BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. EAD/BJD /NJMR/1-5/2018-19

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND SECTION 23 I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995 AND RULE 5 OF SECURITIES CONTRACT REGULATION (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005

In respect of:

1. ABL Biotechnologies Ltd., *(PAN: AAACA5463G)* No. 71, Nehru Nagar 2nd Link Street, Industrial Estate Kottivakkam, Chennai – 600096.	2. Kollenmareth Oomman Isaac *(PAN: AAAPI2428J)* Old No. 34E, New No. 81 Beach Home Avenue Besant Nagar Chennai – 600090.
3. Rosemary Isaac *(PAN: AAEPR5705R)* 18, Temple Glade Kalakshetra Colony Besant Nagar Chennai – 600090.	4. G Subramanian *(PAN: AARPS0953K)* E-204, Vasantha Vihar Apartments Thillai Nagar 1st Cross Thiruchirapalli – 620018.
5. Ravindran Sappany *(PAN: AAGPR8625Q)* E52, Fort Indira Prastha 18-A, Kalakshetra Road Thiruvanmiyur Chennai – 600041.	

In the matter of ABL Biotechnologies Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (SEBI) conducted an investigation to ascertain whether shares underlying Global Depository Receipts (**GDRs**) of ABL Biotechnologies Ltd., (*hereinafter referred to as **"ABL"/ "Company"***)were issued with proper consideration and whether appropriate disclosures in compliance with Listing Agreement, if any, were made by ABL with respect to GDRs. The period under investigation was during issuance

of GDRs i.e. June 06, 2008 to July 05, 2008 (*hereinafter referred to as **"investigation period"**).*

2. During the course of investigation, it was inter-alia observed by SEBI that ABL failed to disclose immediately to Bombay Stock Exchange (BSE), where the shares of ABL were listed, the outcomes of the board meetings held on March 01, 2008 and June 20, 2008 regarding approval of the proposal for raising financial resources by way of issue of GDRs and allotment of GDRs respectively, which were price sensitive information. Further, ABL failed to inform BSE of the account charge agreement entered into with BANCO EFISA, S.A. (BANCO), Lisbon, Portugal, where the proceeds of GDR were deposited and delisting of GDRs on Luxemburg Stock Exchange. It was also observed that ABL had not disclosed an amount of US $ 6.66 million (as on March 31, 2009) lying in its account with BANCO as contingent liability in its financial statements for the financial year 2008-09. By not disclosing the contingent liability in its financial statements, ABL had not adhered to the provisions of Audit Standard (AS) – 29 issued by Institute of Chartered Accountants of India (ICAI).

3. It was observed that ABL had devised a fraudulent, deceptive and manipulative scheme through the arrangement of credit agreement entered by Clifford Capital Partners A.G.S.A. (CLIFFORD) with BANCO, wherein the subscription amount of GDRs were paid by Clifford by availing a loan from BANCO and account charge agreement entered into with BANCO by ABL by pledging the proceeds of GDR as collateral against the loan availed by Clifford. The aforesaid arrangement was not disclosed in public domain, which not only mislead investors with such false and misleading information, but also enabled ABL to artificially manipulate the price of the scrip. The aforesaid manipulative and deceptive act had resulted in allotment of GDRs without actual receipt of consideration.

4. It was also observed that the Board of Directors of ABL viz., Kollenmareth Oomman Isaac *(Noticee 2)*, Rosemary Isaac *(Noticee 3)*, G Subramanian *(Noticee 4)* and Ravindran Sappany *(Noticee 5)* who had approved the board

resolution and authorised Kollenmareth Oomman to sign the agreement with BANCO, which acted as security in connection with the loan availed by CLIFFORD and BANCO to use funds deposited in ABL's bank account as security in connection with the loan sanctioned to CLIFFORD, had acted as parties to the fraudulent, manipulative and deceptive scheme.

APPOINTMENT OF ADJUDICATION OFFICER

5. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticees and appointed the undersigned as the Adjudicating Officer vide Order dated May 23, 2017 *(communicated vide Order dated July 18, 2017*) under Section 19 read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (Adjudicating Rules) and under Sub-section (1) of Section 23-I of Securities Contracts (Regulation) Act, 1956 (SCRA)and Rule 3 of Securities Contract Regulation (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (SCR Rules) to inquire into and adjudge the alleged violations committed by the following Noticees of the provisions of the corresponding Act and Regulations, under respective Sections of SCRA and SEBI.

Sl. No.	**Name of the Noticee**	**Violations observed**	**Initiation of Adjudication under the legal provisions**
1	ABL Biotechnologies Ltd.,	Section 12 A (a) (b) and (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1), 4 (2) (f), (k) (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Section 21 of SCRA read with Clause 36 (7) of	Section 15 HA of SEBI Act. Section 23E of SCRA.

