Bansal (Noticee no.2) and from sl. no. 4 to sl. no. 5 was Ms. Kirti Gupta (Noticee no.3.). The tenure of Noticee no.2 as a compliance officer of Company was from May 12, 2017 to June 20, 2018 and tenure of Noticee no.3 was from June 20, 2018 to May 28, 2019. It is pertinent to mention that the aforesaid compliance officers did not dispute the time period of their tenure or making such disclosures during their tenure, as mentioned in the SCN. The details of aforesaid five announcements are mentioned below:

Table-2

Sl. No.	Announcement	Date of Announcement	Compliance officer during the time of disclosure
1	Signed an MoU with Atul Auto Limited on 27th March, 2018 for marketing of 3 wheelers in Madagascar, off the coast of East Africa.	March 29, 2018	Mr. Sumit
2	Signed an MoU with Divansu Automobiles Limited on April 04,2018 for ICAT approved Paras Eco-Rickshaw Auto Model with Solar Panel for opening the Urja Kendras at gram panchayats	April 04, 2018	Mr. Sumit
3	Signed an MoU with Walden Agri Infra Private Limited on June 06, 2018 for creating Panchayat level Urja Kendra"s across various districts in Uttar Pradesh and Rajasthan for sales and marketing of Solar Products, batteries, E-Rickshaws and LEDs.	June 07, 2018	Mr. Sumit
4	Signed the Business Cooperation Agreement with Macsun Solar Energy Technology Co. Limited, (MSET) a China based Company on September 23, 2018 to develop business in Indian Market and to avail the technical services from MSET.	September 24, 2018	Ms. Kirti
5	Signed an MoU with Economic Development Board-Andhra Pradesh for the development of Integrated Plant of Electronic Vehicles & Lithium Ion Battery including Skilling in the state of Andhra Pradesh on February 28, 2019.	March 01, 2019	Ms. Kirti

25. The detailed analysis with respect to the aforesaid MoUs i.e. details of the initiation of the MoUs, terminations of the MoUs and further disclosures in stock exchanges, company's website and Annual Reports of the company and the respective compliance officer are given in the table below:

Table-3

Sl. No.	Name of the MoU	Developments of the MoU	Requirement of disclosure
1	MoU with Atul Auto Limited (AAL)	AAL in its reply to BSE dated January 8, 2020 confirmed the announcement by Urja regarding the agreement They further stated that "As per the terms, the MoU is expired on 14th April 2019 and not renewed for any further period since the Company has not received any order from Urja under the said MoU. Hence, no business transaction was undertaken with Urja Global Limited. The Company vide its letter February 7, 2020 to SEBI also admitted that the MoU expired on April 14, 2019. Further, vide its letter dated March 5, 2021, Company has submitted to SEBI that it could not implement the MoU due to high prices quoted by the party as per international market	However, no such update was provided by the Company to the Stock Exchanges or on its website as required under LODR Regulations. It was also seen that the Annual Reports of Company for years 2018, 2019 and 2020 did not mention details of developments and culmination of MoU with AAL.

		and that the CEO of AAL Mr. Bharat Merchant, had resigned	
2.	MoU with Divansu Automobiles Limited (DAL)	DAL in its email dated April 27, 2020 submitted to SEBI "*We made preliminary understanding but it did not work out so we have not started business with them*." In this regard, vide its letter dated March 5, 2021, the Company has submitted that the products are under approval under the scheme FAME II. On getting approval, the Company would further the process of the MoU.	However, the aforesaid updates were provided by the Company to the stock exchange as required under LODR Regulations. Further, there was also no mention of the particulars of MoU with Divansu Automobiles Limited in its Annual Reports of years 2018, 2019 or 2020.
3.	MoU with Walden Agri Infra Private Limited	The Company vide its letter dated March 5, 2021 has submitted that due to breach of contract by the other party, the Company has filed a case in Court.	It was observed that there was no mention of the particulars of MoU with Walden Agri Infra Private Limited in the Company's Annual Reports of FY 2018-19, 2019-20 or 2020-21. However, no such update was provided by the Company to the stock exchanges which was

			required under LODR Regulations.
4.	Business Cooperation Agreement with MSET	The Company vide its letter dated March 5, 2021 has submitted that the Agreement could not be implemented due to non-approval of products by the State Government due to focus on "Make in India".	It was observed that no subsequent development/updates was provided by the Company to the Exchange. Further, there was no mention of Business Cooperation Agreement with MSET in the Annual Reports of years 2019 or 2020.
5.	MoU with Economic Development Board-Andhra Pradesh	The Company vide its letter dated March 5, 2021 has submitted to SEBI that the State Government of Andhra Pradesh has changed and hence the process got delayed and thereafter, that the Company was hoping to start the work as soon as the approval is received	However, no updates in this regard were provided by the Company to the stock exchanges as required under LODR Regulations.

