BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SR/2022-23/19-34/22584-22599]

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 BY ADJUDICATING OFFICER) RULES, 1995 AND SECURITIES CONTRACT (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005

In respect of:

GR Capital & Finance Pvt. Ltd (PAN no. AAACG3409L)

Gopal Ramourti (PAN no. AABPR7659B)

Gopal Ramourti HUF (PAN no. AACHG1393Q)

Nainish Rajendra Bora (PAN no. AGCPB5354L)

Abhijit Rajendra Bora (PAN no. AAUPB1605N)

Borachem Industries Ltd. (PAN no. AAACB7292C)

Rajendra Chandmal Bora PAN no. ABJPB7383B)

Lalita Rajendra Bora (PAN no. ABJPB7510L)

Sonia Gopal Ramourti (PAN no. AESPS0962H)

Beena Ajay Bora (PAN no. ABRPB9828K)

Sangita Kumarpal Bora

Mangala Anil Bora

Nikhil Kulkarni

Sanjeev D Tole (PAN no. AAKPT3940L)

Ramesh Ramourti (PAN No. AFZPR8263G)

Twilight Litaka Pharma Limited (PAN no. AAACL4246J)

In the matter of:

Twilight Litaka Pharma Limited

Address 1: Himalaya Estate, 16-A, Shivaji Nagar, Pune – 400005, Maharashtra

Address 2:B22, H Block, MIDC, Pimpri, Pune-411018, Maharashtra

BACKGROUND

1. A Department (**OD**) of Securities and Exchange Board of India (in short **SEBI**) conducted an investigation in the matter of trading activities of certain entities in the scrip of Twilight Litaka Pharma Limited (also referred to as **TLPL/Company**) pursuant to receipt of a reference from Income Tax Department, Pune alleging booking of bogus purchases and sales by giving accommodation entries to its sister concerns and some other entities and inflation of turnover in the books of accounts by TLPL by creating circular transactions through some paper concerns as well as real concerns during investigation period starting from December 16, 2009 to December 15, 2010. During investigation period the Company was listed at Bombay Stock Exchange (**BSE**) and National Stock Exchange (**NSE**). Based upon the findings of the Investigating Authority (**IA**) appointed by OD, it is alleged by OD that promoters/directors of the Company namely GR Capital & Finance Pvt. Ltd. (in short **Noticee 1**), Gopal Ramourti (in short **Noticee 2**), Gopal Ramourti HUF (in short **Noticee 3**), Nainish Rajendra Bora (in short **Noticee 4**), Abhijeet Rajendra Bora(in short Noticee 5) & Borachem Industries Ltd.(in short Noticee 6), violated the provisions of regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (in short PFUTP Regulations, 2003) by engaging in manipulation in books of accounts for the period 2009-10 and 2010-11 and mislead the investors by not providing a true and fair view of its quarterly and yearly financials. Further, alleged that promoters/directors of the Company namely **Noticee 1 to Noticee 6**, Rajendra Chandmal Bora (in short **Noticee 7**) , Lalita Rajendra Bora (in short **Noticee 8**), Sonia Gopal Ramourti (in short **Noticee 9**), Beena Ajay Bora (in short **Noticee 10**), Sushila Rupchand Bora (in short **Noticee 11**), Mangala Anil Bora (in short **Noticee 12**), Sangita Kumarpal Bora (in short **Noticee 13**) violated the provisions SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 1997 (in short SAST Regulations, 1997). Further, it is also alleged that Noticee 1, Noticee 2, Noticee 4 and Noticee 5 violated the provision of SEBI (Prohibition of Insider Trading) Regulations, 1992 (in short PIT Regulations, 1992). Lastly, alleged that Noticee 2,Noticee 4, Noticee 5, Noticee 7, Nikhil Kulkarni (in short **Noticee 14**), and Sanjeev D. Tole (in short **Noticee 15**), Ramesh Ramourti (in short **Noticee 16**) and the Company i.e. Twilight Litaka Pharma Limited (in short **Noticee 17**) violated the provisions of Listing agreement. Thereby making the said Noticees liable for imposition of

penalty under provisions of the Securities and Exchange Board of India Act, 1992 (in short the **SEBI Act**, **1992**)

APPOINTMENT OF ADJUDICATING OFFICER

2. Based upon the findings of IA, OD initiated adjudication proceedings against the Noticees, to inquire into and adjudge under sections 15A(b), 15H, 15HA and 15HB of the **SEBI Act, 1992** for alleged violations of provisions of PFUTP Regulations, 2003, SAST Regulations, 1997 and PIT Regulations, 1992 and under section 23A(a) of the Securities Contracts (Regulations) Act, 1956 (hereinafter referred to as **SCRA, 1956)** for the alleged violations of Listing agreement. SEBI appointed Shri Nagendraa Parakh as Adjudicating Officer in the instant adjudication proceedings vide communique dated June 29, 2016. Subsequently, the matter was transferred to undersigned on July 10, 2017. Further, a revised communique dated October 24, 2017 was conveyed to undersigned in the instant adjudication proceedings and later on, another communique dated November 22, 2019 was conveyed to undersigned, whereas all relevant record in the instant matter was conveyed to me on January 07, 2020.

   SEBI appointed undersigned as the Adjudicating Officer under section 19 read with (r/w) section 15-I of the SEBI Act, 1992 under rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (in short Adjudication Rules, 1995) and rule 3 of Securities Contract (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (in short Adjudication Rules, 2005) to inquire into and adjudge:-

   a) under section 15HA the SEBI Act, 1992, the alleged violations of regulations 3(a),(b), (c), (d) & 4(1) of PFUTP Regulations, 2003 by Noticee 1 to Noticee 6;
   b) under section 15A(b) of the SEBI Act, 1992 for the alleged violations of regulations 8A(2) & 8A(3) of SAST Regulations, 1997 by Noticee 1 to Noticee 6;
   c) under section 15HB of the SEBI Act, 1992 for the alleged violations of regulations 8A(2) & 8A(3) of SAST Regulations, 1997 by Noticee 4 and Noticee 5;

d) under section 15A(b) of the SEBI Act, 1992 for the alleged violations of regulations 13(3) read with (r/w) 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997 by Noticee 1
e) under section 15A(b) of the SEBI Act, 1992 for the alleged violations of regulations 13(3) & 13(4) r/w 13(5) of PIT Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997 by Noticee 2;
f) under section 15A(b) of the SEBI Act, 1992 for the alleged violations of regulations 13(4) r/w 13(5) of PIT Regulations, 1992 by Noticee 4 and Noticee 5;
g) under section 15H of the SEBI Act, 1992 for the alleged violation of regulation 11 (2) of SAST Regulations, 1997 by Noticee 1 to Noticee 13;
h) under section 23A(a) of the SCRA, 1956 for the alleged violations of clauses 35 of Listing Agreement r/w section 21 of SCRA, 1956 by Noticee 14, Noticee 15 and Noticee 17;
i) under section 23A(a) of SCRA, 1956 for the alleged violations of clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956 by Noticee 2, Noticee 4, Noticee 5, Noticee 7, Noticee 14, Noticee 15 and Noticee 16 and Noticee 17.

for the alleged irregularities in the scrip of the company.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. Common SCN no. SEBI/HO/EAD/10/SR/SM/OW/XXXX6609/(no. 1 to 17) 7/2020 dated February 18, 2020 (hereinafter referred to as SCN) was issued to all the Noticees mentioned above. Details of the said SCN are given below:

PFUTP Violations

3. *OD of SEBI conducted an investigation regarding trading activities in the scrip of TLPL for the investigation period, pursuant to receipt of a reference from Income Tax Department (ITC), Pune alleging booking of bogus purchases and sales by giving accommodation entries to its sister concerns and some other entities and inflation of turnover in the books of accounts by TLPL by creating circular transactions through some paper concerns as well as real concerns. In view of the matter relating to irregularities in the books of account of the company, M/s Sarath and Associates (hereinafter **Sarath**), the Chartered Accountants was appointed by SEBI for forensic*

auditing and examination of books of accounts relating to inflation of turnover and booking of accommodation entries. Accordingly, Sarath submitted its report on November 15, 2015 and copy of the forensic audit report is placed at ***Annexure-B.***

4. *During the period of investigation it was observed by IA that there is financial irregularities in the Books of Accounts of the Company. IA observed from the letters of Income Tax Department, Pune and the forensic audit report of Sarath that the company had inflated the sales and purchases over the years through trading activities among group companies. The sales and purchases are inflated to as high as 85% of the total turnover booked over the last five years. The company proposed dividend at the rate of Rs. 1.5 per share for the FY 2010-11 which was approved by the shareholders of the company on Sep 29, 2011 in its Annual General Meeting. However, IA observed that the dividend as announced was allegedly not paid by TLPL to the shareholders.*
5. *IA observed that allegedly the modus operandi followed by the company as mentioned in report given by Sarath is given below :-*
    - *The company has over the years adopted a method of inflating the sales and purchases through trading activities through group companies. The funds are raised through the financial institutions by showing improved performance. The sales and purchases are inflated as high as 85% of the total turnover booked over the last five years.*
    - *The company has floated several paper entities to accommodate the transfer entries of funds raised through discounting the purchase bills and letter of credits against the non-existent purchases from various bank accounts. To accommodate the fund transfers, bank accounts are opened in the names of the paper entities, and the staffs of TLPL are signatories to these accounts. In other words the accounts are operated as per the directions of the management of TLPL.*

      Illustration: - The company has transacted with the paper entities, whose bank accounts are opened making the staff of TLPL signatories to accounts to accommodate circular entries. These companies do not have books of accounts, and no tax returns are filed by these entities.

List of some of such paper entities are as follows: Riya Chem, Kiran Agencies, Chrome Chemicals, G.A Enteprises, Oxford Laboratories, Brihans Pharma, Cresent Pharmaceuticals, Deep Pharma

- *The major portion of the sundry debtors and sundry creditors are pre-decided by the management, the circular transactions, accommodative and inappropriate year-end provisional entries were passed.*

  Illustration:- The company has passed adhoc entries at the year end to decrease or increase the outstanding balances, these entries are reversed on the April,01. These entries have no base for passing such debits or credits.

  The opening ledger balances of the F.Y 2010-11 is not matching with audited figures of the F.Y 2009-10. The following ledger extract is the illustration of such incorrect balances carried forwarded.

  Ex: VHB Life Sciences INC (COT145):

  Closing balance as on 31.03.201 =Rs.36,08,19,848.46

  Opening Balance as on 01.04.2010= Rs.6,56,68,811.59

  Difference =Rs. 29,52,51,036.87

- *The opening balance of some of the accounts are not matching with the closing balances of the previous financial years, resulting in inconsistencies in the outstanding balances of loans and advances, sundry debtors and creditors of the audited balance sheet vis-a vis the books of accounts.*

  Illustration: Account ‘ Loans from promoters group 'The ledger account 'loans from promoters group' in the F.Y 2010-11 has Rs 32.62 crore shown as repaid on various dates starting from January, 2011 to 10.3.2011. No receipts of such loans in the said financial year, and also do not have the opening balance in the account. These payments are shown as paid to G.R Capital, Gopal Rammurty, NR Bora, LR Bora, AR Bora Moreover these payments are not reflecting in the bank statement, which indicates that these are book entries.

  The above mentioned account has been shown by crediting the various company's accounts on 31.3.2011 for an amount of RS 45.62 crore, resulting in Rs 13 crore closing balance under the account Loans from promoters group

However, no such account in the F.Y 2011-12 was opened in the books of accounts, with the opening balance of Rs 13 crore.

- *Approximately 75-80% of closing stocks in the audited balance sheet are relevant to inflated turnover, purchases booked in the audited balance sheets are non-existent.*
- *Certain additions to fixed assets appearing in the audited balance sheet of F.Y 2010-11 are fictitious, these additions are resultant of book additions due to adjustment entries in the paper entities.*

  Illustration: - The additions to the assets are made by passing journal entry by crediting to one of the paper company. The credit in the party account is revered by showing a payment through the State Bank of India account. However, no such payments appeared in the bank statement (given as Annexure 13 of the report)
- *The export sales are booked by passing a journal entry in the group companies, on monthly basis. The statutory auditor has certified the compliance reporting in the annual report for the non-existent export business done by the company.*

  Illustration: The reported exports in the financial statements are not by exporting the materials to foreign countries but by passing the journal entries without any supporting documents.

  Illustration of such entry is reproduced below wherein the debit is 'Sales-Generic' and crediting 'Sales-Export' account, no party account is debited for recovery of monies for such sales exports booked.
- *The artificially inflated profits were booked over the years and the dividends were declared by the company over the years, without actually having the real cash inflows. This has resulted in acute shortage of funds in spite of booking huge profits, non- payment of EMI of the banks and financial institutions, creditors and cancellation of declared dividend by the company for F.Y 2010-11.*

6. *IA observed from the report given by Sarath that TLPL had allegedly engaged in manipulation in books of accounts for the financial year (FY) 2009-10 and 2010-11 and mislead the investors by not providing a true and fair view of its quarterly and yearly financials. Also, TLPL had not paid the dividend for the F.Y 2010-11 to shareholders after the shareholders' approval in the AGM held on September 29,*

2011. It was also observed by IA that the promoter entities namely, GR Capital & Finance Pvt. Ltd. (Noticee 1), Gopal Ramourti (Noticee 2), Gopal Ramourti HUF (Noticee 3), Nainish Rajendra Bora (Noticee 4), Abhijeet Rajendra Bora (Noticee 5) & Borachem Industries Ltd. (Noticee 6) were dealing in securities by way of pledging the shares of TLPL for taking loan from various entities while false and misleading accounting statements for the FY 2009-10 & 2010-11 were being published in the public domain. Further, IA observed that Gopal Ramourti (Noticee 2), Nainish Rajendra Bora (Noticee 4) and Abhijit Rajendra Bora (Noticee 5) were also directors of the company during the period of investigation. Gopal Ramourti (Noticee 2) was also one of the directors of G R Capital and Finance Pvt. Ltd. (Noticee 1) & karta of Gopal Ramourti HUF (Noticee 3). Hence, it is observed by IA that they allegedly had information that the financial results of the company for FY 2009-10 & 2010-11 were false and misleading.

