BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. ORDER/GG/BS/2022-23/17877

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

In respect of:
Bajaj Hindusthan Sugar Limited

In the matter of Bajaj Hindusthan Sugar Limited

A. BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") was in receipt of a Complaint through SCORES against Bajaj Hindusthan Sugar Limited (hereinafter referred to as **"**BHSL/The Company/You**"**). The complainant (Shri V.V.T. Niraiyagham) has, *inter-alia,* raised concerns regarding false reporting/misreporting in the annual report in respect of SCNs issued by Pollution Control Board. Thereafter, SEBI conducted an examination to ascertain Non-disclosure of material event under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI LODR Regulations) and Misleading reporting in Business Responsibility Report (BRR) by BHSL wherever deemed necessary, reference has been made to instances outside this period. Based on the findings of examination conducted by SEBI, it was alleged that BHSL has violated the provisions of Regulation 4 (1) (c), Regulation 30 (3), Regulation 30 (4) read with clause 2 & 8 of Para B of Part A of Schedule

III and Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular ref. no. CIR/CFD/CMD/10/2015 dated November 04, 2015.

B. APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed me, as the Adjudicating Officer under section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "SEBI Act") read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "SEBI Adjudication Rules") vide order dated May 18, 2022 to inquire into and adjudge under Section 23E of Securities Contracts Regulation Act 1956 (hereinafter referred to as SCRA 1956) read with clause 2 of the listing agreement against the Noticee for the alleged violations referred above.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

3. A show cause notice dated 06.06.2022 (hereinafter referred to as "SCN") was issued against the Noticee under rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be initiated against them and why penalty should not be imposed against them under Section 23E of Securities Contracts Regulation Act 1956 (hereinafter referred to as SCRA 1956) read with clause 2 of the listing agreement against the Noticee for the alleged violation of Regulation 4 (1) (c), Regulation 30 (3), Regulation 30 (4) read with clause 2 & 8 of Para B of Part A of Schedule III and Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular ref. no. CIR/CFD/CMD/10/2015 dated November 04, 2015.

4. In the interest of natural justice, opportunity of personal hearing was granted to the Noticee on 27.06.2022 and the same was communicated to Noticee vide letter dated 22.06.2022. Mr. Kausik Adhikari, Company Secretary, and Ms. Shailashri Bhaskar, Authorized Representative (AR) appeared before me on the date of hearing and argued the matter on merit on the date of hearing.

Replies of Noticee

5. BHSL, vide letter dated 20.06.2022 filed reply to SCN. Additional reply was filed by the Noticee on 05.07.2022.

Background

6. SEBI has received a Complaint dated 16.12.2020 through SCORES against BHSL. The complainant, Shri V.V.T. Niraiyagham has, *inter-alia,* raised concerns regarding false reporting/misreporting in the annual report in respect of SCNs issued by Pollution Control Board. The complainant, while raising the issue of false reporting in annual report to SEBI vide its complaint dated 16.12.2020 has also attached the response of the company dated 23.11.2020 to the complainant on the same issue. The details of the complaint are as given below:

6.1. BHSL, in the Director's report under the Annual report for FY 2019-20 has stated that 'Operations of all the sugar, distillery and co-generation plants were satisfactory'.

6.2. BHSL under Section E 'Principle-wise performance' of Business Responsibility Report (BRR) for FY 2019-20 has stated that 'No show cause notice from Central Pollution Control Board/State Pollution Control Board (*hereinafter CPCB/SPCB for short*) pending as on end of the Financial year (2019-20) as the emissions/waste generated by the company are within the permissible limits given by CPCB/SPCB'

6.3. On the contrary to the above disclosures in the annual report, BHSL, in one of its correspondence to the complainant (dated 23.11.2020) has responded that- 'some of the distilleries are not functioning due to problems with pollution control board and so the company has incurred losses'.

6.4. In view of the contrary submissions, the complainant has alleged that BHSL statements in the Annual Report that 'Distilleries operations are satisfactory', 'No environment issues' and 'No Show Cause Notice (SCN) is pending' are false/deceiving and not in line with the spirit of SEBI Regulations and Companies Act. Further, BHSL has not reported about the pollution issue or the penalty levied by National Green Tribunal (NGT) in their annual report.

6.5. The complainant has also drawn attention to a suit filed by one Mr. Shailesh Singh in National Green Tribunal (NGT), New Delhi against BHSL (Palia Distillery) alleging operating of the distillery units despite the closure order issued by PCB due to pollution concerns.

7. As brought out in the examination conducted by SEBI, the facts leading to violations mentioned in the SCN dated 06.06.2022 by the Noticee are as under:-

SEBI's Examination and observations:

8. SEBI conducted an examination to ascertain Non-disclosure of material event under Regulation 30 of SEBI LODR and Misleading reporting in Business Responsibility Report (BRR) by BHSL during the financial year 2018-19 to 2020-21 (hereinafter referred to as 'Examination period') and wherever deemed necessary, reference has been made to instances outside this period. Comments of BHSL were sought on the details of litigations including SCN, penalty orders issued by CPCB in the past three years i.e., FY 2020-21, 2019-20 and 2018-19 and whether disclosure of the same were made under Regulation 30 of SEBI (LODR) Regulations, 2015.