26. It is pertinent to mention that the primary objective of the LODR Regulations is to consolidate and streamline the provisions of existing listing agreements for different segments of the capital market. The LODR Regulations create a general obligation of compliance which states that 'the listed entity shall ensure that key managerial personnel, directors, promoters or any other person dealing

with the listed entity, complies with responsibilities or obligations, if any, assigned to them under these regulations'. Another common obligation that is created is the appointment of a compliance officer. The LODR Regulations also outline numerous obligations of the compliance officer which include the responsibility of ensuring conformity with all applicable regulatory provisions, co-coordinating with SEBI, the Stock Exchanges and Depositories regarding compliance with rules, regulations and other directives and ensuring that correct procedures have been followed. The duties of the compliance officers effectively widen the responsibilities of company secretaries by making them responsible for compliance with the provisions of the LODR Regulations. In this regard, it is reiterated that being designated compliance officers, it is their responsibility to ensure such material information regarding conformity and continuity of the agreements is duly disclosed to the investors and made them aware in a timely manner. Further, not incorporating such information even in the Annual Reports of the Company, indicates negligence on the part of compliance officers, as there is adequate time for a Company for preparation of Annual Reports. In view of the above, I hold that the compliance officers responsible for conducting due diligence and ensuring that correct procedures and continuous disclosers are followed in respect of five other announcements during the examination period, have failed in ensuring the same.

27. The observations made against the Noticees, in respect of their obligations as compliance officers vis-à-vis the allegations levied against them are summarized in the following table:

Table-4

Noticee	**Observations**	**Compliance of the Noticee**	**Whether the Violations are established?**
Noticee no.1/Kanika Arora	The Company entering into MoUs/Agreements, i.e. the announcements as mentioned at sl. no. 2 to sl. no. 5 in table-1, ought to have been disclosed in the Annual Report of year 2019. The said Annual Report was disclosed in the month of September 2019, which is under the tenure of Ms. Kanika Arora/Noticee no.1	Therefore, it was the responsibility of Noticee no.1 to ensure that details of the said announcements were duly disclosed in the Annual Report by the Company in terms of Regulation 53 (f) of LODR Regulations	However, the Noticee no.1 failed to ensure the same and hence violated the provisions of Regulation 6 (2) (a) and (c) of LODR Regulations
Noticee no.2/Mr. Sumit Bansal	I note that though the announcements of Company with Atul Auto Limited (AAL), Divansu Automobiles Limited (DAL) and Walden Agri Infra Private Limited (WPL) were disclosed under his tenure, the Noticee no.2 resigned from his duties on June 28, 2018.	In view of the same, the violations of conducting due diligence as required under LODR Regulations cannot be attributed to Mr. Sumit	I hold the allegations made against Noticee no.2 in the SCN do not stand established.

	The events of termination of the aforesaid announcements happened much later in the year 2018 and 2019 i.e. after his resignation.	Bansal/Noticee no.2 in the instant matter.	
Noticee no.3/Kirti Gupta	I note that the Company entering into an agreement/MoU with AAL was announced to the Stock Exchanges on March 29, 2018. Accordingly, it was also expected to be disclosed in the Annual Report of the Company for the year 2018 It is also seen from the Company's submission during the course of the examination, that the said MoU expired was expired on April 14, 2019, which also happened to be under the tenure of Noticee no.3. In this context, it is noted that the time of expiry of the MoU i.e. on April 14, 2019 was under the tenure of Noticee no.3. Further, the said Annual Report was disclosed in the month of September 2018, which was also	the said MoU do not find a mention the Annual Report of year 2018 the Noticee no.3 was required to ensure that the Company mentioned the details of MoU with ALL in the Annual Report and that the Company had duly disclosed the termination of MoU with ALL and to the Stock Exchanges and on the website of the Company in terms of Regulation 30 of	I hold that the Noticee no.3 as a compliance officer failed to ensure that correct procedures have been followed and continual disclosures were made by the Company in respect of MoU with AAL. Therefore, I hold that the Noticee no.3 had violated Regulation 6 (2) (a) and (c) of LODR Regulations.

	under the tenure of Ms. Kirti Gupta/Noticee no.3.	LODR Regulations. However, Noticee no.3 failed to ensure the same.	