		Clause 50 of Listing Agreement.	
2	Kollenmareth Oomman Isaac	Section 12 A (a) (b) and (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.	Section 15HA of SEBI Act.
3	Rosemary Isaac		
4	G Subramanian		
5	Ravindran Sappany		

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

6. A common Show Cause Notice (SCN) bearing ref. no., EAD/BJD/NJMR/27845/2017 dated November 10, 2017 was issued to the Noticees, under Rule 4(1) of the Adjudicating Rules and Rule 4 (1) of SCR Rules to show cause as to why an inquiry should not be held and penalty be not imposed under Section 15 HA of the SEBI Act and Section 23E of SCRA *(as applicable)*, for the violations alleged to have been committed by the Noticees as mentioned in above paragraphs.

7. The SCN sent to the Noticees 1, 2 and 3 by India Post were returned undelivered. Accordingly, in terms of Rule 7 (c) of Adjudicating Rules and SCR Rules, the SCNs were affixed on the outer door of the premises in which the Noticees 1 to 3 are known to have last resided or carried on business. The affixture of SCNs was carried out by the Southern Regional Office of SEBI, Chennai on November 27, 2017, which were witnessed by two persons. Further, in terms of Rule 7 (b) of Adjudicating Rules and SCR Rules, the SCNs were sent through digitally signed electronic mail at ablbiotechnologieslimited@gmail.comon December 12, 2017. I note that no reply has been received from the Noticees 1, 2 and 3. I also note that email dated December 12, 2017 addressed to the Noticees 1, 2 and 3 was not bounced. The Noticee 4 i.e., G Subramanian vide letter dated November 18, 2017 had submitted his reply to the SCN. The Noticee 5 i.e., Ravindran Sappany vide letter dated November 16, 2017 submitted his reply to the SCN. The reply submitted by the Noticees 4 & 5 are summarized herein below.

Reply of Noticee 4

(i) Being a retired professor of Microbiology with various accolades and research experience, Mr. K Oomman Isaac, Managing Director of ABL approached me to help him and provide my input to ABL Research Unit at Chennai in the capacity of non-executive director, towards biological research consultancy that was needed to his Company.

(ii) No knowledge of company operations or financial matters. As a non-executive director, not involved in day to day affairs of the said company or financial affairs of the company, other than guiding the research people employed in the company at their research unit.

(iii) Not received any consideration for the same other than the reimbursement of actual expenditure incurred by self.

(iv) At the Board meeting of the said company held on April 30, 2018, the Board had endorsed and authorized Mr. K Oomman Isaac, all the powers to do all that is required regarding the issue of GDRs in the name of the said company, since he was the M.D. looking after all the day to day operations and financial affairs of the company. Not part of the Committee formed to look after the said issue of GDRs by the Company.

(v) As a purely academic and technical person, unaware of the economical financial regulations with respect to GDR issue, except signing the minutes of the board meeting.

(vi) Unaware of what went on and what needed to be done. Don't have any cognizance in respect of any non-compliance or violation of statutory provisions or fraud relating to issue of GDRs by the said company.

(vii) Resigned from the board of the Company on January 19, 2010 on health grounds.

Further, the Noticee 4 vide letter dated NIL received on December 20, 2017 while reiterating the earlier submissions made by him as stated above, had submitted that the authority to sign documents is a part of the routine matters placed before a Board meeting and since Mr. Isaac had to sign necessary documents for the GDR issue, the authority had to be given him. There was no malafied intention and not even aware of the entity Clifford Partners which had subscribed to the GDR issue on the basis of a loan given by BANCO.

Reply of Noticee 5

(i) Orthopaedic surgeon by profession with several accolades.

(ii) Met Mr. Kollenmareth Oomman sometime in the year 2003 while playing badminton in Chennai.

(iii) Invited by Mr. Kollenmareth Oomman to join the Board of ABL as Technical Director, pro bono, i.e., without any remuneration or fees, joined as an independent director w.e.f April 15, 2004.

(iv) Not received any amount from ABL as remuneration, fees or otherwise.

(v) No holding by self and relatives in ABL.

(vi) No direct or indirect relationship with Mr. Kollenmareth Oomman Isaac of any other directors of ABL, except my being a Technical Director of ABL for advising it in its R&D activities.

(vii) Do not deal in any share, security or capital market instruments.

(viii) Being a hard core technical person having no knowledge or exposure to capital market or securities market, had no view or opinion or

understanding of the GDR process of the Company and requirement of opening a bank account thereto.

(ix) *Being a Technical Director of ABL, it was thought that the board resolutions were required for the company's own operations and nothing more.*

(x) *Even if I was a financial person having knowledge of financial matters including GDR process, I could not have any hint or iota of suspicion at that point of time that the same could be used or misused subsequently for irregular and offending transaction by Mr. Kollenmareth Oomman Isaac.*

(xi) *I had no knowledge of whatsoever nature in respect of the said account charge agreement and other agreements that stated to have been executed by Mr. Kollenmareth Oomman Isaac. In respect of the loan availed by Mr. Clifford, from the plain reading of board resolution dated April 30, 2008, I cannot even imagine that such loans, if any, could be third party loans and that the security as referred to in the resolution could be a security for any third part loans.*

(xii) *It is once again reiterated that I had no role or relation to or understanding of the board resolutions passed on April 30, 2008, which I attended. I also do not have any knowledge of the subsequent use or misuse of the said resolution by Mr. Kollenmareth Oomman Isaac.*

