Order No.RO/1/2023

BEFORE THE RECOVERY OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
NORTHERN REGIONAL OFFICE

Recovery Certificate No. 1165 of 2017
Recovery Certificate No. 3406 of 2021
Recovery Certificate No. 4348 of 2021
Recovery Certificate No. 4240 of 2021

Representation of Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan

In respect of –

Alchemist Infra Realty Limited, Alchemist Holdings Limited and Alchemist Capital Limited

---

1. Securities and Exchange Board of India (SEBI) is in receipt of a representation dated 16.03.2022 for release of movable and immovable assets belonging to Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan wife of Mr. Brij Mohan Mahajan (collectively referred to as "noticees"), attached vide proceedings no. 3119 and 3120 of 2017 in recovery certificate no. 1165 of 2017 in the matter of Alchemist Infra Reality Ltd (AIRL / Company).

2. The details in brief leading to the filing of the aforesaid representation is given below in the following paragraphs:

Alchemist Infra Realty Limited

i. The Securities and Exchange Board of India (SEBI) passed an order dated 21.06.2013 holding that the schemes/arrangement/operations of AIRL were in the nature of collective invest schemes in terms of section 11AA of the SEBI Act, 1992 and that the company launched the collective investment schemes without obtaining a registration certificate from SEBI and *inter alia* directed AIRL and its directors including Mr. Brij Mohan Mahajan to refund the money collected from its investors within three months from the date of the order.

ii. The AIRL and two of its directors, Mr. N. Madhav Kumar and Mr. Brij Mohan Mahajan, aggrieved by the aforesaid order of SEBI dated 21.06.2013 filed an appeal no. 124/2013 before the Hon'ble Securities Appellate Tribunal ("SAT"). The Hon'ble SAT by an order dated 23.07.2013 upheld the findings of SEBI with regard to the nature of operations of the appellant being a collective investment scheme. The Hon'ble SAT further allowed the defaulters 18 months' time to refund the money collected from the investors. The Hon'ble SAT also granted liberty to the appellant to seek further extension of time, if so required.

iii. The company being aggrieved by the order of the Hon'ble SAT filed Civil Appeal nos.7924 and 7925 of 2013 (Alchemist Infra Reality Ltd Vs SEBI) before the Hon'ble Supreme Court of India. This appeal was dismissed as withdrawn by an order dated 05.09.2014 giving the liberty to the appellant to work out the remedy elsewhere. Thus, the order of SEBI holding that the operations of the appellant as a collective investment scheme without obtaining a certificate of registration was illegal and SEBI's consequential direction to stop the scheme and refund the amount to the investors became final.

iv. Based on the order of the Hon'ble SAT dated 23.07.2013, the company filed an application dated 22.01.2015 with SEBI seeking extension of time in order to complete the process of refund. The company in this application also sought permission to circulate an information memorandum in terms of Regulation 73 of the CIS Regulations. This application was rejected by SEBI by an order dated 27.05.2015 declining the request for extension of time and also refusing permission to circulate an information memorandum. The impugned order dated 27.05.2015 further directed that in view of the default committed in repaying investors within the period granted to the Company and its promoters/directors, SEBI shall also initiate attachment and recovery proceedings under the SEBI Act and rules and regulations framed thereunder.

v. The company challenged the order dated 27.05.2015 passed by SEBI before the Hon'ble SAT in Appeal No. 298 of 2015 and the Hon'ble SAT by an order dated 15.06.2015 set aside the order of SEBI dated 27.05 2015 and directed SEBI to verify the claim made by the appellant regarding refund. The Hon'ble SAT directed the company to furnish the particulars demanded by SEBI vide its various letters for the purpose of verifying the claim. Further, if such particulars were furnished by the company, SEBI was required to verify the same and pass appropriate orders on the application of the company. It was stated that if the appellant failed to furnish the requisite particulars within the stipulated time the order of SEBI dated 27.05.2015 would revive.

vi. Pursuant to the order of the Hon'ble SAT dated 15.06.2015 the requisite information was submitted by the company. Thereafter, the appellant again made a fresh representation dated 07.08.2015 seeking permission to circulate an information memorandum under Regulation 73 of the CIS Regulations.

vii. Subsequently, SEBI appointed an independent auditor dated 06.08.2015 in order to verify the payments made by the appellant to the investors. Since the appellant was not cooperating with the auditor, SEBI issued a show cause notice dated 20.11.2015 to show cause as to why the order of SEBI dated 27.05.2015 should not be revived.

viii. SEBI rejected the application of the company seeking further extension of time to implement the SEBI's order of 21.06.2013 for refund of money to the investors. The request to circulate an information memorandum under Regulation 73 of the CIS Regulations was also rejected by the order dated 14.06.2016. The Alchemist Infra Realty Ltd being aggrieved by the said order dated 14.06.2016 filed the appeal no. 203 of 2016 which was dismissed by the Hon'ble SAT vide order dated 13.08.2019.

ix. As the defaulters failed to comply with the directions issued by SEBI vide aforesaid orders, recovery proceedings were initiated by SEBI against the Alchemist Infra Reality Ltd and its directors including Shri Brij Mohan Mahajan vide recovery certificate no. 1165 of 2017 dated 24.03.2017 to recover an amount of ₹19,16,39,43,857/-. The attachment proceedings were also initiated by attachment proceedings no. 3119 of 2017 and 3120 of 2017 dated 24.03.2017 attaching the banks and demat accounts of the company and its directors including Mr. Brij Mohan Mahajan.

x. During the course of the recovery proceedings a letter dated 09.06.2017 was issued by SEBI to Inspector General of Registration, Chandigarh seeking the details of the immovable properties of the defaulters *inter alia* with a request to direct all registering authorities/sub-registrar not to act upon any documents purporting to the dealing with transfer, mortgage, charge, lease or creation or alteration of any interest in any of the properties owned by the defaulters, under his jurisdiction. In pursuance of the aforesaid letter of SEBI and directions therein, the concerned authority had prohibited the property i.e. House no. 194, located at sector – 18 A, Chandigarh, from transfer / alienation etc.

xi. Pursuant to issuance of attachment order dated 24.03.2017, Mr. Brij Mohan Mahajan had filed a representation dated 02.05.2019 and 23.07.2019, wherein Mr. Brij Mohan Mahajan had *inter alia* submitted that he receives monthly pension from the Government of Punjab in account no. 1488000300000424 maintained with Punjab National Bank. Further, Mr. Brij Mohan Mahajan *inter alia* requested to release the pension account maintained with Punjab National Bank. After seeking clarification from the Punjab National Bank, the recovery officer vide order dated 13.09.2019 directed PNB to allow Mr. Brij Mohan Mahajan to withdraw the amount to the extent of his monthly pension received from Government of Punjab in the aforesaid bank account.