28. Apart from the MoU with AAL, I note that the events w.r.t termination of the four other MoUs/announcements (sl. no. 2 to sl. no 5 in table 1) culminated much later in the years 2020 and 2021, which is the time period beyond the tenure of the Noticees as compliance officers. I note that Noticee no.1 was last serving compliance officer among the Noticees, who resigned to her duties in the Company on March 05, 2020. Therefore, the violations of non-disclosures pertaining to the termination of the said MoUs/announcements in the Company's websites and to the stock exchanges cannot be attributed to the Noticees in the instant proceedings.

29. Based on the discussions above, I hold that the violations alleged to have been committed by the Noticees as given below:

Table-5

Noticee	Conclusions	Violations as alleged in the SCN stand established or not.
Noticee no.1/Ms. Kanika Arora	i. Noticee no.1 failed to ensure that the Company had duly disclosed the developments of Zacobite announcement to the stock	The allegation that the Noticee no.1 violated the provisions of Regulation 6 (2) (a) and (c) of LODR

	exchanges and on website, in a timely manner. ii. Noticee no.1 failed to ensure that the details of four MoU.s mentioned at sl. no. 2 to sl. no.5 in table no. 1 are duly disclosed by the Company in the Annual Report of the Company for the year 2019.	Regulations stands established.
Noticee no.2/Mr. Sumit Bansal	i. the material events of termination of the announcements as mentioned in the SCN occurred much later in the year 2018 and 2019 i.e. after the resignation of Noticee no.2 to his duties of compliance officer in the company	The allegation that the Noticee no.2 violated the provisions of Regulation 6 (2) (a) and (c) of LODR Regulations do not stand established.
Noticee no.3/Ms. Kirti Gupta	i. Noticee no.3 failed to ensure that the details of MoU with ALL were mentioned in the Annual Report of the company for year 2018 and that the Company had duly disclosed the termination of MoU with ALL and to the Stock Exchanges and on the website of the Company in a timely manner.	The allegation that the Noticee no.3 violated the provisions of Regulation 6 (2) (a) and (c) of LODR Regulations stands established.

ISSUE II. If yes, whether the violation would attract monetary penalty on the Noticees under the provisions of the Section 15HB of the SEBI Act?

30. In view of the violations of the provisions of Regulation 6 (2) (a) and (c) of LODR Regulations by Noticee no.1 and Noticee no.3, as established above, I hold that they are liable for monetary penalty under the provisions of Section 15HB of the SEBI Act, which reads as under:

SEBI Act

PENALTIES AND ADJUDICATION

Penalty for contravention where no separate penalty has been provided.

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

ISSUE 3: If yes, what should be the quantum of monetary penalty?

31. For the purpose of determining the quantum of the penalty under Section 15HB in the instant matter, it is relevant to mention the factors specified in section 15J of the SEBI Act, which reads as under:-

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 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."

32. In this regard, it is pertinent to mention that the WTM SEBI vide order ref no. WTM/AB/CFD/CMD-2/16388/2022-23 dated May 13, 2022, WTM-SEBI established the violations committed by the Noticees mentioned therein i.e. the Company and its key managerial personnel during the period of examination viz. its Executive Directors, Chief Executive Officers and Chief Financial Officer and, *inter-alia,* issued the following directions against them.

    i. *Urja Global Limited is hereby restrained from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and is further prohibited from accessing the securities market by raising money from public, for a period of 2 years from the date of this order.*

    ii. *Mr. Yogesh Kumar Goyal, Mr. Sunil Kumar Mittal, Ms. Priya Bhalla and Mr. Avinash Kumar Agarwal are hereby restrained from buying selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and are further prohibited from being associated with any registered intermediary / listed company or any public company which intends to raise money from public in the securities market, for a period of 2 years from the date of this order.*

    iii. *Mr. Aditya Venketesh and Mr. Bharat Pranjivandas Merchant are hereby warned for the lapses found against them as pointed out above in this order.*

iv. *For a period of three years from the date of this Order, prior to making any corporate announcement under Regulation 30 of the LODR Regulations:*

   a. *The Company shall obtain certification of authenticity of such corporate announcement from a practicing Company Secretary.*

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

33. The available records neither reveal nor specify disproportionate gains/unfair advantage made by the Noticees, and the specific loss suffered by the investors due to the violations by the Noticees. The nature of violations in the instant matter majorly pertains to the Noticees not performing the duties as expected of a designated compliance officer of the Company. I note that a designated compliance officer/Company secretary is a vital link between the Company and its Board of Directors, shareholders, regulatory authorities, etc. Further, a compliance officer ensures that Board (of Company) procedures are both followed and regularly reviewed and provides guidance to Chairman and the Directors on their responsibilities under various laws. A compliance officer also commands high position in the value chain is expected to act as a conscience keeper of the Company.