9. BHSL, vide letter dated October 08, 2021 provided the details of the suit filed by Mr. Shailesh Singh vide Original Application (OA) No. 1041/2018 dated Dec. 10, 2018 against Palia Distillery unit before NGT. The brief details are as under:

Table 1

Date	With respect to Palia Distillery
Jan 14, 2019	Unit was inspected by CPCB and SCN was issued
May 24, 2019	Further, unit was inspected by CPCB
July 01, 2019	CPCB issued a closure order with an imposition of Environment Compensation (EC) of Rs. 58.2 Lakhs.
Feb 03, 2020	EC was deposited in CPCB account
Nov 04, 2020 to Dec 26, 2020	For verification of compliance and to assess the adequacy of Zero Liquid Discharge (ZLD) System, NGT allowed to operate the unit for two months.
June 03, 2021	Case disposed of with a direction to CPCB that the unit may be allowed to function only after compliance is ensured based on physical inspection by CPCB. The compliance verification has been carried out by CPCB and final report is awaited.

10. Further, BHSL stated that the aforesaid penalty and closure of distillery was not disclosed to stock exchanges for the following reasons:

- Penalty of Rs. 58.20 Lakhs deposited with CPCB, was not considered to be material.
- The turnover of Palia distillery for 2018-19 before the closure order was insignificant in comparison with the total turnover of BHSL. Accordingly, considering that there was no disruption of operation due to closure order of the distillery, it was not considered material.

11. With respect to other litigations, BHSL submitted that it had received a closure order from CPCB on March 19, 2018 for its Barkhera Sugar Unit, which was revoked on Oct. 22, 2018. Environment Compensation (EC) of Rs. 1.36 cr. was imposed by CPCB on May 30, 2019, which was challenged in Hon'ble SC and stayed by the Court. Since, the closure order was temporary in nature and period being off season for sugar mills, there was no disruption of operation and being immaterial, no disclosure was made.

12. In addition to the above, BHSL submitted the following information with respect to SCNs/Closure directions issued by CPCB under the

Environment Protection Act 1986 during 2018-19 and 2019-20. The company further stated that no SCN has been issued by CPCB during 2020-21.

Year-wise details of SCN/directions issued to the Noticee:

Table 2

2018-19						
Unit	**Details of litigations/ SCN**	**Date of litigation/ SCN**	**Penalty**	**Resolved**	**Date of Resolution**	**Disclosure to Stock Exchanges**
Barkhera Unit	Closure direction by CPCB	19/03/2018	Nil	Yes	22/10/2018	No
Maqsudpur unit	Closure direction by CPCB	23/04/2018	Nil	Yes	22/10/2018	No
Bilai Unit	SCN issued by CPCB	09/05/2018	Nil	No	-	No
Rudhauli Distillery	Closure direction by CPCB	29/06/2018	Nil	Yes	26/09/2018	No
Palia Distillery	NGT Case OA No. 1041/2018	10/12/2018	Nil	Yes	03/06/2021	No
Palia Distillery	SCN issued by CPCB	14/01/2019	Nil	No	-	No
Gola Distillery	SCN issued by CPCB	14/01/2019	Nil	No	-	No

Table 3

2019-20						
Unit	**Details of litigations/SCN**	**Date of litigation/SCN**	**Penalty**	**Resolved**	**Date of Resolution**	**Disclosure to Stock Exchanges**
Maqsudpur unit	Closure with penalty of Rs. 1.28 Cr	28/05/2019	Rs. 7.2 Lakh (Reduced by CPCB)	Yes	06/11/2019	No
Barkhera Unit	Closure with penalty of Rs. 1.36 Cr	30/05/2019	Penalty stayed by SC	No	-	No
Bilai Unit	SCN issued by CPCB	06/06/2019	Nil	No	-	No
Palia Distillery	Closure with penalty of Rs. 58.2 Lks	01/07/2019	Rs. 58.2 deposited	No	-	No

Gola Distillery	Closure direction by CPCB	22/07/2019	Nil	Yes	20/04/2020	No
Gola Distillery	SCN for penalty of Rs. 1.96 Cr	19/08/2019	Penalty stayed by SC	No	-	No
Kinauni Distillery	Closure direction by CPCB	03/09/2019	Nil	Yes	20/04/2020	No
Gangnauli Distillery	SCN issued by CPCB	05/02/2020	Nil	No	-	No

13. BHSL submitted that the disclosures were not made as the above litigations were immaterial in nature. It also submitted that:

- The closure orders were temporary in nature and the period being off season for Sugar Mills, there was no disruption of operation.
- Issuance of SCNs were routine in nature and there was no disruption in operation

14. Considering the above submissions made by BHSL, the disclosures in Business Responsibility Report (*BRR for short*) under the annual report were examined. It has been observed that under '**BRR Principle 6**: **Environment- Question 7** *Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of financial year'* is required to be disclosed, for which BHSL reported that 'No SCNs are pending as on end of financial years' for -FY 2018-19 & 2019-20.

15. With regard to reporting on the above question, the company in the BRR for FY 2020-21, has stated that *'We have addressed all the SCNs received related to pollution matters well in time…..No reply of SCN is pending as on end of FY.'*

16. Vide email dated Nov 23, 2021, comments were sought from BHSL on show cause/legal notices disclosed in the BRR in the annual reports. BHSL vide letter dated Nov 26, 2021 responded that *'we had replied to all SCNs received from CPCB/SPCB and no SCN is pending/unattended from our end.'*

17. Based on the facts brought out in preceding paragraphs, it was alleged in the SCN that Noticee has violated the provisions of Regulation 4 (1) (c), Regulation 30 (3), Regulation 30 (4) read with clause 2 & 8 of Para B of Part A of Schedule III and Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular ref. no. CIR/CFD/CMD/10/2015 dated November 04, 2015.