3. Recovery proceedings have also been initiated against Alchemist Holdings Limited and Alchemist Capital Limited and their directors including Mr. Brij Mohan Mahajan.

Alchemist Holdings Limited

i. SEBI passed an ex-parte interim order dated 20.09.2013 vide which Alchemist Holdings Ltd (AHL) and its directors including Mr. Brij Mohan Mahajan were restrained from collecting any money from the investors until further orders for the non-compliances with the public issue norms stipulated under the provisions of the Companies Act, 1956 including Sections 56, 60 and 73 thereof by the company. Thereafter, an opportunity of hearing was offered to the company and its directors by SEBI and by the order dated 14.08.2015, AHL and its directors including Mr. Brij Mohan Mahajan were directed to refund the money collected by the company through the issuance of RPS to the investors with interest of 15% per annum compounded at half yearly intervals from the date when the repayments became due (in terms of Section 73(2) of the 1956 Act) to the investors till the date of actual payment.

ii. Aggrieved by the aforesaid order of SEBI, AHL and its directors including Mr. Brij Mohan Mahajan challenged the aforesaid order passed by SEBI before the Hon'ble SAT in separate appeals. The Hon'ble SAT vide order dated 29.06.2018 while upholding the order passed by the WTM of SEBI on 14.08.2015 deleted the direction given by the WTM of SEBI to pay interest compounded at half yearly intervals.

iii. Thereafter, recovery proceedings were initiated by SEBI against the Alchemist Holdings Limited, and its directors including Mr. Brij Mohan Mahajan vide recovery certificate no. 3406 of 2021 dated 01.04. 2021 to recover an amount of ₹4,44,67,28,000/- for non-compliance of order dated 14.08.2015.

Alchemist Capital Limited

i. Alchemist Capital Limited (ACL) and its directors including Mr. Brij Mohan Mahajan were held to have violated inter alia Sections 56, 60 read with Section 2(36) and Section 73 of the Companies Act, 1956 by SEBI order dated 03.08.2015 directing to refund jointly and severally the money collected by the said company through the issuance of RPS to the investors with interest at 15% per annum compounded at half yearly intervals from the date when the repayments became due in terms of Section 73(2) of the 1956 Act till the date of payment.

ii. The aforesaid order of SEBI dated 03.08.2015 was challenged by ACL and its directors including Mr. B.M. Mahajan before the Hon'ble SAT in separate appeals. The aforesaid order of SEBI was upheld by the Hon'ble SAT vide common order dated 29.06.2018 and subsequently, the recovery proceedings were initiated by SEBI for non - compliance of the aforesaid order vide recovery certificate no. 4348 of 2021 dated 07/12/2021 for an amount of Rs.1,01,67,33,300/-.

4. Further, SEBI vide order dated 22.02.2021 imposed a penalty of ₹1,00,00,000/- (Rupees One Crore only) against Alchemist Infra Realty Limited and its directors including Mr. Brij Mohan Mahajan in the matter of Alchemist Infra Realty Limited and recovery proceedings were initiated vide recovery certificate number 4348 of 2021 dated 07.12.2021, for non-compliance of the SEBI order dated 22.02.2021.

5. The details of the recovery proceedings initiated by SEBI against the defaulters including Mr. Brij Mohan Mahajan in the above mentioned matters through various recovery certificates are detailed below:

Recovery Certificate no. and date	Name of Defaulter(s)	In the matter of	Recovery Amount (plus interest etc.)	Recovery proceedings initiated for non – compliance of
1165 of 2017 dated 24/03/2017	(1) M/s Alchemist Infra Reality Ltd and its directors including Mr. Brij Mohan Mahajan	Alchemist Infra Reality Ltd.	₹19,16,39,43,857/-	SEBI order no. WTM/PS/10/NRO-CIS/JUN/2013 dated 21.06.2013, WTM/PS/13/NRO/MAY/2015 dated 27.05.2015 and WTM/PS/53/NRO/JUN/2016 dated 14.06.2016
3406 of 2021 dated 01/04/2021	(1) Alchemist Holdings Limited and its directors including Mr. Brij Mohan Mahajan	Alchemist Holdings Limited	₹4,44,67,28,000/-	WTM/PS/38/NRO/AUG/2015 dated 14.08.2015

4240 of 2021 dated 25/10/2021	M/s Alchemist Infra Reality Ltd and its directors including Mr. Brij Mohan Mahajan	Alchemist Infra Realty Limited	₹1,00,00,000/-	EAD/KS/AS/AO/10490-10494/2020-21 dated 22.02.2021
4348 of 2021 dated 07/12/2021	(1) M/s Alchemist Capital Limited, and its directors including Mr. Brij Mohan Mahajan	Alchemist Capital Limited	₹1,01,67,33,300/-	WTM/PS/32/IMD/NRO/AUG/2015 dated 03.08.2015

Representation filed by Mr. Brij Mohan Mahajan

6. A representation dated 16.03.2022 was submitted by Mr. Brij Mohan Mahajan *inter alia* with the following requests:

   i. to defreeze the bank account a/c no. 11152100014800 in the name of Mrs. Sumedha Mahajan maintained with Oriental Bank of Commerce (now Punjab National Bank) held at branch located at S.C.O 128 – 129, Sector 8C, Chandigarh and return an amount of ₹82,845/- taken away from the aforesaid account by SEBI.

   ii. release of locker no. 34 of Mrs. Sumedha Mahajan in Oriental Bank of Commerce (now Punjab National Bank) located at S.C.O. 128-129, Sector-8C, Chandigarh, containing 'Streedhan' and personal belongings of Mrs. Sumedha Mahajan.

   iii. request to defreeze the mutual fund accounts which are in the name of Mrs. Sumedha Mahajan as the primary holder and where Mr. Brij Mohan Mahajan is the joint holder.

   iv. release of House no.194, Sector-18 A, Chandigarh from attachment, jointly owned by Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan being the only dwelling unit owned by aforesaid persons and purchased much before the joining the Alchemist group by Mr. Brij Mohan Mahajan.

   v. request to return amount taken from fixed Deposit no. 11153031042115 (purchase amount of Rs.40,58,432/-) of Mr. Brij Mohan Mahajan and joint holder Mrs. Sumedha Mahajan in Oriental Bank of Commerce (now Punjab National Bank) located at S.C.O. 128-129, Sec-8C, Chandigarh.

   vi. request to refund the accumulated pension amount of ₹5,06,617/- withdrawn by SEBI from Punjab National Bank a/c No. 1488000300000424, S.C.O. 44-45, Sec-9 D, Chandigarh maintained in the sole name of Mr. Brij Mohan Mahajan.