7. *During the period of investigation, IA observed that the shareholding of the promoter entities reduced from 63.74% to 42.00%. The change in shareholding was due to the invocation of shares pledged by the promoter entities namely Noticee 1 to Noticee 6. While rosy financial results for the FY 2009-10 & 2010-1 1 were being published in the public domain, the promoter entities offloaded (by way of invocation of shares by the pledgee/s) shares worth Rs. 56.04 crores (based on the closing price on the day on which shares were invoked) by not repaying the loans taken from the pledgee/s. In view of the same, it is alleged by IA that these action the promoter entities namely Notice 1 to Noticee 6 are in violation of regulations 3(a),(b), c)&(d) and 4(1) and 4(2)(f) of PFUTP Regulations 2003.*

Disclosure Violations by Promoters/Directors of TLPL:

8. *During investigation, IA observed that there was a decrease in promoter shareholding during the period of investigation. It was also observed by IA that various promoters pledged their shares during the period of investigation and the decrease in shareholdings were majorly on account of invocation of pledged shares of the promoters and therefore were required to be disclosed under SAST Regulations, 1997 and PIT Regulations, 1992. The details of pledge of shares by various promoter entities are tabulated below:*

s. No.	Name of Promoter entity	Instances of Pledge creation	No. of. . violations (non-disclosure to company under 8A(2) of SAST 1997	Instances of Pledge invocation	No. of violations (non-disclosure to company under 8A(3) of SAST, 1997
1.	GR Capital & Finance Pvt. Ltd. (Noticee 1)	From 29/12/2009 To 31/12/2010 (on 63 dates)	62*	From 29/07/2010 to 15/12/2010(11 dates)	11
2.	Gopal Ramourti (Noticee 2)	From 14/01/2010to 22/12/2010 (on 11 dates)	10*	From 09/12/2010 to 14/12/2010 (3 dates)- 09/12/2010, 13/12/2010 14/12/2010	3
3.	Gopal Ramourti HUF (Noticee 3)	From 18/02/2010 to 24/11/2010 (on 3 dates) 18/02/2010, 05/10/2010 & 24/11/2010	3	09/12/2010	1
4.	Nainish Rajendra Bora (Noticee 4)	12/04/2010 (160000 shares)	1	14/12/2010 (160000 shares)	1
5.	Abhijeet Rajendra Bora (Noticee 5)	12/04/2010 (260000 shares)	1	14/12/2010 (260000 shares)	1
6.	Borachem Industries Ltd. (Noticee 6)	From 12/04/2010 to 14/12/2010 (5 dates)	5	08/12/2010 & 14/12/2010	2

**On 23/09/2010, 1100000 share were pledged by GR Capital & Finance Ltd. and 400000 shares were pledged by Gopal Ramourti which was disclosed to company on 01/10/2010 and the same was disclosed by company to exchange on 11/10/2010.*

9. *IA also observed that Noticee 4 pledged 160000 shares of the company on April 12, 2010 which were invoked on December 14, 2010, for which Noticee was required to make disclosure under regulation 8A(2) and 8A(3) of SAST Regulations, 1997 within 7 working days from the date of creation of pledge and invocation respectively. However, the said Notice disclosed both the transactions took place on December 22, 2010 to the company on December 22, 2010 itself which in turn was disclosed by*

company under regulation 8A(4) of SAST Regulations, 1997 to the stock exchange on December 30, 2010. Hence, it was observed that Noticee 4 made wrong disclosure to the company regarding the transactions of creation and invocation of pledge if shares in the scrip of TLPL.

10. *Further, it was also observed by IA that Noticee 5 pledged 260000 shares of the company on April 12, 2010 which were invoked on December 14, 2010. However, the entity disclosed that both the transactions took place on December 27, 2010 to the company on December 27, 2010 itself which in turn was disclosed by company under regulation 8A(4) of SAST Regulations, 1997 to stock exchange on December 31, 2010. Hence it was observed that Noticee 5 made wrong disclosure to the company regarding the transactions of creation of pledge and invocation. The details of day wise creation of pledge and details of invocation of shares of various promoter entities is shown in Annexure-C. Therefore, IA observed that the violations regarding the non-disclosure/wrong disclosure made by the entities under regulations 8A(2) and 8A(3) of SAST Regulations, 1997 by Noticee 1 to Noticee 6.*

11. *Further, IA observed that the shareholding of GR Capital and Finance Pvt. Ltd. (Noticee 1) reduced by more than 2% during the period of investigation. Hence the shareholding pattern of Noticee 1 was examined by IA in order to ascertain whether the change in shareholding required any disclosure under PIT Regulations, 1992. The details of holding of Noticee 1 wherever the disclosure requirements were triggered is tabulated below :-*

Date	*Opening Balance*	*Sum of Debit*	*Sum of Credit*	*Sum of No / Of shares invoked*	*Closing Balance*	*%age of promoter share holding*	*% Change*	*Cumulative*
01/01/2010	*9230000*					*43.37*	*NA*	*NA*
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29/07/2010	*9230000*			*133350*	*9096650*	*42.74*	*0.63*	*0.63*
04/08/2010	*9096650*	*0*	*132850*		*9229500*	*43.37*	*-0.62*	*0.01*
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08/12/2010	*9275384*	*0*	*20000*	*98500*	*9196884*	*43.22*	*0.37*	*0.15*

09/12/ 2010	*9196884*			*1259200*	*7937684*	*37.30*	*5.91*	*6.07*
10/12/ 2010	*7937684*			*468900*	*7468784*	*35.10*	*2.20*	*8.27*
10/12/ 2010	*7468784*			*272900*	*7195884*	*33.81*	*1.28*	*9.56*
13/12/ 2010	*7195884*	*0*	*50000*	*111000*	*7134884*	*33.53*	*0.29*	*9.84*
13/12/ 2010	*7134884*			*125000*	*7009884*	*32.94*	*0.59*	*10.43*
14/12/ 2010	*7009884*			*534100*	*6475784*	*30.43*	*2.51*	*12.94*
15/12/ 2010	*6475784*	*0*	*166000*	*311250*	*6330534*	*29.75*	*0.68*	*13.62*
----	*---*	*---*	*---*	*---*	*---*	*---*	*---*	*---*
22/12/ 2010	*6587248*	*0*	*163000*		*6750248*	*31.72*	*-0.77*	*11.65*

In the above table, IA observed that the shareholding of Noticee 1 reduced by more than 2% on December 09, 2010, December 10, 2010, December 13, 2010 and December 14, 2010 and hence Noticee 1 was required to disclose the same to the company under regulation 13(3) r/w 13(5) of PIT Regulations, 1992 within 2 working days to the company and under regulation 7(1A) of SAST Regulations, 1997. However, OD has alleged that Noticee 1 did not make the required disclosure to the company and the stock exchanges as specified under the said provision of Regulations. The detailed day wise change in shareholding of Noticee 1 is placed at ***Annexure-D****. Hence, IA observed that Noticee 1 violated the provision of regulation 13(3) r/w 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997.*

12. *Further, IA observed that the shareholding of promoter entities namely, Noticee 2, Noticee 4 and Noticee 5 (also the directors of the company) changed during the period of investigation. The detailed day wise change in shareholding of Noticee 2, Noticee 4 and Noticee 5 is placed at* ***Annexure-E.*** *Hence the shareholding pattern of the entities was examined in order to ascertain whether the change in shareholding required any disclosure under PIT Regulations, 1992. The percentage holding of Noticee 2, wherever the disclosure requirements were triggered is tabulated below :-*

Date	Opening Share holding	Debit	Credit	No. Of shares invoked	Closing Share holding	%age of promoter share holding	Change	Cumulative	Disclosure requirement under PIT, 1992
01/01/2010	*1333350*				*1333350*	*6.27*	*0.00*	*0.00*	
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23/09/2010	*1333350*		*400000*		*1733350*	*8.14*	*1.88*	*1.88*	*U/r 13(4)*
09/12/2010	*1733350*			*42363*	*1690987*	*7.95*	*0.20*	*1.68*	*U/r 13(4)*
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13/12/2010	*1690987*		*25000*	*354000*	*1336987*	*6.40*	*1.55*	*0.13*	*U/r 13(4)*
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14/12/2010	*1336987*			*463700*	*873287*	*4.22*	*2.18*	*2.04*	*U/r 13(3) & 13(4)*

Noticee 2 was the director of TLPL during these transactions period. Therefore, transactions on September 23, 2010, December 09, 2010, December 13, 2010 and December 14, 2010 as mentioned in table above were required to be disclosed under regulation 13(4) r/w 13(5) of PIT Regulations, 1992 to the company and the stock exchanges within 2 working days as the total change was more than 25,000 shares / Rs. 5 lakh in value. Further, on December 14, 2010, the shareholding of the entity reduced by more than 2%, hence the entity was required to disclose the same to the company under regulation 13(3) r/w 13(5) of PIT Regulations, 1992 within 2 working days to the company. However, OD has alleged that Noticee 2 did not make the required disclosure to the company and the stock exchanges as specified under the said provision of PIT Regulations, 1992. Therefore, IA observed that Noticee 2 violated the provision of regulations 13(3) & 13(4) r/w 13(5) of PIT Regulations 1992.

13. *Further, it was observed by IA that the invocation of shares of Noticee 5 and 1,60,000 shares of Noticee 4 on 14.12.2010 were required to be disclosed under regulation 13(4) r/w 13(5) of PIT Regulations, 1992 to the company and the stock exchange within 2 working days as the total change was more than 25,000 shares. However, OD has alleged that Noticee 4 and Noticee 5 did not make the required disclosure to the company and the stock exchanges as specified under the said provision of PIT*

Regulations, 1992. In view of the same, IA observed that Noticee 4 and Noticee 5 violated the provision of regulation 13(4) r/w 13(5) of PIT Regulations, 1992.

Requirement with regard to open offer by promoter entities

14. *It was observed by IA that the promoter entities received shares in off-market during the period of investigation. Since the cumulative shareholding of the promoter entities was more than 55% during the period of investigation, the promoter entities were required to make a public announcement under regulation 11(2) of SAST Regulations, 1997 for acquisition of the shares. Rajendra C Bora (Noticee 7) was the Chairman of TLPL. Gopal Ramourti (Noticee 2), Nainish Bora (Noticee 4) and Abhijit Bora (Noticee 5) were directors of the company. It was also mentioned in the Annual report for FY 2009-10 under Schedule 16 i.e notes to accounts under the head "Related party disclosures" that Key management personnel Rajendra C Bora (Noticee 7), Gopal Ramourti (Noticee 2), Nainish Bora (Noticee 4) and Abhijit Bora (Noticee 5) has influence over G R Capital and Finance Pvt. Ltd (Noticee 1). Gopal Ramourti (Noticee 2), Nainish Rajendra Bora (Noticee 4), Ramesh Ramourti (Noticee 16) and Sonia Gopal Ramourti (Noticee 9) were the directors of G R Capital and Finance Pvt. Ltd.(Noticee 1). Lalita Rajendra Bora (Noticee 8) is the wife of Rajendra C Bora (Noticee 7). Gopal Ramourti (Noticee 2) is karta of Gopal Ramourti HUF (Noticee 3). Further, Ajay Bora became director of subsidiary of TLPL from October 01, 2010. Beena Ajay Bora (Noticee 10) is wife of Ajay Bora. Hence, the promoter entities are PACs. IA observed that G R Capital and Finance Pvt. Ltd (Noticee 1) received 1,32,850 shares in off-market from an entity named Everest Flavours Ltd. on August 04, 2010. Before the said off-market receipt of shares the shareholding of the promoter group was 62.81% as tabulated below:-*

S.No.	*Name of promoter group*	*% shareholding as on 03.08.2010*
1 .	*GR Capital & Finance Pvt. Ltd*	*42.74*
2.	*Gopal Ramourti*	*6.27*
3.	*Gopal Ramourti HUF*	*4.54*
4.	*Rajendra C Bora*	*3.67*
5.	*Borachem Industries Ltd.*	*2.03*
6.	*Abhijeet Rajendra Bora*	*1.24*
7.	*Lalita Rajendra Bora*	*0.93*
8.	*Nainish Rajendra Bora*	*0.80*
9.	*Sonia Gopal Ramourti*	*0.36*

10.	*Beena Ajay Bora*	*0.23*
11 .	*Sushila Rupchand Bora*	*0.00*
12.	*Mangala Anil Bora*	*0.00*
13.	*Sangita Kumarpal Bora*	*0.00*
Grand Total		*62.81*

15. *IA observed that the said acquisition of 1,32,850 shares of TLPL by Noticee 1 were made through off-market mode. Said acquisition by Noticee 1. Without making an open offer is in violation of regulation 11(2) of SAST Regulations, 1997. It is alleged that, Noticee 1 was required to make a public announcement under Regulation 11(2) of SAST Regulations, 1997 for acquisition of the shares. However, it was observed that no public announcement was made under regulation 11(2) of SAST Regulations, 1997 by the entity. Further, between November 22, 2010 and December 22, 2010, Noticee 1 received 679,714 shares through off-market from various entities including one of the promoter entity Gopal Ramourti HUF (Noticee 3). It was observed by IA that the share price during the period of purchase of shares in off-market by the promoter entities (August 04, 2010- December 22, 2010) was in the range of Rs. 93.65 - Rs. 173.05. The share price of the company as on March 10, 2015 was Rs. 2.88 in BSE on January 01, 2015 and Rs.4.35/- on NSE on December 26, 2014 before the scrip was suspended for trading on the stock exchanges. The company was suspended for trading from Jan 02, 2015. The company is under liquidation vide Honorable High Court order dated April 30, 2014 and the Official Liquidator was appointed as the Provisional Liquidator of the company. Further, Honorable Bombay High Court vide its order dated Jan 29, 2015 has ordered the winding up of the company. However, OD alleged that the acquirer i.e. Noticee 1 and PACs i.e. Noticee 2 to Noticee 13 failed to make an open offer for the said transaction and hence violated the provision of regulation 11(2) of SAST Regulations, 1997.*
16. *Further, Noticee 2 received 4,00,000 shares in off-market from Noticee 3 on September 23, 2010. As the transactions were inter-se transfers among qualifying promoters, the acquirer is exempted from making open offer under regulation 3(1)(e)(iii)(b) of SAST Regulations, 1997 for which a report is to be filed with SEBI under regulation 3(4) of SAST Regulations, 1997 within 21 days of acquisition of shares. However, IA observed that the concerned Department of SEBI vide its mail dated June 17, 2015 has confirmed that the entity has not filed any report under*

regulation 3(4) of SAST Regulations, 1997. Copy of the e-mail places at ***Annexure - F.*** *In view of the same, IA observed that Noticee 2 violated the provision of regulations 3(4) r/w 3(5) of SAST Regulations, 1997.*