18. Relevant provisions of law are reproduced below for reference:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Principles governing disclosures and obligations

Regulation 4 (1) *The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:-*

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(c) *The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.*

Disclosure of events or information

Regulation 30

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(3) The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:

> *(a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or*
>
> *(b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;*
>
> *(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the*

opinion of the board of directors of listed entity, the event / information is considered material.

(ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

Regulation 34 (2) (f) read with SEBI Circular CIR/CFD/CMD/10/2015 dated November 04, 2015

Regulation 34(2) '*The annual report shall contain the following:*

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(f) for the top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year), business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time'

Provided that listed entities other than top one thousand listed companies based on market capitalization and listed entities which have listed their specified securities on SME Exchange, may include these business responsibility reports on a voluntary basis in the format as specified.

SEBI Circular CIR/CFD/CMD/10/2015 dated November 04, 2015 prescribing format for BRR

Question 7 under Principle 6 (Annexure I, Section E: Principle-wise Performance) of BRR seeks disclosure on

Principle 6

Question 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of financial year'

Listing Agreement

"……..

2. That without prejudice to the above clause, the Issuer hereby covenants and agrees that it shall comply with the following:

a. the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

19. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under Section 23E of Securities Contracts Regulation Act 1956, which are reproduced below for reference:

Securities Contracts Regulation Act 1956

Section 23E: Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds

"If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees".

Reply of the Noticee

20. Noticee vide letter dated 20.06.2022 filed its reply to the SCN dated 06.06.2022. Additional reply was filed on 05.07.2022. Gist of the reply filed by Noticee is given below:

20.1. According to the Noticee, directions issued by CPCB/litigation in NGT during 2018-19 and 2019-20 are of following 4 categories:

Show cause notice
Closure order of the distillery/ unit
Imposing penalty from Rs. 1.28 cr to 1.96 cr.
Case filed with NGT for Palia distillery and imposing penalty of Rs. 58 20 lacs.

As per the Policy of materiality approved by the Company's Board, Key managerial personnel were nominated from time to time to decide the materiality of the event. As per the internal guideline criteria of materiality of events were decided on a case to case basis as per the principles as mentioned in Regulation 4(1) of SEBI (LODR) Regulations. However, events which could not be decided based on the aforesaid criteria the limit of materiality for disclosure was considered as 10% of the annual consolidated turnover as per latest audited Financial statements.

The details of the enlisted four categories were detailed as shown in the table below:

Table 4

Sr.	Events	Analysis for materiality
1	Show cause notice	Show cause notices issued by Central Pollution Control Board (CPCB) were clarificatory in nature and no financial limit was mentioned. Accordingly not disclosed
2	Closure order of the distillery/ unit	2018-19: Closure order for Barkhera, Rudauli and Maqsoodpur were temporary in nature and closure order was revoked before starting of the season. Since operation was not affected, it was not considered material and not disclosed. 2019-20: Palia was operated for two months during closure as per NGT direction. Gola and Kinauni was closed as CPCB direction. Turnover of aforesaid 3 distilleries in comparison with the total Consolidated turnover of the Company was not considered material accordingly not disclosed. Total revenue from all 6 distilleries for the financial year 2019, 2020 and 2021 was only 6%, 3% and 5% respectively in comparison with the total revenue of the Company.
3	Imposing penalty from Rs. 1.28 cr to 1.96 cr.	Penalty amount upto Rs. 1.96 cr. in comparison with the Total Consolidated turnover of the Company of Rs. 6902.28 cr. as on March 31, 2019 (which was less than 10%) was not considered material accordingly not disclosed.
4	Case filed with NGT For Palia distillery and imposing penalty of Rs. 58 20 lacs.	Penalty amount in comparison with the Total Consolidated turnover of the Company of Rs 6902.28 cr. as on March 31, 2019 was not considered material accordingly not disclosed.

In respect of no show cause notices to the peer group companies, it has been stated that Gola distillery is one of the oldest distilleries in India, operational from 1944. In respect of other distilleries it has been stated that since their accounts were restructured by the lenders in 2014, several major capital expenditure and repairing works could not be done/delayed due to non-approval/release of funds by banks. Accordingly pollution related non-compliances were higher in comparison with peer group's distilleries.

We also found that other than 3 peer group companies as mentioned in the show cause notice, SCN/Closure orders were issued to other distilleries and sugar units of sugar companies situated in Uttar Pradesh frequently. A list of show cause notices for the year 2018-2020 and closure orders for the year 2018-2020 issued to sugar companies by CPCB are attached as **Annexure 1 and Annexure 2.**

20.2. Misleading reporting in the Business Responsibility Report:

SEBI circular CIR/CFD/CMD/10/2015 dated November 04, 2015 prescribed the Suggested format of Business Responsibility Report (BRR), which was mandatory for top 500 listed companies. The BRR reporting was extended to top 1000 companies from December 26, 2019.

In principle no. 6, question 7 following details are required to be given:

Number of Show cause/legal notice received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of the financial year.

Our statement in the BRR for the financial years 2018-19, 2019-20 and 2020-21 was that "No show cause notices are pending/pending for reply as on the end of the financial year". As per our interpretation we have obtained the data of Show cause/legal notices from Central Pollution Control Board (CPCB), if any, pending as on the end of March 31 each year. Since reply for all the SCNs were submitted within the time specified in the SCN and no reply was pending as on March 31, we have reported accordingly.

