BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/RK/2024-25/30809]

UNDER SECTION 15-I OF THE 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

Name of the Entity	PAN
BGR Energy Systems Limited	AABCG2202J

In the matter of **"BGR Energy Systems Limited"**

BACKGROUND

1. Securities and Exchange Board of India **("SEBI")** conducted an examination in the matter of BGR Energy Systems Limited (hereinafter referred to as the **"BGR/Noticee/Company"**), a company listed on Bombay Stock Exchange Limited **("BSE")** and National Stock Exchange ("**NSE**"). The examination was to ascertain whether there was any violation of the provisions of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, (hereinafter referred to as **"LODR Regulations")** by the Noticee. During the examination, it was observed that the Noticee allegedly failed to comply with the provisions of LODR Regulations and various SEBI Circulars.

2. SEBI had therefore initiated adjudication proceedings against the Noticee to inquire into and adjudge the alleged violations of the provisions of LODR Regulations and SEBI circulars as tabulated in table 1 below and to impose penalties under Sections 15A(b) and 15HB of the SEBI Act upon the Noticee:

<u>Table 1</u>:

Sr. No.	**Alleged Violations by Noticee**	**Regulatory provisions**
1.	Failure to disclose financial statements of two subsidiaries on website of the Noticee.	Regulation 46(2)(s) of LODR Regulations.
2.	Failure to disclose impact of termination of contracts.	Regulation 30(1) read with 30(2) and Clause 5 of Para A of Part A of Schedule III of LODR Regulations and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.
3.	Delayed disclosure of filing of application for initiation of Corporate Insolvency Resolution Process (CIRP).	Regulation 30(1) read with 30(2) and Regulation 30(6)(iii) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.
4.	Failure to disclose filing of application of CIRP by Premium Transmission Private Limited.	Regulation 30(1) read with 30(2) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.
5.	Failure to intimate change in Directors within 24 hours	Regulation 30(1) read with 30(2) and Clause 7 of Para A of Part A of Schedule III of LODR Regulations.
6.	Delayed disclosure of material update on receipt of funds after conciliation proceedings.	Regulation 30(7) read with 30(6)(ii) of LODR Regulations.
7.	Delayed disclosure of repayment of Loan.	Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule III of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

Sr. No.	Alleged Violations by Noticee	Regulatory provisions
8.	Non-filing & delayed filing of quarterly disclosure for default in repayment of loan.	Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule III of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.
9.	Failure to take prior approval of Audit Committee and shareholders for material Related Party Transaction (RPT)	Regulation 23(2) and 23(4) of LODR Regulations.
10.	Failure to appoint its Independent Directors on the board of material unlisted subsidiaries	Regulation 24(1) of LODR Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. In this regard, SEBI appointed the undersigned as the Adjudicating Officer **("AO")** vide order dated June 10, 2024, communicated vide communique dated July 29, 2024 under Section 15-I of the SEBI, 1992 (hereinafter referred to as **"SEBI Act"**) read with Rule 3 of the SEBI (Procedure for Holding Inquire and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"SEBI Adjudication Rules**") to inquire into and adjudge under Sections 15HB and 15A(b) of the SEBI Act for the alleged violations by the Noticee, as applicable for the aforesaid alleged violations.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A Show Cause Notice No SEBI/HO/EAD/EAD3/P/OW/2024/000/24920/1 dated August 02, 2024 (hereinafter referred to as *the "**SCN"***) was issued to the Noticee in terms of Section 15-I of the SEBI Act, 1992 read with Rule 4 of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held against it and penalty,

if any, be not imposed upon it under Sections 15HB and 15A(b) of the SEBI Act, as applicable for the alleged violations.

5. The said SCN was served upon the Noticee via SPAD and digitally signed email dated August 02, 2024. The proof of service is on record. Vide email dated August 14, 2024, Noticee requested for extension of time to file reply in the matter and intimated that its operation had been halted for 3 weeks and is fully disrupted owing to the NCLT order putting it under liquidation. Accordingly, vide email dated August 21, 2024, the Noticee was advised to provide said NCLT order along with the duration of such liquidation and was also advised to clarify whether any moratorium had been imposed upon it under the provisions of IBC 2016. Noticee provided a copy of NCLT (Amaravati Bench) Order dated April 03, 2024 wherein moratorium was imposed upon it under Section 14 of IBC and NCLAT (Chennai) order dated April 20, 2024 wherein NCLAT had set aside the aforesaid NCLT order due to the settlement between the parties. Therefore, there was no moratorium on the Noticee w.e.f April 20, 2024. Accordingly, vide email dated August 26, 2024, the Noticee was advised to submit reply to the SCN, latest by August 31, 2024. In response, Noticee vide its email dated August 31, 2024 submitted reply to the SCN.