Non Payment of Dividend

17. *IA observed that the Board of Directors (BOD) of TLPL in its meeting held on August 27, 2011 had proposed dividend at the rate of 30% at Rs. 1.5 per share for FY 2010-2011. In its Annual General Meeting held on September 29, 2011, the shareholders of the company had approved the payment of dividend at the rate of 30% for the financial year 2010-2011. However, OD alleged that the dividend as announced was not paid by TLPL to the shareholders. Further, as confirmed from the corporate announcements to BSE, the fact of non-payment of dividend was not disclosed to BSE within the prescribed time. Further, the fact of non-payment of dividend for FY 2010-11, which was a price sensitive information, was not disclosed to BSE within the prescribed time. Hence, IA observed that this was in violation of clause 36 of Listing Agreement by the company i.e. Noticee 17 and its non-independent directors namely Gopal Ramourti (Noticee 2), Nainish Rajendra Bora (Noticee 4), Abhijeet Rajendra Bora (Noticee 5), Rajendra Chandmal Bora (Noticee 7), Nikhil Kulkarni (Noticee 14) (Compliance officer during FY 2010-11), Sanjeev D Tole (Noticee 15) and Ramesh Ramourti (Noticee 16). TLPL in its reply dated Jul 03, 2014 submitted that, "the said dividend was subject to the approval of the banks/financial institutions. Due to liquidity crunches and other reasons, company could not fulfill its financial commitment towards bankers. Hence bank put a condition to pay the dividend only after clearing overdue of the company. In spite of our best efforts, banks insisted to fulfill the conditions put by them. Therefore, in the EGM dated 29 September 2012, the shareholders passed a resolution in respect of cancellation of dividends. "The reply of the company is placed at* ***Annexure-G.***

Wrong Disclosure of Pledged shares in Quarterly shareholding submitted to the Stock Exchanges

18. *Further, IA observed that the promoter entities i.e. Noticee 1 to Noticee 6 had pledged shares of the company during the period December 15, 2009 to December 31, 2010 and the details are placed at provided in Annexure-C). As per clause 35 of the Listing*

Agreement, the company is required to disclose the details regarding the shares pledged by the promoter entities while submitting the quarterly shareholding pattern to the exchange. However, as observed from the shareholding pattern available on the BSE website ***(Annexure-H)****, it is observed that the company has not made correct disclosures regarding the shares pledged by the promoter entities while submitting the quarterly shareholding pattern for the quarter ending December 2009 to quarter ending September 2010. Therefore, OD alleged that this is in violation of clause 35 of the Listing Agreement by the company TLPL and its compliance officer S.D Tole (Noticee 15) (Compliance officer during FY 2009-10) and Nikhil Kulkarni (Noticee 14) (Compliance officer during FY 2010-11).*

19. *In view of the above, it is alleged that the Noticees have violated the following provisions of Regulations:*

a) *regulations 3(a), (b), (c) & (d), 4(1) and 4(2)(f) of PFUTP Regulations, 2003 by Noticee 1 to Noticee 6;*
b) *regulations 8A(2) & 8A(3) of SAST Regulations, 1997 by Noticee 1 to Noticee 6;*
c) *regulations 8A(2) & 8A(3) of SAST Regulations, 1997 by Noticee 4 and Noticee 5;*
d) *regulations 13(3) read with (r/w) 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997 by Noticee 1*
e) *regulations 13(3) & 13(4) r/w 13(5) of PIT Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997 by Noticee 2;*
f) *regulations 13(4) r/w 13(5) of PIT Regulations, 1992 by Noticee 4 and Noticee 5;*
g) *regulation 11(2) of SAST Regulations, 1997 by Noticee 1 to Noticee 13;*
h) *clauses 35 of Listing Agreement r/w section 21 of SCRA, 1956 by Noticee 14, Noticee 15 and Noticee 17;*
i) *clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956 by Noticee 2, Noticee 4, Noticee 5, Noticee 7, Noticee 14, Noticee 15 and Noticee 16 and Noticee 17.*

20. *The relevant extracts of the above mentioned regulations as existed at the time of commission of the alleged violations are given hereunder:*

SEBI (PFUTP) Regulations, 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

a. *buy, sell or otherwise deal in securities in a fraudulent manner;*
b. *use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
c. *employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
d. *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) *Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*

(2) *Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:— ….(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;*

SAST Regulations, 1997

Applicability of the regulation.

3(4). In respect of acquisitions under clauses (a), (b),(e) and (i) of sub-regulation (1), the acquirer shall, within 21 days of the date of acquisition, submit a report along with supporting documents to the Board giving all details in respect of acquisitions which (taken together with shares or voting rights, if any, held by him or by persons *acting in concert with him) would entitle such person to exercise 15 per cent or more of the voting rights in a company.*

3(5). The acquirer shall, along with the report referred to under sub-regulation (4), pay a fee of twenty five thousand rupees to the Board, either by a banker's cheque or demand draft in favour of the Securities and Exchange Board of India, payable at Mumbai.

Acquisition of 5 per cent and more shares or voting rights of a company.

7(1A). Any acquirer who has acquired shares or voting rights of a company under subregulation (1) of regulation 11, or under second proviso to sub-regulation (2) of regulation 11 shall disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Explanation.—For the purposes of sub-regulations (1) and (1A), the term 'acquirer' shall include a pledgee, other than a bank or a financial institution and such pledgee shall make disclosure to the target company and the stock exchange within two days of creation of pledge.

Disclosure of pledged shares.

8A(2). A promoter or every person forming part of the promoter group of any company shall, within 7 working days from the date of creation of pledge on shares of that company held by him, inform the details of such pledge of shares to that company.

8A(3). A promoter or every person forming part of the promoter group of any company shall, within 7 working days from the date of invocation of pledge on shares of that company pledged by him, inform the details of invocation of such pledge to that company.

Consolidation of holdings.

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

11(2). No acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, shall acquire either by himself or through or with persons acting in concert with him any additional shares entitling him to exercise voting rights or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations:

………………...

Provided further that such acquirer may, notwithstanding the acquisition made under regulation 10 or sub-regulation (1) of regulation 11, without making a public announcement under these Regulations, acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him upto five per cent. (5%) voting rights in the target company subject to the following:-

(i) *the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk deal /block deal/ negotiated deal/ preferential allotment; or the increase in the shareholding or voting rights of the acquirer is pursuant to a buy back of shares by the target company;*

(ii) *the post acquisition shareholding of the acquirer together with persons acting in concert with him shall not increase beyond seventy five per cent. (75%).*

PIT Regulations, 1992

Continual disclosure.

13(3). Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company 51[in Form C] the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings *from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.*

13(4). Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this sub-regulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

13(5). The disclosure mentioned in sub-regulations (3) and (4) shall be made within two working days of:

(a) *the receipts of intimation of allotment of shares, or*

(b) *the acquisition or sale of shares or voting rights, as the case may be.*

Securities Contracts (Regulation) Act, 1956

Listing of Securities

Conditions for listing

21. Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange.

Listing Agreement

Clause 35.

"The company agrees to file with the exchange the following details, separately for each class of equity shares/security in the formats specified in this clause, in compliance with the following timelines, namely :-

a. *One day prior to listing of its securities on the stock exchanges.*

b. *On a quarterly basis, within 21 days from the end of each quarter.*

c. *Within 10 days of any capital restructuring of the company resulting jn a change exceeding +/-2%0 of the total paid-up share capital"*

Clause 36.

Apart from complying with all specific requirements, the Issuer will intimate to the Stock Exchanges, where the company is listed immediately of events such as strikes, lock outs, closure on account of power cuts, etc. and all events which will have a bearing on the performance / operations of the company as well as price sensitive information both at the time of occurrence of the event and subsequently after the cessation of the event in order to enable the security- holders and the public to appraise the position of the Issuer and to avoid the establishment of a false market in its securities. In addition, the Issuer will furnish to stock exchange(s) on request such information concerning the Issuer as the stock exchange(s) may reasonably require. The material events may be events such as:

(1) Change in the general character or nature of business

(2) Disruption of operations due to natural calamity

(3) Commencement of Commercial Production/Commercial Operations

(4) Developments with respect to pricing/realisation arising out of change in the regulatory framework

(5) Litigation /dispute with a material impact

(6) Revision in Ratings

(7) Any other information having bearing on the operation/performance of the company as well as price sensitive information which includes but not restricted to;

- *i Issue of any class of securities.*
- *ii Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off of setting divisions of the company, etc.*
- *iii Change in market lot of the company's shares, sub-division of equity shares of the company.*
- *iv Voluntary delisting by the company from the stock exchange(s).*
- *v Forfeiture of shares.*
- *vi Any action which will result in alteration in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the company.*

vii *Information regarding opening, closing of status of ADR, GDR or any other class of securities to be issued abroad.*

viii *Cancellation of dividend/rights/bonus, etc.*

The above information should be made public immediately.

The alleged violation of regulation 3(a), (b), (c), (d), 4(1) and 4(2)(f) of PFUTP Regulations, 2003, if proved, makes Noticee 1 to Noticee 6 liable for penalty under section 15HA of the SEBI Act, 1992, regulations 8A(2) & 8A(3) of SAST Regulations, 1997 if proved, makes Noticee 1 to Noticee 6 liable for penalty under section 15A(b) of the SEBI Act, 1992, regulations 13(3) r/w 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997 if proved, makes Noticee 1 liable for penalty under section 15A(b) of the SEBI Act, 1992, regulation 13(3) & 13(4) r/w 13(5) of PIT Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997 if proved, makes Noticee 2 liable for penalty under section 15A(b) of the SEBI Act, 1992, regulations 13(4) r/w 13(5) of PIT Regulations, 1992 if proved, makes Noticee 4 and Noticee 5 liable for penalty under section 15A(b) of the SEBI Act, 1992, regulation 11(2) of SAST Regulations, 1997, if proved, make Noticee 1 to Noticee 13 liable for penalty under section 15H of the SEBI Act, 1992, Clause 35 of Listing Agreement r/w section 21 of SCRA, 1956, if proved, make Noticee 14 and Noticee 15 liable for penalty under section 23A(a) of the SCRA, 1956 and clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956, if proved, make Noticee 2, Noticee 4, Noticee 5, Noticee 7, Noticee 14, Noticee 15 and Noticee 16 liable for penalty under section 23A(a) of the SCRA, 1956. The text of the said penalty provisions as existed at the time of commission of the alleged violations are reproduced below:

The SEBI Act, 1992

Penalty for fraudulent and unfair trade practices.

15HA*. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.*

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 may extend to one crore rupees*

Penalty for non-disclosure of acquisition of shares and takeovers.

15H. *If any person, who is required under this Act or any rules or regulations made thereunder, fails to,—*

(i) *disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate; or*

(ii) *make a public announcement to acquire shares at a minimum price; or*

(iii) *make a public offer by sending letter of offer to the shareholders of the concerned company; or (iv) make payment of consideration to the shareholders who sold their shares pursuant to letter of offer, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.*

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations 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, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less*

SCRA, 1956

Penalty for failure to furnish information, return, etc.

23A. *Any person, who is required under this Act or any rules made thereunder,—*

(a) to furnish any information, document, books, returns or report to a recognised stock exchange, fails to furnish the same within the time specified therefor in the listing agreement or conditions or bye-laws of the recognised stock exchange, shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less for each such failure;

21. *In view of the above, the Noticees are called upon to show cause as to why an inquiry should not be held against them, in terms of rule 4 of Adjudication Rules, 1995 r/w section 15-1 of the SEBI Act, 1992 and rule 4 of Adjudication Rules, 2005 r/w section 23-I of SCRA, 1956 why penalty, if any, should not be imposed on Noticees under the provisions of section 15A(b),15H, 15HA and 15HB of the SEBI Act, 1992 and under the provisions of section 23A(a) of SCRA, 1956 for the aforesaid alleged violations.*

Enclosures: One CD having the following Annexures:

1. *Annexure A - Copy of the communique of Adjudicating Officer dated November 22, 2019*
2. *Annexure-B - Copy of the forensic audit report*
3. *Annexure C - The details of day wise creation of pledge and details of invocation of shares of various promoter entities*
4. *Annexure D - The details of day wise change in shareholding of Noticee 1*
5. *Annexure E - The detailed day wise change in shareholding of Noticee 2, Noticee 4 and Noticee 5*
6. *Annexure F — Copy of e-mail dated June 17, 2015*
7. *Annexure G — Copy of company letter dated July 03, 2014*
8. *Annexure H — Copy of shareholding pattern as per BSE website*

4. The SCN was delivered to all the Noticees through SPAD and to Nikhil Kulkarni through publishing in newspapers at the addresses on record. All the Noticees were given multiple opportunities of hearing in case they wished to avail. Delivery Status of Hearing Notices served upon the Noticees and status of hearings conducted is given below:

Name of the Entity	**Date of hearing notice**	**Status of delivery of the hearing notice for which proof of delivery is on record**	**Hearing date (whether attended hearing–Y/N)**
Borachem Industries Ltd.	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y). Hearing Conducted on September 03, 2021
Nikhil Kulkarni	August 13, 2021,	Hearing notice sent on dated August 13, 2021, September 15, 2021 through SPAD, but not	August 30, 2021 to September 03, 2021, September 27, 2021 to September 30, 2021(N)

Name of the Entity	Date of hearing notice	Status of delivery of the hearing notice for which proof of delivery is on record	Hearing date (whether attended hearing–Y/N)
	September 15, 2021	delivered. Finally by newspaper publication in three newspapers with local and nationwide circulation.	
Beena Ajay Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD.	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
GR Capital & Finance Pvt. Ltd.	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Gopal Ramourti	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Gopal Ramourti (HUF)	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Sonia Gopal Ramourti	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Ramesh Ramourti	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Twilight Litaka Pharma Ltd.	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Sanjeev D Tole	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 08, 2021
Sangita Kumarpal Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (N)
Mangala Anil Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (N)

Name of the Entity	Date of hearing notice	Status of delivery of the hearing notice for which proof of delivery is on record	Hearing date (whether attended hearing–Y/N)
Abhijit Rajendra Bora	August 13, 2021, September 15, 2021	Hearing notice dated August 13, 2021, September 15, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (N)
Nainish Rajendra Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Lalita Rajendra Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021
Rajendra Chandmal Bora	August 13, 2021	Hearing notice dated August 13, 2021 delivered through SPAD	August 30, 2021 to September 03, 2021 (Y) Hearing Conducted on September 03, 2021

Owing to the COVID related restrictions and difficulties faced by Noticees, for the above hearings options were also given through online modes such as VoIP and webex platform. Some Noticees also availed physical option of hearing. Entire correspondence regarding the same is on record. Reminder letters were sent to Noticees which failed to reply to the SCN. Reminder emails dated August 25, 2020 was sent to Sangita Kumarpal Bora, Mangala Anil Bora , Rajendra Chandmal Bora, Lalita Rajendra Bora, Nainish Rajendra Bora, Beena Ajay Bora at email id arbora at gmail dot com for Noticees Sangita Kumarpal Bora, Mangala Anil Bora, boranainish at gmail dot com for Rajendra Chandmal Bora, Lalita Rajendra Bora, Nainish Rajendra Bora, bora dot ajay at gmail dot com for Beena Ajay Bora regarding non-receipt of reply of SCN issued despite request for additional time to reply which were being acceded to. All Noticees except Nikhil Kulkarni replied to the SCN. All hearing minutes are on record, in case needed digitally signed hearing notices and minutes were sent. All correspondence is on record.