8. In the interest of natural justice, an opportunity of personal hearing was granted to all the Noticees on February 21, 20018, which was communicated vide letter dated February 5, 2018. Further, the notice of hearing was sent by electronic mail at ablbiotechnologieslimited@gmail.com on February 5, 2018. I note that the notice of hearing sent to Noticees 1, 2 and 3 were returned undelivered. Accordingly, in terms of Rule 7 (c) of Adjudicating Rules and SCR Rules, the hearing notices were affixed on the outer door of the premises in which the Noticees 1 to 3 are known to have last resided or

carried on business. The affixture of hearing notices dated February 5, 2018 were carried out by the Southern Regional Office of SEBI, Chennai on February 8, 2018 which was witnessed by two persons. I note that the Noticees 1 to 3 had not attended the personal hearing scheduled on February 21, 2018.

9. The Noticee 4 vide letter dated February 10, 2018 authorized Ms. Shailashri Bhaskar *(Authorized Representative)* to attend the hearing on his behalf. On February 21, 2018 the Authorized Representative attended the hearing and reiterated the submissions made by the Noticee 4 vide his letters dated November 18, 2017 and another dated NIL received on December 20, 2017. The Authorized Representative vide email dated February 23, 2017 submitted that the Company i.e., ABL has not filed the resignation letter of the Noticee 4 dated January 19, 2010 with the Registrar of Companies (RoC) and as per its records, the Noticee 4 still appears as a Director of ABL.

10. The Noticee 5 attended the hearing on February 21, 2018 and reiterated the submissions made by him vide his letter dated November 16, 2017. The Noticee undertake to furnish additional submissions with documentary proof to justify that he has not received any consideration towards consulting fees / sitting fees from ABL. The Noticee 5 vide letter dated February 26, 2018 had furnished his bank statement for the period during which he was associated with ABL in support of his claim of having received no consideration whatsoever from ABL towards consulting fee / sitting fees. The Noticee 5 also attached a downloaded statement as proof of his resignation as Director in ABL and acceptance by ABL, as of December 13, 2018. Further, the Noticee 5 had submitted that he never had a demat account and trading account.

11. I note that despite the SCN and hearing notices having been duly served upon the Noticees 1 to 3, the Noticees failed to submit their reply to the SCN and has not refuted the charges. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on

December 08, 2006) wherein it, inter alia, 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".*

12. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others v SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), 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 levelled against them in the show cause notices……..".*

13. In view of the above, I am of the opinion that the SCN has been duly served upon the Noticees 1 to 3, but the Noticees failed to reply and also failed to avail the opportunity of personal hearing. The principle of natural justice has been followed in the matter, as enough opportunities were provided to the Noticee to reply to the SCN and appear for hearing. As such I am inclined to decide the matter ex-parte taking into account the evidence / material available on record.

CONSIDERATION OF ISSUES

14. I have taken into consideration the facts and material available on record. I observe that the allegations levelled against the Noticee 1 are that it had violated the provisions of Clause 36 (7) and 50 of Listing Agreement read with section 21 of SCRA and Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f) (k) (r) of SEBI (PFUTP) Regulations, 2003. Further, the allegations levelled against the Noticee 2 to 5 are that they had have violated the provisions of Section 12 A (a) (b) (c) of SEBI Act, 1992 read with Regulation 3 (a) (b) (c) (d) and 4 (1) of SEBI (PFUTP) Regulations.

15. After perusal of the material available on record, I have the following issues for consideration, viz.,

a) *Whether the Noticees have violated the relevant provisions of Listing Agreement, SCRA, SEBI Act and SEBI (PFUTP) Regulations?*

b) *Does the violation, if any, attract monetary penalty under Section 23E of SCRA and Section 15HAof SEBI Act.?*

c) *If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?*

ISSUE-1: Whether the Noticees have violated the relevant provisions of Listing Agreement, SCRA, SEBI Act and SEBI (PFUTP) Regulations?

16. Before moving forward, it is pertinent to refer to the relevant provisions of Listing Agreement, SCRA, SEBI Act and SEBI (PFUTP) Regulations alleged to have been violated the Noticees, which reads as under:

Section 21 of SCRA

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

Clause 36 (7) of Listing Agreement

Apart from complying with all specific requirements as above, the Company will keep the Exchange informed of events such as strikes, lock-outs, closure on account of power cuts, etc. both at the time of occurrence of the event and subsequently after the cessation of the event in order to enable the shareholders and the public to appraise the position of the Company and to avoid the establishment of a false market in its securities. In addition, the Company will furnish to the Exchange on request such information concerning the Company as the Exchange may reasonably require. The Company will also immediately inform the Exchange of all the events, which

will have bearing on the performance/operations of the company as well as price sensitive information. The material events may be events such as:

(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 or selling divisions of the company, etc.

iii) Change in market lot of the company's shares, sub-division of equity shares of 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.

Clause 50 of Listing Agreement

The company will mandatorily comply with all the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) from time to time

Regulation 3 of PFUTP Regulations: - 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 thereunder;

(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 thereunder.