6. In the interest of natural justice and in order to conduct an inquiry in terms of Rule 4(3) of the SEBI Adjudication Rules, Noticee was provided with an opportunity of personal hearing on September 18, 2024 vide hearing Notice dated September 03, 2024. However, vide Gazette Notification dated September 13, 2024, September 18, 2024 was declared a public holiday. Accordingly, the said hearing was preponed and rescheduled to September 16, 2024. The said hearing was attended to by the

Authorized Representative (AR) of the Noticee wherein she reiterated the submission made by the Noticee vide letter dated August 31, 2024. The said AR was advised to submit documentary evidence in support of having received the letter of resignation from Mr S.A. Bohra on February 25, 2024 and whether the same was intimated to the exchanges immediately without any delay, as claimed by it in para 8 of its reply and Copy of agreement between the Noticee and Damodar Valley Corporation (DVC) w.r.t settlement amount.

7. The AR made additional submissions in the matter vide which it submitted that it had filed quarterly disclosure on April 22, 2024 regarding defaults for the quarter ended March 31, 2024 and provided the sought for documents vide email dated September 18, 2024. The submissions made by the Noticee vide letter dated August 31, 2024 and additional submission dated September 18, 2024 are summarized here under:

<u>Reply of the Noticee</u>

7.1 Noticee submitted that it was going through a difficult time and all its efforts were concentrated in the revival of the company and therefore, the requirement to upload the financials of the subsidiaries was missed out. However, the same was uploaded belatedly.

7.2 Noticee submitted that it had informed the details of the bagging of the contracts and had also informed that the entire contract was cancelled by the various entities and the impact was a loss of the value of the contract.

7.3 It further submitted that the stock exchanges on which its shares were listed had not raised any query on the disclosure made and impact was the loss of revenue to the extent of the entire contract.

7.4 Noticee submitted that all its energy was directed towards vacating of the petition that were filed and there was an inadvertent delay due to the absence of full-fledged staff.

7.5 Noticee submitted that due to the lack of staff and the concentration of all its energies in the vacation of the said proceedings before the Hon'ble NCLT, disclosure was not made.

7.6 Noticee submitted that Mr. Bohra had sent the letter from United States and it had received it only on February 25, 2024 in Indian time while other resignations were received only on February 26, 2024 by it and the same was intimated to the exchanges immediately on receipt and submitted that there was no delay.

7.7 Noticee submitted that the conciliation proceedings was entered into between the Noticee and DVC and the same was informed to stock exchange on September 06, 2023 within 24 hours of entering into the agreement on September 05, 2023 and complete details of the settlement was included in the disclosure.

7.8 It further submitted that it had merely received the consideration on November 16, 2023 and the same did not warrant any disclosure under Regulation 30 of the LODR Regulations and therefore, there was no non-compliance in this regard.

7.9 It also submitted that it had endeavored to clear its dues and was in constant touch with the bankers to clear all the dues and remove the NPA tag and have also been making disclosures to the exchanges on time and that the delays have occurred due to inadvertence and without any malice and malafide intention.

7.10 It submitted that it had made all the disclosures about the defaults from time to time.

7.11 Noticee submitted that it had filed the disclosure for quarter ended December 31, 2023 with a delay of 2 days because of inadvertence and requested to condone the delay.

7.12 It further submitted that it had been continuously communicating the information regarding downgrades, treating of the account as NPA and other details of outstanding amounts / defaults regularly to the stock exchanges.

7.13 Noticee submitted that it was in urgent requirement of funds and borrowed unsecured loans to the extent of Rs 85.86 Crores in first quarter of Financial year 2022-23 and again an amount of Rs 45.65 Crores in July and August 2022 thereby totaling Rs.131.51 crores.

7.14 It further submitted that all loans availed after September 2022 were only with the approval of the shareholders. The same was to meet the liquidity crisis that the company was going through and the transaction being a related party transaction was approved by the Audit Committee on August 12, 2022.

7.15 That as the amount exceeded the threshold for materiality, it had sought the approval of the shareholders by way of a ratification and the same was approved by the *shareholders with a majority of 64.74% (which excluded the promoter shareholders and included only the public shareholders).*

7.16 Noticee further submitted that it was an exigency measure and was only in the interest of the company which benefited by the infusion of funds and was not in the personal interest or favour of any of the promoters and therefore, it requested to condone the same in light of the approval by the shareholders and the beneficiary being its shareholders.

7.17 Noticee submitted that the independent directors were unwilling to be appointed on the board and hence it could not meet the requirement.

7.18 It lastly submitted that quarterly disclosure regarding defaults for the quarter ended March 31, 2024 had been filed on April 22, 2024.