5. SCNs were duly served to all Noticees. Replies were received from all Noticees except Noticee 14 ie Nikhil Kulkarni. As regards, the Notice 17, reply was received on behalf of it, sent by Noticee 2.

Noticee 4 Abhijit Rajendra Bora, **Noticee 6** Borachem Industries Ltd. **Noticee 7** Rajendra Chandmal Bora **and Noticee 8** Lalita Rajendra Bora. Letter dated September 10, 2020 on behalf of Noticees Nos. **4, 6, 7 & 8** stated as follows:

- *….present SCN (2020) has not referred to this very valid and important sequence of events namely framing and issuance of the earlier SCN dated 23d June 2016 alleging the very same violations under PFUTP Regulations, 2003 among others and its run of course ending with the order of the H'ble Whole Time Member of SEBI dated 29th February 2019 and therefore on this ground alone needs to be withdrawn or set aside.*
- *….the H'ble WTM of SEBI was pleased to pass an order on 29" February 2019 (copy enclosed and marked as Annexure B) wherein the order completely absolved the Company and all its directors/Noticees of any wrongdoing whatsoever including absence of any "Fraudulent or unfair Trade Practices" and H'ble WTM of SEBI was pleased to dismiss the earlier SCN and all the allegations therein, on merits, as can be seen from the order enclosed herewith (marked as Annexure B) bringing along with it a finality to the allegations raised against the Company and its Directors/Noticees with regard to these allegations (under PFUTP Regulations,2003 etc) arising out of the Complaint from ITD, Pune and the consequent Forensic Audit Report dated 15.11.2012 for the Investigation period from 16.12.2009 to 15.12.2010 and based upon the completion of all the investigations in this regard. it is therefore a settled law that when the investigations are completed and a SCN has been framed under the applicable laws, the Doctrine of Estoppels, the principles of Res Judicata and order II Rule 2 of Code of Civil Procedure is applicable and no other legal proceeding is tenable for similar allegations based on the same cause of action.*
- *…issued against the Company and its Directors/Noticees for Violations of PFUTP Regulations,2003 among others and seeking to now charge (under the present SCN(2020)) the Company and its Directors/Promoters (Noticees 1 to 6) against the very same PFUTP Regulations,2003 with the addition of Regulation 3(a) and 4(2) (f) and certain deletions from the earlier SCN (2016) under Regulation 4(2)(k) & (r) of the PFUTP Regulations,2003 is a matter directly and substantially in issue*

in the earlier SCN(2016) and hence clearly a repetition of the same allegations. The minor variations are not in any way altering the basic nature of the allegations namely alleged Fraudulent and Unfair Trade Practices For the sake of additional clarity I submit that the additional allegations in the present SCN (2020) namely Regulation 3 (a) and 4(2) (f) of PFUTP Regulations, 2003 are also dealt with in the order of the H'ble WTM of SEBI in the order dated 29h February 2019 since allegations of "Fraudulent or Unfair Trade Practices" were dismissed on merits. Additionally even though Noticee no 1, 3 and 6 of the present SCN (2020) were not specifically part of the earlier SCN (2016) the allegations followed by the responses from the Company/Directors/Noticees and the eventual order of the Adjudicating Authority namely the H'ble WTM of SEBI dated 29" February 2019 are applicable to them as well. The earlier SCN (2016) was sent to the Company and its Directors as Noticees and the present SCN (2020) has been sent to the Company, its Directors and the Promoters as Noticees which is broadly and effectively the same parties.

- *..therefore contend that since there is no fresh investigation and no new cause of action has been relied upon there is no case for levy of Penalties*
- *..the date of receipt of the present SCN (2020) by the Noticees constitutes the date of initiation of the proceedings and there is clearly an inordinate delay and beyond any reasonable time frame from the dates of the alleged violations that occurred during the investigation period from 16.12.2009 to 15.12.2010 which is more than 3350 days later. Kindly bear in mind that the investigations concluded with the framing and issuance of the earlier SCN dated 23 June 2016 referred to above and successfully defended by TLPL/it's Directors/Noticees on merits and evidenced vide the order of the H'ble WTM of SEBI dated 29th February 2019 (enclosed as Annexure B)……..In support of the submission, I place reliance upon decisions of Securities Appellate Tribunal (SAT) in a)Ashok Shivlal Rupani vs decided on August 22, 2019 and b) Amul Gagabhai Desai vs SEBI and other companion appeals in Appeal No 122 of 2019 Appeal No. 417 of 2018 decided on 14.11.2019*
- *……the ITD Pune had initially complained in February 2012 based on their preliminary understanding and subsequently after carrying out a detailed scrutiny*

completed the block assessments of Company/TLPL for 7/8 years until FY 2011-12 (which includes the investigation period) in March 2014 without any disallowance on the alleged bogus turnover thereby accepting the Company's turnover as accurate. Additionally the Forensic Audit also carried out in 2012 had erroneously relied on the parallel records of the Company in Tally Programme and reached wrong conclusions and was also biased based on the initial complaint of the ITD Pune and the same lacked any evidence whatsoever …… and hence was adequately "punctured" by the Company/Directors/Noticees in our defense and furthermore both the Income Tax assessments without any disallowance with regard to the Turnover of the Company/TLPL and the inaccuracies of the Forensic Audit Report dated 15.11.2012 were duly accepted by the H'ble WTM of SEBI and recorded in the order dated 29 February 2019 wherein allegations of Fraudulent and Unfair Trade Practices were dismissed on merits……. Para 26 of the order of the H'ble WTM of SEBI dated 29 February 2019 (Annexure B) states as follows: "For the said reasons and in view of the facts and circumstances stated above, I do not find sufficient material on record to hold the noticees liable for having violated section 12 A (a), (b) and (c) of SEBI Act, 1992, regulations 3 (b), (c) and (d) and 4(1) and 4 (2) (k) and (r) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 (PFUTP Regulations)." I submit that the said order of the H'ble WTM of SEBI is sufficient evidence to allay any doubts that you may have in this regard

- *The allegation of Disclosure violations appears to be based upon the receipts/debits allegedly shown in the Demat Account and not based on trade data of Noticees/Promoter entities as per Annexure C, D and E to the present SCN (2020)……. However, this absolute Fact that the same is neither an acquisition nor a sale by these Noticees/Promoter entities will substantially remove all your doubts and apprehensions and will eliminate attraction of SAST Regulations 1997 and PIT Regulations, 1992 altogether. The shares of the Promoters/Noticees were only offered by them temporarily for pledge during this period for raising money for the working Capital requirements of the Company/TLPL Which was experiencing an increased growth in business and the banks were delaying the release of the* *working Capital as required in a timely fashion. The objective therefore was a temporary lending of the Noticees/Promoter shares to provide the Company with the much needed liquidity only till the banks came good with the Working Capital. For a substantial length of time and in almost all cases the Loans thus obtained by the Company were repaid and the shares duly returned to the Noticees/Promoters. However in certain cases as the delays for the working Capital from Banks continued the Pledgees were requested to wait for some time and their failure to comply coupled with their unilateral decisions to offload the shares with barely a few days notice to a few hours notice in one case lead to the involuntary sale of the shares of the Noticees/Promoters which was hence beyond our Control……... also submit that these contentions were noted and accepted by the H'ble WTM of SEBI in the order dated 29th February 2019 while dismissing the allegations and as evidenced by the order of the H'ble WTM of SEBI enclosed herewith and marked as Annexure B and more specifically quoted herein below The H'ble WTM of SEBI has noted that a) Borrower or Beneficiary was TLPL (Not promoters), b) TLPL regularly repaid, c) Market conditions were volatile and dropped since Nov 2010 and d) Evidence that supports the statement that the sudden sale of 5 crore rupees worth of TLPL's shares on the 8th of December, 2010 triggered a series of invocation of high volumes of shares in quick succession. Letters pertaining to invocation of pledge from the following lenders have been enclosed in Gopal Ramourti's submissions….*

Sushila Rupchand Bora (Noticee 11)

Vide email dated March 05, 2020, one Mr. Anil Bora (abora at gmail dot com) informed that his mother, Late Ms. Sushila Bora expired on 19/11/2017 and a certified true copy of the death certificate was also enclosed for the records.

Mangala Bora(Noticee 12), Sangeeta Bora(Noticee 13)

Vide email dated August 25, 2020, Mr. Anil Bora made following submissions on behalf of himself, Mangala Bora, Sangeeta Bora,…"*Further to your email and our reply of today, we would like to put on records that we and our family members had disassociated with this* *company management sometime during beginning of 2000-2001 by selling of all our families shares and interest to the other members and had resigned from the Board of Directors. Since then we don't have any business connections with them as well……You may please note that On page 15 of your notice, against the name of Sushila Bora, Mangala Bora and Sangeeta Bora the share holding shown is 0.00 which is as on 03.08.2010. This is from your kind information please."*

Mangala Bora vide email (from abora at gmail dot com) dated 04/09/2020 *submitted as follows: 4) In this matter in continuation of my email dt 05/03/2020 , I have also submitted my further say vide email from 25/08/2020. Further to this , I have to once again say as under ; A) My husband Mr Anil Rupchand Bora was the Promoter & Managing Director of Li Taka Pharmaceuticals Limited (LPL) , now known as Twilight Li Taka Pharma Ltd . Mr Anil Rupchand Bora vide his letter dt 27/08/2001 resigned as Managing Director and also as a member of the Board of Directors of LPL. In the meeting of the Board of Directors of LPL held on 03/09/2001, his resignation was accepted. This was also communicated to the office of the Registrar of Companies. Copies of the same are attached. B) Immediately thereafter the entire shareholding of our family members was transferred to Mr Rajendra Chandmal Bora & his family members. As a result of this , none of our family members at all are holding any shares of LPL since Sept 2001. Similarly , none of our family member is associated in any capacity with LPL (now known as Twilight LiTaka Pharma Ltd.) C) I understand that subsequently amalgamation took place between LiTaka Pharmaceuticals Ltd & Twilight group company, thus making LPL known as Twilight LiTaka Pharma Ltd (TLPL) . In this process , new Directors were inducted on the Board of TLPL and thus there was a change in the management & shareholding of TLPL. D) For the reasons best known to these old and new Promoters & as mentioned in my email dt 25/08/2020 , Small qty of shares (100 shares) either did not get transferred at their level or were not transferred mostly with a purpose and remained in my name . In fact , it is only on receipt of your above cited SCN , I came to know that all these years , I continued holding 100 shares in TLPL. In all possibilities the same was done by the concerned Directors of TLPL for their benefits. E) Also as mentioned in my earlier email , the shareholding pattern under the Promoters list on Page no. 15 of the above cited SCN shows " NIL" shareholding* *of Late Smt Sushila Rupchand Bora , Mrs Mangala Anil Bora & Mrs Sangeeta Kumarpal Bora . Thus it is clear that small insignificant qty of shares were kept on the three names mentioned above for their malacious benefits and subsequently were transferred mostly in their name. F) Once again I would like to point out the following Important facts; a) Mr Anil Rupchand Bora resigned as Director of LPL in the year 2001 and also gave up entire shares of all the family members . Hence from the year 2001 , we didn't have any connections with LPL or their Directors in any capacity whatsoever including as Shareholder or Director since last 19 years. b) Alleged violations are around 10 years ago in 2009-10. C) As per Para 14&15 of the SCN, our names are involved as Person Acting in Concert (PAC) , however Para 14 fails to connect the relationship for noticee no. 11 to 13, as it does for all others from noticee no. 1 to 10. Also none of our names either appear as a key Management Personnel as per Notes to Accounts of the Annual Accounts of TLPL for the year 2009 & 2010 as well as for the years after the resignation of Mr Anil Rupchand Bora as Managing Director & from Board till the Present. Further in the above cited SCN , % of shareholding shows " NIL " in the case of noticee no. 11 to 13 . It is also important to note that minor insignificant holding of 100 shares can not be deemed to be PACs. We are therefore of the opinion and feel that Noticee 11 to 13 have not acted in concert being PAC for Regulation 11(2) of SAST Regulations, 1997. d) Further for the sake of argument, we presume that I was holding 100 shares in TLPL. But as mentioned above the said number is insignificant and therefore sale/ purchase / transfer of these 100 shares of Rs 10/- each will not have any impact on the trading of TLPL shares in the stock market . This number is negligible and hence it is to be ignored. Myself and our family members were not holding any position since 2001 in TLPL and also never earned any profit / benefits by holding those 100 shares. 5) from the above facts it is clear that these shares were held in my name without my knowledge whatsoever and therefore I deny that I have violated any provisions of SEBI act 1992 or any other applicable Act. 6) I therefore earnestly request you to kindly withdraw the above cited SCN in toto and oblige.*

Noticee 15 Sanjeev Tole

Vide email dated September 23, 2021 Sanjeev Tole Noticee 15 replied as follows:

- *I resigned from the Board of Directors on 12 January 2011. A copy of my letter of resignation dated 12 January 2011 and Form-32 as filed by the Company with the Registrar of Companies on 17 January 201 1 are annexed and marked hereto as Annexure'E' and 'F' respectively to this reply*
- *Being a non-executive director, I was not involved in the day to day affairs of the Company and my role as a non-executive director was very limited. As a result, I was neither entitled to and was nor drawing any salary or remuneration during my entire tenure as a non-executive director apart from the sitting fees for attending meetings of the board of directors similar to other Independent Directors, although, I was drawing salary for the services being rendered by me as a Company Secretary of the Company.*
- *I wish to point out that the compliance by or on behalf of the Company in respect of the provisions of clause 35 of the Listing Agreement is a secondary compliance and not a stand-alone compliance in isolation of all disclosures required to be made by the Promoters……. The Company or its Compliance Officer cannot be charged with non-compliance if the primary compliance obligation itself was not fulfilled by the promoters. I have always fulfilled my obligations as Company Secretary by filing relevant disclosures with the stock exchanges within the stipulated time period as soon as the primary disclosures were made by the promoters to the company.*
- *I submit that the said investigations concluded with the earlier SCN dated 23'd June 2016 which was framed and issued after all the investigations from lune 2012 till 23'd June 2016 i.e. for a protracted period of over 4 years were completed with the allegations of Violations of Section 12A(a),(b) & (c) of SEBI Act, 1992 and Regulations 3(b),(c)& (d) and a(l) and 4(2) (k) & (r) of PFUTP Regulations,2003 and seeking suitable directions under section 1 1(4) and 1 I B of the SEBI Act,l992.*