   Further, pension, medical and TA bills used to get accumulated in this a/c. In 2019, SEBI released the pension of Mr. Brij Mohan Mahajan by an order but still amount of Rs.1,21,318/- is currently blocked in the aforesaid account as on 04/03/2022, which ought to be released.

   vii. request to release ₹3,00,000/- (approximately) blocked in HDFC Bank, A/C No. 50100280639848, S.C.O.1070-1071, Sec-22 B, Chandigarh maintained in the sole name of Mr. Brij Mohan Mahajan. This amount is on account of medical reimbursement of the open heart surgery of Mr. Brij Mohan Mahajan in May 2019 & other medical reimbursements from the Punjab Government.

viii. request to release mutual funds in the name of Mr. Brij Mohan Mahajan

7. It is relevant to mention that in the matter of Alchemist group of companies several writ petitions were filed before the Hon'ble Calcutta High Court and in one such petition (WP No. 1389(w) of 2017 filed by Ajoy Kumar Das & Ors.), the Hon'ble High Court constituted a One-man Committee under the Chairmanship of Justice (Retd.) S.P. Talukdar vide its Order dated 21.12.2017 with a mandate to sell the properties to make repayment to the investors in the matter of Alchemist Group of Companies.

8. In view of the various orders of the Hon'ble High Court of Calcutta, legal opinion was sought with respect to submission of the representation of Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan before the Committee. As per the legal opinion dated 28.06.2022, the extant representation is to be dealt by the recovery officer as the representation of Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan is filed with respect to the actions taken by the recovery officer during the course of various recovery proceedings initiated *inter alia* against Mr. Brij Mohan Mahajan.

9. Multiple recovery proceedings have been initiated against the defaulters including Mr. Brij Mohan Mahajan in various matters as detailed at table at para 5 above. Subsequently, notice of demands dated 24.03.2017, 01.04.2021, 25.10.2021 and 07.12.2021 were issued to defaulters including Mr. Brij Mohan Mahajan. Further, in exercise of powers under section 28A of the SEBI Act read with section 226 of the Income-tax Act, 1961 and the provisions of the Second Schedule thereto, following separate notices of attachment were issued, directing the attachment of bank accounts / fixed deposits / lockers / mutual fund folios etc. held either singly or jointly by the defaulters including Mr. Brij Mohan Mahajan, to the extent of outstanding dues.

S. No.	Notice of Attachment no.	Dated	Under Recovery Certificate no.
1	3119 of 2017	24.03.2017	1165 of 2017
2	3120 of 2017	24.03.2017	1165 of 2017
3	6523 of 2021	01.04.2021	3406 of 2021
4	6524 of 2021	01.04.2021	3406 of 2021
5	7752 of 2021	07.12.2021	4348 of 2021
6	7753 of 2021	07.12.2021	4348 of 2021
7	7778 of 2021	13.12.2021	4240 of 2021
8	7779 of 2021	13.12.2021	4240 of 2021

10. Reference may be drawn to section 226(3) (ii) of the Income-tax Act, 1961 which reads as, "...*A notice under this sub-section may be issued to any person who holds or may subsequently hold any money for or on account of the assesse jointly with any other person and for the purpose of this sub-section, the shares of the joint holders in such account shall be presumed, unless to the contrary is proved, to be equal*". It therefore follows that singly or jointly held bank and demat accounts can be attached for recovering the dues in accordance with the procedure laid down under the above provisions and section 226 (3) (ii) of the Income-tax Act, 1961 emphasizes that the share of the joint holders in such account shall be presumed, unless the contrary is proved, to be equal. Therefore, when an objection is made in respect of attachment of a joint account, by a person against whom recovery certificate has not been drawn, then the said objection needs to be proved with material evidence in order to revoke the same. This proceeding therefore is an enquiry in that regard on the representation made by Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan.

11. In view of the joint bank accounts, fixed deposits and mutual funds, notices dated 18.07.2022 under section 226 (3) of Income-tax Act, 1961 read with section 28A of Securities and Exchange Board of India Act, 1992 were issued to Mr. B M Mahajan and Mrs. Sumedha advising them to submit evidences, on or before 25.07.2022, substantiating that purchase of fixed deposits / mutual funds and balance maintained in joint bank account was through own funds of Mrs. Sumedha Mahajan.

12. As desired information was not submitted by noticees within prescribed time, an opportunity of personal hearing on 10.08.2022 was granted to aforesaid persons to make submissions before the recovery officer – SEBI through virtual mode. Mr. B M Mahajan and Mrs. Sumedha Mahajan appeared before the recovery officer along with their advocate Mr. Pramod Singh for personal hearing on 10.08.2022 and reiterated the submissions already made vide representation dated 16.03.2022 and sought time till 29.08.2022 to submit the information / evidences confirming their claims regarding the extent to which the monies / mutual fund units (as mentioned at para 6 above) belong to Mrs. Sumedha Mahajan. Thereafter, vide letter dated 29.08.2022 received by SEBI on 31.08.2022, the aforesaid noticee(s) through their advocate Mr. Pramod Singh in reply to the notice dated 18.07.2022 *inter alia* submitted as under:

i. Mrs. Sumedha Mahajan (PAN No. AAUPM5683K) has been filing returns for the past many years and her IT return copies from AY 2016 -17 to AY 2021 – 22 have been submitted along with the aforesaid representation.

ii. The savings account no. 11152100014800 was opened by Mrs. Sumedha Mahajan in her sole name on 17.09.2003 with Oriental Bank of Commerce (now PNB due to merger). Mrs. Sumedha Mahajan added Mr. Brij Mohan Mahajan as a joint holder in her account on 02.09.2014. This was done to ensure the arrangements were in place for quick succession. Mrs. Sumedha Mahajan received ₹18,64,264/- from the Land Acquisition Officer, Chandigarh, as her land was acquired. The amount was paid vide voucher no. 47 dated 27.04.2004. Mrs. Sumedha Mahajan received a further sum of ₹52,77,747/- against her land acquired as an enhancement vide voucher no. 9895 dated 23.05.2013. On few occasions some amounts in cash were credited to the account, mainly on account of shagun or gifts received on various occasions from relatives. The other amounts were further accretions on account of dividends, interests and maturity of deposits and mutual funds. All the accretions, additions and receipts belong to Mrs. Sumedha Mahajan solely.

iii. **List of items and proof of purchase of such items as available in locker no. 34 of aforesaid entities maintained with PNB.** The locker belongs to Mrs. Sumedha Mahajan. Mr. Brij Mohan Mahajan was added subsequently only to ensure the arrangements are in place for quick succession. The items in the locker consists of jewellery and pooja coins. All the items belong to Mrs. Sumedha Mahajan. Since for long this locker has not been operated, having been frozen by SEBI and also the fact that Mrs. Sumedha Mahajan is quite old, therefore is unable to recall the exact items of the locker. The Applicants agree and undertake to extend all support to open the locker in the presence of SEBI officials. Mrs. Sumedha Mahajan does not possess the proof of purchase as many of the items were acquired as gifts from the senior family members and constitute her stridhan. It would be pertinent to submit that as per section 14 of the Hindu Succession Act, 1956 any property possessed by a female Hindu is held by her as full owner thereof. The items have got nothing to do with Mr. Brij Mohan Mahajan and is the stridhan of Mrs. Sumedha Mahajan.