CONSIDERATION OF ISSUES AND FINDINGS

8. The charges levelled against the Noticee, reply of the Noticee and the documents / material available on record has been carefully perused. The issues that arise for consideration in the present case are:

Issue No. I: Whether Noticee is in violation of the provisions of LODR Regulations and SEBI Circulars as mentioned in table 1 above?

Issue No. II: If yes, does the violation, on part of the Noticee would attract monetary penalty under Section 15A(b) of the SEBI Act for violations 1-8 and Section 15HB of the SEBI Act for violations 9 and 10 mentioned at table 1 above?

Issue No. III: If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act?

9. Before proceeding further with the matter, it is pertinent to mention the relevant provisions of the LODR Regulations and SEBI circulars alleged to have been violated by the Noticee. The same are reproduced below:

SEBI (LODR) Regulations, 2015

Website

46(2) *The listed entity shall disseminate the following information under a separate section on its website]:*

(s) *separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year]:*

Disclosure of events or information.

Related party transactions

23(2) *All related party transactions 127[and subsequent material modifications] shall require prior approval of the audit committee 128[of the listed entity]:*

[Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.]

Provided further that:

(a) *the audit committee of a listed entity shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;*

(b) *a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;*

(c) *with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year,* *exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;*

***(d)** prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.*

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.]

***(4)** All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2)] shall require prior] approval of the shareholders through resolution and no related party shall vote to approve] such resolutions whether the entity is a related party to the particular transaction or not:*

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

***Explanation:** For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.]*

[Provided further that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency

Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

Corporate governance requirements with respect to subsidiary of listed entity

24.(1) *At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not*

Explanation *- For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.]*

30(1) *Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.*

(2) *Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.*

[(6) *The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:*

(ii) *twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;*

(iii) *twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:*

(7) *The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.*

SCHEDULE III
PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES
[See Regulation 30]

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

5. *Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.*

6. *[Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad*

For the purpose of this sub-paragraph:

(i) *'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.*

(ii) *'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.*

Explanation 1- *In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.*

Explanation 2*- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.]*

7. *Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), 414[senior management,] Auditor and Compliance Officer.*

16. *The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:*

(b)*Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;*

Relevant SEBI Circulars

SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019

https://www.sebi.gov.in/legal/circulars/nov-2019/disclosures-by-listed-entities-of-defaults-on-payment-of-interest-repayment-of-principal-amount-on-loans-from-banks-financial-institutions-and-unlisted-debt-securities_45036.html

SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

https://www.sebi.gov.in/legal/circulars/jul-2023/disclosure-of-material-events-information-by-listed-entities-under-regulations-30-and-30a-of-securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-201-_73910.html

Issue No. I: Whether Noticee is in violation of the provisions of LODR Regulations and SEBI Circulars as mentioned in table 1 above?

Alleged Violation 1: Failure to disclose financial statements of two subsidiaries on website of the Noticee

10. With respect to the captioned allegation, it is observed that in terms of Regulation 46(2)(s) of the LODR Regulations, a listed entity is required to upload on its official website under a separate section audited financial statements of each subsidiary in respect of a relevant financial year, at least 21 days prior to the date of the Annual General Meeting called to inter alia consider accounts of that financial year.

11. In this regard, it is observed that the financial statements of the Noticee's subsidiary companies viz, BGR Boilers Private Limited and BGR Turbines Company Private Limited for FY 2022-23 were not found on its website and the said financial statements for the FY 2022-23 were uploaded by it belatedly. Further, it is observed that NSE vide its letter dated December 07, 2023 issued an advisory to the Noticee for the said non-compliance.

12. In view of the aforesaid non-compliance, it is alleged that the Noticee has violated Regulation 46(2)(s) by having failed to upload financial statement of BGR Boilers

Private Limited and BGR Turbines Company Private Limited for FY 2022-23 on its website.

13. Noticee submitted that it was going through a difficult time and all its efforts were concentrated in the revival of the company and therefore, the requirement to upload the financials of the subsidiaries was missed out. However, the same was uploaded belatedly.

14. It is noted that the Noticee has admittedly uploaded the audited financial statements of its subsidiary companies viz, BGR Boilers Private Limited and BGR Turbines Company Private Limited with delay, for FY 2022-23 which was required to be uploaded at least 21 days prior to the date of the Annual General Meeting called to inter alia consider accounts of the said financial year.

15. Accordingly, in view of the above, it stands established that the Noticee has violated Regulation 46(2)(s) of the LODR Regulations.

Alleged Violation 2: Failure to disclose impact of termination of contracts

16. It is observed that the Noticee vide its disclosure dated October 12, 2023, informed exchange that it had secured single largest order from Mangalore Refinery and Petrochemicals Limited ("MRPL") for supply of Air-Cooled Heat Exchanges (ACHE) wherein the value of contract was Rs 112.74 Crore (including taxes and duties).