Regulation 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

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

(r) planting false or misleading news which may induce sale or purchase of securities;

17. ABL Biotechnologies Ltd., was incorporated in the year 1992. ABL was engaged in identification and commercial extraction of bio-chemicals, predominantly from microbes, that are used as nutritional, cosmetic, pharmaceutical, and industrial intermediates. The shares of ABL were listed at BSE during the period of investigation.

18. I note that during the period of investigation, the Noticees 2 to 5 were the Directors of the Company. The Noticee 2 was the Chairman and Managing Director, the Noticee 3 was non-executive director and the Noticee 4 and 5 were non-executive independent directors, of ABL.

19. The category wise shareholding pattern of the company ABL is given below:

(Source: www.bseindia.com)

	QE MARCH 2008		QE JUNE 2008		QE SEP 2008	
Particulars	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Promoter Holding	8,69,000	21.20	8,69,000	10.60	8,09,000	9.87
Non Promoter Holding	32,31,000	78.80	32,31,000	39.40	73,91,000	90.13
Shares held by custodians and against which Depository Receipts have been issued		0.00	41,00,000	50.00		0.00
Total no. of issued shares	**41,00,000**	100.00	**82,00,000**	**100.00**	**82,00,000**	100.00

From the above shareholding pattern, it is observed that the total number of issued shares for the quarter ended June 2008 was increased by 41 lakhs

shares as compared to quarter ended March 2008. The aforesaid increase in total number of shares was due to issue of 8.2 lakh GDRs representing 41 lakh shares at an issue price of US $8.15 per GDR on June 20, 2008

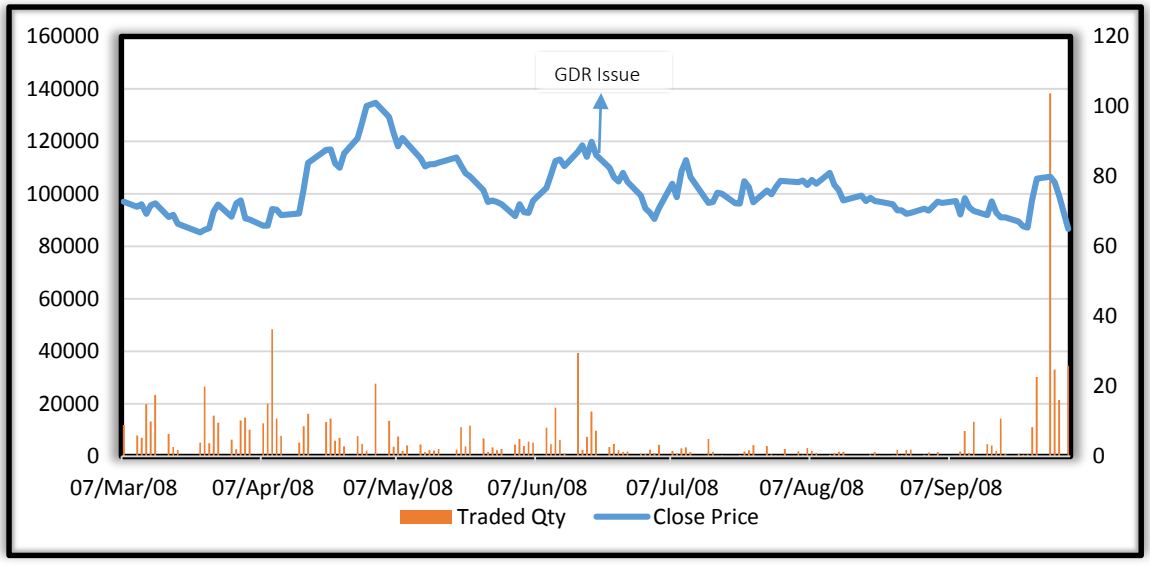
20. The price volume analysis of the scrip (ABL) before, during and after the period of investigation period is furnished hereunder.

(*Source: bseindia.com*)

Period	Dates		Opening Price/ volume on first day of the period	High Price/volume during the period	Low price/volume during the period	Closing price volume on last day of the period	Avg. no of shares traded during the period
Before Investigation Period	(07/03/2008 to 05/06/2008)	Price	₹75.00	₹105.15 (02/05/08)	₹60.05 (24/03/08)	₹69.60	9,245
		Volume	11,950	48,463 (09/04/08)	1,566 (13/05/08)	5,621	
During Investigation Period	(06/06/2008 to 05/07/2008)	Price	₹66.00	₹94.30 (20/06/08)	₹64.50 (04/07/08)	₹73.05	7,038
		Volume	4,442	39,442 (16/06/08)	1,034 (01/07/08)	5,261	
After Investigation Period	(06/07/2008 to 03/10/2008)	Price	₹71.20	₹88.00 (11/07/08)	₹61.05 (18/09/08)	₹65.00	6,416
		Volume	2,097	1,38,333 (29/09/08)	50 (21/07/08)	34,519	

It is observed from the above table that, during the period of investigation, the scrip of ABL opened at ₹ 66.00 on June 6, 2008, touched a high of ₹ 94.30 on June 20, 2008 and a low of ₹ 64.50 on July 4, 2008 and closed at ₹ 73,05 on July 5, 2008.