- *The earlier SCN 2016 was defended by me in a comprehensive manner and before the Hon'ble Whole Time Member (WTM) of SEBI wherein several submissions and arguments were made both orally and in writing. I wish to point out that the Hon'ble WTM of SEBI was pleased to pass an Order on 29tn February 2019 after a period of over 32 months wherein the Order whereby I was completely absolved of any* *alleged wrongdoing whatsoever including involvement of any "Fraudulent or unfair Trade Practices". The Hon'ble WTM was pleased to dismiss the earlier SCN 2016 and all the allegations contained therein as can be seen from the Order. A copy of the Order dated 29 February 2019 is attached as Annexure "J" to this replv*

- *I respectfully submit that Hon'ble SEBI is barred by the Doctrine of Estoppel in issuing the present SCN 2020. Further, the present SCN 2020 may please be withdrawn as it is based on the same investigation report, same set of facts and similarity of the allegations. I respectfully submit that pursuing the present SCN by SEBI will violate the principle against double jeopardy guaranteed by the Constitution of India.*
- *The charges framed on me as a Noticee No. 15 are only two allegations against me are as follows: (a) In paragraph No 17 of the present SCN 2020 SEBI has charges for non compliance with regard to non- payment of Dividend to the shareholders of Twilight Litaka Pharma Limited (TLPL). (b) In paragraph No 18 of the Present in SCN202O,Hon'ble SEBI has made allegations against me (Noticee No 15) for wrong disclosure of the pledged shares in Quarterly shareholding pattern submitted to the Stock Exchange.*
- *I respectfully wish to point out that the dividend was for the Financial year 2010-2011. The said Dividend was recommended by the Board of Directors of captioned Company i.e. TLPL in its meeting held on 27rn August, 2011 and was approved by the shareholders in the Annual General Meeting held on 2gthSeptember, 2011.. …..It is pertinent to note that during the above cited period August201 1 to September 2012, I, (Noticee No 15) was not at all connected with the ca tioned Com an TLPL.*
- *The act of pledging of the shares was the individual act of the Noticee No. I to 6 and neither the Company nor me (Noticee No 15) in my capacity as the Compliance Officer had any control or knowledge on the said act of the Promoters…… Since the primary obligation in this behalf i's was cast on the Promoters, who did not perform their duties, I as a Compliance Officer was not at all in the picture and duty bound to comply with the secondary part of it, i.e. reporting to the Stock Exchange….. I respectfully submit that I could not have even hypothetically*

complied with the stock exchange disclosures in absence of a primary disclosure from the Promoters' The Data derived by you from the personal Demat Accounts of the Promoters, on which you have framed the allegations on me and have been furnished to me by your E-mail dated 26th August, 2020, was not derived by SEBI from Company records, but it is digged out from the personal records of the Promoters from their own Demat Accounts. As a regulatory and Authority SEBI had the right to assess for the said information but as an Employee oithe Company I did not have any right or authority to ask for their Demat Account details from their Depository. I as the Company Secretary and Compliance Officer had no access, authority to have the details of their individual Demat Accounts….

- *Please note that at present I am 68 years old and I have resigned from the company in the year 2011 and thereafter I was not having any role in the said Company. I am not in possession of the documents / records of the Company which would have demonstrated that I have exercised reasonable care and diligence while acting as a Company Secretary and the compliance officer of the company. Further I am not in a position to call upon the Company to supply with documents required by me, as I was informed that after the winding up order all documents and records of the Company have been taken into possession by the Office of the Official Liquidator pursuant to the Order of the Hon'ble Bombay High Court dated 3Oth April 2014.*

Vide letter dated 30 September 2021, Noticee 15 submitted as follows:

- *The Honorable WTM further observed in his order dated 28th February 2019 that "However, on the whole, the material produced in defence (by the Company TLPL) tends to puncture significant holes in the allegations." (page 34 of the said Order). Thus, the allegations made in the SEBI initiated Forensic Audit Report carried out in 2012 vide it's report dated 15th November 2012 are merely bald and unsubstantiated/erroneous statements without any evidence whatsoever and was also biased due to Income Tax complaint based on their initial observations which were later corrected in 2014 as stated herein above.*
- *I therefore, respectfully submit that the complaint from ITD and conclusions of the Forensic Audit Report are the basis for Earlier SCN 2016 and present SCN2020. Since both these documents have proved to be wrong / suffer from many*

discrepancies, the present SCN 2020 is also not valid or good in law and therefore may please be withdrawn or discharged against me.

- *In my earlier letter dated 23rd September 2020, I have explained in detail the factual position in respect of non-payment of dividend to the shareholders of TLPL. Once again I repeat and reiterate the facts of the issue as under :- a. The dividend was for the F.Y. 2010-11. b.The dividend was recommended by the Board of Directors in their meeting held on 27th August 2011. c. It was approved in the Annual General Meeting held on 29th September 2011.d.In the extra-ordinary general meeting held on 29th September 2012 shareholders approved the cancellation of the said Dividend…..It is pertinent to note that during the above cited period viz. August 2011 to September 2012, I (Noticee No.15) was not at all connected or associated with TLPL in any manner whatsoever as Director, Company Secretary, Compliance Officer or even as a mere employee of TLPL.*
- *In the premises aforesaid, please note that on and from 31 May 2011, I was neither a Director, nor the Company Secretary / Compliance Officer of TLPL, or even an employee of TLPL. I was not associated with TLPL in any other capacity whatsoever since 31 May 2011.*
- *As regards disclosure of pledged shares in the shareholding pattern as per clause 35 of the listing Agreement, it is submitted that SEBI long back required to appoint SEBI registered RTA Agent. SEBI also insisted that shares of the promoters must be in the Demat form. Both these activities delinked the Company from the direct access and control of the shares Data. The Company or Compliance Officer does not have any direct control over the shareholders and their shareholding and other related activities like sell, purchases and pledging of shares. The Company has to rely on the data that would be furnished by R&T Agents or Promoters downloaded from NSDL and CDSL BENPOSE. In case of dematerialised shares, the pledge of shares could be undertaken through respective beneficiary accounts of the promoters and the said data was authorized to be downloaded by way of BENPOSE only by RTA Agent.*

Abhijit Bora Noticee 5

Abhijit Bora replied vide letter dated March 3, 2020 received on August 27, 2020 as follows**:** *I had resigned from TLPL on 01.11.2010 and thereafter I have not kept any connection with TLPL. Even I had sold and transferred my shareholding of 3980 shares in off market to the promoters of TLPL. I have also disassociated my family relationship with my father Shri Rajendra Chandmal Bora and Nainish Rajendra Bora who has been Chairman and ED&CFO respectively of TLPL…. Pertinently, In the year 2012 and 2014 i.e. much prior to issuance of SCN to me, I had communicated to BSE and SEI about my grievance against them. Thus I am no way connected to TLPL in any manner whatsoever since long. Therefore, initiation of quasi judicial proceeding against me belatedly ie, after a long and inordinate delay of more than 9 years is causing great prejuidice to me in defending my case in proper and comprehensive manner.* Noticee sought inspection of documents*.*

Noticee 5 Abhijit Bora resent said letter dated March 3, 2020 received on September 3, 2020. Noticee 5 replied vide letter dated August 19, 2021 again sought inspection of documents. Documents were resent by AO vide letter dated September 15, 2021. Noticee replied vide letter dated September 14, 2021 as follows:

- *..I would like to highlight that the Order dated 28.02.2019 bearing reference no. WTM/GM/EFD/95/2018-19 passed by Ld. Whole Time Member, SEBI on the same subject matter of catpon proceedings. Vide the said order dated 28.02.2019 the procedings initated against me u/s 11(1), (4) and 11B of the SEBI Axt, 1992 have been dropped and I have been exonerated from the charges levelled against me in the said SCN.*
- *…present matter is more than 10-11 years old...extremely difficult to locate each and every paper pertaining to the matter and great prejudice is caused to me ….*
- *Noticee* referred to following case laws: Ashok Shivlal Rupani vs decided on August 22, 2019, Rakesh Kathotia vs SEBO (Appeal no. 07 of 2016), Hon'ble SAT order in the matter of Aditi Dalal, H B Stockholdings (SAT Appeal no. 114 of 2012), Khandwala Securities (referred in H B Stockholdings), State of Gujrat Vs. Patel Raghav Natha (AIR 1969 SC 1297)

- *My role and involvement is not expressly made out in the SCN….*
- *I was appointed as executive Director of TLPL on 25.03.2000 and voluntarily resigned on 01.11.2010, I was never involved in day to day affairs of TLPL. My role was strictly restricted to look after International Business Division and Promotion of exports. Thus, I was never aware about creation and invocation of pledge or for that matter of acquisition of shares by GR Capital and Finance Ltd. which triggered the alleged open offer.*
- *…While dealing with the directors of the company who did not have anything to do with the day to day affairs of the company, the Supreme Court in a number of pronouncements….Municipal Corporation of Delhi Vs, Ram Kishan Rohtagi & Ord., 1983 1 SCC 1 paragraph 15 , Sham Sunder & ors Vs. State of Haryana (1989)4 SCC 630 paragraph 10, State of Haryana Vs. Briji Lal Mittal (1998) 5 SCC 343 paragraph 8.*

Beena Ajay Bora (Noticee 10)

Vide mail dated March 04, 2020 Noticee (email id bora dot beena at divyesh dot net) sought more time for replying, on account of death in the family. Time was given. Vide letter dated August 25, 2021, the Noticee acknowledged Hearing Notice dated August 13, 2021 and confirmed hearing attendance by Authorised Representatives on her behalf ie Gopal Ramourti and/or Mr Bharat Shah. Hearing was held as scheduled and the same was attended by ARs of Noticee. Noticee sent a reply dated July 25, 2021 to the SCN issued to the Noticee with following submissions: Noticee disagrees with the allegation of being a PAC and not making the open offer required to be made under 11(2) of SAST Regulations, 1997.

Replies from Noticee 2 was on behalf of Noticees 1, 2, 3, 9, 16, and 17, vide various letters Noticee submitted as follows:-

- *In the light of the enclosed submissions and based on the facts and evidences submitted herein and more particularly:*
  1. *Since the original complaint of the ITD was later reversed by accepting the turnover as correct vide their Assessment order dated 25th March 2014,*

2. *The Company itself namely TLPL was ordered to be wound up in 2014 by the Hon'ble Bombay High Court and all the records were taken over by the Official Liquidator's office soon thereafter in September 2014.*
3. *The promoters/Noticees never purchased or sold any shares as alleged but the various Debits/Credits reflected in the Demat accounts are a result of invocation/revocation of pledged shares and not acquisitions/Sale (Trade).*
4. *Gopal Ramourti took a loan against his LIC policy to fund the Company during that difficult phase (evidence enclosed in Page No 363 to 380) to salvage the operations*

- *you are requested to dispose of the matter and exonerate the Noticees of any wrongdoing and oblige It is further requested that you to take a considerate view due to the time lag of over 10/11 years and for the various reasons stated in the detailed final submissions enclosed herewith and on the basis of principles of natural justice.*
- *PFUTP Regulations Noticees 1 to 6: ITD's initial Complaint (2011) was reversed by order dated 25.03.2014. Forensic Audit Report lacks evidence and was biased whereas Company showed Evidences like copy of Invoices, Export Documents, VAT returns etc…WTM's order has accepted these facts and evidences to exonerate Noticees.... Promoters/Noticees have never purchased or sold shares but only pledged shares to enable Company to avail loans and sale of these pledged Shares occurred on 8th December 2010 following external market factors and unreasonable Pledgees. The crux of these allegations stems from the Complaint of the Income Tax Authorities which cited irregularities in the books of Accounts in their preliminary observations made during a search and seizure operations carried out under section 132 of the Income Tax Act, 1956 on 13th to 15th October 2011 which after a detailed scrutiny while carrying out the block assessments for a period of 7/8 years (including the assessments for FY 2009-10 and 2010-11- covering the Investigation period), the claim of the alleged bogus purchases/Sales were duly reversed and accepted as correct during March 2014 i.e after over 30 months of detailed assessment and vide the assessment order passed by them dated 25th March 2014. (Copy of Income Tax assessment orders attached herewith as Annexure 2 (Pg 265 to 307) which is a part of all relevant submissions made to the H'ble WTM in response to the successful defense of the earlier SCN (2016) as evidenced by the order of the H'ble WTM dated 28th February 2019)*

- *WTM order dated 28th February 2019 States (Page 29 of 34) (Pg 57 herein) as under; "It is understood that the grounds on which ITD had initially referred the case to SEBI no longer subsists at present. In fact, the ITD Assessment order of Unilite Ltd (which was described in the audit report as being a paper Company for the purpose of making adjustment entries) also erodes the credibility of the report's conclusions." In order to correctly understand the misconceptions that arose leading to these allegations it is essential to appreciate the chronology of events as briefly stated hereunder;*
    - *October 2011* — *IT action under 132 of IT ACT, 1956 Wherein doubts were cast*
    - *February 2012* — *ITD Report to SEBI citing initial doubts*
    - *November 2012* — *Forensic Audit Report tows the line with ITD doubts*
    - *March 2014* — *Assessment order corrects initial Misunderstanding*
- *…..It may be submitted here that as mentioned in the Personal Hearing the Company's Profile (Incorporated in 1974) which includes 5 WHO-GMP approved manufacturing facilities for Pharmaceutical Formulations having over 3 to 4 decades of manufacturing experience for Large Multinational Companies like Pfizer, Novartis, Herbalife, Loreal, Cipla, Lupin, Wockhardt etc which at one time supplied nearly 70 % of India's requirement of Anti-TB drugs engaging over 1500 employees and exporting their products to over 30 countries worldwide and also their own brands being marketed to over 200,000 Medical Practitioners in India distributed by over 1000 stockists across India need to be understood in order to appreciate the standing of the Company in the industry and not brushed aside as a paper Company. Evidences to substantiate these claims were submitted to the H'ble WTM during the earlier proceedings in response to the earlier SCN (2016) and are being resubmitted herewith as mentioned above as Annexure 2 (Pg 181 to 264) to assist in the evaluation process of the Company's reputation in the industry during these adjudicating proceedings related to the alleged violations*
- *Disclosure Violations (Noticees 1 to 6 – SAST/PIT): Lack of Data due to Winding up of TLPL and the consequent takeover by Official Liquidator, failure to obtain records from BSE and NSDL/CDSL due to over 10/11 years of time lag and duly noted by WTM. Evidence with present SCN(2020) namely Annexure C.D & E lacks authentication. Non applicability of SAST/PIT regulations since Noticees do not fall as per definitions of "Acquirer" (SAST) or "Any Person"(PIT). Alleged transactions in Demat Account are not Trade but*

invocation/revocation/return of Shares. No gains to Noticees but losses and no report of any investor loss and TLPL is having a clean record of compliance.(15J)