In this regard we would like to state that our interpretation for pending SCN may be wrong however we would like to inform that for the financial year 2017-18 and 2018-19 BHSL was not falling under top 500 Companies by Market Capitalisation. We had included the BRR on a voluntary basis and if we had any intention to suppress the fact regarding SCNs, we would have published the annual report without inclusion of the BRR.

20.3. Prayer:

a) Since non-disclosure of Show cause notice/ closure/penalties by CPCB/NGT was as per the policy of materiality, request you to not consider this as non-compliance.

b) Since the non-reporting of no. of pending SCN is an interpretation error, we request you to take a lenient decision in this regard. We shall ensure appropriate disclosure in this regard in all future BRRs.

c) We would also like to inform that the Company is facing losses for last 10 years and imposing any charges/penalty will further deteriorate the financial condition of the Company.

BHSL, vide email dated 05.07.2022 forwarded a status report of closure orders and re-opening of units as below:

Table 5

Unit Name	Details of Litigations	Date of Litigation/ SCN/ Closure	Date of resumption/ operation of Unit	Resolved (Y/N)	Date of resolution	Date of re-opening	Remarks

2018-19							
Barkhera (SUGAR UNIT)	Closure direction by CPCB	19.03.2018	22.10.2018	Y	22.10.2018	14.11.2018	Sugar factories in Uttar Pradesh are generally operating from October/November to March/April (Sugar season). Closure order for Barkhera Sugar unit was from March to October which was during off season and there was no disruption of operation. Sugar unit was re-opened from 14.11.2018
Maqsudapur (SUGAR UNIT)	Closure direction by CPCB	23.04.2018	22.10.2018	Y	22.10.2018	10.11.2018	Sugar factories in Uttar Pradesh are generally operating from October/November to March/April (Sugar season). Closure order for Maqsoodpur Sugar unit was from April to October which was during off season and there was no disruption of operation. The Sugar unit was re-opened from 10.11.2018
Rudhauli (Distillery)	Closure direction by CPCB	29.06.2018	26.09.2018 (for three month only)	Y	26.09.2018	23.12.2020	Distillery units of the Company are operating during sugar season and thereafter if molasses are available. Closure order for Rudauli distillery as per CPCB order was for 3 months (June to September) which was during off season/rainy season for distillery operation. The Distillery unit was re-opened from 23.12.2020
2019-20							
Maqsudapur	Closure with Penalty of Rs.1.28 cr.	28.05.2019	06.11.2019	Y	06.11.2019	14.11.2019	Sugar factories in Uttar Pradesh are generally operating from October/November to March/April (Sugar season).

(SUGAR UNIT)	Imposed by CPCB						Closure order for Maqsoodpur Sugar unit was from May to November which was during off season and there was no disruption of operation. The Sugar unit was re-opened from 14.11.2019
Barkhera (SUGAR UNIT)	Closure with Penalty of Rs.1.365 cr. Imposed by CPCB	30.05.2019	31.10.2019	N	N	14.11.2019	Sugar factories in Uttar Pradesh are generally operating from October/November to March/April (Sugar season). Closure order for Barkhera Sugar unit was from May to October which was during off season and there was no disruption of operation. The Sugar unit was re-opened from 14.11.2019. The penalty stayed by the Hon’ble Supreme Court and the matter is still not resolved.
Palia (Distillery)	Closure with penalty of Rs. 58.20 lakh imposed by CPCB	01.07.2019	Open for two month only by NGT order dt.24.09.2020	N	N	21.02.2022	The unit was allowed to operate for two month vide NGT order dated 24.09.2020 for validation of Zero Liquid Discharge (ZLD) system, subsequently the plant was operated from 04.11.2020 to 26.12.2020. The compliance verification by CPCB and ZLD validation by NSI Kanpur has been done during the plant operation. On the basis of report submitted by CPCB/UPPCB, NGT has issued the order and disposed the matter vide their order Dated 03.06.2021 as "*It is made clear that the unit may be allowed to function only after compliance is ensured based on physical inspection by CPCB in the light of available data. CPCB in coordination with the State PCB may ensure adequacy of systems installed and regular monitoring of compliance of norms*" After installation of ZLD system viz, Incinerator boiler, CPU & UV and

							physical verification by UPPCB & CPCB jointly, the CPCB has revoked the closure direction vide their letter no.CM-13011/16/2021-LAW-HO-CPCB-HO/916 dated 04.02.2022 and allowed for the resumption of manufacturing operation with certain conditions *i.e (i) The unit shall be permitted to operate for three months from the date of commencement of operations to carry out the adequacy assessment of the ZLD system installed by CPCB and UPPCB (ii) The unit shall not continue operations after three months without obtaining modified directions from CPCB etc.* The Consent to operate dated 15/02/2022 has also been obtained from UPPCB to start the plant operation. Plant was operated from 23.02.2022 to 14.05.2022. During the plant operation, inspection of the unit was done on 12.04.2022 for adequacy assessment of the ZLD system by CPCB and UPP The Distillery unit was re-opened from 21.02.2022.
Gola (Distillery)	Closure direction by CPCB	22.07.2019	20.04.2020	Y	20.04.2020	02.05.2020.	Operation was affected during the sugar season 2019-20. The Sugar unit was re-opened from 02.05.2020.
Kinauni (Distillery)	Closure direction by CPCB	03.09.2019	20.04.2020	Y	20.04.2020	13.06.2020.	Operation was affected during the sugar season 2019-20. The Sugar unit was re-opened from 13.06.2020.