The Price volume chart of the scrip (face value @ ₹10) for the period March 07, 2008 to October 03, 2008 is as follows:



21. The details of corporate announcements with regard to GDRs made by the company to BSE are tabulated below:

(*Source: bseindia.com*)

<table>
<tr><th>Date of announcement</th><th>Announcement</th><th>Price movement in the scrip of ABL</th><th>Impact on price</th></tr>
<tr><td>03-Mar-08 @ 14:43:00 hrs</td><td>Informed BSE that the Board of Directors of the Company at its meeting held on March 01, 2008, inter alia, has approved the proposal for raising financial resources by way of issue of GDR for an amount not exceeding US$7 Million.

The Board has constituted a committee consisting of Mr. K O Isaac, Managing Director and Dr. S Ravindran, Director and authorized it to take required steps for completion of all formalities and issuance of GDRs.</td><td><table><tr><th>Date</th><th>OP</th><th>HP</th><th>LP</th><th>CP</th><th>Vol</th></tr><tr><td>03-Mar-08</td><td>76.25</td><td>79.85</td><td>75.00</td><td>75.95</td><td>10,463</td></tr><tr><td>04-Mar-08</td><td>76.00</td><td>77.00</td><td>74.05</td><td>74.45</td><td>5,841</td></tr></table>OP: Opening Price; HP: High Price, LP: Low Price, CP: Closing Price</td><td>On March 04, 2008 the scrip closed 7.24% below its previous day closing price.</td></tr>
<tr><td>23-Jun-08 @ 10:32:00 hrs</td><td>Informed BSE that the Board of Directors of the Company at its meeting held on June 20, 2008 has approved the allotment of 8,20,000 GDRs representing the 41,00,000 equity shares of ₹10/ each at an issue price of US $ 8.15 per GDR amounting to $6,683,000. Each GDR represents 5 equity shares of ₹ 10 each.</td><td><table><tr><th>Date</th><th>OP</th><th>HP</th><th>LP</th><th>CP</th><th>Vol</th></tr><tr><td>20-Jun-08</td><td>90.00</td><td>94.30</td><td>85.40</td><td>86.10</td><td>9,809</td></tr><tr><td>23-Jun-08</td><td>83.10</td><td>86.00</td><td>81.80</td><td>82.45</td><td>3,599</td></tr></table></td><td>On June 23, 2008 the scrip closed 4.24% below its previous day closing price.</td></tr>
</table>

It is observed from the above table that outcome of Board meeting dated March 1, 2008 with regard to approval of the proposal for raising financial resources by way of issue of GDR for an amount not exceeding US $7 million was disclosed to stock exchange on March 03, 2008 and outcome of the Board Meeting dated June 20, 2008 regarding allotment of GDRs was disclosed to stock exchanges on June 23, 2008.

22. It is observed that the proposal for raising financial resources by way of issue of GDRs and approval of allotment GDRs, by the Company, which was approved by the Board of the Company on March 1, 2008 and June 20, 2008 respectively was considered to be price sensitive information, which should have been informed to BSE immediately. However, it is noted that the same was informed by ABL to BSE on March 3, 2008 and June 23, 2008 i.e., with a delay of 2 days and 3 days respectively.

23. I note that ABL had issued 0.82 million GDRs (amounting to US $6.68 million) against 41,00,000 underlying shares of face value of ₹ 10/- in the ratio of 5 equity shares for 1 GDR on June 20, 2008, which were listed on Luxembourg

Stock Exchange. Clifford was the only entity who had subscribed to the entire issue of GDRs amounting to US $ 6.68 million issued by ABL and the subscription amount was paid by Clifford by obtained a loan (i.e., through credit agreement) from BANCO. I also note that simultaneously, an account charge agreement was executed between ABL and BANCO, by pledging the proceeds of the GDR issue to BANCO. The account charge agreement was an integral part of the aforesaid credit agreement entered into between Clifford and BANCO. These agreements enabled Clifford to avail a loan from BANCO for subscribing to the GDRs of ABL. Subscription of GDRs of ABL by Clifford was possible through credit agreement entered into by Clifford with BANCO and account charge agreement entered into by ABL with BANCO. I note that ABL had informed BSE on June 23, 2008 that "*the Board of Directors of the Company at its meeting held on June 20, 2008 has approved the allotment of 820,000 GDRs representing the 4,100,000 equity shares of ₹10/ each at an issue price of US $ 8.15 per GDR amounting to $6,683,000*" which made investors believe that the said GDR issue was genuinely subscribed by the foreign investors. The arrangement of credit agreement and account charge agreement resulted in subscription of GDR issue of the company.

