



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ASSISTANT GENERAL MANAGER
INVESTIGATIONS DEPARTMENT – ID 15

SEBI/HO/IVD/ID15/OW/P/2023 | 12436 | 1
March 27, 2023

Noticee No.	Name of the Noticee and PAN	Address	Email ID
13	Hemisphere Infrastructure India Pvt. Ltd (PAN AABCH8065Q) Noticee No 13	G 1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Sanatacruz (East), Mumbai - 400055	hemisphereinfrastucture@gmail.com
		3rd Floor, Raheja Point No. 1 Jawahar Lal Nehru Road, Vakola, Santacruz (East), Mumbai, Maharashtra, 400055	PGCHATURVEDI@YAHOO.COM
		Godwin Gunjan 2nd Floor, Flat No-2a 19b Paddapukur Lane, Kolkata, West Bengal - 700020	ashi12290@gmail.com
		Unit 515, 5th Floor, Sai Chambers, situated at TPS 5, Plot No. 10, Santacruz (East) Mumbai Mumbai City MH 400055	
		Ashish Harinarayan Singh, Director Flat No 1016, Building No 51, C -Wing, Neelkamal Hsg Society Thakur Shyamnarayan Marg, Samta Nagar, K Andivali E Mumbai 400101 MH IN	

Sir/Madam,

Notice of Personal Hearing in the matter of open offer violations in the scrip of Dewan Housing Finance Corporation Ltd.

1. Please refer to the Show Cause Notice dated September 16, 2021 (Attached) in the captioned subject matter served on you through email. Hearing opportunity was given vide notice dated August 08, 2022 which was subsequently adjourned due to administrative exigency vide notice dated August 19, 2022. The same was also served available email ids.
2. Subsequently, three opportunity of personal hearing was granted through Hearing Notice dated September 30, 2022, October 27, 2022 and November 23, 2022, served through available email ids. However, no reply/submission is received till date.



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3. Therefore, I am directed to inform you that a final opportunity of personal hearing is being granted to you on April 19, 2023 at 11:30 a.m. before the Quasi-Judicial Authority, Anitha Anoop, Chief General Manager, SEBI, at the following venue:

**Securities and Exchange Board of India
SEBI Bhavan-II, Plot No. C-7, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051**

4. Further, I am also directed to inform you that one more opportunity to make written submissions is provided to the Noticees, if any, along with documentary evidences that the Noticees chooses to rely upon in support of their submissions, which should reach the undersigned, at the address given above and also in softcopy (in Ms word format) by e-mail at email-ids (vikashn@sebi.gov.in, and poonamk@sebi.gov.in), before the hearing date, failing which it shall be construed that Noticees have no reply to submit and SEBI shall be free to take action against them on the basis of evidence available on record in terms of the provisions of SEBI Act and other applicable laws.
5. In case you fail to appear before the Quasi-Judicial Authority on the aforesaid personal hearing date, it shall be presumed that you have nothing further to state in the matter, and the matter will be proceeded with on the basis of material available on record.
6. You may appear for the hearing personally or through your authorized representative. Please ensure that person(s) authorized to appear for the personal hearing presents original as well as photo copy of their Identity Card and the original Authorization Letter along with PAN of the Noticee.
7. You are required to acknowledge the receipt of this notice and confirm the name of official(s) / representative(s) with designation(s) appearing for the personal hearing at least three days before the hearing date by way of a letter or e-mail at the addresses vikashn@sebi.gov.in and poonamk@sebi.gov.in.

Yours faithfully,

**Poonam Bhutra
Assistant General Manager**



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GENERAL MANAGER
INVESTIGATIONS DEPARTMENT

SEBI/HO/ID/ID3/P/OW/2021/24408/1
16/09/2021

Noticee No.	Name of the Noticee	Address	PAN	Email ID
1	Kapil Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050 Taloja Central Jail, Inampuri, Taloja, Navi Mumbai- 410 208	AAOPW6145L	kwadhawan1@gmail.com
2	Rakesh Kumar Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai- 400050	AAEPW7656G	Not Available
3	Sarang Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai- 400050	AAAPW2530R	Not Available
4	Dheeraj Wadhawan	16th Floor, DB Breeze, Opp- Khar Gymkhana Ground, Khar (West) Mumbai- 400 052 Taloja Central Jail, Inampuri, Taloja, Navi Mumbai- 410 208	AAOPW4517G	drwadhawan@hotmail.com
5	Aruna Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050 Dheeraj Apartments, Ground Floor, P. P. Dias Compound, Natwar Nagar, Road No.1, Jogeshwari East, Mumbai Maharashtra, India, 400060	AAHPW9334L	Not Available

Show Cause Notice in respect of Investigation in the Trading Activity of certain entities in the scrip of Dewan Housing Finance Corporation Limited
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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

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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6	Malti Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	AAGPW8042G	Not Available
7	Anu S Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	AAQPW2792P	Not Available
8	Pooja D Wadhawan	16th Floor, DB Breeze, Opp- Khar Gymkhana Ground, Khar (West) Mumbai- 400 052	AAJPB9268Q	Not Available
9	Wadhawan Holding Pvt Ltd	4 th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051.	AAACW5001G	Jitendra.kadam@whpl.co.in
10	Wadhawan Consolidated Holding Pvt Ltd	4 th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051.	AACCD2944F	Jitendra.kadam@whpl.co.in
11	Wadhawan Retail Venture Pvt Ltd)	4 th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051.	AAACW6632R	Jitendra.kadam@whpl.co.in
12	Wadhawan Global Capital Ltd	Ground floor, Madhava Building, Near Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. 10 th Floor, TCG Financial Centre, Plot No 53, G Block Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India- 400051	AAACW9811G	compliance@wadhawan.com finance@wgcms.com



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Noticee No.	Name of the Noticee	Address	PAN	Email ID
13	Hemisphere Infrastructure India Pvt. Ltd	G 1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Sanatacruz (East), Mumbai - 400055	AABCH8065Q	hemisphereinfrastructure@gmail.com
14	Galaxy Infraprojects and Developers Pvt. Ltd.	Shop No. F 40, 1st Floor, Raghuleela Mega Mall Near Poisar Bus Depot, S V Road, Kandivali (West), Mumbai City - 400067	AACCG7477N	galaxyinfradev2007@gmail.com
15	Silicon First Realtors Pvt. Ltd.	G 1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Sanatacruz (East), Mumbai - 400055	AAMCS4236M	siliconfirstrealtors@gmail.com

Sub: Show Cause Notice under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, for violations of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997/ 2011

A. Background:

1. Securities and Exchange Board of India ("SEBI") had conducted an investigation in the scrip of Dewan Housing Finance Corporation Limited (hereinafter referred to as 'DHFL/the Company') to ascertain whether there has been any violation of the provisions of SEBI Act, 1992 ("SEBI Act"), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SAST 1997") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST 2011") based on a complaint dated January 15, 2019, from Dr. Kislay Panday (Solicitor on behalf of Mr. Vikash Shekhar – the complainant). The complainant in its complaint (Annexure - A) has, *inter-alia*, alleged the following:

- 1.1. Kapil Wadhawan along with other promoters of DHFL are misrepresenting and misleading the shareholders by claiming that promoter holding in DHFL is 39.23%.