Consideration of Issues

21. I have taken into consideration the facts of the case, the reply submitted by the Noticee and the material available on record. Following issues arise for consideration based on the facts of the case:

Issue I: Whether the information not disclosed by the Noticee is "material event/information" for the purpose of Regulation 4 (1) (c), Regulation 30 (3), Regulation 30 (4) read with clauses 2 & 8 of Para B of Part A of Schedule III of SEBI (LODR) 2015.

Issue II: Whether the Noticee's disclosure in Business Responsibility Report (BRR) for the years 2018-19, 2019-20 & 2020-21 were in contravention of provisions of Regulation 34 (2) (f) of SEBI LODR 2015 read with circular ref. no. CIR/CFD/CMD/10/2015 dated November 04, 2015.

If the answers to the above questions are in the affirmative, what should be the quantum of penalty?

22. I shall now proceed to deal with the above mentioned issues in the following paragraphs:

Issue I – Alleged Non-disclosure whether pertains to material events?

Regulation 4(1) lays down principles governing disclosures and obligations. Regulation 30 prescribes the provisions governing Disclosures of events or information. Relevant extract reproduced below:

"SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Principles governing disclosures and obligations

Regulation 4 (1) *The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:-*

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(c) *The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading."*

"Disclosure of events or information

Regulation 30

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(3) The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:

> *(a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or*
>
> *(b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;*
>
> *(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.*

(ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

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23. I note from BHSL's letter dated Oct 08, 2021 that CPCB had issued SCNs and closure directions against various units of BHSL during the FY 2018-19 and 2019-20, for which no disclosures were made under Regulation 30 of SEBI (LODR) 2015. I note from the information given in Table Nos. 2 & 3 of this order that CPCB has issued directions like closure/imposition of penalty and various SCNs to BHSL. Count of total directions issued by CPCB during 2018-19 and 2019-20 is given below:

Table 6

Units	Closure/SCNs/Penalty
Barkhera Unit	02
Maqsudpur unit	02
Bilai Unit	02
Rudhauli Distillery	01
Palia Distillery	03
Gola Distillery	04
Kinauni Distillery	01
Gangnauli Distillery	01
Total	**14**

24. I note that BHSL did not file disclosure stating the reasons that the closure orders were temporary in nature and the period being off season for Sugar Mills, there was no disruption of operation. Further, the Noticee in his reply dated 20.06.2022 stated that as per policy of materiality approved by the Board, Key managerial personnel were nominated from time to time to decide the materiality of the event. As per the internal guidelines criteria of materiality of events were decided on a case to case basis as per the principles as mentioned in Regulation 4(1) of SEBI (LODR) Regulations. However, disclosure of events which could not be decided based on the aforesaid criteria, was considered 10% of the annual consolidated turnover as per latest audited Financial statements.

25. The Noticee in his submission in respect of non-disclosure of events mentioned the following reasons:-

Sr. No.	Events	Analysis for materiality
1	Show cause notice	Show cause notices issued by Central Pollution Control Board (CPCB) were clarificatory in nature and no financial limit was mentioned. Accordingly not disclosed based on the criteria of materiality.

2	Closure order of the distillery/ unit	2018-19: Closure order for Barkhera, Rudauli and Maqsoodpur were temporary in nature and closure order was revoked before starting of the season. Since operation was not affected, it was not considered material and not disclosed. 2019-20: Palia was operated for two months during closure as per NGT direction. Gola and Kinauni was closed as CPCB direction. Turnover of aforesaid 3 distilleries in comparison with the total Consolidated turnover of the Company was not considered material accordingly not disclosed. Total revenue from all 6 distilleries for the financial year 2019, 2020 and 2021 was only 6%, 3% and 5% respectively in comparison with the total revenue of the Company.
3	Imposing penalty from Rs. 1.28 cr to 1.96 cr.	Penalty amount upto Rs. 1.96 cr. in comparison with the Total Consolidated turnover of the Company of Rs. 6902.28 cr. as on March 31, 2019 (which was less than 10%) was not considered material accordingly not disclosed.
4	Case filed with NGT for Palia distillery and imposing penalty of Rs. 58 20 lacs.	Penalty amount in comparison with the Total Consolidated turnover of the Company of Rs 6902.28 cr. as on March 31, 2019 was not considered material accordingly not disclosed.

26. From the above information, I note that BHSL stated that the SCNs issued by CPCB were clarificatory in nature and hence, were not disclosed on the criteria of materiality. Similarly, in respect of closure order for its Barkhera, Rudauli and Maqsoodpur units, it is stated that said closure orders were temporary in nature and closure order was revoked before starting of the season. Since operation was not affected, it was not considered material and not disclosed.

27. The Noticee also justified the alleged Non-disclosure stating that events related to imposition of monetary penalty (Rs.1.96 crore) were not disclosed since it was less than 10% and were not considered material. Similar argument was advanced for penalty imposed by NGT in respect of Palia distillery.