- *…..The various debits and credits shown in these Annexure to the present SCN (2020) even if accepted as correct are a result of Shares belonging to the promoters being pledged to secure loans availed by the Company as a short term measure to stave off a temporary liquidity problem faced to manage the growth in business and following a delay in the release of working capital limits from its bankers. In fact these are not Trades but mere entries in the demat account due to invocation/Sale and revocation on repayment of pledge that too between 8th December 2010 and 14th December i.e 6 days towards the end of the investigation period of 365 days caused by involuntary sale by pledgees due to larger market forces and duly accepted and noted by the H'ble WTM in his order dated 28th February 2019 in response to the earlier SCN (2016).(* extract of WTM's order reproduced below under this Para sub clause B(b) below)*
- *…..the company (TLPL) having been under liquidation since 2014 and consequently no records are available with the Company/Noticees in order to adequately defend in a more elaborate manner and could have done so had the allegations been made in a timely manner d) the holding of inquiry and levy of Penalty should have been done in the earlier SCN (2016) since all the facts and alleged violations were know to SEBI at that time*
- *… With regard to allegations contained in Para 9 and 10 of the present SCN (2020),It is confirmed that both the Noticees namely 4 & 5 have reported to the Company and the Company has also in turn reported to the Stock Exchanges with regard to disclosures as required without any exception and have done so as a matter of compliance and no complaints have been received before the present SCN 2020 and hence are not in violation whether in letter or spirit of the disclosure requirements under sec 8A(2) and 8A(3) of SAST Regulation,1997*
- *SAST violations (Noticee 1 to 13-11(2), 3(4) SAST): Promoters/Noticees have never purchased or sold shares but only pledged shares to enable Company to avail loans and sale of these pledged Shares occurred on 8th December 2010 following external market factors and unreasonable Pledgees. Alleged transactions in Demat Account are not Trade but invocation/revocation/return of Shares. 11(2) applies to acquisition of additional Shares to increase voting rights only. SAST 3(4) not applicable to transfer within self. No gains to Noticees but losses and no report of any investor loss and Noticee is having a clean record of compliance.(15J)*

a) *Under 7(1A) of SAST "Any acquirer" who has acquired shares of a Company shall disclose purchase or sale exceeding 2 % or more to the target Company & the Exchange within two days of such purchase or sale. Clearly GR Cap has not purchased or sold and hence not obliged to disclose. Sale of shares exceeding 2 % belonging to GR Cap has been made by Pledgees (not Noticee) due to adverse market conditions and due to unreasonably short notice by the pledgee and hence beyond the control of GR Cap.*

b) *Under Regulation 13(3) of PIT, "Any person" holding more than 5 % shares shall disclose in Form C change in shareholding from the last disclosure made under sub-regulation (1) or this sub regulation and such change exceeds 2 % of share holding of the Company. Regulation 13(5) says the disclosure mentioned in (3) shall be made within two working days of acquisition or sale.*

   Therefore It is submitted that as per Regulation 13(5) of PIT Regulations,1992 "Any Person" has to disclose within 2 days of purchase or sale of shares. The obligation is on "Any Person" who acquires or sells. It is submitted that Noticee no 1 has not sold at all since sale of pledged shares for loan of TLPL were invoked unilaterally and sold by the "Pledgee" and not GR Cap that too without consent of the Share holder (GR Cap) during 9th, 10th, 13th and 14th December 2010 and furthermore order of the H'ble WTM of SEBI dated 28/2/2019 in response to the earlier SCN (2016) has noted the circumstances leading to the same. The fact that it was caused by Pledgee (that too arising out of overall market conditions/unreasonable Pledgee and not specific to TLPL) without giving time to TLPL to repay and also as no gain came to the Promoter (GR Cap) who on the contrary lost heavily due to their unreasonable and unilateral behavior.

   (*)The H'ble WTM of SEBI has noted that a) Borrower or Beneficiary was TLPL (Not promoter GR Cap), b) TLPL regularly repaid, c) Market conditions were volatile and dropped since Nov 2010 and d) Evidence that supports the statement that the sudden sale of 5 crore rupees worth of TLPL's shares on the 8th of December, 2010 triggered a series of invocation of high volumes of shares in quick succession. Letters pertaining to invocation of pledge from the following lenders have been enclosed in Gopal Ramourti's submissions…

   Para 12 alleges that Noticee no 2 (GR) whose share holding changed due to increase by 400,000 shares on 23rd September 2010 and 25,000 shares on 13th December 2010 and decrease by 42363 shares and 354,000 shares on 9th and 13th December 2010 respectively and further decrease by 463,700 shares or exceeding 2 % on 14th December 2010 did *not disclose as required under 13 (3) & 13(4)r/w13(5) of PIT as per details placed at Annexure E*

With regard to allegations contained in Para 12 of the present SCN (2020),It is confirmed that Noticee 2 (Gopal Ramourti hereinafter referred to as GR) has complied with the PIT Regulations,1992 and is not in violation of any of the Regulations whether in letter or spirit and the allegations are thus denied in Toto.

a) *For Purchase/sale of shares during 9th to 14th December 2010-*

Under Regulation 13(3) and 13(5) of PIT Regulations the explanations are provided herein above and the therefore there is no violation as alleged.

We contend that sale of 473,700 shares took place on 14th Dec 2010 without control of Noticee no 2 (GR) as loanee was Company and information flow to GR was lagging

b) *For purchase/acquisition/Sale of shares on 23rd September 2010 and 9thand 13th December 2010-*

The acquisition/transfer of 400,000 shares it appears was done from Noticee no 3 - GR (HUF) to Noticee no 2 - GR (essentially self) on 23/9/2010 and hence is not a transfer at all. It is submitted that since the disclosure of holding as per Annual Accounts sent to shareholders (For FY 2009/10) vide "Report on Corporate Governance" (Pursuant to clause 49 of Listing Agreement) in Para 14 (q) (enclosed herewith and marked as Annexure 5)(Pg 466 herein) has clubbed the holdings of both these entities/Noticee as they constitute one entity even though they are legally two for Income Tax purposes. Hence the same is not an acquisition at all since one cannot acquire from oneself.

Under Regulation 13(4) of PIT "Any person" who is a director of a listed Company shall disclose to the Company and stock exchange in Form D if there is a change in the holding exceeding Rs 5 lacs or 25,000 shares or 1% of the share holding. 13(5) says the disclosure mentioned in (3) shall be made within two working days of acquisition or sale

i) *Transfer of 400,000 shares from GR (HUF) to GR on 23rd September 2010 is not an acquisition since there is no contract and no consideration paid as it is from one pocket to another of the same promoter.*

ii) *Purchase of 25.000 shares on 13th December 2010 does not require any disclosure*

iii) *Sale of pledged shares of 42363 and 354,000 on 9th and 13th December 2010 without control of Noticee no 2 (GR) as loanee was Company and information flow to GR was lagging,* *Therefore it is contended that GR has not purchased or sold any shares requiring disclosure under regulation 13(3) or 13(4) r/w 13 (5) of PIT Regulations.*

- *SCRA Violations - Requirement with regard to open offer by promoter entities (Noticees 2,4,5,7,14 15,16 &17): Lack of Data due to Winding up of TLPL and the consequent takeover by Official Liquidator, failure to obtain records from BSE and NSDL/CDSL due to over 10 years of time lag and duly noted by WTM. Evidence with present SCN(2020) namely Annexure C. & H lacks authentication. Dividend declared subject to approval Of Banks etc hence beyond control of TLPL. No gains to Noticees but losses and no report of any investor loss and TLPL is having a clean record of compliance.(15J)*

  Under Regulation 11(2) of SAST No "Acquirer" (together with those acting in concert) who holds more than 55% but less than 75% shall acquire any additional shares or voting rights without making a public announcement under the Regulations. Provided that such acquirer (together with those acting in concert) may acquire additional shares up to 5% without making public announcement subject to i) the acquisition is made through open market purchase but not through bulk deal/block deal/Negotiated deal./Preferential allotment or through buy back by Company and ii) the post acquisition shareholding of the acquirer does not exceed 75% .

  The allegation is made since the Demat account of GR Cap shows receipt of shares in off market transactions and the same is assumed to be in contravention of Regulation 11(2) of SAST.

  The allegation in Para 14 that "Noticee no 1 received 132,850 shares in off-market from an entity named Everest Flavours Ltd on 4th August 3010" was a result of pledged shares belonging to Noticee no 1 being returned back due to repayment by TLPL. Please find enclosed a copy of Form W wherein the shares of GR Cap is pledged to Everest Flavours Ltd on 25th January 2010 amounting to 133,350 shares and marked as Annexure 6 (Pg 467). There appears to be an entry of possible Debit caused by an unilateral invocation of duly pledged shares belonging to Noticee no 1 (GR Cap) of 133,350 (500 more) shares on 29th July 2010 (around 5 days earlier to the return of these shares). The Regulation clearly applies to any "Acquirer" of Shares or voting rights who "acquires additional shares or voting rights" and in the present allegation clearly Noticee no 1 has not acquired any additional shares entitling additional voting rights at all. On the contrary at no stage did the shareholding of GR Cap ever increase beyond the disclosed shareholding to the Stock Exchanges but merely received back its own shares post hasty invocation of its shareholding by the pledgees and subsequent repayment of its loans. Kindly note and observe that not until 8th December 2010 when ECL

Finance Ltd dumped 5 Lac shares without any notice TLPL failed to repay any of these loans against promoters/Noticees Shares.

Section 11(2) of SAST Regulations, 1997 applies to any "Acquirer" who makes a acquisition through off market transactions. It is a fact that Noticee no 1 (GR Cap) has never acquired any shares (in open market or otherwise) during the investigation period or for that matter since allotment of these shares (92, 30,000 shares or 43.37 %) during 2005/06. Shares were pledged by GR Cap to enable Company (TLPL) to raise working Capital on a temporary basis and in many cases TLPL repaid the loans and shares were returned to the Promoters. However the unilateral action of the Pledgees to invoke the pledged shares by not giving reasonable notice to TLPL for repayment and without the consent or authority of GR Cap and the consequent return of the Shares in their Demat Account upon either receiving the repayment of loans provided to TLPL or selling the shares in the market and returning the balance shares remaining after settlement of the Loans of TLPL. In either event these were not acquisitions simply because there is a possible credit in the Demat Account and therefore certainly they cannot be considered as an "Acquisition" with a view to entitling additional voting rights. GR Cap never owned beyond 43.37 % that it held since beginning. (evidenced by the present SCN (2020) Annexure D showing alleged day wise holding of GR Cap) If at all the rightful voting rights were reduced due to this hasty and unilateral action of invocation of pledge by the Pledgees causing loss to the Promoters and the same was also observed by the WTM in his order dated 28/2/2019 in response to the earlier SCN (2016).

Kindly refer to the points (*) from the order of WTM of SEBI which has been stated above in this Para sub clause B(b) and relevant here and for the sake of brevity not reiterated herein

It is reiterated that none of these Noticees/Promoters have ever acquired any shares or sold any shares during the investigation period in contravention of the applicable laws that govern them and certainly not to increase voting rights or sell to profit there from individually nor have any of them pledged any shares for their own liquidity purposes and did so for enabling the Company (TLPL) to raise money. Additionally It has not been possible to study these alleged acquisitions/revocations as reported in the present SCN(2020) and the various annexure namely Annexure C, D & E purportedly representing the change in holdings of Noticee No 1 to 6 as these are pertaining to a period which is over 10/11 years ago apart from the fact that as stated herein above with the Liquidation of TLPL during 2014 and the consequent taking over of the records of the Company by the Official Liquidator nearly 7 years ago. it is extremely difficult to adequately study, analyze and conclusively demonstrate the fallacies of these allegations. Hence for the purposes of this response to the present SCN (2020) it has been *assumed that the Annexure as presented in the present SCN (2020) are taken at face value with a caveat that we will not be held accountable for any inaccuracies therein and the same cannot be deemed to be an admittance on our part.*

Under the circumstances Noticee No 1 to 13 have not violated the provisions of Regulation 11(2) of SAST Regulations, 1997 since Noticee No 1 has not acquired any additional shares or voting rights at all and the credits in the demat account (if duly authenticated) are a result of pledged shares being returned upon repayment by TLPL or the balance shares after sale by the pledgee of the pledged shares to the extent of his loan. These credits it seems are misunderstood as trade transactions instead of what they are in reality namely return of pledged shares to Noticee No 1.

….Para 16 alleges Noticee no 2 (GR) received 400,000 shares from Noticee no 3 GR (HUF) on 23rd September 2010 in off market resulting in violation of Regulation 3(4) of SAST since report was not filed as required within 21 days of acquisition of shares.

With respect to allegations contained in Para 16 of the present SCN (2020) it is completely denied in Toto that any such violation took place for the reasons as stated in Para 6 C (b) above with evidence marked as Annexure 5(Pg 466 herein). Therefore It is submitted that the filing of report under Regulation 3(4) is not required as the same is not an inter-se transfer among qualifying promoters but from one account to another of the same promoter namely GR.