17. Subsequently, Noticee vide another disclosure dated March 13, 2024, informed that MRPL had cancelled the said order due to non- adherence of time schedule of the

contract, non-compliances with the terms and conditions, non-performance and breach.

18. It is observed that the impact of the termination was required to be disclosed in terms of SEBI circular dated July 13, 2023 and the same was not covered in the said disclosure. Thus, allegedly the Noticee was non-compliant with provisions of the said Circular.

19. Similarly, the Noticee vide its disclosure dated January 24, 2024, informed that Tamil Nadu Transmission Corporations Limited had terminated the contract for an amount of Rs 224.29 crores (including GST) awarded to it on total turnkey basis, due to poor progress of work. Subsequently, vide separate disclosure dated January 31, 2024, the Noticee informed the termination of contract by U.P. Power Transmission Corporations Limited for an amount of Rs 173.47 Crore (including GST) awarded to it.

20. It is observed that the above termination of contracts with U.P. Power Transmission Corporations Limited and Tamil Nadu Transmission Corporations Limited were disclosed with delay.

21. In this regard, it is observed that the impact of the termination of contracts was required to be disclosed in terms of SEBI circular dated July 13, 2023 and the same was not covered in the said disclosures mentioned above. Thus, allegedly the Noticee was non-compliant with provisions of the said Circular.

22. In view of the above, it is alleged that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 5 of Para A of Part A of Schedule III of LODR Regulations and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 by having failed to disclose the impact of termination of contracts.

23. Noticee submitted that it had informed the details of the bagging of the contracts and had also informed that the entire contract was cancelled by the various entities and the impact was a loss of the value of the contract.

24. It further submitted that the stock exchanges on which its shares were listed had not raised any query on the disclosure made and impact is the loss of revenue to the extent of the entire contract.

25. It is noted that Noticee made the disclosure with respect to the termination/cancellation of the contract with MRPS and made delayed disclosure w.r.t termination of contract in the case of U.P. Power Transmission Corporations Limited and Tamil Nadu Transmission Corporations Limited. However, in all the three cases, Noticee admittedly did not disclose the impact of termination of contract required to be disclosed in terms of Clause 5 of Para A of Part A of Schedule III of LODR Regulations and SEBI Circular dated July 13, 2023, which read as mentioned herein below:

5. *Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.*

Clause 5.9(d) of Annexure A of SEBI Circular dated July 13, 2023

5.9. *in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):*
a) name of parties to the agreement;
b) nature of the agreement;
c) date of execution of the agreement;
d) details of amendment and impact thereof or reasons of termination and impact thereof.

26. The aforesaid Clause 5.9(d) clearly shows that the Noticee was duty bound to disclose the impact of the termination of contracts, which the Noticee failed to do. Noticee's submission that the impact was a loss does not absolve it from not making the required disclosures on impact of the termination. Further, the disclosure regarding impact of termination of contract was not dependent on the fact that the Noticee would have disclosed only after query being raised by exchange to disclose the said impact of termination. Therefore, submission of the Noticee is not tenable.

27. Accordingly, in view of the above, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 5 of Para A of Part A of Schedule III of LODR Regulations and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

Alleged Violation 3: Delayed disclosure of filing of application for initiation of Corporate Insolvency Resolution Process (CIRP)

28. As regards captioned allegation, it is observed that Regulation 30(6)(iii) read with Clause 16(b) of Para A of Part A of Schedule Ill of LODR Regulations inter alia require that disclosure should be filed immediately but not later than 24 hours w.r.t filing of application by financial creditors for initiation of CIRP against the corporate

debtor, also specifying the amount of default. In this regard, it is observed that Noticee had filed a delayed disclosure dated September 26, 2023 with the stock exchanges wherein it had inter alia informed the filing of application for initiation of CIRP by 31 applicants during the period August, 2021 to July, 2023.

29. In view of the aforesaid delayed disclosure filed by the Noticee, it is alleged that the Noticee has violated provision of Regulation 30(1) read with 30(2) and Regulation 30(6)(iii) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.

30. Noticee submitted that all its energy was directed towards vacating of the petition that were filed and there was an inadvertent delay due to the absence of full-fledged staff.

31. With regard to the aforesaid submission of the Noticee, it is noted that admittedly Noticee failed to disclose the filing of application for initiation of CIRP by 31 applicants during the period August, 2021 to July, 2023 within 24 hours in terms of Regulation 30(6)(iii) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations, which reads as mentioned below:

<u>Regulation 30(6)(iii)</u>

30[(6) *The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:*

(iii) *twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity*

<u>Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations</u>

16. *The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:*

(b)*Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;*

32. In view of the above delayed disclosure, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Regulation 30(6)(iii) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.