iv. **Source of funds against the mutual funds units purchased by Mrs. Sumedha Mahajan as first holder.** Mutual funds units were purchased by Mrs. Sumedha Mahajan starting in November 2008. It is submitted that she got a land compensation by UT Administration of ₹18,64,264/- on 15.05.2004. She made representation for being compensated for poplar trees and fruit-bearing trees, for which she further got compensation for trees and Mali hut of Rs. 2,31,111/- and for plants of Rs. 4,58,898/- (the vouchers for this payment is not presently available as having been misplaced). From this amount, she made her investments. Further, it is stated that another enhanced compensation of Rs. 52,77,747/- was given to Mrs. Sumedha Mahajan on 23.05.2013. FDR and mutual funds of Mr. Brij Mohan Mahajan were purchased from these compensation payments.

v. **Source of funds for house no. 194, Sector 18-A, Chandigarh, purchased in the name of Mrs. Sumedha Mahajan and Mr. Brij Mohan Mahajan.** The details pertaining to the cost and sources of funds (in ₹) is as under:

Purchase of house	- ₹19,50,000/-
Amt. of Registration charges	- ₹2,43,750/-
Total cost of construction	- ₹26,66,224/-

Total amt. spent on purchase and renovation - **₹48,59,974/-**

The house was purchased in June 2001 and at that time, Mr. Mahajan was in service of Punjab Government.

Loan from PNB (22.06.2001)	- ₹10,00,000/-
Loan from PNB (21.06.2002)	- ₹5,00,000/-

G.P. Fund of Mr. Mahajan (05.07.2002)	- ₹6,25,000/-
Loans:	
J.L.Singhla	- ₹4,00,000/-
Raj Kumar Khattar	- ₹7,00,000/-
Sale of Goods (Jewellery)	- ₹95,550/-
Sale of House (sec-37 B, Chandigarh)	- ₹12,00,000/-
Total	**- ₹45,20,550/-**

Rest amount was from family savings. Mr. Brij Mohan Mahajan and Mrs. Sumedha Mahajan are equal owners of the house and both contributed equally to the purchase of the house and making construction thereon. The House at Chandigarh was purchased and built by Mr. B M Mahajan and Mrs. Sumedha Mahajan jointly with clear and separate funding sources in June 2001 with equal rights. This was much before the start of any relationship with Mr. K D Singh or any of his companies i.e. Alchemist group. The property is the sole dwelling unit of the applicants and was built to provide for shelter and residence for the family.

vi. **Source of funds for the land purchased by Mrs. Sumedha Mahajan and other family members against which the aforesaid persons have received the compensation from the government bodies.** The land was purchased in the name of Mrs. Sumedha Mahajan and her two sons, Mr. Sameer Mahajan and Mr. Sachin Mahajan in May 1997. As the above property was purchased 25 years ago and acquired by UT Administration, the applicants do not have any physical proof. However, it is stated that Mrs. Sumedha Mahajan's father-in-law who lived in Delhi, had a shop, plot and cash with him. He had 3 sons in all. He gave away the shop to the eldest son, plot to middle son and the cash amount to the youngest son's family, i.e. Mrs. Sumedha Mahajan and her 2 sons Mr. Sameer Mahajan and Mr. Sachin Mahajan. The cash amounted to about Rs.15 lakhs in 1996, out of which they bought the above plot for Rs.12.5 lacs approximately.

vii. **Relevant documents substantiating that ₹1,21,318/- in account no. 1488000300000424 at PNB, is in lieu of pension, TA and medical bills.** Copy of passbook showing the above amount under freeze. This amount of Rs. 1,21,318/- pertains to my TA and medical reimbursement.

viii. **Relevant documents substantiating that amount of ₹3,00,000/- (approximately) in a/c no. 50100280639848 at HDFC Bank, is in lieu of medical bills.** It is submitted that Mr. Brij Mohan Mahajan had open heart surgery in May 2019 and as he was in Punjab Government Service, so he got reimbursement of ₹3,71,200/- on 29.11.2019.

ix. That in the matter of Alchemist Infra Reality Ltd, SEBI order dated 21.06.2013 was passed only against the company. It was later that SEBI order against Mr. B M Mahajan for failure to comply with the Orders was passed. Mr. B M Mahajan humbly submits that he had no wherewithal to comply with the order as all and sundry work on the directions of Mr. K D Singh. Mr. B M Mahajan was never called for or participated in the Board processes. His job was to issue receipts on behalf of the company under his signatures. He had no authority on the utilization of moneys or any assets. Mr. B M Mahajan was neither in touch of any other directors nor participated in any meetings with them.

x. There is no finding or an allegation that the funds were ever transferred or siphoned off to Mr. B M Mahajan. There is disgorgement Order against Mr. B M Mahajan till date. He is being held responsible for not complying with the orders of SEBI. It is humbly submitted that Mr. B M Mahajan has no capacity or ability to cause the company to refund the amounts of the investors or even to sell the assets.

xi. Mr. B M Mahajan understands that Talukdar Committee is having full authority on the assets of the defaulting company and is also empowered to pay the amounts due to the investors by disposing of the assets. Therefore, Mr. B M Mahajan cannot be reasonably expected to act and refund the amounts. Without prejudice to the aforesaid fact, it is submitted that Mr. B M Mahajan has already submitted his resignation from the Board of the Company on 05.08.2021 with copy to the concerned Registrar of Companies.

xii. That the Order of WTM dated 14.08.2015 in the matter of Alchemist Holdings Ltd clearly notes that Mr. B M Mahajan had resigned on 20.03.2009 yet erroneously holds responsible to carry out its directions to comply with the said Order. It is humbly stated that Mr. B M Mahajan has inherent inability and is not competent to comply with the directions and therefore cannot be held liable being persona non grata.

xiii. That Mrs. Sumedha Mahajan is not a defaulter and no show cause notice was issued to her before the attachment. There is no subsisting order of SEBI against her.

xiv. In the matter of Sushila Devi v CIT [(2016) 234 DLT 253] (Sushila Devi) Delhi High Court had held that a wife's stridhana cannot be used for recovering dues from the husband. In this case, the High Court had held that a wife's stridhan cannot be used for recovering dues from the husband.

xv. In the matter of Ravikant Reality India Limited & ors vs SEBI, Hon'ble SAT vide Order dated 06.03.2020 held that there is no bar against utilizing stridhan to repay the Company's debts when the woman is in default herself, by virtue of having been a director. However, the Tribunal distinguished the decision in Sushila Devi on facts since in that case it was a question of recovery being made against the husband and jewellery of the wife was taken into consideration, while in the present case recovery was sought from her in her capacity as a Defaulter.