24. It is important to note that Investors are guided by all disclosures made by the listed company to the Stock Exchange where its shares are listed. Therefore, listed companies should ensure that all disclosures made by it in terms of listing agreement are transparent, true and fair at all times. Any concealment or mis-representation of facts, which are relevant to investors, will tantamount to engaging deceptive, fraudulent and manipulative scheme. In the instant case the Noticee 1 being a listed company had pre-arranged subscription of GDRs as per the scheme mentioned above. Had such back to back agreements not taken place, GDR issue would not have gone through. I am of the view that if such information was available in public domain, during the relevant time, it would have been materially relevant for investors to take an informed decision. I note that although ABL was fully aware of such arrangement, it had not disclosed to BSE which clearly brings out the deceptive intent of ABL. Non-availability of such information in public

domain to that extend during the relevant period had misled investors and therefore affected their interests.

25. Further, I note that GDRs of ABL were listed on Luxembourg Stock Exchange on June 24, 2008 and delisted on March 14, 2014. On perusal of the corporate announcements made by ABL to BSE for the period March 14, 2014 to June 20, 2014, I note that ABL did not inform BSE about delisting of GDRs on Luxembourg Stock Exchange. Further, BSE, vide email dated March 24, 2017 confirmed the same. ABL by not informing stock exchange regarding delisting of GDRs is considered deliberate so as to ensure that such information does not affect the price of the scrip in any way.

26. In terms of Clause 36 (7) of the Listing Agreement, the Company is required to immediately inform the Stock Exchange of all the events, which will have bearing on the performance/operations of the company as well as price sensitive information which inter-alia includes closing of status of ADR / GDR or any other class of securities to be issued abroad. I note that ABL failed to disclose immediately to stock exchanges the outcomes of the board meetings dated March 01, 2008 and June 20, 2008 regarding approval of the proposal for raising financial resources by way of issue of GDR and allotment of GDRs respectively, which were price sensitive information. Further, ABL failed to inform BSE about account charge agreement entered into by it with BANCO for subscription of GDRs and delisting of GDRs on Luxembourg Stock Exchange, which were also price sensitive information. It is a well laid down policy that, in order to ensure fairness and efficiency in the securities market, two factors generally apply, which are timely disclosures and adequacy of the information disclosed. The objective of continuous disclosures by listed company is to provide transparency during the lifetime of the listed entity. The disclosures were mandated on listed companies to enable the shareholders and the public to be appraised of the position of the company and to avoid the establishment of a false market in its securities. If a listed company makes delayed disclosures or does not make the disclosures on material events, which has bearing on its share price, it would ultimately defeat the purpose of disclosures which are meant for the benefit

of investors in taking an informed decision. In the instant case, since the Noticee 1 i.e., ABL had delayed in making disclosures to BSE w.r.t the outcome of the board meetings held on March 1, 2008 and June 20, 2008 and that it had not disclosed the arrangement for subscription of GDRs and subsequent delisting of GDRs on Luxembourg Stock Exchange, I conclude that ABL had violated Clause 36 (7) of Listing Agreement read with Section 21 of SCRA.

27. It was observed from the Annual Report of ABL for the FY ended 2008-09 that ABL had not disclosed an amount of US $6.66 million (as on March 31, 2009) lying in its account with BANCO as contingent liability in its financial statements for the FY 2008-09. By not disclosing the contingent liability in its financial statements for the financial year 2008-09, ABL had not adhered to the provisions of Accounting Standard – 29 (AS-29) issued by Institute of Chartered Accountants of India (ICAI). The objective of this Standard is to ensure that appropriate recognition criteria and measurement bases are applied to provisions and contingent liabilities and that sufficient information is disclosed in the notes to the financial statements to enable users to understand their nature, timing and amount. The objective of this Standard is also to lay down appropriate accounting for contingent assets. I conclude that ABL by not adhering to the provisions of AS-29 had violated the provisions of Clause 50 of Listing Agreement read with Section 21 of SCRA.

28. I shall now proceed to deal with the allegations levelled against all the Noticees. For this purpose, I consider it appropriate to examine in details entire chronology of events starting from decision to raise financial resources by way of GDR till the receipt of GDR proceeds, allotment of GDR, listing and delisting of GDRs.

29. Firstly, I note from the records that during the course of investigation, SEBI vide letter dated May 27, 2015 and June 9, 2015 sought information from ABL with regard to GDRs issued. The information sought from ABL with regard to GDRs inter-alia was as follows:

a. Date of Issuance of GDRs, No. of GDRs issued, and Capital raised.
b. Name and Contact details of Depository Bank/ Custodian/ Lead Manager.
c. Details of Initial Subscribers to GDRs.
d. Copies of the board resolutions with regard to issuance and/ or allotment of GDRs.
e. Copy of Offer document
f. Copy of pledge/account charge agreement or any other agreements that was signed by company with any other entity with respect to the GDRs.

30. With reference to the above referred SEBI letter, ABL vide letter dated July 2, 2015 had requested four weeks' time to submit the information. Further, SEBI vide letter dated August 04, 2015 and emails dated October 27, 2016 and November 25, 2016 requested ABL to provide the same information with regard to GDRs. However, ABL has not provided any information with regard to GDRs. Further, during the course of this proceedings, Noticee failed to file any reply to the SCN and also did not avail opportunity of hearing before me. Therefore, I am constrained to proceed further based on the documents available on record.