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- 1.2. The promoters have suppressed the name of three companies, namely, Hemisphere Infrastructure India Pvt. Ltd. (hereinafter referred to as "Hemisphere"), Galaxy Infraprojects and Developers Pvt. Ltd. (hereinafter referred to as "Galaxy") and Silicon First Realtors Pvt. Ltd. (hereinafter referred to as "Silicon"), who hold around 10% shareholding in DHFL, while actually these three companies are directly/indirectly being held by the promoters of DHFL. These three companies have been shown as part of "public shareholder" instead of part of the "promoter and promoter group" of DHFL.
2. The investigation period ('IP') is from July 01, 2007 to December 31, 2019. However, where deemed necessary, reference has been made to outside this period.
3. The target company in this case is DHFL. Details of the management of DHFL, as per BSE records as on Quarter ending June 2019 are:

S. No.	Name of the Director	Designation	Appointment Date	Cessation Date
1	Dheeraj Rajeshkumar Wadhawan	Director	12/05/2008	-
2	Kapil Wadhawan	Managing Director	04/10/2010	-
3	Alok Kumar Mishra	Director	26/03/2019	-
4	Sunjoy Joshi	Director	26/03/2019	-
5	Srinath Sridharan	Director	26/03/2019	-
6	Deepali Pant Rajeev Joshi	Director	08/05/2019	-

4. The following entities are/ were the Promoters of DHFL during the IP (as per BSE website):

S. No	Name	Period during which the Entity was promoter
1.	Kapil Wadhawan	April 2006 - March 2019
2.	Dheeraj Wadhawan (Brother of Kapil Wadhawan)	April 2006 - March 2019
3.	Rakesh Kumar Wadhawan (Uncle of Kapil Wadhawan)	April 2006 - December 2009
4.	Sarang Wadhawan (Son of Rakesh Kumar Wadhawan)	April 2006 - December 2009
5.	Aruna Wadhawan (Mother of Kapil Wadhawan)	April 2006 - March 2019
6.	Malti Wadhawan (Wife of Rakesh Kumar Wadhawan)	April 2006 - December 2009
7.	Anu S Wadhawan (Wife of Sarang Wadhawan)	April 2006 - December 2009
8.	Pooja D Wadhawan	April 2006 - December 2013
9.	Wadhawan Holding Pvt. Ltd. (WHPL)	April 2006 - December 2013
10.	Wadhawan Consolidated Holding Pvt Ltd. (WCHPL)	June 2010 - December 2013
11.	Wadhawan	June 2010 - December 2013



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S. No	Name	Period during which the Entity was promoter
	Retail Venture Pvt Ltd. (WRVPL)	
12.	Wadhawan Global Capital Ltd (formerly known as Wadhawan Housing Pvt Ltd. and Wadhawan Global Capital Pvt. Ltd. - WGCL)	March 2013 -March 2019
13.	Damyanti Rani Wadhawan (Deceased)	April 2006 - September 2010

5. The Noticees mentioned at Sr. Nos. 1 to 12 above are hereinafter referred to as the disclosed promoter/ promoter group of DHFL.

6. The alleged acquisitions and sale of shares of DHFL by the disclosed promoter/ promoter group and by Hemisphere, Galaxy and Silicon (Noticees at Sr. Nos. 13, 14 and 15) are placed at **Annexure - B**.

7. The allegations based on the findings of the investigations, in brief, are as below:

7.1 The disclosed promoter/ promoter group of DHFL have exercised control over the three companies, Hemisphere, Galaxy and Silicon, since the time they were incorporated.

7.2 The three companies, Hemisphere, Galaxy and Silicon, have been incorporated only for the purpose of substantial acquisition of additional shares of DHFL and hence, are PACs with the disclosed promoter/ promoter group of DHFL. These three companies along with the disclosed promoter/ promoter group of DHFL are a single group and hence, these three companies are deemed to be Persons Acting in Concert (PACs) with the promoters of DHFL in terms of the provisions of SAST 1997 and SAST 2011.

7.3 The disclosed promoter/ promoter group of DHFL, along with these three companies, have violated provisions of SAST 1997 and SAST 2011 due to acquisition of shares by these three companies and/or by the disclosed promoter while acting in concert, which together exceeded the prescribed limit wherein public announcement for open offer was required to be made in terms of the said regulations.

7.4 The disclosed promoter/ promoter group of DHFL, along with these three companies, have violated provisions of SAST 1997 and SAST 2011 due to acquisition/ sale of shares by these three companies and/or by the disclosed promoter while acting in concert, which together exceeded the prescribed limit wherein disclosures were required to be made in terms of the said regulations.

7.5 The disclosed promoter/ promoter group of DHFL, along with these three companies, have violated provisions of SAST 1997 and SAST 2011 due to failure to disclose aggregate shareholding by promoter/promoter group of DHFL along with the shareholding of these three companies.



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B. Hemisphere, Galaxy and Silicon are part of the promoter/ promoter group of DHFL:

8. It is alleged that the disclosed promoter/ promoter group of DHFL have exercised control over the three companies, Hemisphere, Galaxy and Silicon, since the time they were incorporated by virtue of the following:
- 8.1 Certain employees of DHFL as alleged below were acting as Directors in these three companies at the time of incorporation of these companies. These employees were also the ones who had subscribed to the initial shares of these companies and also acted as witnesses at the time of the same.
- 8.2 The funds for subscribing to the initial shares of these companies was provided to these employees by promoter and/ or promoter controlled entities of DHFL as alleged below.
- 8.3 The funds for the initial purchase of shares of DHFL by these three companies were directly/ indirectly provided by promoter and/ or promoter controlled entities of DHFL.
9. In view of the above, it has been alleged that these three companies along with the disclosed promoter/ promoter group of DHFL are a single group and hence, these three companies are deemed to be Persons Acting in Concert (PACs) with the promoters of DHFL in terms of the provisions of SAST 1997 and SAST 2011.
10. The relevant provisions of the SAST 1997 and SAST 2011 are reproduced below:

SAST 1997

2 (1)(e) "person acting in concert" comprises—

(1) persons who, for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control over the target company.

(2) Without prejudice to the generality of this definition, the following persons will be deemed to be persons acting in concert with other persons in the same category, unless the contrary is established:

(i) a company, its holding company, or subsidiary or such company or company under the same management either individually or together with each other;

(ii) a company with any of its directors, or any person entrusted with the management of the funds of the company;

(iii) directors of companies referred to in sub-clause (i) of clause (2) and their associates;

(iv) mutual fund with sponsor or trustee or asset management company;

(v) foreign institutional investors with sub-account(s);

(vi) merchant bankers with their client(s) as acquirer;

(vii) portfolio managers with their client(s) as acquirer;

(viii) venture capital funds with sponsors;

(ix) banks with financial advisers, stock brokers of the acquirer, or any company which is a holding



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company, subsidiary or relative of the acquirer:

Provided that sub-clause (ix) shall not apply to a bank whose sole relationship with the acquirer or with any company, which is a holding company or a subsidiary of the acquirer or with a relative of the acquirer, is by way of providing normal commercial banking services or such activities in connection with the offer such as confirming availability of funds, handling acceptances and other registration work;

(x) any investment company with any person who has an interest as director, fund manager, trustee, or as a shareholder having not less than 2 per cent of the paid-up capital of that company or with any other investment company in which such person or his associate holds not less than 2 per cent of the paid-up capital of the latter company.