xvi. Further the unique character of stridhan property was noted by the SAT. In relation to this, the Tribunal referred to the Supreme Court decision in Pratibha Rani v Suraj Kumar, 1985 (2) SCC 370, (Pratibha Rani) which held that stridhan is a woman's absolute property, and if it is in the custody of husband or in-laws, they will be deemed to hold it in trust for her and are bound to return it to her on demand. Thus, the SAT's ruling does not interfere with the fundamental principle of stridhan in so far as the fact that it belongs to the woman alone.

xvii. From Ravikiran's Order it clear that the critical question is 'who is in default?' – for instance, if the defaulting party was the husband, the wife's stridhan could not be utilized to repay his debts, even if the stridhan had been bequeathed by him to his wife in the past. Therefore, it is humbly submitted that in these proceedings the properties of Mrs. Sumedha Mahajan cannot be attached even if jointly held in the name of Mr B M Mahajan as his name was added later and only as a measure of providing for quick succession of the demise of the holder.

xviii. In the matter of Harsh Shah and Anr. v. SEBI – (2020 SCC OnLine SAT 686) – dated December 18, 2020 alongwith the Director of the defaulting company the joint accounts of the children were frozen by SEBI. Hon'ble SAT directed SEBI to defreeze the accounts as it found it to be unsustainable in law. Further in the matter of Soma Textiles and Industries Limited WTM/AB/IVD/ID4/14106/2021-2022 Decided on November 2, 2021 the precedent established in Harsh Shah case was followed. In Mrs. Sumedha Mahajan's case it is evident from the material brought on record that the assets in the form of FD, Bank accounts and mutual funds account that not only the accounts are jointly held but the origin of the funds is from the funds of Mrs. Sumedha Mahajan. Therefore, it is humbly prayed that all accounts jointly held by her may be released without any further delay.

13. On the basis of the records available/documents submitted by the noticees, the objections / requests of the noticees are being dealt with in the following paragraphs.

The first objection/request of noticees is regarding the de-freezing of the below mentioned bank accounts / fixed deposits / mutual fund folios:

Attached Accounts					
S. no.	**Type of Account**	**Name of Bank / Service provider**	**Account no. / Folio no.**	**First Holder**	**Second Holder**
1	Bank account	Punjab National Bank	1115210014800	Mrs. Sumedha Mahajan	Mr. Brij Mohan Mahajan
2	Mutual Fund	CAMS	4374507	Mrs. Sumedha Mahajan	Mr. Brij Mohan Mahajan
3	Mutual Fund	CAMS	4374395	Mr. Brij Mohan Mahajan	Mrs. Sumedha Mahajan

4	Locker no.	Punjab National Bank	34	Mrs. Sumedha Mahajan	Mr. Brij Mohan Mahajan
5	Fixed Deposit	Punjab National Bank	11153031042115	Mr. Brij Mohan Mahajan	Mrs. Sumedha Mahajan

i. It was along with the attachment of account of Mr. Brij Mohan Mahajan, that the joint accounts where Mrs. Sumedha Mahajan (wife of Mr. Brij Mohan Mahajan) happens to be a joint holder, also got attached despite her not being a defaulter in the matter. Mrs. Sumedha Mahajan has also submitted her submissions along with Mr. Brij Mohan Mahajan's claiming to have a separate and distinguishable source of income / funds through which she had acquired some movable and immovable assets, which will be dealt in the following paragraphs along with the submissions of Mr. Brij Mohan Mahajan.

ii. Mrs. Sumedha Mahajan raised an objection that she is not a defaulter and no show cause notice was issued to her before the attachment and there is no subsisting order of SEBI against her, it is noted that the notice is to be forwarded to the joint holders as is evident from the use of the words "*A copy of the notice shall be forwarded to the assesses at his last address …….. and in case of joint account to all the joint holders at their last address known……*" and there is no requirement of serving it prior to or simultaneously with the issuance of notice of the bank under Section 226(3)(iii) of the IT Act. However, the said issue is *sub judice* before the Hon'ble Supreme Court of India in appeal no. 3302 of 2020 – SEBI vs Kalpana Gupta.

iii. The noticees have enclosed a copy of the first page of passbook bearing account no. 11152100014800 issued by the Punjab National Bank and a copy of passbook containing the transactions from 04.03.2021 to 27.03.2022. Further, a copy of the letter dated 27.07.2005 issued by land acquisition officer, UT, Chandigarh intimating that land measuring 19K - 5.50M has been acquired vide award no. 569 dated 29.03.2004, village Manimajra showing the amount of Rs. 18,64,264 paid vide voucher no. 47 dated 27.04.2004 and the receipt of the enhanced amount of Rs.52,77,747/- in the name of Smt. Sumedha Mahajan for 9K - 13.50M. On perusal of the documents and submissions of noticees, it is noted that Mrs. Sumedha Mahajan received Rs.18,64,264/- from land acquisition officer, Chandigarh, as the land was acquired by Land Acquisition Officer, Chandigarh. Mrs. Sumedha Mahajan received a further sum of Rs.52,77,747/- against her acquired land, as an enhancement vide Voucher no. 9895 dated 23.05.2013. As submitted by the noticees, aforesaid funds were utilized to purchase the jewelry in the locker, mutual funds units, fixed deposits and balance maintained in the bank accounts. As submitted by the noticees, Mrs. Sumedha Mahajan (along with her sons) had purchased this land in May 1997 with Rs. 12,50,000/- out of Rs. 15,00,000/- received in cash from her father in law in 1996. However, Mrs. Sumedha Mahajan has not submitted any supporting documents like any gift deed or any ITR pertaining to the year regarding the receipt of aforesaid amount of Rs. 15 lacs from her father in law to support ther contention.

In the absence of supporting evidences, the contention of the noticees is bald assertion. Hence, it is not possible to conclude that the aforesaid land was purchased through the own funds of Mrs. Sumedha Mahajan. Thus, it is also not possible to conclude that the compensation of ₹18,64,264/- and ₹52,77,747/- as received from the Land Acquisition officer, Chandigarh for acquisition of aforesaid land belongs to Mrs. Sumedha Mahajan. Therefore, Mrs. Sumedha Mahajan is not able to substantiate that the funds in the bank account no. 11152100014800 (Mr. Brij Mohan Mahajan is second holder) are her own funds. Also, Mrs. Sumedha Mahajan is not able to substantiate that the mutual fund units held in the folio no. 4374507 (Mr. Brij Mohan Mahajan is second holder) and 4374395 (Mrs. Sumedha Mahajan is second holder) maintained with CAMS have been purchased through her own funds. The noticees are also not able to substantiate that the FDR no. 11153031042115 (wherein Mr. Brij Mohan Mahajan is the first holder and Mrs. Sumedha Mahajan is second holder) was created utilizing the funds pertaining to Mrs. Sumedha Mahajan.