28. I note that in terms of Regulation 30 (4) of SEBI LODR 2015, events are material, if it is likely to result in discontinuity or alteration of information already available with the public or if it is likely to result in significant market reaction. In case both the above criteria are not applicable, then any event or information may be treated as material, if the board considers it so. Listed companies are mandated to form a policy of materiality for the purpose of disclosure under Regulation 30 (4) (ii) of SEBI LODR 2015. Schedule III of SEBI (LODR) 2015, enlists certain events/information which needs to be disclosed to stock exchanges. The SEBI SCN had alleged that the Noticee had breached the provisions contained in clauses 2 & 8 of Para B of Part A in Schedule III of SEBI (LODR) Regulations 2015. The provisions are extracted as hereunder:

> ***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)*
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> .
>
> .
>
> .
>
> **B.** *Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):*
>
> .
>
> **2.** *Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or* ***closure of operations of any unit/division (entirety or piecemeal).***
>
> .
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> .
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> .
>
> ***8. Litigation(s) / dispute(s) / regulatory action(s) with impact.***

29. As seen from the text of clause 2 of Para B, the *"closure of operation of any unit/division (entirety or piecemeal)"* is one of the events/information which is required to be disclosed by applying the materiality criteria provided in Regulation 30 of SEBI LODR 2015. Clause 8 of Para B of Part A, Schedule III provides for disclosure of *"Litigation(s)/dispute(s)/regulatory action(s) with impact".*

Findings on Disclosure of SCNs

30. I note from the facts that there were about 14 instances of orders of closure/SCNs/penalties against the Noticee. With respect to the Noticee's contention that SCNs were clarificatory in nature and there was no financial limit indicated therein, I find that though the initiation of proceedings by CPCB/SPCB by SCNs are at initial stages, SCNs are also 'material' for disclosure since the outcome thereof is not certain. The public investors are entitled to know the details of various regulatory actions initiated against the investee company.

Submission of Noticee regarding Closure orders

31. As regards closure order of Barkhera, Rudauli and Maqsoodpur distillery/units, the Noticee has contended that the orders were temporary in nature and the same were revoked before start of the season. Hence, it was not disclosed. Likewise, as regards, non-disclosure of closure order of Palia, Gola and Kinauni, the Noticee contended that the same were not considered "material" because the revenue from all 6 distilleries compared to consolidated turnover of the Company accounted for only 6%, 3% and 5% for financial years 2019, 2020 and 2021 respectively. I note that with respect to Palia, Gola and Kinauni distilleries/units, the Noticee has not explicitly contended that closure orders were temporary in nature.

32. BHSL vide email dated 05.07.2022 provided the status report of closure orders issued by CPCB as given in Table No. 5 of this order. With respect to closure orders issued in FY 2018-19 in respect of Barkhera, Maqsoodpur and Rudhauli units/distilleries, BHSL has stated that sugar factories in Uttar Pradesh are generally operating from October/November to March/April (Sugar season) and closure orders for said units were during off season and there was no disruption of operation. Closure order for Barkhera unit was from March to October, for Maqsoodpur from April to October and that of Rudhauli was from June to September. Barkhera, Maqsoodpur and Rudhauli units/distilleries were re-opened from 14.11.2018, 10.11.2018 and 23.12.2020 respectively.

33. As regards closure order issued during FY 2019-20, BHSL stated that closure order for Maqsoodpur unit was from May to November which was during off season and there was no disruption of operation and unit was re-opened from 14.11.2019. Closure orders issued in respect of Barkehra and Palia units/distilleries are still not resolved and penalty of Rs. 1.365 crore in respect of Barkhera unit has been stayed by the Hon'ble Supreme Court of India. Further, BHSL admitted that operations were affected during sugar season in FY 2019-20 in respect of Gola and Kinauni units/distilleries.

Findings on Closure orders

34. From the status report submitted by BHSL, I note that Noticee has acknowledged the fact of disruption in operations of Gola and Kinauni units/distilleries during sugar season in FY 2019-20. Further, I note that two closure orders in respect of Barkehra and Palia units are still not resolved as the matter pertaining to imposition of penalty is stayed by the Hon'ble Supreme Court. Similarly, the directions issued in respect of Palia unit have not achieved finality as the Palia unit has been allowed by CPCB to resume its operations subject to certain conditions.

Therefore, the contention raised by the Noticee that '*said closure orders/directions issued by CPCB are temporary in nature*', does not hold merit as the operations of certain units/distilleries were disrupted during sugar season and matter is still lying in Court in respect of environmental compensation to be paid by BHSL or lying unresolved with the company for want of compliances with the stipulations in such directions/orders of the CPCB.

Observations with respect to Materiality policy of BHSL

35. The Noticee stated in its reply that it had a Policy of Materiality approved by the Board and as per the internal guideline the criteria of materiality of events were decided on a case to case basis as per the principles mentioned in Regulation 4(1) of SEBI LODR Regulations. For events which could not be decided based on the aforesaid criteria, the limit of materiality for disclosure was considered as 10% of the annual consolidated turnover as per latest audited Financial statements. I have perused the Noticee's policy document, titled "Determination of Materiality of Event(s)/Information and Dissemination Policy" (*'Materiality Policy' for short*). Criteria for determination of materiality of event/information is elaborated in Clause 4 of the Materiality Policy of BHSL is reproduced as below:-

"4. Criteria for determination of materiality of event/ information

Following shall be taken into account for determining the materiality of events/ information, as specified under Regulation 30(4) of the Listing Regulations:

a) *The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;*

b) *The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; and*

c) *In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of listed entity, the event/ information is considered material."*

36. I have perused Clause 2.3 of Materiality Policy given under **Para B** of **Point 6** (Policy) elaborating the events which shall be disclosed upon application of the guidelines for materiality, which reads as follows:

"2.3 Closure of operations of any unit/division – (entirety or piecemeal):
a) …
b) amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;
c) date of closure or estimated time of closure;
d) reasons for closure."