Note: For the purposes of this clause —associate means,—

(a) any relative of that person within the meaning of section 6 of the Companies Act, 1956 (1 of 1956); and

(b) family trusts and Hindu undivided families;

SAST 2011

(q) "persons acting in concert" means—

(1) persons who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights in, or exercise of control over the target company.

(2) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be persons acting in concert with other persons within the same category, unless the contrary is established—

(i) a company, its holding company, subsidiary company and any company under the same management or control;

(ii) a company, its directors, and any person entrusted with the management of the company;

(iii) directors of companies referred to in item (i) and (ii) of this sub-clause and associates of such directors;

(iv) promoters and members of the promoter group;

(v) immediate relatives;

(vi) a mutual fund, its sponsor, trustees, trustee company, and asset management company;

(vii) a collective investment scheme and its collective investment management company, trustees and trustee company;

(viii) a venture capital fund and its sponsor, trustees, trustee company and asset management company;

(ix) a foreign institutional investor and its sub-accounts;

(x) a merchant banker and its client, who is an acquirer;

(xi) a portfolio manager and its client, who is an acquirer;

(xii) banks, financial advisors and stock brokers of the acquirer, or of any company which is a holding company or subsidiary of the acquirer, and where the acquirer is an individual, of the immediate relative of such individual.



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Provided that this sub-clause shall not apply to a bank whose sole role is that of providing normal commercial banking services or activities in relation to an open offer under these regulations;

(xiii) an investment company or fund and any person who has an interest in such investment company or fund as a shareholder or unitholder having not less than 10 per cent of the paid-up capital of the investment company or unit capital of the fund, and any other investment company or fund in which such person or his associate holds not less than 10 per cent of the paid-up capital of that investment company or unit capital of that fund;

Provided that nothing contained in this sub-clause shall apply to holding of units of mutual funds registered with the Board;

Explanation— For the purposes of this clause “associate” of a person means—

(a) any immediate relative of such person;

(b) trusts of which such person or his immediate relative is a trustee;

(c) partnership firm in which such person or his immediate relative is a partner; and

(d) members of Hindu undivided families of which such person is a coparcener;

Employees of DHFL acting as Directors of Hemisphere, Galaxy and Silicon:

11. The following are the details of the three companies namely, Hemisphere, Galaxy and Silicon, at the time of their incorporation:

Sr. No.	Particulars	Hemisphere	Silicon	Galaxy
1	Date of Incorporation	Jan 16, 2007	August 18, 2008	January 10, 2007
2	Initial Subscribers	Mr. Krishna K Ponniah (KKP) - 5000 shares of Rs. 10 each	Mr. Vijay S Tambe (VST) - 5000 shares of Rs. 10 each	Mr. Krishna K Ponniah (KKP) - 5000 shares of Rs. 10 each
		Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each	Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each	Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each
3	Witness at initial subscription	Mr. Vijay Tambe	Mr. Sanjay Parab	Mr. Vijay Tambe
4	Initial Directors	Mr. Krishna K Ponniah	Mr. Vijay S Tambe	Mr. Krishna K Ponniah
		Mr. Balakrishna Madhur	Mr. Balakrishna Madhur	Mr. Balakrishna Madhur

The details and the documents, obtained from MCA, in this regard are placed at **Annexure - C**



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12. With respect to the persons named in the table above viz., Mr. Krishna Kumar Ponniah (hereinafter referred to as KKP), Mr. Balakrishna Madhur (hereinafter referred to as BKM) and Mr. Vijay Tamble (hereinafter referred to as VT), investigation revealed the following:

12.1 KKP joined DHFL in May 1985 and is still working with DHFL, VT has been working with DHFL since May 1995 and is working till date with them and BKM had worked with DHFL from January 1984 till July 2017. (Statement of the said three employees along with documents provided by them are placed at Annexure - D)

12.2 They were employees of DHFL at the time of (a) incorporation of these three companies, (b) initial subscription to shares of these three companies and (c) being Directors in these three companies.

12.3 They were also Directors in other companies belonging to the promoter/ promoter group of DHFL. An example of the directorships held by Mr. Krishna Kumar Ponniah is as below:

Sr. No.	Name of Company	Relation of Company with the promoter/ promoter group of DHFL	Tenure as Director	
1	Wadhawan Holdings Pvt. Ltd.	Promoter of DHFL	28/03/2006	24/01/2008
2	Wadhawan Lifestyle Retail Private Limited	As per MCA, Dheeraj and Kapil Wadhawan (Promoters of DHFL) were directors in this company during the period May 14, 2007-November 14, 2014 and May 14, 2007-March 30, 2013 respectively.	03/01/2007	23/01/2008
3	Kyta Advisors Private Limited	As per MCA, Dheeraj and Kapil Wadhawan (Promoters of DHFL) were directors in this company during the period February 03, 2006-March 27, 2018 and October 01, 2008-March 16, 2015 respectively.	03/02/2006	24/01/2008
4	DHFL Advisory & Investments Private Limited	Dheeraj Wadhawan and Kapil Wadhawan are directors in this company from February 12, 2016 onwards.	15/02/2016	04/04/2016

The details of their Directorship, as per MCA website, are placed at Annexure - E.

12.4 Investigation also revealed that certain other people namely, Mr. Saimon Francis Dsouza, Mr. Hetin Ramesh Sakhuja, Mr. Dhonduram Ram Jadyar, Mr. Suman Dutta, Mr. Kishan Gopal, among others, were directors in Hemisphere, Galaxy and Silicon, as well as in other Wadhawan Group companies, at some point of time during the period of investigation. The details of their Directorship, as per MCA website, are placed at Annexure - E.



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12.5 The promoters of DHFL namely, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Mr. Sarang Wadhawan, among others, were also directors in the said Wadhawan Group of Companies at some point of time during the period of investigation. The details of their Directorship, as per MCA website, are placed at Annexure - E.

13. From the above it is alleged that the persons who were Directors in Hemisphere, Galaxy and Silicon were, at the same time, employees of DHFL or employees of entities belonging to the promoter/ promoter group of DHFL and therefore, it is alleged that these Directors and Hemisphere, Galaxy and Silicon, were under the control of the promoter/ promoter group of DHFL.