<u>Alleged Violation 4: Failure to disclose filing of application of CIRP by Premium Transmission Private Limited</u>

33. It is observed that the Noticee vide its disclosure dated September 03, 2023 submitted to stock exchanges that Premium Transmission Private Limited, an operational Creditor, had agreed to withdraw the petition filed before Hon'ble National Company Law Tribunal (NCLT) for initiation of CIRP. In this regard, it is observed that no disclosure had been filed by the Noticee for filing of application for initiation of CIRP against it.

34. In view of the aforementioned non-disclosure, it is alleged that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 16(b) of Para A of Part A of Schedule Ill of LODR Regulations.

35. Noticee submitted that due to the lack of staff and the concentration of all their energies in the vacation of the said proceedings before the Hon'ble NCLT, disclosure was not made.

36. From the above submission of the Noticee, it is noted that the Noticee had admittedly not made disclosure w.r.t the filing of application of CIRP by Premium Transmission Private Limited required to be disclosed in terms of Clause 16(b) of Para A of Part A of Schedule Ill of LODR Regulations. Further, it is noted that the lack of staff does not give a leeway to the Noticee to not comply with the requirements of disclosures. Therefore, submission of the Noticee is bereft of merits.

37. In view of the above, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.

Alleged Violation 5: Failure to intimate change in Directors within 24 hours

38. It is observed that the Noticee vide its disclosure dated February 27, 2024, inter alia informed the following:

    a) Mr. M. Gopalakrishna (DIN: 00088454), has tendered his resignation as the Independent Director of the Company on February 23, 2024 with immediate effect, citing personal reasons.

    b) Mr. S.A. Bohra (DIN: 00791861), has tendered his resignation as the Independent Director of the Company on February 24, 2024 with immediate effect, citing personal reasons.

    c) Mr. Gnana Rajasekaran (DIN: 03194244), has tendered his resignation as the Independent Director of the Company on February 26, 2024 with immediate effect, citing personal reasons.

    d) *Mr. S.R. Tagat (DIN: 01632756), has tendered his resignation as the Independent Director of the Company on February 26, 2024 with immediate effect, citing personal reasons*.

39. In this regard, it is observed that the resignation by the Directors was a change in the status quo of the Noticee and the same warranted disclosure as per Regulation 30(1) read with 30(2) and Clause 7 of Para A of Part A of Schedule Ill of LODR Regulations, which inter alia requires that change in directors shall be disclosed to stock exchange within 24 hours. However, it is observed that the Mr M. Gopalakrishna and Mr S.A. Bohra had resigned on February 23, 2024 and February 24, 2024 respectively and the disclosure was filed with the exchange with delay on February 27, 2024.

40. Accordingly, in view of the above failure on the part of Noticee to intimate the change in the Directorship, it is alleged that the Noticee has violated Regulation 30(1) read with 30(2) and clause 7 of Para A of Part A of Schedule Ill of LODR Regulations.

41. Noticee submitted that that Mr. Bohra sent the letter from United States and it had received it only on February 25, 2024 in Indian time while other resignations were received only on February 26, 2024 by it and the same was intimated to the exchanges immediately on receipt and submitted that there was no delay.

42. Noticee at the time of hearing was advised to provide the documentary evidence in support of its aforesaid claim. In this regard, Noticee provided with a copy of a letter titled *“Attention: Shri Krishna Kumar, Company Secretary of BGRES Ltd*” bearing name of Mr SA Bohra as the sender and the Board of Directors of the Noticee as the addressee. From the copy of the letter dated February 24, 2024, it is observed that there is no evidence showing that the same was received by the Noticee on February 25, 2024. In absence of any proof of receipt of the letter on February 25,

2024, the Noticee’s submission is not tenable. Further, Noticee has not denied delayed disclosure in respect of resignation of Mr M. Gopalakrishna. Thus, there was a delay on part of the Noticee for intimation to the exchange as enumerated above.

43. Accordingly, in view of the above, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 7 of Para A of Part A of Schedule Ill of LODR Regulations.

Alleged Violation 6: Delayed disclosure of material update on receipt of funds after conciliation proceedings

44. It is observed that the Noticee vide its disclosure dated November 23, 2023, inter alia informed the stock exchanges about receipt of Rs 294.43 Crores plus Euro 1.57 Crores on November 16, 2023 pursuant to conciliation proceedings between itself and Damodar valley Corporations ("DVC").

45. In this regard, it is observed that the receipt of funds from DVC was a material update and the Noticee should have disclosed the same within time. However, the disclosure was allegedly filed with a delay on November 23, 2023.

46. Accordingly, in view of the above delayed disclosure, it is alleged that the Noticee has violated Regulation 30(7) read with 30(6)(ii) of LODR Regulations which requires that events emanating from within the listed entity shall be disclosed to stock exchange within 12 hours from the occurrence of the events.