31. SEBI, vide email dated February 23, 2017 the Custodian viz., ICICI Bank Ltd., Mumbai had furnished the summary of the GDR issue of the Company, which is tabulated below:

GDR issue date	No. of GDRs Issued (mn.)	Capital raised (US$mn.)	Local custodian	No. of equity shares underlying GDRs	Global Depository Bank	Lead Manager	Bank where GDR proceeds deposited	GDRs listed on
20-June-2008	0.82	6.68	ICICI Bank Ltd., Mumbai	41,00,000 equity shares of FV ₹10 (1 GDR= 5 equity share)	Deutsche Bank Trust Company Americas, London	Fundabilis GmBH	Banco Efisa	Luxembourg Stock Exchange

It is observed from the above table that ABL had issued 0.82 million GDRs (amounting to US $6.68 million) against 41,00,000 underlying shares of face value of ₹ 10/- in the ratio of 5 equity shares for 1 GDR on June 20, 2008, which were listed on Luxembourg Stock Exchange. The proceeds of GDRs were deposited with BANCO Efisa (BANCO), Portugal.

32. The brief chronology of events are mentioned as below.

- Board in its meeting on March 1, 2008 decided to raise financial resources by way of issue of GDR.

- Board in its meeting held on April 30, 2008 had considered the proposal to open account with BANCO Efisa, S.A. Lisbon including offshore branch outside India.
- Credit Agreement Entered into by Clifford with BANCO on June 2, 2008
- ABL opened bank account with BANCO on June 19, 2008.
- Account Charge Agreement entered by ABL with BANCO on June 19, 2008.
- ABL, in its Board meeting held on June 20, 2008, allotted 8,20,000 GDRs to Clifford (being the sole subscriber) representing the 41,00,000 equity shares of ₹ 10/ each at an issue price of US $ 8.15 per GDR amounting to $6,683,000.
- ABL, informed BSE on June 23, 2008 regarding the allotment of GDR
- GDRs of ABL were listed on Luxembourg Stock Exchange on June 24, 2008.
- On March 24, 2009, BANCO raised a demand notice on Clifford for repayment of loan of $ 6,583,000 with accrued interest, in pursuant with the credit agreement dated June 2, 2008.
- On March 25, 2009, BANCO informed ABL of default of payment by Clifford and invoking its right to avail ABL's deposit of $ 6,583,000 in accordance with the Account charge agreement entered by ABL with BANCO on June 19, 2008.
- On March 31, 2009, BANCO invoked deposit of ABL held with it on April 1, 2009.
- GDRs of ABL were delisted on Luxembourg Stock Exchange on March 14, 2014.

33. The Board of Directors ABL in its meeting held on March 1, 2008, inter alia, approved the proposal for raising financial resources by way of issue of GDR for an amount not exceeding US $7 Million. Further, it also constituted a committee consisting of Noticee 2 i.e., Kollenmareth Oomman Isaac, Managing Director and Noticee 5 i.e., Ravindran Sappany, Director and authorized them to take required steps for completion of all formalities and

issuance of GDRs. It is clear from above that ABL wanted to raise financial resources for the purpose of it business operations.

34. I note from the certified true copy of the resolution passed in the meeting of Board of Directors of ABL held on April 30, 2008 that it inter-alia states as follows:

- *The Board considered the proposal for the opening account with Banco Efisa, S.A, Lisbon including offshore branch outside India.*

- *The Board was informed that Company has to open an account with Banco Efisa, S.A Lisbon and that Mr. K. O. Isaac, Managing Director of the Company be authorized severally to sign and execute the documents on behalf of the company. After detailed discussion the Board passed the following resolutions unanimously:*

  a) *"Resolved that a bank account be opened with Banco Efisa, S.A, Lisbon, Portugal (the Bank) or any of the branches of Banco Efisa S.A. Lisbon including the off-shore Branch outside India for the purpose of Business Operation.*

  b) *"Resolved further that Mr. K. O. Isaac, Managing Director of the Company be and is hereby authorized to sign, execute, any application, agreement, escrow agreement, document, undertaking, confirmation, declaration and other paper(s) from time to time as may be required by the Bank and to carry and affix common seal of the company thereon, if and when so required."*

  c) *"Resolved further that Mr. K. O. Isaac, Managing Director of the Company be and is hereby severally authorized to draw cheques and other documents, and to give instructions from time to time as may be necessary to the said Banco Efisa, S.A. or any branch of Banco Efisa S.A. including off-shore branch, for the purpose of operation of and dealing with the said bank account and carry out other relevant and necessary transactions and generally to take all such steps and to do all such things as may be required from time to time on behalf of this company."*

  d) *"Resolved further that the Bank be and is hereby authorized to use the funds so deposited in the aforesaid bank account as security in connection with loans if any as well as to enter into any Escrow agreement or similar agreements if and when so required."*

35. From the above, it is clear that Board of ABL had considered the proposal to open account with BANCO Efisa, S.A. Lisbon, Portugal and also to open offshore branch for the purpose of its business operations. In this regard, the Board of ABL had also passed resolution authorising Kollenmareth Oomman Isaac to sign, execute, any application, agreement, escrow agreement,

document, undertaking, confirmation, declaration and other paper(s) from time to time as may be required by the Bank and to carry and affix common seal of the company thereon, if and when so required. Further, the resolution was passed which specifically provided for authorising banks to use the funds so deposited in the bank account proposed to be opened with BANCO as security in connection with loans, if any, as well as to enter into any Escrow agreement or similar agreements if and when so required. I note that the aforesaid decisions taken by the Board were not disclosed to BSE, though they relate to it is business operations and expansion of its branches.