37. I note from the Materiality Policy of BHSL, that the criteria for determination of materiality is in consonance with the provisions of Regulation 30(4) of LODR. However, to justify the non-disclosure, the company in its reply and submissions emphasized on clause (c) above and stated that the criteria for determination of materiality of event/ information, was 10% of the annual consolidated turnover as per latest audited financial statements. It is not out of place to mention that the said criteria of '10% of the annual consolidated turnover' for deciding the materiality for disclosure is not traceable in the policy document. Even assuming the same was mentioned explicitly, I find that the criteria in Clause 4(a) and / or (b) or both would apply to information on closure of units and clause (c) would not be relevant for consideration to decide the materiality of disclosure of the subject events/ information, so as to leave it to the discretion of the Company's Board. By not disclosing any event/ information of SCNs/Closure orders/Penalties, I note that BHSL has violated the provisions of Regulation 30(4) of SEBI LODR and its own policy, more particularly, Clauses 4 and 2.3 (b), (c) & d) extracted above.

38. The SCN also alleged that the Noticee is in violation of provision of Clause 8 of Para B of Part A of Schedule III of SEBI (LODR) 2015. Clause 8 of Para B of the Materiality Policy of BHSL in respect of disclosures regarding Litigation(s)/dispute(s)/regulatory action(s) with impact, reads as below:

> *"**8. Litigation(s) / dispute(s) / regulatory action(s) with impact:** The Company shall notify the Stock Exchange(s) upon it or its key management personnel or its promoter or ultimate person in control becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the listed entity, the outcome of which can reasonably be expected to have an impact.*
>
> ***8.1. At the time of becoming the party:***
> *a) brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation;*
> *b) expected financial implications, if any, due to compensation, penalty etc;*
> *c) quantum of claims, if any;*
>
> ***8.2. Regularly till the litigation is concluded or dispute is resolved:***
> *a) the details of any change in the status and / or any development in relation to such proceedings;*
> *b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;*
> *c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.*"

39. In terms of Clause 8 of Para B, Part A of Schedule III, "Litigations/Disputes/Regulatory actions with impact" are required to be disclosed. The orders of closure with respect to said three distilleries/units viz. Palia, Gola and Kinauni, in that sense, are regulatory orders with impact. I observe from the contention of the Noticee that the

Noticee has tried to justify the Non-disclosure of closure of these units by assessing the impact of the closure in financial terms such as turnover. I note that shareholders of the Noticee who were aware of the number of units/distilleries and the operations that were going on in the company did not get an opportunity to become aware of the closure of the said three units/distilleries from the company. It is relevant to mention that the provisions in SEBI LODR mandate the disclosure of both financial as well as non-financial information. Hence, I find that the Non-disclosure of closure orders with respect to the said three units/distilleries, amounts to breach of the provisions of LODR as alleged and its own Materiality Policy. Likewise, imposition of penalty of Rs. 1.96 crore was also not disclosed during the financial year 2019-20. Though, it has been contended by the Noticee that the penalty has been stayed by Hon'ble Supreme Court of India, I do not find any justification for the non-disclosure of events, on the ground that the revenue generated does not compare with total turnover of the company. This would also imply that the board of the company would not disclose any event by taking umbrage under its 'Materiality Policy'.

40. In this context, it is also relevant to look at the facts brought out in the SEBI's Examination report regarding comparison of Segment Revenue/loss for various financial years, as below:

(Lakh Billion Litre)	**FY 17-18**	**FY-18-19**	**FY 19-20**
Production	1,132	1,077	572
Sales	1,173	1,248	622

From the comparison of annual production figures of alcohol, it was observed that the operations of distilleries were affected in the FY 19-20.

Segment (Cr.)	FY 18-19	FY 19-20	FY 20-21
Distillery (Revenue)	524.95	275.92	414.47
Distillery (P/L)	263.53	59.56	14.10

Also, segment revenue and profit/loss were perused as given in the annual report. It is observed that in FY 19-20, the revenue from distillery business was halved in comparison to FY 18-19 and FY 20-21.

41. The closure orders had a substantial impact on the sales, production, revenue and profit for FY 2018-19 to FY 2019-20, as shown in the above tables. In my view, the information qualifies as material for disclosure, as it falls within the purview of Regulation 30 (3) and Regulation 30 (4)(i) (a) and (b). I therefore find that the closure order of units/distilleries and imposition of penalty/directions of CPCB on certain units of the Noticee, as brought out above, are material events that ought to have been disclosed by the Noticee in terms of SEBI LODR 2015.

42. I note that the provisions in Regulation 30 of SEBI (LODR) Regulations 2015 provides for disclosure of events/information by categorizing it broadly under 2 sets:

1. Enlisted specific material events stipulated in Para A of Part A of Schedule III ; and
2. Events specified in Para B of Part A of Schedule III which shall be disclosed based on the guidelines of materiality as approved by the board of the company.

From the provisions of sub-regulation (4) of Regulation 30, it is clear that any event/information, if omitted to be disclosed would have an impact on the market reaction if the same comes to light at a later date, such event / information shall be disclosed. Likewise, if the event/information is likely to result in discontinuity/alteration of event or information already available publicly, then also it ought to be disclosed. SEBI (LODR) 2015 has mandated timely disclosure for the events which falls under Para B of Part A of Schedule III to be disclosed applying the criteria to determine materiality as laid down in Regulation 30(4). I find that the Noticee has failed to disclose the information, as mandated in the LODR provisions and as captured in its Materiality Policy.

Issue II- Misleading reporting in BRR

43. As per clause (f) of sub-regulation (2) of Regulation 34 of SEBI LODR Regulations, the annual report shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective, in the format as specified by the Board. Accordingly, a format was prescribed vide circular dated 04.11.2015 in which various questions have been framed seeking information under various sections viz. General information, Financial details, Principle-wise performance.