47. Noticee submitted that the conciliation proceedings was entered into between the Noticee and DVC and the same was informed to stock exchange on September 06, 2023 within 24 hours of entering into the agreement on September 05, 2023 and complete details of the settlement was included in the disclosure.

48. It further submitted that it had merely received the consideration on November 16, 2023 and the same did not warrant any disclosure under Regulation 30 of the LODR Regulations and therefore, there was no non-compliance in this regard.

49. From the disclosure dated September 06, 2023 to the exchange, it is noted that the Noticee had disclosed to the exchange complete details of the settlement including the amount to be received within 90 days from the signing of documents. It is observed that material and substantive part of the conciliation agreement was already disclosed to the exchange within time. Further, Noticee had received the amount within the period prescribed in the settlement document. Hence, there was no delay in disclosure.

50. It is observed that Noticee confirmed to the exchange the receipt of the amount, when asked for by the exchange, vide its letter dated November 22, 2023. Hence, the submission made by the Noticee is acceptable.

Alleged Violation 7: Delayed disclosure of repayment of Loan

51. It is observed that Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule III of LODR Regulations inter alia require that default in repayment of loan shall be disclosed to the stock exchanges. Further, SEBI Circular

SEBI/HO/CFD/CMD1/ClR/P/2019/140 dated November 21, 2019 prescribes the format for disclosure of such default in repayment of loan by the Company. The said circular further requires that disclosure shall be made but not later than 24 hours from the 30th day of such default.

52. In this regard, it is observed that the Noticee had delayed in submission of disclosures dated February 13, 2024 in respect of defaults committed by it in repayment of various loans taken from Banks and financial institutions. The details of which are mentioned in Table 2 below:

Table 2:

Sr No.	**Name of the Lender**	**Initial date of default as per the SEBI Circular dated November 21, 2019 (A)**	**Date of declaration of NPA by the Bank**	**Amount of default (Rs in crores)**	**Date of disclosure submitted with the exchange in Format C1 and C2 (B)**	**Delay in days(B-A)**
1.	ICICI Bank Lim	27111/2023	27/10/2023	85	08/01/2024	42
2.	Canara Bank	30/1112023	30/10/2023	562	20/12/2023	20
3.	Indian Bank	30/11/2023	30/10/2023	292	08/01/2024	39
4.	Bank of India	08/12/2023	07/11/2023	254	08/011202	31

5.	State Bank of India, Industrial Finance Branch, Chennai	29/01/2024	29/12/2023	1727	02/02/2024	4
6.	Central Bank of India, Corporate Finance Branch, Chennai	26/01/2024	26/12/2023	75	02/02/2024	7
7.	IDBI Bank Limited, Saidapet	31/01/2024	31/12/2023	304	13/02/2024	13

53. Accordingly, in view of the above delayed disclosure w.r.t defaults in repayment of loans, it is alleged that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

54. Noticee submitted that it had endeavored to clear its dues and was in constant touch with the bankers to clear all the dues and remove the NPA tag and have also been making disclosures to the exchanges on time and that the delays have occurred due to inadvertence and without any malice and malafide intention.

55. It submitted that it had made all the disclosures about the defaults from time to time.

56. From the above submission of the Noticee, it is noted that admittedly Noticee had made delayed disclosure of the default in repayment of loan, which is required to be

disclosed to the stock exchanges in terms of Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019. The relevant Clauses are mentioned as under:

> ***6.****[Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad*
>
> *For the purpose of this sub-paragraph:*
>
> ***(i)*** *'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.*
>
> ***(ii)*** *'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.*

<u>SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019</u>

<u>B. Timing of disclosures</u>:

i. *To begin with, listed entities shall make disclosure of any default on loans, including revolving facilities like cash credit, from banks /financial institutions which continues beyond 30 days. Such disclosure shall be made promptly, but not later than 24 hours from the 30thdayof such default.*

57. From the above Clause B (i) of the said Circular, it is noted that the Noticee was required to disclose the default not later than 24 hours from the 30th day of such default. As observed from the table 2 above, Noticee delayed disclosure w.r.t default in repayment of loan which ranged from 4 days to 42 days. Thus, submission of the Noticee that it had made disclosures on time is not tenable.

58. In view of the above, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

Alleged Violation 8: Non-filing & delayed filing of quarterly disclosure for default in repayment of loan

59. It is observed that in terms of SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019, a company is required to file a quarterly disclosure w.r.t default in repayment of loans within 7 days from the end of quarter.

60. In this regard, it is observed that the Noticee had filed the disclosure for the quarter ended December 2023 on January 09, 2024 i.e. with a delay of 2 days. Further, the quarterly disclosure for the quarter ended March 2024 was not even filed.