iv. As Mrs. Sumedha Mahajan could not substantiate that the funds in the bank account, fixed deposit and mutual fund units were purchased by her through own funds and considering the joint ownership of Mr. Brij Mohan Mahajan in the aforesaid bank / mutual fund accounts and fixed deposit, the request of the noticees to release the bank account no. 11152100014800 held with Punjab National Bank, mutual fund account no. 4374507 & 4347395 and Fixed deposit no. 11153031042115 is rejected.

v. With regard to the contention of the noticees that the locker (Mr. B M Mahajan is second holder) should be released that contains jewellery and pooja coins which is the stridhan of Mrs. Sumedha Mahajan. As submitted by the noticees, this locker has not been operated for long and therefore Mrs. Sumedha Mahajan is unable to recall the exact items of the locker. However, the noticees have said that they do not possess the proof of purchase as many of the items were acquired from the senior family members and constitute her stridhan. The noticees have also mentioned section 14 of the Hindu Succession Act, 1956, which *inter alia* states that any property possessed by a female Hindu is held by her as full owner thereof. The noticees have also relied upon the judgment of Sushila Devi v CIT [(2016) 234 DLT 253] (Sushila Devi) Delhi High Court, Ravikiran Reality India Ltd & Others vs SEBI and the judgment of Supreme Court decision in Pratibha Rani v Suraj Kumar, 1985 (2) SCC 370 as detailed in above paras *inter alia* contenting that, if the defaulting party was the husband, then the wife's stridhan could not be utilized to repay his debts, even if the stridhan had been bequeathed by him to his wife in the past. Here it is relevant to mention that whether the items in the locker are the stridhan or not is a question of fact which is required to be proven by the noticees. However, Mrs. Sumedha Mahajan has not submitted any documents in support of her contention. Mere statements by noticees that items in the locker are stridhan or gifted items may not substantiate the claims of noticees. Moreover, even without knowing the items inside the locker, Mrs. Mahajan is claiming it to be a stridhan which appears to be an afterthought and a means to obstruct the ongoing recovery proceedings. In view of the aforesaid, the request of the noticees to release the locker no. 34 maintained with Punjab National Bank is also rejected.

14. The second request of the noticees is to de-attach and release the house no. 194, Sector 18A, Chandigarh -160018.

   i. It is noted from the perusal of copy of sale deed dated 12.06.2001 submitted by the noticees, that the noticees are the joint owners of the aforesaid property. The noticees have submitted the following details pertaining to the cost and sources of funds utilized to purchase/construct/renovate the aforesaid property:

      Cost of the property / house
      Amount paid by the applicants to purchase the house - ₹19,50,000/-
      Amount paid by applicants as Registration charges - ₹2,43,750/-
      Total cost of construction - ₹26,66,224/-
      Total amount spent on purchase and renovation - ₹48,59,974/-

      Source of funds utilized to purchase the property / house
      Loan from PNB on 22/6/2001 - ₹10,00,000/-
      Loan from PNB on 21/6/2002 - ₹5,00,000/-
      G.P. Fund of Mr. B M Mahajan on 05/07/2002) - ₹6,25,000/-
      Loan from Mr. J.L.Singhla - ₹4,00,000/-
      Loan from Mr. Raj Kumar Khattar - ₹7,00,000/-
      Sale of Goods (Jewellery) - ₹95,550/-
      Sale of House (Sec-37B) - ₹12,00,000/-
      Total - ₹45,20,550/-

      As submitted by the noticees, rest of the amount utilized for the purchase of aforesaid property was from the family savings through which the house no.194, Sec-18 A, Chandigarh was purchased and built by the noticees jointly with clear and separate funding sources in June 2001 with equal rights.

      With reference to the contention of separate source of funding of Mrs. Sumedha Mahajan, as submitted by the noticees, as detailed in previous paragraphs, Mrs. Sumedha Mahajan had failed to substantiate that she had separate identifiable and distinguishable source of income separate from her husband i.e. Mr. Brij Mohan Mahajan. Though, the noticees have enclosed copies of certain bills pertaining to the sale of jewellery, bill no. 004 dated 23-5-2k2(23.05.2002), bill no. 006 dated 25-5-2k2 (25.05.2022) and bill no. 008 dated 25-5-2k2(25.05.2002), however, no disclosure has been done by the noticees on the use of this amount for the purchase of the house in 2001.

   ii. Regarding the issue relating to release of sole dwelling house of the noticees, reliance is placed upon the judgement dated 12.12.2019 in W.P.(c) no. 2404 of 2019 – Sujata Kapoor vs Union Bank of India & Ors. wherein the Hon'ble High Court of Delhi on the question of the single dwelling unit *inter alia* held as under:

      "100. The submission of the petitioner premised on M/s Shantistar Builders (supra) and Chameli Singh (supra) needs only to be noticed to be rejected. The basic need of all human beings, inter alia, of shelter, does not mean that debtors, irrespective of their background, can be granted blanket

protection under Clause (ccc) of proviso to Section 60(1) of the Code. The Right to Shelter stems from Article 21 of the Constitution of India, which provides that —No person shall be deprived of his life or personal liberty except according to a procedure established by law‖. Thus, even this fundamental right is not absolute, and in accordance with the procedure established by law it may be curtailed. The Legislature, in its wisdom, sought to carve out exceptions to Section 60(1) only in exceptional cases of agriculturists, labourers and domestic servants (under Clause (c) of proviso to Section 60(1) of the Code). Other Clauses contained in the Proviso, similarly, provide protection against attachment and sale in execution of a decree. Clause (ccc) has also to be viewed in the light of the other Clauses contained in the Proviso to Section 60(1). If the submission of the petitioner premised on the basic needs of a man for shelter were to be accepted, there would be no justification to allow the attachment and sale in execution of a decree of any residential property, of any person whatsoever. However, that is not the intendment of the law."

"101. We, therefore, reject the submission of learned counsel for the petitioner that the said property is exempted from attachment and sale in execution of a decree of a Civil Court under the Code. Reliance placed by the petitioner on Rule 10 of the Rules is, therefore, of no avail and the same is rejected."

As clearly stated in the judgement above, the Legislature, in its wisdom, sought to carve out exceptions to Section 60(1) of the Code of Civil Procedure, 1908 only in exceptional cases of agriculturists, labourers and domestic servants, therefore, the contention of the noticees regarding the sole dwelling unit is not tenable.

iii. With regard to the contention of Mr. Brij Mohan Mahajan that the house was purchased much before the start of any relationship with Mr. K D Singh or any of his companies i.e. Alchemist group, it is noted that the recovery proceedings have been initiated under section 28A of SEBI Act, 1992 however,this section does not make any distinction with respect to the money to be recovered against the dues.