Funding of initial shares of Hemisphere, Galaxy and Silicon:

14. It is alleged that the funding given to the aforesaid three employees of DHFL to subscribe to the initial shares of Hemisphere, Galaxy and Silicon, was provided by Wadhawan Holding Private Limited (WHPL) and other promoter/ promoter group controlled entities. The same is reflected from transactions in the bank statements of these three employees, as shown below:

Funding for initial shares of Hemisphere and Galaxy:

14.1 WHPL, which is the Promoter of DHFL, transferred Rs. 5,00,000 to the account of BKM on September 13, 2007, and on the same day BKM paid Rs. 50,000 each, for subscribing to the initial shares of Hemisphere and Galaxy.

14.2 Similarly, it is observed that companies Variya Hospitality and Investments Pvt. Ltd. (VHIPL) and DHFL Venture Capital Pvt. Ltd., which belong to the Wadhawan Group, transferred Rs. 6,50,000 and Rs. 50,000, respectively, to the account of KKP on September 14, 2007, and on the same day he paid Rs. 50,000 each, for subscribing to the initial shares of Hemisphere and Galaxy.

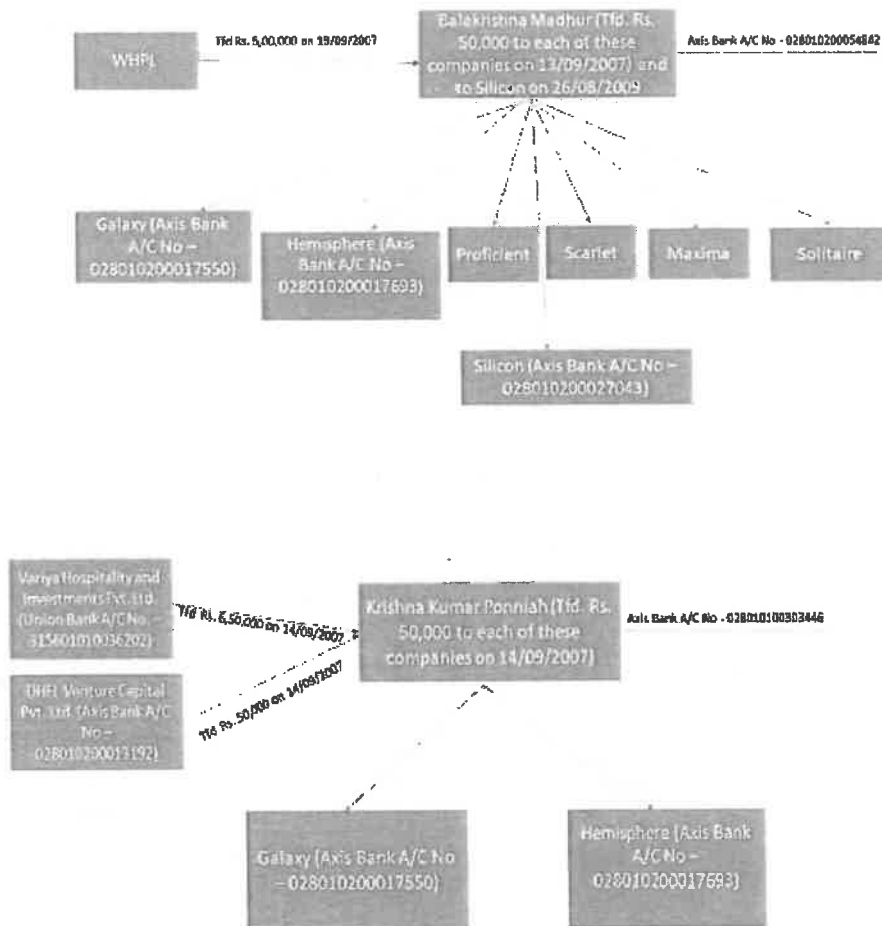
14.3 It is observed that Mr. Kapil Wadhawan, Promoter of DHFL, was a director in DHFL Venture Capital Pvt. Ltd. (now known as Arthveda Fund Management Pvt. Ltd.) during the period May 12, 2005, to September 19, 2018. Also, Mr. Kapil Wadhawan, promoter of DHFL, was director of VHIPL during the period March 27, 2008 to March 30, 2013. VHIPL, at the time of the fund transfer to KKP, was part of the Wadhawan Group as Malti and Pooja Wadhawan (Promoters of DHL) were directors of this company during that period.

14.4 The fund flow is shown diagrammatically as below:



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Funding for initial shares of Silicon:

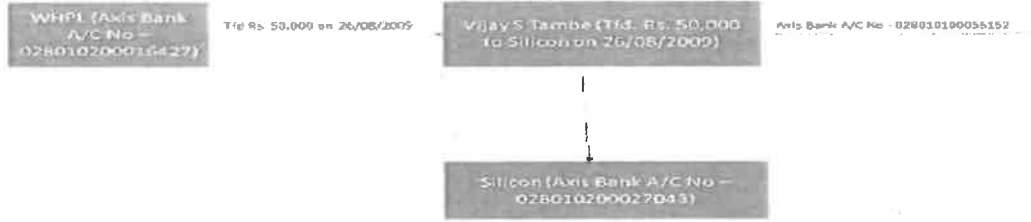
14.5 It is also observed that WHPL transferred Rs. 50,000 to the account of VT on August 26, 2009, and on the same day he paid Rs. 50,000 for subscribing to the initial shares of Silicon. Further, it is also observed that BKM paid Rs. 50,000 for subscribing to the shares of Silicon on August 26, 2009.

14.6 It was also observed from bank account KYC of WHPL, obtained from Union Bank of India, that Mr. Kapil Wadhawan was one of the authorized signatories for the bank account of WHPL from where the above mentioned fund transfers were made. This fund flow is diagrammatically shown below:



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15. From the above, it is alleged that entities related to the promoter/ promoter group of DHFL have provided the funds to KKP, BKM and VT, which were then used for the initial subscription to the shares of Hemisphere, Galaxy and Silicon. The relevant bank statements are placed as **Annexure - F**.
16. Further, during statement recording of KKP, BKM and VT, the following was submitted by them:
- 16.1 All three have submitted, *inter alia*, that they subscribed to the initial shares of Hemisphere, Galaxy and Silicon on the instructions of their then boss i.e., Mr. Kapil Wadhawan, the promoter of DHFL.
 - 16.2 They have also submitted that these three companies were under the control of the same management i.e., Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan directly/indirectly through crossholdings since their inception.
 - 16.3 Further, KKP and VT have submitted that these companies were persons acting in concert with the Wadhawan Group.

The statements of the three employees are placed as **Annexure - D**.

Funding for initial purchase of shares of DHFL:

17. It is further alleged that Hemisphere, Galaxy and Silicon were directly/ indirectly funded by promoter and/ or promoter controlled entities of DHFL, to purchase the shares of DHFL. Details of the funding provided for the initial purchase of shares of DHFL by these three companies is given below:

First purchase of DHFL shares by Silicon:

- 17.1 During the period August 21-26, 2009, Silicon received Rs. 1,93,00,000 from a company named Bodhisatva Realtors Pvt. Ltd. (BRPL). Subsequent to receiving these funds, Silicon purchased around 1,40,000 shares of DHFL between the period August 26, 2009, to August 28, 2009, which was their first purchase in the scrip of DHFL.
- 17.2 It is also observed that during the period August 21-26, 2009, within a span of five days, BRPL received, through three transactions, a total of Rs. 1,93,25,000 from WHPL, the promoter of DHFL.