Allegations regarding Non-payment of Dividends: It is submitted that with regard to Para 17 regarding Non Payment of Dividend the Dividend payment was approved in the AGM dated 29/9/2011 subject to the approval of the Banks/Financial Institutions and was expected to be paid as soon as the said approval was obtained as has been the case in several previous years.(Please find enclosed a copy of the AGM resolution as evidence and marked as Annexure 7(i) -Pg 468 herein)

As the Company was making attempts to do so, they were faced with a situation where the time limit for payment of the Dividend had passed by and approvals had not yet come and Banks continued to delay approvals (Letter from ICICI Bank Ltd is enclosed herewith and marked as Annexure 7(ii)- Pg 469 to 470) until the Company decided to cancel the same in the EGM held on 29/9/2012 (attached is the EGM resolution and marked as Annexure 7(iii) Pg 471 to 474) wherein as required under clause 36 of the Listing Agreement announcements were made to the stock exchange Therefore Non Payment of Dividend was beyond the control of TLPL due to the stand taken by the Bankers and in any case the declaration of this Dividend was subject to their approval and information of this price sensitive information was already *available with the relevant Investors i.e the eligible share holders who were in the list of the company on the date of Closure announced by TLPL.*

Hence the same is not a violation of Clause 36 of the Listing guidelines whether in letter or spirit and Noticees no 2,4,5,7,14,15,16 &17 are therefore not guilty as alleged.(Please find enclosed herewith a copy of the delayed Bank Sanction letter dated 5th March 2012 for around Rs 64 Crores enhancement instead of the usual September/October 2011 of each year that was the prevalent practice in the earlier years proving that the Company was well eligible to these additional working Capital Limits but the inordinate delay in approving the same caused the problem which was beyond the control of the Company and the same is marked as Annexure 8 (Pg 475 to 479)

- *Allegations regarding Wrong Disclosure of Pledged Shares in Quarterly shareholding submitted to the stock Exchanges:*

  Firstly the allegation is completely denied in Toto and notwithstanding the various other submissions made herein above vis a vis the validity of the Present SCN (2020) It is further submitted that as TLPL/the Compliance officer of the Company during FY 2009-10 are required to disclose the details regarding the shares pledged of the promoter entities while submitting the quarterly shareholding pattern to the Exchange and It is confirmed that the same has been dutifully carried out by TLPL. It is also observed that the documents provided as Annexure C and H to the present SCN (2020) and further noticed that they contain the alleged "details of pledge and invocation of GR Capital & Finance Pvt Ltd" and "Shareholding of Securities of persons belonging to the category promoter and promoter group for the quarters ending on 31st December 2009, 31st March 2010, 30th June 2010 and 30th September 2010. While It is already stated earlier on the former namely Annexure C, It is confirmed that the latter namely Annexure H appears to contain the quarterly shareholding pattern from the website as suggested by you in the present SCN (2020).

  You will appreciate that the compliance officer can only disclose the details regarding the shares pledged by the promoter entities based upon the intimation received by him from such promoter entities. Additionally the details of promoter and promoter group holdings etc to be disclosed while submitting the quarterly shareholding pattern is obtained from Benpos that is extracted from the SEBI approved Registrar and Transfer Agents duly appointed by the Company. It is confirmed that the same was done accurately as based upon the information available from the Registrars and Transfer Agents as mentioned above and based upon the intimation received by the promoter entities on a periodic basis during a given quarter.

Hence It is contended that there is no evidence shown in your above mentioned present SCN (2020) or its Annexure C or H as applicable to this Para 18 that in any way shows evidence of violation of Clause 35 of the Listing Agreement by the Company TLPL and its Compliance officers.

Incidentally Noticee No 16 Mr Ramesh Ramourti, a non executive Director with no shareholding at all, is also mentioned as responsible for this violation under Para 19 (i) along with Noticee No 2, 4, 5 and 7 as Directors apart from Noticee No 14, 15 and 17 as Compliance officers and The Company TLPL even though Para 18 does not allege that Noticee No 16 is responsible for the violation of Clause 35 of the listing agreement r/w section 21 of SCRA, 1956.

However in Para 21 with respect to levy of penalties based on the alleged violations it states as follows

"Clause 35 of listing agreement r/w section 21 of SCRA, 1956, if proved, make Noticee 14 and 15 liable for penalty under 23A(a) of the SCRA,1956"

Therefore it appears that in Para 19(i) there is a mistake in including Noticee No 16 who is not responsible for these alleged violations.

6. Inspection proceedings: Inspections were sought by a few Noticees, the same was provided by the relevant department of SEBI. All the correspondence in this regard and proceedings are on record.

7. Hearing proceedings: Multiple opportunities of hearings were given to Noticees. Gopal Ramourti Noticee 2 represented all the Noticees except Abhijit Bora (Noticee 5), Mangla Bora(Noticee 12), Sangeeta Bora(Noticee 13), Nikhil Kulkarni (Noticee 14) and Sanjeev Tole(15). (No hearing was required to be given for Noticee 11). Noticee 2 was given authority letters by said Noticees which he represented in the hearing proceedings, the same is also recorded in the minutes of the hearing, acknowledged by Noticee 2. Sanjeev Tole attended hearing in person alongwith his Advocate. All the proceedings were carried out holding high the principles of natural justice, as multiple opportunities of hearings were given, despite COVID restrictions inspection proceedings were carried out by the relevant Department of SEBI.

ISSUES UNDER CONSIDERATION

8. **Following issues are under consideration in the instant proceedings.**
   a) Whether Noticee 1 to Noticee 6 has violated regulations 3(a),(b), (c), (d), 4(1) and 4(2)(f) of PFUTP Regulations, 2003? If violation is established can penalty be imposed under section 15HA the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   b) Whether Noticee 1 to Noticee 6 has violated regulations 8A(2) & 8A(3) of SAST Regulations, 1997? If violation is established can penalty be imposed under section 15A(b) the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   c) Whether Noticee 4 and Noticee 5 has violated regulations 8A(2) & 8A(3) of SAST Regulations, 1997? If violation is established can penalty be imposed under section 15HB of the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   d) Whether Noticee 1 has violated regulations 13(3) read with (r/w) 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997? If violation is established can penalty be imposed under section 15A(b) of the SEBI Act, 1992? If yes, what would be the quantum of such penalty?
   e) Whether Noticee 2 has violated regulations 13(3) & 13(4) r/w 13(5) of PIT Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997? If violation is established can penalty be imposed under section 15A(b) of the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   f) Whether Noticee 4 and Noticee 5 has violated regulations 13(4) r/w 13(5) of PIT Regulations, 1992? If violation is established can penalty be imposed under section 15A(b) of the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   g) Whether Noticee 1 to 13 has violated regulations of regulation 11 (2) of SAST Regulations, 1997? If violation is established can penalty be imposed under section 15H of the SEBI Act, 1992? If yes, then what would be the quantum of such penalty?
   h) Whether Noticee 14, Noticee 15 and Noticee 17 has violations of clauses 35 of Listing Agreement r/w section 21 of SCRA, 1956 regulations? If violation is established can penalty be imposed under section 23A(a) of the SCRA, 1956? If yes, then what would be the quantum of such penalty?

i) Whether Noticee 2, Noticee 4, Noticee 5, Noticee 7, Noticee 14, Noticee 15 and Noticee 16 and Noticee 17 has violated clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956? If violation is established can penalty be imposed under section 23A(a) of the SCRA, 1956? If yes, then what would be the quantum of such penalty?

9. Before I proceed with determining the various issues under consideration, considering the evidences and record my findings, following needs to be addressed:
   1. Reply was received on behalf of Noticee 11 informing about her demise. The said reply was taken on record and order has already passed in this regard dropping the proceedings, in respect of the said Noticee. (https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-respect-of-late-sushila-rupchand-bora-in-the-matter-of-twilight-litaka-pharma-limited_47435.html)
   2. As regards, Noticee 14, ie Nikhil Kulkarni, it has been noted that SCNs and hearing notices sent via SPAD returned undelivered, further affixture was also not possible, hence the said Notices were delivered to the said Noticee through paper publication in the last known address. Accordingly, the Notices have been considered as duly serviced upon the Noticee in terms of the AO Rules, 1995. However, as regards, no reply is received from the said Noticee to the SCN issued, I refer to the judgment of Hon'ble Securities Appellate Tribunal (SAT) dated December 08, 2006 in the matter of Classic Credit Ltd. v SEBI (Appeal No. 68 of 2003) wherein, it observed that, *"… the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".* I also observe that the Hon'ble Securities Appellate Tribunal in the matter of Sanjay Kumar Tayal & Ors. v SEBI (Appeal 68 of 2013 dated February 11, 2014) had inter alia observed that, *"...As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..."*

In view of the above, I find that the allegations levelled in the SCN and the evidences enclosed therewith are not in dispute in absence of any reply from Noticee 14 and by not submitting any reply to SCN, said Noticees have admitted the charges levelled against them in the said SCN. Thus, by not replying the charges are admitted, however, the charges will be perused on merit, for the purpose of this order.

3. From the record it is noted that TLPL(Noticee 17) is under liquidation. Same has also been corroborated from the MCA website. In this regard an opinion was sought whether the proceedings can be initiated against TLPL having been already under liquidation. In this regard, it is pertinent to mention In this regard, it will be appropriate to refer to Section 446 of the Companies Act, 1956, (corresponding Section 279 in The Companies Act, 2013) which reads as under:

   "Section 446 of Companies Act, 1956

   1) *When a winding up order has been made or the Official Liquidator has been appointed as provisional liquidator, no suit or other legal proceeding shall be commenced, or if pending at the date of the winding up order, shall be proceeded with, against the company, except by leave of the Tribunal and subject to such terms as the Tribunal may impose."*

   In this regard, the Hon'ble High Court of Bombay, in the case of ***Deutsche Bank*** **v. S.P. Kala** {(1990) 67 Com. Cases} held as under:-*"*Section *446 of the Companies Act provides that, when a winding up order is made or the official liquidator is appointed as provisional liquidator, no suit or legal proceedings should be commenced or if pending on the date of the winding-up order, shall be proceeded with, against the company, except with the leave of the court and subject to such terms as may be imposed. Sub-section (2) further lays down that the court which is winding-up the company shall, notwithstanding anything contained in any other law in force, have jurisdiction to entertain or dispose of, inter alia, any suit or proceeding by or against the company, whether such suit or proceeding has been instituted or is instituted. A careful examination of these provisions of law makes it clear that once a winding-up order is made or the official liquidator is appointed as provisional liquidator, no proceedings can continue or be instituted against the company without the permission of the* *court. It is further clear that jurisdiction to entertain or dispose of any suit or proceeding by or against the company is vested in the company court without any kind of restriction……………. The expression "any suit or proceeding by or against the company" is wide enough to bring within its sweep any kind of suits."*

It is noted that Section 446 of the Companies Act provides that*, "... no suit or legal* proceedings *should be commenced or if pending on the date of the winding-up order, shall be proceeded with, against the company, except with the leave of the court and subject to such terms as may be imposed".*

It was opined that AO order being merely assessment of penalty, leave of Court need not be sought. However, I am of the considered opinion on the basis of above case laws that leave of Court needs to be sought. I note from the record that no such evidence of having received the leave of Court, and thus proceedings can be dropped against TLPL without getting into the merit of the same, however, the charges will be perused on merit for the purpose of this order.

EVIDENCES and FINDINGS

10. I note that the case was initiated based on a letter from the Income Tax Authorities regarding bogus purchases from sister concerns and inflation of books of accounts over some years of the Noticee 17 i.e. the Company. A forensic audit was also carried out in the matter. Based on the findings of the audit, various allegations of the violations of PFUTP Regulations were made against Noticees as already documented in above paragraphs as reproduced from the SCN on record. Additionally, there were allegations of non-compliance with disclosure requirements under various regulatory requirements, non-payment of dividend declared, as mentioned above in the SCN. Finally there are allegations regarding not doing an open offer in terms of SAST Regulations mentioned in the SCN. Company, its directors, its promoters and the Company Secretary have been alleged to have violated various provisions as mentioned in the SCN. I will deal with each allegation based on the material available on record including the SCN, the replies of various Noticees.

11. From the SCN I note that, as brought out in the report of Forensic Auditor, Noticee 17 TLPL had allegedly engaged in manipulation in books of accounts for the financial year (FY) 2009-10 and 2010-11 and mislead the investors by not providing a true and fair view of its quarterly and yearly financials. Noticees 1 to 6 were taking loans (pledged shares) based on these false and misleading financials, which later on were invoked by the financial institutions, thus resulting in off-loading of shares(i.e. dealing in securities) by the said entities as seen from promoter holding which reduced from 63.74% to 42.00%.Therefore the said entities have allegedly violated provisions of regulations 3(a),(b), c)&(d) and 4(1) and 4(2)(f) of the PFUTP Regulations 2003 during the investigation period December 16, 2009 to December 15, 2010. I also note that there is an allegation on the Noticee 1 to have acquired shares during the said period and thereby triggering open offer requirement which has allegedly not been complied by the Noticee 1 and Persons Acting in Concert(in short PAC) ie Noticees 2 to 13.

From Report by Forensic Auditor provided with the SCN and the replies of Noticees regarding the allegation of violation of PFUTP Regulations, I note that the Forensic Report was primarily focused on the bogus sales and purchases booked in the books of accounts of the Noticee 17 during the period 2009-2012 with other objectives being to investigate sister concern transactions, identify and deliver proof of irregular transactions and report on factual findings resulting from recordings, it is also noted that an important source of the inputs comprised of search reports of the Income Tax Department, the books of accounts and other information found during audit, in addition to the oral statements of various entities. I note that the income tax search was carried out and subsequently a letter was received by SEBI about the same, pursuant to which SEBI appointed a Forensic Auditor M/s Sarath which received the mandate vide letter dated February 27, 2012. Sarath submitted the report dated November 11, 2012 to the OD of SEBI, which in turn started the investigation culminating into instant proceedings and proceedings with the Whole Time Member of SEBI. As regards, the proceedings with the Income Tax Department in this matter, I note that the Income Tax Department has not concluded with adverse findings in the matter and what prima facie appeared wrongdoings have not been found so in the final conclusion. Thus, the basis of the allegations of violations of the

PFUTP Regulations in the instant SCN, which was based on report of forensic auditor, which had preliminary findings of the Income Tax Department as an important source of inputs, do not stand. Noticees have made various submissions as regards, the relying of the auditor on Tally instead of oracle, substantiation of various records which were found faulty by the Auditor etc.

I note that regulations provisions regarding regulations 3 (a) (b) (c) and (d) of the PFUTP Regulation 2003 pertain to prohibition of dealing in securities in fraudulent manner, buy, sell or otherwise deal in securities in a fraudulent manner, employing any manipulative or deceptive device or use of such device to defraud, lastly to engage in fraud of deceit. Regulation 4(2)(f) related to publishing and causing to publish by a person dealing in securities any information which is not true or which he does not believe to be true. As regards, the said alleged violation the same does not stand established as the raison d etre of the said allegations vanished. Incidentally, it is very important and pertinent to draw reference to the fact that, the Hon'ble Whole Time Member of SEBI vide order dated 29 February 2019 has not found merit in the very same allegations raised in the instant matter. Hon'ble Whole Time Member in his order dated February 29, 2019 held as follows:

"Further, on a thorough examination and evaluation of records, I do not find sufficient material either in the forensic audit report or in the investigation report to support the allegation of financial irregularity or manipulation of financial statements as alleged in the SCN, though the suspicions drawn from the forensic audit report may have been valid. Also, in the context of the ITD not having passed any adverse orders regarding 'bogus' purchase or sales by TLPL despite having done a detailed assessment of the company's financial statements, the initial complaint forwarded by ITD may not continue to be relevant in the context of any securities market violation. …..However, on the whole, the material produced in defence tends to puncture significant holes in the allegations made in the SCN. For the said reasons and in view of the facts and circumstances stated above, I do not find sufficient material on record to hold the noticees liable for having violated section 12 A (a), (b) and (c) of SEBI Act, 1992, regulations 3 (b), (c) and (d) and 4(1) and 4 (2) (k) and (r) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 (PFUTP Regulations)."