In view of above, the contentions of the noticees regarding the release of the House no. 194, Sector 18, Chandigarh, is rejected.

15. The third objection/ request of the noticees is to release the amount of Rs.1,21,318/- received in account no. 1488000300000424 at PNB, is in lieu of pension, TA and medical bills by Mr. Brij Mohan Mahajan.

i. The noticees have submitted that the above amount in account no. 1488000300000424 at PNB pertains to pension, TA and medical reimbursement of Mr. Brij Mohan Mahajan. In this regard, the noticees have submitted a copy of the letter no. DDD/Acct.-1/14396 dated 31.12.2019 issued by the joint director, Dairy Development Department, Punjab, SAS Nagar, Mohali, Punjab in terms of which Mr. Brij Mohan Mahajan had received medical reimbursement amount of Rs.89130/- (during 12.07.2017 to 02.09.2019) in his account with Punjab National Bank through District Treasury, as detailed below:

S. No.	ECS Generation date	Amount
1	12.07.2017	8402
2	20.03.2018	8398
3	22.03.2018	8850
4	22.03.2018	10627
5	27.06.2018	10627
6	14.11.2018	10020
7	21.01.2019	10001
8	11.07.2019	112023
9	02.09.2019	11002
	Total	89130

ii. It is noted from the submission of noticees that amount tabulated above was received by Mr. Brij Mohan Mahajan in lieu of medial reimbursements from his ex-employer and is exempted from attachment. From the perusal of the bank statement submitted by Mr. Brij Mohan Mahajan and letter no. DDD/Acct.-1/14396 dated 31.12.2019 issued by the joint director, Dairy Development Department, Punjab, it is noted that an amount to the extent of ₹89,130/- was received by Mr. Brij Mohan Mahajan in lieu of medical expense reimbursement. In terms of proviso to section 60(1) of the Code of Civil Procedure, 1908, *inter alia* the amounts paid by way of reimbursement of medical expenses are not liable to be attached. Hence, an amount to the extent of ₹89,130/- in the bank account no. 1488000300000424 at Punjab National Bank is exempted from attachment. However, no evidence with respect to TA amount and the pension amount credited in the account has been submitted by noticees to substantiate their claim.

16. The fourth objection / request of the noticees is that freeze on amount of ₹3,71,200/- (approximately) in account no. 50100280639848 at HDFC Bank may be removed as the aforesaid amount has been received from Punjab Government as medical reimbursement by Mr. Brij Mohan Mahajan.

i. In this regard clarification w.r.t account no. 50100280639848 was sought from HDFC Bank. On perusal of statement of aforesaid bank account received by SEBI from HDFC Bank, it has been noted that Mr. B M Mahajan had opened the aforesaid bank account on 29.11.2019. Some of the transactions (not the complete) in this new bank account are detailed below:

Date	**Narration**	**Debit**	**Credit**
07/12/2019	00600350064156-REP-CH 1661018 912073244821		3,00,000.00

13/12/2019	00600350064156-INTDC-CH 1661025 912128490822		25,006.00
16/12/2019	00600350064156-REP-CH 1661025 912149965756		5,00,000.00
20/12/2019	CHQ PAID-MICR CTS-NO-SUMEDHA MAHAJAN 000000000007	6,50,000.00	
27/12/2019	CASH DEP CHANDIGARH S		2,00,000.00
09/01/2020	CHQ PAID-MICR CTS-NO-EXEC ENGG MCPH 000000000009	1,355.00	
09/01/2020	CHQ PAID-MICR CTS-NO-SDO ELC 000000000010	10,034.00	
21/01/2020	CHQ DEP - MICR CLG - NOIDA WBO 000000000125		3,060.00
21/01/2020	NEFT CR-RBIS0GOPNEP-DISTRICT TREASURY RBI022205224880 OFFICER-BM MAHAJAN-RBI0222052248809		3,71,200.00
10/02/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 210	12,000.00	
24/02/2020	NEFT CR-RBIS0GOPNEP-DISTRICT TREASURY RBI056209046713OFFICER-BM MAHAJAN-RBI0562090467137		10,068.00
26/03/2020	NEFT CR-ORBC0100702-48TH DAIRY INDUSTRY ORBC20032637925 CONFERENCE JAIPUR-SH B N MAHAJAN-ORBC200326379250		2,380.00
04/04/2020	ATW-517725XXXXXX9703-S1ANCC95-CHANDIGARH 3066	20,000.00	
17/04/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 9827	20,000.00	
24/04/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 9919	20,000.00	
04/05/2020	ATW-517725XXXXXX9703-CHCDG009-CHANDIGARH 2185	24,000.00	
25/05/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 8605	15,000.00	
25/05/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 8606	15,000.00	
30/05/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 9005	10,000.00	
20/06/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 310	20,000.00	

09/07/2020	FT - DR - 50100040243310 - SHEEBA 000000000001 MAHAJAN	60,000.00	
10/07/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 1948	5,000.00	
01/08/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 6086	15,000.00	
31/08/2020	ATW-517725XXXXXX9703-S1ANKA30-CHANDIGARH 2974	10,000.00	
09/10/2020	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 1465	10,000.00	
13/10/2020	NEFT CR-RBIS0GOPNEP-DISTRICT TREASURY RBI288206232907 OFFICER-91800001810019 B M MAHAJAN-RBI2882062329070		12,146.00
22/10/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 5203	10,000.00	
04/11/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 6681	15,000.00	
07/12/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 552	16,000.00	
27/12/2020	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 2448	11,000.00	
31/12/2020	FT - DR - 01072090000063 - CBDT 000000000011 COLLECTION - (NODAL BRANCH)	34,770.00	
14/01/2021	SELF - CHQ PAID - CHANDIGARH S 000000000012	1,00,000.00	
28/01/2021	NEFT CR-RBIS0GOPNEP-DISTRICT TREASURY RBI029211656582 OFFICER-91800001810019 B M MAHAJAN-RBI0292116565824		16,447.00
30/01/2021	ATW-517725XXXXXX9703-CHCDG006-CHANDIGARH 2673	12,000.00	
09/02/2021	ATW-517725XXXXXX9703-CHCDG006-CHANDIGARH 4648	20,000.00	
05/03/2021	ATW-517725XXXXXX9703-S1AWCH87-CHANDIGARH 7356	20,000.00	
29/03/2021	ATW-517725XXXXXX9703-S1ANCD24-CHANDIGARH 3534	4,000.00	
02/04/2021	ATW-517725XXXXXX9703-S1ACCD14-CHANDIGARH 2638	4,000.00	