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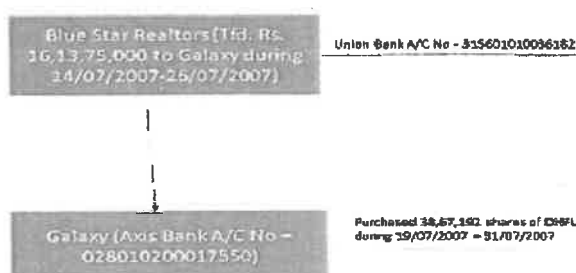
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17.3 The flow of funds is diagrammatically shown as below:



First purchase of DHFL shares by Galaxy:

17.4 Galaxy received Rs. 16,13,75,000 from a company named Blue Star Realtors Pvt. Ltd. (BSRPL) during the period July 14-26, 2007, through five transactions. Subsequent to receiving these funds, Galaxy purchased around 19,33,596 shares of DHFL between the period July 19-31, 2007, which was their first purchase in the scrip of DHFL. The flow of funds is diagrammatically shown as below:



17.5 In this regard, it was observed that Mr. Dheeraj Wadhawan, promoter of DHFL, was the director of BSRPL during the period December 08, 2003, to June 10, 2008, i.e., he was a director when the aforesaid fund transfer was made from BSRPL to Galaxy. Further, Mr. Sarang Rakesh Wadhawan, also a promoter of DHFL, subsequently became the director of BSRPL from June



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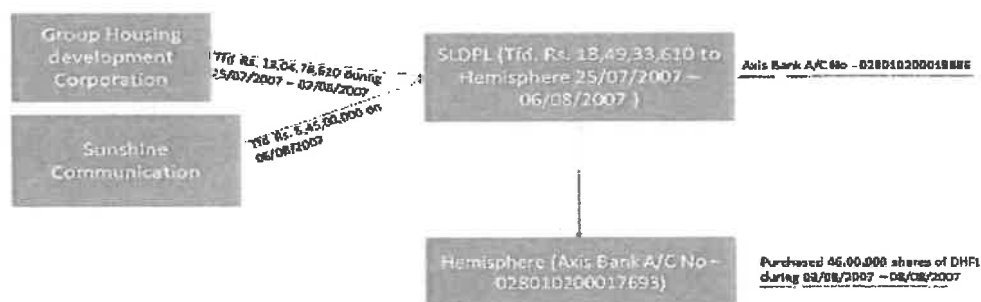
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10, 2008, to April 26, 2018.

- 17.6 The KYC of BSRPL, obtained from Union Bank of India, shows that Mr. Kapil Wadhawan, promoter of DHFL, was one of the authorized signatories as on July 03, 2006, for the account of BSRPL from where funds were transferred to Galaxy. Mr. Dheeraj Wadhawan, promoter of DHFL, was one of the applicants for opening this bank account of BSRPL. Also, as per the documents with the KYC, it can be seen that BKM, employee of DHFL and initial subscriber and director of Silicon, Galaxy and Hemisphere, was also one of the initial subscribers and director of BSRPL. These documents are placed as Annexure E and Annexure – G.

First purchase of DHFL shares by Hemisphere:

- 17.7 During the period July 25-August 06, 2007, Hemisphere received Rs. 18,49,33,610 from a company named Sapphire Land Development Pvt. Ltd. (SLDPL). Subsequent to receiving these funds, Hemisphere purchased around 23,00,000 shares of DHFL between the period August 03-August 08, 2007, which was their first purchase in the scrip of DHFL. The flow of funds is diagrammatically shown as below:



- 17.8 The source of the aforesaid funds received from SLDPL is as follows (by examination of bank statement of SLDPL):

Sr. No.	Date	Amount (In Rs.)	Received from	Connection with promoters of DHFL
1	July 25, 2007	9,91,33,610.	Group Housing Development Corporation (GHDC)	BKM was one of the directors of both SLDPL and GHDC, along with other directors, who were also directors of Wadhawan Group of Companies at different time period between 2007-
2	July 28, 2007	2,07,45,000.	GHDC	



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Sr. No.	Date	Amount (In Rs.)	Received from	Connection with promoters of DHFL
3	August 02, 2007	1,06,00,000.	GHDC	2019
4	August 06, 2007	5,45,00,000.	Sunshine Communication Private Limited (SCPL)	Directors of SCPL were directors of Wadhawan Group of Companies at different time period between 2007-2019
Total		18,49,78,610.		

18. From the above observations regarding source of funds provided to Hemisphere, Galaxy and Silicon, it is alleged that entities, which are directly/indirectly controlled by the promoter/ promoter group of DHFL, provided the funds to Hemisphere, Galaxy and Silicon for their initial purchase of DHFL shares. The relevant bank statements in this regard are placed as **Annexure – H**.

Other connections between Hemisphere, Galaxy and Silicon and DHFL/ Promoters of DHFL:

19. Examination of the bank statements of relevant entities, KYC documents, MCA records, replies of Hemisphere, Galaxy and Silicon to SEBI's queries during investigation, statements of employees of DHFL, etc., the following additional observations are made:

19.1 BKM, on the same day that he received Rs. 5 lakhs from WHPL, paid Rs. 50,000 each for subscribing to the initial shares of companies namely Proficient Real Estate Develop. Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Maxima Agrottrade Pvt. Ltd., Solitaire Real Tech Pvt. Ltd., etc. It is observed that some of these companies later on became the shareholders of Silicon, Hemisphere and Galaxy and some of them continue to be their shareholders.

19.2 It was also observed from the bank statement of BKM that he has continuously transacted with WHPL and DHFL Venture Capital India Pvt. Ltd. i.e., with promoter and associated entities of DHFL.

19.3 BRPL purchased the shares of Galaxy and Hemisphere subsequent to the initial subscription of their shares. Further, as per the information submitted by these three companies, as on March 31, 2018, BRPL was one of their shareholders holding around 4% each along with around other 25 companies.

19.4 SLDPL received Rs. 12,03,96,646 from a company named Sunshine Communication Private Limited (SCPL) on August 17, 2007. Mr. Hetin Ramesh Sakhuja and Mr. Vasant Dattatraya Gavade, who were the directors of SCPL during the time funds were transferred to SLDPL, were also directors in other companies belonging to the Wadhawan Group at different time periods between 2007-2019, which is evident from the details of their directorship (**Annexure – E**). Subsequently, it was observed that Galaxy received Rs. 15,77,54,735 from SLDPL





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between August 17-22, 2007, through two transactions.