61. In view of the aforesaid delayed disclosure w.r.t quarter ended December 2023 and non-disclosure w.r.t quarter ended March, 2024, it is alleged that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

62. Noticee submitted that it had filed the disclosure for quarter ended December 31, 2023 with a delay of 2 days because of inadvertence and requested to condone the delay and further vide its additional submission provided a disclosure submitted to

exchange dated April 22, 2024 and claimed to have filed disclosure for quarter ended March 2024.

63. From the above submission of the Noticee, it is noted that the Noticee had admittedly filed the disclosure with a delay of 2 days for December 2023 quarter. Further, w.r.t the disclosure dated April 22, 2024 provided by the Noticee, it is noted that the Noticee had belatedly filed the disclosure for the quarter ended on March 2024, which was required to be filed within 7 days from the end of quarter i.e. by April 07, 20204 in terms of Clause C2(b) of SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

64. Therefore, in view of the above, it stands established that the Noticee has violated Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

Alleged Violation 9: Failure to take prior approval of Audit Committee and shareholders for material Related Party Transaction (RPT)

65. It is observed that the Noticee had borrowed an aggregate amount of Rs.200 crores in various tranches between April 30, 2022 and March 01, 2023 from Mr. Arjun Govind Raghupathy, Managing Director, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the LODR Regulations. However, the Noticee allegedly failed to take prior approval of audit committee and its shareholders for the borrowings to an aggregate amount of Rs.131.52 crore.

66. In view of the above failure on the part of Noticee to take prior approval of Audit Committee and Shareholders for the material RPT, it is alleged that the Noticee has violated Regulation 23(2) and 23(4) of LODR Regulations.

67. Noticee submitted that it was in urgent requirement of funds and borrowed unsecured loans to the extent of 85.86 Crores in first quarter of Financial year 2022-23 and again an amount of Rs 45.65 Crores in July and August 2022 thereby totaling Rs.131.51 crores. The same was approved by it audit committee on August 12, 2022 and ratified / approved by the Shareholders at its 36th Annual General Meeting held on September 29, 2022.

68. Noticee further submitted that it was an exigency measure and was only in the interest of the company which benefited by the infusion of funds and was not in the personal interest or favour of any of the promoters and therefore, it requested to condone the same in light of the approval by the shareholders and the beneficiary being its shareholders.

69. In this regard, it is noted that admittedly Noticee had borrowed unsecured loans to the extent of 85.86 Crores in first quarter of Financial year 2022-23 and again an amount of Rs 45.65 Crores in July and August 2022 thereby totaling Rs.131.51, crores, which was an RPT and therefore, Noticee was required to ensure compliance before entering into such a transaction in terms of Regulation 23(2) and 23(4) of the LODR Regulations, which it failed to do. The said Regulation 23(2) and 23(4) of LODR Regulations read as mentioned below:

23(2) *All related party transactions and subsequent material modifications] shall require prior approval of the audit committee of the listed entity]:*

23(4) *All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2)] shall require prior] approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:*

70. From the above Regulations 23(2) and 23(4) of the LODR Regulations, it is noted that a prior approval was required to be taken from the shareholders and Audit committee by the Noticee. However, neither Audit committee approval nor prior approval from shareholders before entering into RPT with its MD Mr. Arjun Govind Raghupathy was taken by the Noticee. Further, the material available on record shows that the Noticee had taken approval from Audit Committee and shareholders' ratification subsequent to RPT with its MD. In this regard, it is also noted that Regulation does not provide for post facto approval of RPT from the Audit committee of a company or shareholders' ratification in any circumstance and therefore, submission of the Noticee is not tenable.

71. Therefore, in view of the above, it stands established that the Noticee has violated Regulation 23(2) and 23(4) of LODR Regulations.

Alleged Violation 10: Failure to appoint its Independent Directors on the board of material unlisted subsidiaries

72. It is further observed that Regulation 24(1) of LODR Regulations inter-alia requires that at least one independent director of the listed entity shall be appointed on the Board of Directors of material unlisted subsidiary.

73. In this regard, it is observed that M/s Sravanaa Properties Ltd & M/s.BGR Turbines Pvt Ltd are material subsidiaries of the Noticee and an Independent Director of the Noticee was not appointed on their Board as per Regulation 24(1) of LODR Regulations.

74. Accordingly, in view of the above, it is alleged that the Noticee has violated Regulation 24(1) of LODR Regulations.

75. Noticee submitted that the independent directors were unwilling to be appointed on the board and hence it could not meet the requirement.

76. It is observed from the submission of the Noticee that no independent Director was appointed on the board of M/s Sravanaa Properties Ltd & M/s.BGR Turbines Pvt Ltd. Thus, admittedly Noticee failed to appoint independent directors in compliance with the provisions of LODR Regulations.