30/05/2022	RTGS DR-ICIC0000106-SEBI RECOVERY HDFCR5202205307 PROCEEDS-CHANDIGARH 866438 S-DFCR52022053071866438	3,12,782.00	
23/12/2022	CASH DEP BY SACHIN CHANDIGARH S		2,500.00

ii. As the aforesaid bank account with HDFC bank was opened by Mr. Brij Mohan Mahajan post initiation of recovery and attachment proceedings and had done subsequent multiple transactions in it, clarification was sought from Mr. Brij Mohan Mahajan vide email dated 24.01.2023. In response, Mr. Brij Mohan Mahajan through his Advocate vide email dated 31.01.2023 has made following submissions:

a. *Mr. Brij Mohan Mahajan on the date of opening the account in HDFC Bank was holding 2 FDRs of Rs 5 lakh and Rs.3 lakh with Housing Development Finance Corp. Ltd. (HDFC). They were to mature on 15 Dec, 2019 and on 6 Dec, 2019 respectively.*

b. *Mr. Mahajan approached HDFC Bank to open an a/c as his other accounts were seized by SEBI and he had to encash these FDR amounts.*

c. *As on the date of opening the Account in HDFC Bank i.e. 28.11.2019, there was no order restraining Mr. Mahajan to open the Bank account and therefore there is nothing wrong with opening a bank account for doing normal transactions for the sustenance and paying of bills etc.*

d. *It is submitted that Mr. Mahajan had undergone a open heart surgery in May 2019 and because he had retired from Punjab Govt. Service, so he got a reimbursement of Rs.3,71,200/- on 29/11/2019. You would kindly appreciate that medical reimbursements are in the nature of social welfare. You may also appreciate that this has nothing to do with the Alchemist group or any nexus with Mr Mahajan's employment in the said group. This facility is available to Mr Mahajan pursuant to his lifelong service to the government.*

e. *You would kindly observe from the Bank Statement and the handwritten note explaining the entries that the debits and credits in the HDFC Account can be summarized as follows:*

Credits (Inflow)	***Debits (Outflow)***
• *Proceeds of 2 FDRs of Rs 5 lakh and Rs.3 lakh with Housing Development Finance Corp. Ltd. Including interest* • *Account opening amount from Mrs Sumedha Mahajan* • *Interest on outstanding balances*	• *Payments to family members as they paid various expenses on behalf of Mr Mahajan. To Mrs. Sumedha Mahajan (Rs. 6,50,000/-) and to Ms Sheeba Mahajan (Rs. 60,000/-)* • *Utility bills and taxes*

• *Medical reimbursements received from Punjab Govt.* • *Cash deposit of Rs. 200000/- from pension* • *Cash deposit of Rs. 2500/- to maintain the minimum balance.*	• *Cash withdrawals to meet day to day expenses.*

iii. As submitted by Mr. Brij Mohan Mahajan through his advocate, 2 FDRs of ₹5 lacs and ₹3 lacs with HDFC Ltd were to mature on 15.12.2019 and 06.12.2019 respectively, so, Mr. Mahajan approached HDFC Bank to open an account as his other accounts were seized by SEBI. Mr. Brij Mohan Mahajan has requested to reimburse the amount of ₹3,71,200/- received by him in this new bank account as medical reimbursement on 29.11.2019 from Punjab Government Services which has been taken by SEBI.

iv. The bank accounts of Mr. Brij Mohan Mahajan were attached on 24.03.2017 vide attachment proceedings no. 3119 of 2017 under recovery certificate no. 1165 of 2017 with directions to attach all account/s by whatever name called including lockers of the defaulters, either singly or jointly with any other person/s, held with Bank; and all other amount/proceeds due or may become due to the Defaulter or any money held or may subsequently hold for or on account of the defaulter. It was also ordered that no debit shall be made in the said account/s until further orders from the Recovery officer of SEBI. However, the credits were allowed into the account. Here reference may also be drawn to the Explanation 1 to Section 28A of SEBI Act, 1992 which stipulates as "*For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person.*" Here it is to be noted that the attachment notice through which bank and other accounts of Mr. Brij Mohan Mahajan were attached puts restrictions on debit transactions and clearly stipulates that the credits, if any, into the account were allowed. It is noted that during the continuation of the attachment, Mr. Brij Mohan Mahajan withdrew funds on several dates for as big an amount of Rs. 6,50,000/- on 20.12.2019 and several other cash transactions were done frequently as detailed in the table above from the new bank account opened with HDFC Bank. Mr. Brij Mohan Mahajan also transferred funds to Mrs. Sumedha Mahajan and others, from this new account. Thus, the contention regarding reimbursement of ₹3,71,200/- related to medical reimbursement of Mr.

Brij Mohan Mahajan received in this new account on 21.01.2020, is rejected as Mr. Brij Mohan Mahajan has already withdrawn amount more than that was actually received by him as medical reimbursement from Punjab Government Services. It is also noted that Mr. Brij Mohan Mahajan has withdrawn additional amount that is ought to be remitted with SEBI in terms of recovery proceedings until the amount mentioned in the recovery certificate is completely recovered from the defaulter who is in violation of the attachment notice.

17. Mr. Brij Mohan Mahajan has raised a contention that SEBI order dated 21.06.2013 in the matter of Alchemist Infra Reality Ltd, was passed only against the company and that it was later that SEBI passed an order against him for failure to comply with the previously passed orders. It is noted that SEBI order dated 21.06.2013 was passed against Alchemist Infra Realty Limited and its directors including Mr. Brij Mohan Mahajan, to refund the money collected from its investors. Further, regarding the contention of Mr. Mr. Brij Mohan Mahajan that the order of SEBI dated 14.08.2015 in the matter of Alchemist Holdings Ltd clearly notes that Mr. B M Mahajan had resigned on 20.03.2009, yet erroneously holds responsible to carry out its directions to comply with the said Order. In this regard, it is noted that the order was challenged and the Hon'ble SAT vide its order dated 29.06.2018 upheld the order passed by the SEBI dated 14.08.2015.

18. In view of aforesaid facts viz. non submission of proof of purchase of land and various investments, non – submission of source of income of Mrs. Sumedha Mahajan, evidence related to receipt of TA and pension amounts, the present objections filed by the noticees regarding release of bank accounts, locker, fixed deposit, Mutual funds and house is liable to be rejected, except to the extent of ₹89,130/- in the bank account no. 1488000300000424 at Punjab National Bank as mentioned in para 16 above.

Order:

19. In view of the above, I find no merits in the submissions made by the noticees in the representation dated 16.03.2022 except an amount to the extent of ₹89,130/- in the bank account no. 1488000300000424 at Punjab National Bank is exempted from attachment. Hence, the representation dated 16.03.2022 of the noticees is rejected and is disposed of.

New Delhi
February 24, 2023

Rajeev Rastogi

Rajeev Rastogi
Recovery Officer

राजीव रस्तोगी / RAJEEV RASTOGI
वसूली अधिकारी एवं उप महाप्रबंधक
Recovery Officer & Deputy General Manager
भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board
उत्तरी प्रादेशिक कार्यालय/Northern Regional Office
नई दिल्ली/New Delhi