19.5 It is observed that 14 entities viz., Bodhisatva Realtors Pvt. Ltd., Canary Hospitality Pvt. Ltd., Daffodil Realtors Pvt. Ltd., Emblem Realtors Pvt. Ltd., Entity Realtors Pvt. Ltd., Escalate Realtors Pvt. Ltd., Grand Reality India Pvt. Ltd., Hireward Finco Pvt. Ltd., Marari Hospitality Pvt. Ltd., Rooftop Infraprojects Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Stunner Merchandising Pvt. Ltd., Ultratech Project Management and Services Pvt. Ltd. and Victor Infratech Pvt. Ltd., who were also shareholders in Hemisphere, Galaxy & Silicon, deposited funds amounting to INR 2,258 Cr during the period April, 2015 – December, 2018, in the bank account bearing number 315601010014098 (Union Bank), which belongs to DHFL (document placed at Annexure - I).

19.6 Kyta Advisors Pvt. Ltd., part of the Wadhawan Group, in FY 2014-15, made preferential allotment of equity/preference shares to the aforesaid 14 entities who were also the shareholders in Hemisphere, Galaxy & Silicon. The same was also observed from the submissions made by Union Bank and KPMG, which had carried out a special review of DHFL for Union Bank of India (Annexure - I). Further, KPMG has also submitted that Silicon, Galaxy and Hemisphere together held 9.97% shares in DHFL as on March 31, 2018, which represents additional indirect holding of 9.97% by the promoters of DHFL.

19.7 The three companies in their reply have submitted that they are not associated with each other and/or with the promoters of DHFL. However, it was observed from the shareholding pattern submitted by the three companies (as on March 31, 2018) that they are held by same group of companies through cross holdings, where each company is holding around 2%-6% in each of these three companies (Annexure - J). It was also observed that directors in many of these companies are also directors in companies belonging to the Wadhawan Group at different point of time during the period 2007-2019. Also, some of these companies namely Proficient Real Estate Develop. Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Maxima Agrotech Pvt. Ltd., Solitaire Real Tech Pvt. Ltd. are allegedly directly/indirectly funded by the promoter/promoter group of DHFL, as BKM had subscribed to the initial shares of some of these entities from the funds received from WHPL.

19.8 It was observed that Silicon and Hemisphere have the same address i.e., G-1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Santacruz (East), Mumbai City - 400055 along with Coral Inn Private Limited (CIPL). In this regard, it was observed that Mr. Dheeraj Wadhawan and Mr. Kapil Dheeraj Wadhawan, promoters of DHFL, were the directors of CIPL during the period July 10, 2008 to August 04, 2008. Further, it was observed as per the information submitted by the said three companies, CIPL was one of their shareholders holding around 4%-4.5% in each company, along with 25 other companies, as on March 31, 2018.



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19.9 Mr. Hemant Bhatia, employee of WHPL from June, 2006, to March, 2020, introduced Hemisphere, Galaxy and Silicon on behalf of WHPL, the promoter of DHFL, for opening their trading account with Siblings Securities Pvt. Ltd. As submitted by Mr. Bhatia, the same was done on the instructions of his then boss Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, promoters of DHFL (Annexure - K).

19.10 Further, it was observed from the submissions made by one Mr. Javed Abdulkadar Shaikh during statement recording (Annexure - L) that he became a director in Galaxy only on the instructions of someone else whereas his daily routine work is of welding which allegedly reflects that he was only acting as a dummy director in company controlled directly/indirectly by the promoter/promoter group of DHFL.

20. In view of the above, it is alleged that the disclosed promoter/ promoter group of DHFL were in control of Hemisphere, Galaxy and Silicon since the inception of these companies and hence, the disclosed promoter/ promoter group of DHFL and these three companies are part of the disclosed promoter group though not disclosed as such. Therefore, it is also alleged that Hemisphere, Galaxy and Silicon are deemed to be Persons Acting in Concert (PACs) with the disclosed promoter/ promoter group of DHFL as acquirer.

21. Further, in view of the above discussions regarding DHFL employees being directors, funding provided for subscription of shares and for purchase of DHFL shares, it is also alleged that Hemisphere, Galaxy and Silicon are Persons Acting in Concert (PACs) with the acquirer/disclosed promoter/ promoter group of DHFL and have directly/ indirectly cooperated with each other with common objective of the substantial acquisition of additional shares of DHFL.

22. In view of the aforesaid, it is alleged that in terms of the provisions of the SAST 1997 and SAST 2011, Hemisphere, Galaxy and Silicon (Noticees 13, 14 and 15) by being part of promoters ought to have been disclosed as promoter group along with the disclosed promoter/ promoter group of DHFL and are therefore deemed to be persons acting in concert (PACs) and were being controlled and owned directly/indirectly by the promoter/ promoter group of DHFL i.e., Wadhawan Family/Wadhawan Group (Noticee 1 to Noticee 12), through a web of cross holdings in companies and directorship since the inception of these three companies. It is also alleged that these three companies were created only to substantially acquire additional shares of DHFL and therefore, Noticee 13 to 15 are PACs with Noticees 1 to 12.

C. Allegations pertaining to Open Offer violations:

23. It is alleged that acquisition of shares by these companies viz., Hemisphere, Silicon and Galaxy and/or by the disclosed promoter of DHFL while acting in concert, together exceeded the prescribed limit

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wherein public announcement for open offer was required to be made by the promoter/ promoter group of DHFL.

24. The relevant provisions of the SAST 1997 and SAST 2011 are reproduced below:

SAST 1997

Consolidation of holdings.

11. (1) No acquirer who, together with persons acting in concert with him, has acquired, in accordance with the provisions of law, 15 per cent or more but less than fifty five per cent (55%) of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than 5% of the voting rights, with post acquisition shareholding or voting rights not exceeding fifty five per cent, in any financial year ending on 31st March unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.

(2) No acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, shall acquire either by himself or through or with persons acting in concert with him any additional shares entitling him to exercise voting rights or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations:

SAST 2011

Substantial acquisition of shares or voting rights.

3.(1)...

(2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.

Explanation.—For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation,—

(i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding



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or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.

(ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

25. It is alleged that at the instances mentioned in the table placed as **Annexure - B**, the acquirer i.e., the disclosed promoter/ promoter group of DHFL, together with the three companies who are alleged to be PACs with it, hold 55% or more but less than 75% of the shares/ voting rights in DHFL i.e., the target company. It is further alleged that the acquirer has along with these three PACs have acquired additional shares entitling it to exercise voting rights, without having made a public announcement of open offer, which is required as per Regulation 11(2) of the SAST 1997. The dates when the open offer requirements under Regulation 11(2) of the SAST 1997 get triggered are given below:

Date of Acquisition	Open Offer Trigger SAST 1997
19-Jul-07	11(2) of SAST Regulations, 1997
24-Jul-07	11(2) of SAST Regulations, 1997
26-Jul-07	11(2) of SAST Regulations, 1997
31-Jul-07	11(2) of SAST Regulations, 1997
3-Aug-07	11(2) of SAST Regulations, 1997
8-Aug-07	11(2) of SAST Regulations, 1997
16-Jan-08	11(2) of SAST Regulations, 1997
26-Mar-08	11(2) of SAST Regulations, 1997
13-Oct-08	11(2) of SAST Regulations, 1997
14-Oct-08	11(2) of SAST Regulations, 1997
15-Oct-08	11(2) of SAST Regulations, 1997
16-Oct-08	11(2) of SAST Regulations, 1997
20-Oct-08	11(2) of SAST Regulations, 1997
16-Jul-09	11(2) of SAST Regulations, 1997