In view of all of the above, I am of considered opinion that the allegations regarding violation of the regulations 3 (a) (b) (c) and (d), 4(2)(f) of the PFUTP Regulations 2003 as alleged in the instant SCN do not stand established.

12. From the SCN I note that, there is an allegation of non-compliance on part of Noticee 1 to Noticee 13 of regulation 11(2) of SAST Regulations, 1997 ie. requirement with regard to open offer by promoter entities having acquired shares or voting rights if the promoter holding was above 55% before such acquisition. It is alleged in the SCN that the Noticee 1 had acquired in 1,32,850 shares of Noticee 17 from Everest Flavours Ltd. on August 04, 2010 and thereby, it was required to make a public announcement of open offer by the Noticee 1 and Persons Acting in Concert ie Noticees 2 to 13. As regards the said acquisition, Noticee 1 has replied that it appears to be a possible debit entry caused by unilateral invocation of pledged shares belonging to Noticee 1, which had pledged to Everest Flavours Ltd on 25th January 2010 1,33,350 shares. Noticee 1 also replied that Noticee 1 has never acquired any shares during IP or since allotment of shares and that shares were pledged by Noticee 1 to enable Company (TLPL) to raise working Capital on a temporary basis. In this regard, the Noticee has adduced evidence of having pledged, as seen from copy of the Depository Participant(DP) form submitted. As regards, evidence of shares bought, no Demat Statement/holding statement has been brought on record or submitted by Noticee 1. SCN has a list of shares pledged and invocation of pledge alongwith dates and quantities, which shows that has the entries dated January 25, 2010 for 133350 and same number of shares on July 29, 2010. In light of the material available on record, the allegations regarding violation of regulation 11(2) of SAST Regulations, 1997 do not stand established.

13. From the SCN I note that, Noticees 2, 4, 5, 7, 14, 15, 16 and 17 have been alleged for violations of clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956. Clause 36 of the Listing agreements pertain to making information public immediately, which may affect the share price of any company. In the instant matter the same pertains to non-payment of Dividend declared in AGM held on September 29, 2011 was decided to pay Dividend to shareholders and later on in an EGM dated September 29, 2012, it was passed that the same may not be paid. It is noted that intimation in this regard has been sent to the Exchange vide a letter dated July 03, 2014. However, it is noted from the website of BSE

(https://www.bseindia.com/stock-share-price/twilight-litaka-pharma-ltd/twilitaka/506985/corp-announcements/) that outcome of EGM is updated on the BSE website at Exchange Disseminated Time 01-10-2012 13:53:40 and I note that it was a Monday, and in my view it appears reasonable to disseminate for a EGM that was held on September 29 which was a Saturday. In light of the material available on record, the allegations regarding violation of violations of clause 36 of Listing Agreement r/w Section 21 of SCRA, 1956 levelled against Noticees 2, 4, 5, 7, 14, 15, 16 and 17 do not stand established.

14. From the SCN I note that on behalf of Noticee 17, the Noticee 15 (Compliance officer during FY 2009-10) and Noticee 14 (Compliance officer during FY 2010-11) have allegedly filed wrong disclosure of pledged shares in Quarterly shareholding submitted to the Stock Exchanges, thereby have committed violations of clause 35 of the Listing Agreement, which requires the company to file with the Stock Exchange quarterly filing of details of shareholding. In this regard, Noticee 14 has not replied whereas Noticee 15 has contended that (a) said compliance is secondary compliance based on the information filed by the promoters on whom lies the primary compliance, in absence of such primary filings secondary compliance may not be possible, (b) SEBI requirements of RTA and that shares be in demat form, both these activities delinked the Company from the direct access and control of the shares Data and (c) the Company or Compliance Officer does not have any direct control over the shareholders and their shareholding and other related activities like sell, purchases and pledging of shares and the Company has to rely on the data that would be furnished by R&T Agents or Promoters downloaded from NSDL and CDSL BENPOSE and (d)in case of dematerialised shares, the pledge of shares could be undertaken through respective beneficiary accounts of the promoters and the said data was authorized to be downloaded by way of BENPOSE only by RTA Agent. Contentions of the Noticee are acceptable to me in as much as his responsibility of filing is concerned as the said quarterly filings pertain to details of pledged shares by promoter entities regarding quarterly shareholding pattern for the quarter ending December 2009 to quarter ending September 2010. The charges levelled on Noticee 14 and 15 do not stand established in light of absence of evidence that the promoters had made due disclosures

to TLPL as its alleged in the instant SCN itself that the promoters have allegedly not made requisite disclosures.

15. From the SCN I note that, Noticees 1 to 6 have been alleged to have committed violations of regulations 8A(2) and 8A(3) of SAST, 1997, Noticee 1 has been alleged to have committed violations regulation 13(3) r/w 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997, further that Noticee 4 and Noticee 5 have been alleged to have committed violation of regulation 13(4) r/w 13(5) of PIT Regulations, 1992.

I note that regulations 8A(2) and 8A(3) of SAST, 1997, pertain to disclosure of pledged shares which prescribes that promoter or PAC to disclose within 7 working days creation of pledge or invocation of pledge. I note that regulation 7(1A) of SAST 1997 prescribes that any acquirer buying or selling over 2% of shareholding to disclose within two days of it (explanation for 7(1A)-acquirer to include pledgee other than Bank/FI). I note that regulation 3(4) of SAST 1997 prescribes filing of report with the by acquirer within 21 days of the date of acquisition if the holding is 15% or more and regulation 3(5) a fee of twenty five thousand rupees to the Board alongwith filing of report.

I note that regulation 13(3) of PIT Regulations prescribes that any person holding over 5% to disclose if holding changes over 2%, 13(4) of PIT Regulations prescribes for director or officer to disclose in case change of holding exceeds Rs. 5 lakh in value or 25,000 shares or 1% and regulation 13(5) prescribes that said disclosure to happen within two working days. Aforementioned disclosure violations have been alleged as mentioned in the SCN against (a) Noticee 1 to 6, allegedly pertain to decrease in their holding owing to invoking of pledge by the pledgee, (b) Noticee 4 and 5 have made disclosure but the date of creation/invocation are incorrect, allegedly actual disclosures are not made (c) Noticee 1 and 2 have made disclosure to TLPL on time but TLPL has not disclosed to Exchanges in time (d) Noticee 2,4 and 5 have not made disclosures as required for Directors. Noticees have made various contentions interalia regarding delay in issuance of SCN thereby they being prejudiced owing to matter being old, Company being in liquidation difficulty in retrieving documents etc. Noticee 2 has submitted one evidentiary proof of a letter dated December 31, 2010 sent to Exchange mentioning disclosures under 8A(4) of SAST 1997 for Noticee 1 to 7 which refers to annexures which are not on record. As regards, filing of report to Board, relevant Division of SEBI has informed that no such report has been filed in the instant matter. To triangulate information regarding allegations as well as defence, undersigned perused the website of BSE and found that https://www.bseindia.com/stock-share-price/twilight-litaka-pharma-ltd/twilitaka/506985/disclosures-insider-trading-1992/ displays details of PIT 1992 disclosures for TLPL, https://www.bseindia.com/stock-share-price/twilight-litaka-pharma-ltd/twilitaka/506985/disclosures-sast/ displays details of SAST 1997 disclosures of TLPL, and no results appear as seen from https://www.bseindia.com/stock-share-price/twilight-litaka-pharma-ltd/twilitaka/506985/disclosures-consolidated-pledge-data/ for the consolidated pledged data of TLPL. I am of a considered opinion that the Noticees 1 to 6 have not made the requisite disclosures as alleged in the SCN and elaborated in the instant paragraph. Thus allegations levelled against said Noticees and mentioned in the following issues b) to e) under consideration in the instant matter get established i.e. (i) Noticee 1 to Noticee 6 has violated regulations 8A(2) & 8A(3) of SAST Regulations, 1997, (ii) Noticee 1 has also violated regulations 13(3) read with (r/w) 13(5) of PIT Regulations, 1992 and regulation 7(1A) of SAST Regulations, 1997, (iii) Noticee 2 has violated regulations 13(3) & 13(4) r/w 13(5) of PIT Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997and (iv) Noticee 4 and Noticee 5 have violated regulations 8A(2) & 8A(3) and 13(4) r/w 13(5) of PIT Regulations, 1992,

16. In light of the above findings regarding next question before me, is whether I can impose penalty on the said Noticees and what should be the quantum of penalty? In this regard, I am of the considered view that the said failure on the part of the Noticees 1 to 6 attracts the imposition of monetary penalty. Penalty sections which are mentioned in the SCN and are which are relevant to the violations so established as under:

> ***Penalty for failure to furnish information, return, etc.***
>
> ***15A.*** *If any person, who is required under this Act or any rules or regulations 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, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less*
>
> ***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 may extend to one crore rupees.*

In this matter, while I am of the considered opinion that penalty must be levied under the said sections, however, as regards, the quantum of such penalty which can be levied, I look at the instances of such non-compliances which are as under:

1. Noticee 1: 61 for regulations 8A(2) of SAST 1997, 11 for regulations 8A(3) of SAST, 1997, 4 for regulations 13(3) r/w 13(5) of PIT Regulations, 1992 and 7(1A) of SAST Regulations, 1997. Total instances being 76 in number.
2. Noticee 2: 10 for regulations 8A(2) of SAST 1997, 3 for regulations 8A(3) of SAST, 1997 and 4 for regulations 13(3) r/w 13(5) of PIT Regulations, 1992. Total instances being 17 in number.
3. Noticee 3: 3 for regulations 8A(2) of SAST 1997 and 1 for regulations 8A(3) of SAST, 1997. Total instances being 4 in number.
4. Noticee 4: 1 for regulations 8A(2) of SAST 1997, 1 for regulations 8A(3) of SAST, 1997 and 1 for regulation 13(4) r/w 13(5) of PIT Regulations, 1992. Total instances being 3 in number.
5. Noticee 5: 1 for regulations 8A(2) of SAST 1997, 1 for regulations 8A(3) of SAST, 1997 and 1 for regulation 13(4) r/w 13(5) of PIT Regulations, 1992. Total instances being 3 in number.
6. Noticee 6: 5 for regulations 8A(2) of SAST 1997, 2 for regulations 8A(3) of SAST, 1997. Total instances being 7 in number.

17. In this regard while determining the quantum of penalty, it is pertinent to refer to and consider the factors stipulated in section 15J of SEBI Act read with Rule 5 (2) of the Adjudication Rules, which reads as under:-

SEBI Act, 1992

15J “Factors to be taken into account by the adjudicating officer-

While adjudging quantum of penalty under section 23 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."

On one hand the number of instances of non-compliances are high but on the other hand I am inclined to consider the mitigating factors which are as follows: (i) record does not indicate any disproportionate gain or unfair advantage to the Noticees or loss caused to an investor or group of investors as a result of the default and (ii) Noticee 17 no longer a going concern with listed equity. I am of a considered opinion that if the Noticee 17 were a going concern and the disclosure violations were recent in nature it would be meeting the ends of justice if high penalty were imposed, however in light of the various contentions of the Noticees in this regard and entire circumstances and facts of the case, I believe it may not serve the greater good to impose high penalty even while keeping in mind the number of instances which are enumerated above. Yet it will be most appropriate to at least impose a minimum penalty to meet the ends of justice.

ORDER

18. In exercise of the powers conferred under section 15-I of the SEBI Act, 1992 and Rule 5 of the Adjudication Rules, 1995, I hereby impose the following quantum of penalties individually, I am of the view that the said penalty is commensurate with the defaults committed by the Noticees 1 to 6.

No., Name and PAN of the entity	Violation provisions	Penalty provisions	Amount of Penalty
Noticee 1: GR Capital & Finance Pvt. Ltd (PAN no. AAACG3409L)	Regulations 8A(2), 8A(3) and 7(1A) of SAST Regulations, 1997. Regulations 13(3) r/w 13(5) of PIT Regulations, 1992	15A(b) of the SEBI Act, 1992	Rs. 10, 00,000/- (Rs. Ten Lakh only)
Noticee 2:	Regulations 8A(2) & 8A(3) of SAST Regulations, 1997. 13(3) & 13(4) r/w 13(5) of PIT	15A(b) of the SEBI Act, 1992	Rs. 1,00,000/- (Rs. One Lakh only)

Gopal Ramourti (PAN no. AABPR7659B)	Regulations, 1992 and regulation 3(4) r/w 3(5) of SAST Regulations, 1997		
Noticee 3: Gopal Ramourti HUF (PAN no. AACHG1393Q)	Regulations 8A(2) & 8A(3) of SAST Regulations, 1997	15A(b) of the SEBI Act, 1992	Rs. 1,00,000/- (Rs. One Lakh only)
Noticee 4: Nainish Rajendra Bora (PAN no. AGCPB5354L)	Regulations 8A(2) & 8A(3) of SAST Regulations, 1997. Regulations 13(4) r/w 13(5) of PIT Regulations,	15A(b) and 15HB of the SEBI Act, 1992	Rs. 1,00,000/- (Rs. One Lakh only)
Noticee 5: Abhijit Rajendra Bora (PAN no. AAUPB1605N)	Regulations 8A(2) & 8A(3) of SAST Regulations, 1997. Regulations 13(4) r/w 13(5) of PIT Regulations, 1992	15A(b) and 15HB of the SEBI Act, 1992	Rs. 1,00,000/- (Rs. One Lakh only)
Noticee 6: Borachem Industries Ltd. (PAN no. AAACB7292C)	Regulations 8A(2) & 8A(3) of SAST Regulations, 1997	15A(b) of the SEBI Act, 1992	Rs. 1,00,000/- (Rs. One Lakh only)

The Noticee shall remit/ pay the said total amount of penalty within 45 days of the receipt of this order either by way of Demand Draft in favour of "SEBI- Penalties Remittable to Government of India", payable at Mumbai, or by following the path at SEBI website www.sebi.gov.in, ENFORCEMENT>Orders>Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/ RTA /AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in The said confirmation of e – payment made in the format as given below should be sent to "The Division Chief, EFD1 – DRA - V, 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 made
7. Payment made for: penalties/ disgorgement/recovery/ settlement amount and legal charges along with order details)

In terms of the Rule 6 of the Adjudication Rules, 1995, a copy of each of this order is being sent to the Noticees and also to Securities and Exchange Board of India.

Date: December 29, 2022 **SANGEETA RATHOD**

Place: Mumbai **ADJUDICATING OFFICER**