77. With regard to the submission of the Noticee that the independent directors were unwilling to be appointed on the board, it is noted that the unwillingness of the independent directors cannot absolve the Noticee from not complying with the

extant provisions of Regulations. Further, Noticee has not demonstrated any effort taken by it for appointing the directors on the board of the said material unlisted subsidiaries.

78. In view of the above failure on part of the Noticee, it stands established that the Noticee has violated Regulation 24(1) of LODR Regulations.

Issue No. II: If yes, does the violation, on part of the Noticee would attract monetary penalty under Section 15A(b) of the SEBI Act for violations 1-8 and Section 15HB of the SEBI Act for violations 9 and 10 mentioned at table 1 above?

79. As it has been established in the paragraphs above that the Noticee has violated the following provisions of LODR Regulations and SEBI circulars:

a) Regulation 46(2)(s) of LODR Regulations.

b) Regulation 30(1) read with 30(2) and Clause 5 of Para A of Part A of Schedule III of LODR Regulations and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

c) Regulation 30(1) read with 30(2) and Regulation 30(6)(iii) and Clause 16(b) of Para A of Part A of Schedule III of LODR Regulations.

d) Regulation 30(1) read with 30(2) and Clause 16(b) of Para A of Part A of Schedule Ill of LODR Regulations.

e) Regulation 30(1) read with 30(2) and Clause 7 of Para A of Part A of Schedule Ill of LODR Regulations.

f) Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule Ill of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

g) Regulation 30(1) read with 30(2) and Clause 6 of Para A of Part A of Schedule lll of LODR Regulations read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019.

h) Regulation 23(2) and 23(4) of LODR Regulations.

i) Regulation 24(1) of LODR Regulations.

80. In context of the above, the observations of Hon'ble Supreme Court in the matter of ***Chairman, SEBI vs. Shriram Mutual Fund*** {[2006] 5 SCC 361} is referred to wherein the Hon'ble Court had observed *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not.''*

81. Therefore, in view of the foregoing and placing reliance on the above judgement of the Hon'ble Apex Court, the Noticee is liable for penalty under Section 15A(b) of the SEBI Act for violations mentioned at paragraph *79(a) to (g)* and Section 15HB of the SEBI Act for the violations *79(h) to (i)*. The relevant penal provisions i.e. Sections 15HB and 15A(b) of the SEBI Act are reproduced hereunder:

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.*

Penalty for failure to furnish information, return, etc.

15A *Any person, who is required under this Act or any rules made thereunder, —*

(b) *to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;*

Issue No. III: If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act?

82. While determining the quantum of penalty under Section 15A(b) and 15HB of the SEBI Act, 1992, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992 read with Rule 5(2) of the SEBI Adjudication Rules which reads as under:

SEBI Act, 1992

Factors to be taken into account by the adjudicating officer

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

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

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

(c) the repetitive nature of the default.

83. The material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the losses, if any, suffered by the investors due to such violations on the part of the said Noticee nor it has been alleged by SEBI. From the document available on record, it is also noted that the Noticee has not been penalized by SEBI in the past. However, it is noted that if any person who is to make such disclosures doesn’t make it and are depriving the investing public of the statutory rights available to them, then SEBI is duty bound to ensure that the investing public are not deprived of any statutory rights available to them. Timely, accurate and proper disclosure is cornerstone of good corporate governance. Hence, the non-disclosure/delayed by the Noticee as brought out in the preceding paragraphs clearly shows the violation committed by it and calls for appropriate penalty.

ORDER

84. Having considered all these facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and also taking into account judgment of the Hon’ble ***Supreme Court in SEBI vs. Bhavesh Pabari*** (2019)5 SCC 90 and in exercise of power conferred under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, the following penalty is hereby imposed under Sections 15A(b) and 15HB of the SEBI Act on the Noticee for violation of the aforementioned provisions of LODR Regulations and SEBI circulars:

Name of the Noticee	Penal provisions	Penalty(Rs)
BGR Energy Systems Limited	Section 15A(b) of the SEBI Act	Rs 7,00,000/- (Rupees Seven Lakhs Only)
	Section 15HB of the SEBI Act	Rs 2,00,000/- (Rupees Two Lakhs Only)
	TOTAL	**Rs 9,00,000/- (Rupees Nine Lakhs Only)**

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

86. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD-I DRA -IV, 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)	

87. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under Section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

88. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

BARNALI MUKHERJEE

Digitally signed by BARNALI MUKHERJEE
Date: 2024.09.24 17:14:11 +05'30'

Date: September 24, 2024 **BARNALI MUKHERJEE**

Place: Mumbai **ADJUDICATING OFFICER**