26. It is alleged that at the instances mentioned in the table placed as **Annexure - B**, the acquirer i.e., the disclosed promoter/ promoter group of DHFL, together with the three companies who are alleged to be PACs with it, has acquired 15% or more but less than 55% of the shares/ voting rights in DHFL. It is further alleged that the acquirer has itself or through or with these three PACs have acquired additional shares/ voting rights entitling it to exercise more than 5% of the voting rights, in the relevant financial year ending on March 31, without having made a public announcement of open offer, which is required as per Regulation 11(1) of the SAST 1997. The dates when the open offer requirements under Regulation 11(1) of the SAST 1997 get triggered are given below:



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Date of Acquisition	Open Offer Trigger SAST 1997
19-Mar-10	11(1) of SAST Regulations, 1997
11-Aug-10	11(1) of SAST Regulations, 1997

27. It is alleged that at the instances mentioned in the table placed as **Annexure – B**, the acquirer i.e., the disclosed promoter/ promoter group of DHFL, together with the three companies who are alleged to be PACs with it, has acquired and holds shares/ voting rights in the target company i.e., DHFL, entitling them to exercise 25% or more of the voting rights in DHFL but less than the maximum permissible non-public shareholding. It is further alleged that the acquirer, together with these three PACs, has acquired within a financial year additional shares/ voting rights in DHFL entitling them to exercise more than 5% of the voting rights, without having made a public announcement of open offer for acquiring shares, which is required as per Regulation 3(2) of the SAST 2011. The dates when the open offer requirements under Regulation 3(2) of the SAST 2011 get triggered are given below:

Date of Acquisition	Open Offer Trigger SAST 2011
27-Mar-12	3(2) of SAST Regulations 2011
11-Jul-13	3(2) of SAST Regulations 2011
25-Mar-14	3(2) of SAST Regulations 2011
28-Mar-14	3(2) of SAST Regulations 2011
25-Oct-16	3(2) of SAST Regulations 2011

28. The details of all alleged open offer violations by Noticee 1 to 15 due to the non-disclosure of the three companies as part of the promoter/ promoter group of DHFL are placed as **Annexure – B**. The source of these details of acquisition is from BSE website, NSDL, CDSL and RTA i.e. Linkintime. (**Annexure - M**).

D. Allegations pertaining to Disclosure violations:

29. It is alleged that the disclosed promoter/ promoter group of DHFL and Hemisphere, Galaxy and Silicon have violated provisions of SAST 1997 and SAST 2011 due to acquisition/ sale of shares by the alleged PACs viz., Hemisphere, Galaxy and Silicon and/or by the disclosed promoter of DHFL while acting in concert, together exceeded the prescribed limit wherein disclosures are required to be made in terms of the relevant regulations.

30. The relevant provisions of the SAST 1997 and SAST 2011 are reproduced below:

SAST 1997

Disclosure of acquisition and disposal.

7(1A) Any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, or under second proviso to sub-regulation (2) of regulation 11 shall disclose purchase or



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sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Continual disclosures.

8. (1)...

(2) *A promoter or every person having control over a company shall, within 21 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, disclose the number and percentage of shares or voting rights held by him and by persons acting in concert with him, in that company to the company.*

SAST 2011

Disclosure of acquisition and disposal.

29.(1)..

(2) *Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.*

Continual disclosures.

30(1) ...

(2) *The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.*

(3) *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—*

- (a) *every stock exchange where the shares of the target company are listed; and*
- (b) *the target company at its registered office.*

Repeal and Savings.

35.(1)...

31. It is alleged that at the instances mentioned in the table placed as **Annexure - B**, the acquirer i.e., the disclosed promoter/ promoter group of DHFL together with the three companies who are alleged to be PACs with it, having acquired shares/ voting rights of DHFL has failed to disclose the purchase/ sale aggregating 2% or more of the share capital of DHFL to DHFL and to the stock exchanges where





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shares of DHFL are listed, within two days of such purchase/ sale along with the aggregate shareholding after such acquisition/ sale, as was required to be done under Regulation 7(1A). The dates when these disclosures were required to be made under Regulation 7(1A) of the SAST 1997 are given below:

Date	Disclosure Requirement SAST 1997/2011
24-Jul-07	7(1A) of SAST Regulations, 1997
3-Aug-07	7(1A) of SAST Regulations, 1997
21-Mar-08	7(1A) of SAST Regulations, 1997
26-Mar-08	7(1A) of SAST Regulations, 1997
17-Oct-08	7(1A) of SAST Regulations, 1997
6-Nov-08	7(1A) of SAST Regulations, 1997
1-Jul-09	7(1A) of SAST Regulations, 1997
13-Jul-09	7(1A) of SAST Regulations, 1997
16-Jul-09	7(1A) of SAST Regulations, 1997
10-Mar-10	7(1A) of SAST Regulations, 1997
11-Mar-10	7(1A) of SAST Regulations, 1997
19-Mar-10	7(1A) of SAST Regulations, 1997
9-Jul-10	7(1A) of SAST Regulations, 1997
11-Aug-10	7(1A) of SAST Regulations, 1997
13-Dec-10	7(1A) of SAST Regulations, 1997

32. It is alleged that at the instances mentioned in the table placed as Annexure - B, the disclosed promoter/ promoter group of DHFL, together with the three companies who are alleged to be PACs with it, held shares/ voting rights entitling them to 5% or more of the shares/ voting in DHFL. It is alleged that the disclosed promoter/ promoter group of DHFL together with the alleged PACs have failed to disclose the number of shares/ voting rights held and change in shareholding/ voting rights, even if such change has resulted in shareholding falling below 5% and such change exceeds 2% of total shareholding/ voting rights in DHFL. The dates when these disclosures were required to be made under Regulation 29(2) of the SAST 2011 are given below:

Date	Disclosure Requirement SAST 1997/2011
30-Nov-11	29(2) of SAST Regulations 2011
22-Mar-13	29(2) of SAST Regulations 2011
13-Apr-13	29(2) of SAST Regulations 2011
19-Mar-14	29(2) of SAST Regulations 2011
25-Mar-14	29(2) of SAST Regulations 2011
26-Mar-14	29(2) of SAST Regulations 2011
28-Mar-14	29(2) of SAST Regulations 2011
25-Oct-16	29(2) of SAST Regulations 2011
30-May-18	29(2) of SAST Regulations 2011



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Date	Disclosure Requirement SAST 1997/2011
21-Sep-18	29(2) of SAST Regulations 2011
27-Feb-19	29(2) of SAST Regulations 2011
5-Mar-19	29(2) of SAST Regulations 2011

33. The details of all alleged disclosure violations by Noticee 1 to 15 are placed as **Annexure - B**. The source of this details of acquisition is from BSE website, NSDL, CDSL and RTA i.e. Linkintime (**Annexure - M**).