44. I note that BRR format as prescribed in SEBI circular dated 04.11.2015 clearly seeks information on the SCN/legal notices issued by CPCB/SPCB which are pending and not resolved to satisfaction. Relevant clause of said SEBI circular is reproduced below:

SEBI Circular CIR/CFD/CMD/10/2015 dated November 04, 2015 prescribing format for BRR (Question 7 under Principle 6 (Annexure I, Section E: Principle-wise Performance)

"Principle 6: Business should respect, protect and make efforts to restore the Environment:

Question 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of financial year"

45. The disclosures in Business Responsibility Report under the annual reports of BHSL were examined. To the above quoted Question No.7 under Principle 6 of BRR format, BHSL indicated in its annual reports as: ***'No show cause notice pending as on end of financial years'*** for - FY 2018-19 & 2019-20." With regard to reporting on the above question, the company in the BRR for FY 2020-21, has stated that ***'We have addressed all the SCNs received related to pollution matters well in time…..No reply of SCN is pending as on end of FY's".***

46. As the answers to Question 7 in the BRR format in the Annual reports were contradictory to the contents in Table Nos. 2 and 3 of this order, it was alleged in the SCN that the disclosures made in BRR under relevant section were misleading and amounted to misrepresentation of facts. It was alleged that relevant information in this regard was not reported in the BRR appropriately.

47. The Noticee in its reply to SCN dated 06.06.2022 submitted that as per its interpretation, it has obtained the data of Show cause/legal notices from Central Pollution Control Board (CPCB), if any, pending as on the end of March 31 each year. Since reply for all the SCNs were submitted within the time specified in the SCN and no reply was pending as on March 31, reporting was done accordingly. In this regard, the Noticee also submitted that its interpretation for 'pending SCN' may be wrong; however, BHSL was not falling under top 500 companies by Market Capitalization for the financial year 2017-18 and 2018-19 and it was not obliged to make a BRR. It had included the BRR on a voluntary basis and if it had any intention to suppress the fact regarding SCNs, it would have published the annual report without inclusion of the BRR. The Noticee has further produced Annexures 1 and 2, showing a list of actions of the Pollution Control Board initiated against various other companies in the same industry. I refrain from making comments on these issues and would like to limit my observations to the issues in the SCN.

48. I note from the Table Nos. 2 and 3 of this order, that there have been certain SCNs or other orders issued in both years viz. 2018-19 & 2019-20 which were 'material information' as found in Issue No.1. Any SCN which was pending resolution was liable for disclosure. I find that SCN dated 9/5/2018 with respect to Bilai Unit and two SCNs dated 14/01/2019 with respect to Palia and Gola distilleries were pending unresolved. I find that the Noticee by furnishing wrong and misleading reply to Question No. 7 under Principle 6 of BRR format as prescribed vide SEBI Circular dated November 04, 2015, has breached the provisions meticulously laid down in the SEBI (LODR) 2015, to protect the interest of the shareholders and other stakeholders. I also note that the Noticee was not in the Top 500 Companies going by Market cap criteria that had to mandatorily make BRR in their Annual Reports from FY 2015-16. However, having made a BRR, the Noticee is liable and responsible for the statements made in its report. In this context, it is relevant to note that Regulation 4 of LODR which deals with 'Principles governing disclosures and obligations' provides that the listed entity shall refrain from misrepresentation and ensure that the information provided to recognized stock exchange(s) and investors is not misleading.

49. SEBI has mandated Environment, Social and Governance (ESG) disclosures as it is beneficial for both the shareholders and other stakeholders of listed companies. ESG disclosures enables investors/public to take informed decision on the basis of company's commitment in discharging its obligations towards society and environment. The environmental and social impact of a company's business processes is brought out by such disclosures. Listed companies were mandated to include such disclosures with effect from 2012 through clauses in Listing Agreement, pursuant to the disclosure requirement emanating from the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by MCA in 2011. The same was later incorporated as part of the SEBI LODR in 2015 and circulars issued in this regard. If the listed companies are failing to file such disclosures, the investor/public is deprived of material information in ESG scenario in relation to listed entity. These disclosures do serve as a yardstick to measure a Company's performance from sustainability angle too. ESG disclosures are as relevant as other financial disclosures of Companies. The disclosure standards pertaining to environment mandated under SEBI (LODR) 2015 are meant for strict compliance both in letter and spirit.

50. To conclude, in the facts of the instant case, I find that the Noticee has violated the provisions of Regulation 4 (1) (c), Regulation 30 (3), Regulation 30 (4) read with clauses 2 & 8 of Para B of Part A of Schedule III and Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular ref. no. CIR/CFD/CMD/10/2015 dated November 04, 2015. The aforesaid violations make the Noticee liable for monetary penalty under Section 23E of Securities Contracts Regulation Act 1956.

D. ORDER

51. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose Rs. 10,00,000 (Rupees Ten Lakhs) as penalty under Section 23E of the Securities Contracts Regulation Act 1956 on the Noticee.

52. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, OR 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

53. The said demand draft or forwarding details and confirmation of e-payment made in the format as given in following table should be sent to "The Division Chief, EFD-DRA-5, Securities and Exchange Board of India, SEBI Bhavan II, 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 the 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)	

54. 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.

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

DATE: JULY 8, 2022
PLACE: MUMBAI

GEETHA G.
ADJUDICATING OFFICER