34. In the instant matter, I note that adequate and necessary diligence is not conducted by the compliance officer Noticee no.1 in respect of the Zacobite Announcement made by UGL. Moreover, the submissions of Noticee no.1 that she entirely relied on Board management's instructions with respect to vetting of Zacobite agreement and further developments and subsequently on keeping the investors informed, cannot be considered as a valid excuse for not being able to discharge her duties. Further the submissions of Noticee no.1 that since the legal firm took over the issue of Zacobite agreement, she had no responsibility w.r.t informing such developments to investors through stock exchanges or on websites, cannot absolve her from her duties as designated compliance officer. Having knowledge about the entire functioning of the Company, the Company Secretary will be in the most suitable position to identify if the Company is on the verge of committing any default. Accordingly, if the Company Secretary is of the opinion that the directors have failed to fulfil their fiduciary duties resulting in the Company defaulting in disclosures, the Company Secretary is expected to take steps in the best interests of the Company. However, Noticee no.1 in the instant failed to do such required diligence, as discussed in detail in previous paragraphs. I also note that Order of WTM as given in pre paragraph 40 has upheld violations of securities laws against Mr. Avinash Kumar Agarwal, the CFO of the Company to whom Noticee no.1 was reporting during the period of her tenure as a Compliance Officer. Directions were also issued against the CFO by the WTM, for not ensuring that the Compliance Officer (Noticee no.1) discharged her duties diligently during

the relevant period. I consider the above, as a mitigating factor in imposing the penalty against Noticee no.1

35. Further, I note that the violation committed by Noticee no.3 is in respect of the Company not disclosing the details of an MoU entered into by the Company in the Annual Report and not disclosing the details regarding the expiry of such MoU on the Company's website or to the stock exchanges in a timely manner. In this regard, I rely on the judgement dated September 10, 2020 of Hon'ble Securities and Appellate Tribunal (Hon'ble SAT) in the matter of Sandeep Batra vs. SEBI (Appeal no. 520 of 2019), wherein, the Hon'ble SAT, *inter-alia,* stated the following:

"..Therefore, balancing the prejudice caused to the appellant and the violation committed by him becomes an essential ingredient for dispensing justice in this matter. After all, for a one-time lapse of delayed disclosure, the Appellant should not be suffering during his entire career like a life term; such an approach would be far from doing justice to the appellant.

Therefore, in the facts and circumstances of the matter we convert the monetary penalty of Rs 2 lakhs imposed on the Appellant to that of a warning.."

36. The examination in the instant matter majorly revolves around Zacobite Announcement and only after extending the scope of the examination period, the said announcement of Company with Atul Auto Limited (AAL) with which Noticee no.3 is related to, came into picture. Further, I also note that the fact that information of the Company entering into Agreement with AAL was

disclosed to the stock exchanges in a timely manner, acts as a mitigating factor against the violation that the Noticee no.3 failed to ensure that the same is mentioned in the Annual Report of year 2018. However, I note that the expiry of the MoU of AAL was not disclosed to the stock exchanges. Since the allegation is relating to only single instance, I would like to take a lenient view in respect of Noticee no.3.

37. In so far as the allegations levied against Noticee no.2 are concerned, the same were not established, which was already mentioned in the table-4 above.

<u>ORDER</u>

38. Considering all the facts and circumstances of the case and exercising the powers conferred upon me under section 15 I of the SEBI Act read with rule 5 of the Adjudication Rules, I hereby impose monetary penalty of Rs. 1,00,000/- (Rupees One Lakh only) on the Noticee no.1 viz. Ms. Kanika Arora under Section 15HB of the SEBI Act for her violation of the provisions of Regulation 6 *(2)* (a) and (c) of LODR Regulations. In my view, the said penalty is commensurate with the violation committed by the Noticee no.1 in this case. Further, as the violations are not established against Noticee no.2, I hereby dispose off adjudication proceedings initiated against the Noticee no.2 vide SCN dated March 08, 2021. In respect of Noticee no.3, considering the mitigating circumstances and taking a lenient view I hereby dispose of the SCN dated March 08, 2021 without imposing penalty.

39. Noticee no.1 shall remit / pay the said total amount of penalty within 45 days of the receipt of this order either by way of Demand Draft in favour of "SEBI- *Penalties Remittable to Government of India*", payable at Mumbai, or by following the path at SEBI website www.sebi.gov.in, ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.

40. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD1-DRA-II, 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)	

41. In terms of the provisions of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticees viz. Ms. Kanika Arora, Mr. Sumit Bansal and Ms. Kirti Gupta and also to the Securities and Exchange Board of India.

Date: September 30, 2022 **N HARIHARAN**

Place: Mumbai **ADJUDICATING OFFICER**