34. In addition to the alleged violations mentioned above, it is alleged that the Noticees 1 to 15 have also violated the following:

34.1 **Noticees 1 to 15:** It is alleged that these Noticees have violated Regulation 8(2) of the SAST 1997 read with Regulation 35 of the SAST 2011 as by being the promoter/promoter group and having control over DHFL, they have not disclosed the number and percentage of shares or voting rights held by them and by Hemisphere, Galaxy and Silicon, as on March 31 for the year ending 2008, 2009, 2010 and 2011, to DHFL. It is observed that as per the submissions made by NSE and BSE, the three entities viz., Hemisphere, Galaxy and Silicon have neither been disclosed as part of the promoter/ promoter group nor as PACs, as per the disclosures filed by the promoters under SAST 1997 and their shareholdings were wrongly shown under the public category (**Annexure - N**).

34.2 **Noticees 1 to 15:** It is alleged that these Noticees have violated Regulation 30(2) read with Regulation 30(3) of the SAST 2011, as by being the promoter/promoter group of DHFL, they have not disclosed their aggregate shareholding and voting rights held together with Hemisphere, Galaxy and Silicon, in DHFL, as on March 31 for the year ending 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019, to DHFL and to the stock exchanges where DHFL is listed. It is observed that as per the submissions made by NSE and BSE, the three entities viz., Hemisphere, Galaxy and Silicon have neither been disclosed as part of the promoter/ promoter group nor as PACs, as per the disclosures filed by the promoters under SAST 2011 and their shareholdings were wrongly shown under the public category (**Annexure - N**).

E. Summary of Allegations:

35. The allegations made against the Noticees are summarized below:

Sl. No.	Name	Nature of violations	Regn. violated	Charging provision
1	Noticees 1 to 15	The disclosed promoter/ promoter group of DHFL, along with these three companies,	Regulations 11(1) and 11(2)	Section 15H (ii) of the



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Sl. No.	Name	Nature of violations	Regn. violated	Charging provision
		have violated provisions of SAST 1997 and SAST 2011 due to acquisition of shares by these three companies and/or by the disclosed promoter of DHFL while acting in concert, together exceeded the prescribed limit wherein public announcement for open offer was required to be made in terms of the said regulations.	of the SAST 1997 read with Regulation 35 of the SAST 2011 Regulation 3(2) of the SAST 2011	SEBI Act
		The disclosed promoter/ promoter group of DHFL, along with these three companies, have violated provisions of SAST 1997 and SAST 2011 due to acquisition/ sale of shares by these three companies and/or by the disclosed promoter of DHFL while acting in concert, together exceeded the prescribed limit wherein disclosures were required to be made in terms of the said regulations.	Regulation 7(1A) of the SAST 1997 read with Regulation 35 of the SAST 2011 Regulation 29(2) of the SAST 2011	Section 15A(b) of the SEBI Act
		The disclosed promoter/ promoter group of DHFL, along with these three companies, have violated provisions of SAST 1997 and SAST 2011 they have not disclosed the number and percentage of shares or voting rights held by them and by Hemisphere, Galaxy and Silicon, as on March 31 for various financial years, to DHFL and to the stock exchanges.	Regulation 8(2) of the SAST 1997 read with Regulation 35 of the SAST 2011 Regulation 30(2) read with Regulation 30(3) of the SAST 2011	Section 15A(b) of the SEBI Act

36. In light of the above, Noticees 1 to 15 are hereby called upon to show cause as to

36.1 why suitable directions, including direction to make open offer, under Sections 11B(1) and 11(4) of the SEBI Act and Regulation 32 of the SAST 2011 read with Section 11(1) of SEBI Act, 1992, should not be issued against them,

36.2 why suitable directions for imposing penalty under Sections 11B(2) and 11(4A) of the SEBI Act read with Section 15H(ii) of SEBI Act and SEBI (Procedure for Holding Inquiry



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and Imposing Penalties) Rules, 1995, should not be issued against them for allegedly failing to make public announcement for open offer in violation of Regulations 11(1) & 11(2) of the SAST 1997 read with Regulation 35 of SAST 2011 and Regulation 3(2) of the SAST 2011 and

36.3 why suitable directions for imposing penalty under Sections 11B(2) and 11(4A) read with Section 15A(b) of the SEBI Act and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, should not be issued against them for failing to disclose the aggregate shareholding in violation of Regulations 7(1A) and 8(2) of the SAST 1997 and Regulations 29(2) and 30(2) read with 30(3) of the SAST 2011 read with Regulation 35 of the SAST 2011

37. The written submissions of the Noticees, if any, along with documentary evidences that the Noticees chooses to rely upon in support of their submissions, should reach the undersigned, at the address given below and also in softcopy (in MSWORD format) by e-mail at email-ids (samratd@sebi.gov.in, govindg@sebi.gov.in and priyanks@sebi.gov.in), within 21 days from the date of receipt of this notice, failing which it shall be construed that Noticees have no reply to submit and SEBI shall be free to take action against them on the basis of evidence available on record in terms of the provisions of SEBI Act and other applicable laws.

**Securities and Exchange Board of India
SEBI Bhavan-II, Plot No. C-7, G Block,
BandraKurla Complex, Bandra (E),
Mumbai-400 051**

38. The Noticees are advised to keep SEBI informed about the change in their correspondence address, if any, till the proceedings in the extant matter are complete.
39. Further, the Noticees are hereby advised to keep SEBI informed of all type of bank accounts (savings, deposits, recurring, current, etc.) mentioning the account no., name and address of the bank/branch held by them, details of all demat accounts / mutual fund units held by them and list of all the movable/immovable assets owned by them.
40. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulation, 2018. If the Noticees wish to opt for the settlement process, they may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, the Noticees may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.



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41. The documents relied upon in the notice have been annexed as per the list of enclosures.

8/16/09/2021
Samrat Dutta



Enclosed:

A CD containing the following Annexures in soft copy form

List of documents		
Sr. No.	Documents	Annexure
1	Copy of complaint dated January 15, 2019 from Dr. Kislay Panday (Solicitor on behalf of Vikash Shekhar)	A
2	Details of acquisitions and sale of shares of DHFL by the disclosed promoter/ promoter group and by Hemisphere, Galaxy and Silicon.	B
3	Details and documents obtained from MCA	C
4	Statements of Balakrishna Madhur, Krishna Kumar Ponniah and Vijay S Tambe along with documents provided by them.	D
5	Details obtained from MCA	E
6	Bank Statements	F & H
7	KYC and other documents	G
8	Submissions from Union Bank and KPMG	I
9	Submissions from Hemisphere, Galaxy and Silicon	J
10	Statement of Hemant Bhatia	K
11	Statement of Javed Abdulkadar Shaikh	L
12	Details obtained from BSE website, NSDL, CDSL and Linkintime	M
13	Submissions from BSE and NSE	N