36. I note that ABL had opened deposit account with BANCO. From the Deposit Account application and other client documents in respect of ABL's bank account with BANCO, the following were observed.

a) The authorized signatory of the ABL's deposit account with BANCO was Kollenmareth Oomman Isaac, Managing Director of the Company

b) Copy of certified true copy of the resolution passed in the meeting of Board of Directors of ABL held on April 30, 2008.

c) The Noticee 2 i.e., Kollenmareth Oomman Isaac had irrevocably authorized BANCO, on behalf of ABL, to carry out instructions transmitted by Telephone, Telefax and/or email, without waiting for a written confirmation by letter thereof.

37. I also note that an account charge agreement dated June 19, 2008 was signed between ABL and BANCO. The aforesaid agreement was signed by the Noticee 2 i.e., Kollenmareth Oomman Isaac, Managing Director of ABL.

The account charge agreement inter-alia states the following:

a) ***Loan agreement****: Loan agreement means the Loan agreement signed between Clifford Capital (as borrower) and the Bank dated on or around the date of this Agreement by which the bank agreed to lend to Clifford Capital the maximum amount of upto US $7,500,000.*

b) ***Account Charge Agreement:*** *Subject to the terms of this agreement, ABL deposited in its designated account with bank (hereinafter the Account) an amount not exceeding*

US $7,500,000 as security for all the obligations of Clifford Capital under the Loan Agreement (hereinafter the Secured Obligations) and with full title guarantee hereby assigns to and charges by way of first fixed charge in favor of the Bank all the rights, title, interest and benefit in and to the Account as well as the moneys from time to time standing to the credit thereof and all interest from time to time payable in respect thereof. Such assignment and charge shall be a continuing security for the due and punctual payment and discharge of the secured obligations. Upon payment of all or part of the amounts due under the Loan Agreement, ABL may withdraw from the Account the equivalent amount. Upon payment and final discharge in full of all the secured obligations, this Agreement and the rights and obligations of the Parties shall automatically cease and terminate and the Bank shall, at the request of ABL, release the deposit made in the Account. ABL covenants with the Bank that it will on demand pay and discharge the secured obligations when due to the bank. At any time after the bank shall have demanded payment of all or any of the Secured Obligations the Bank may without further notice apply all or any part of the Deposit against the Secured Obligations in such order as the bank in it's discretion determine.

ABL hereby irrevocably appoints by way of security the Bank as the attorney of ABL with full power in the name and on behalf of ABL to sign, seal and deliver any deed, assurance, instrument or act in order to perfect this charge and at any time after an event of default by ABL to sign, seal and deliver any deed assurance, instrument or act which may be required for the purpose of exercising fully and effectively all or any of the powers hereby conferred to the Bank to take all necessary action whether in the nature of legal proceedings or otherwise to recover any moneys which may be held in the Account and to give valid receipts for payment of such moneys and also for the purpose of enforcement and of the security hereby created.

ABL hereby warrants and declares that any and all such deeds, instruments and documents executed on its behalf by or on behalf of the Bank by virtue of this Agreement shall be as good, valid and effective, to all intents and purposes whatsoever, as if the same had been duly and properly executed by ABL itself and ABL hereby undertakes to ratify and confirm all such deeds, instruments and documents lawfully executed by virtue of the authority and power hereby conferred.

c) *It is further mentioned that each notice or other communication to be given under this agreement shall be given in writing in English and unless otherwise provided, shall be made by letter or Fax to :*

ABL
55, Third East Street, kamaraj Nagar, Thiruvanmiyur, Chennai-60041.
Attention: Mr. K. O. Isaac

38. The aforesaid charge against designated bank account of ABL with BANCO was registered with Companies House (United Kingdom's registrar of companies) and description of the charge is mentioned as follows:

*"All obligations of Clifford Capital Partners A.G.S.A. (incorporated in the British Virgin Islands with number 400452) under a loan agreement with the Bank dated 2 June 2008 (**the secured Obligations)**.*

As a continuing security for the due and punctual payment and discharge of the Secured Obligations the company with full title guarantee assigns and charges to the Bank by way of first fixed charge all its right, title, interest and benefit in and to its designated account with the Bank (the Account) all moneys standing to the credit of the Account and all interest payable in respect thereof (together the Deposit).

The Company covenants not to purport to withdraw all or any part of the Deposit or to sell, assign, mortgage, charge or otherwise encumber, dispose of or deal withal or grant or permit third party rights to arise over or against the Deposit or any part thereof or attempt or agree so to do."

39. Clifford had entered into credit agreement dated June 2, 2008 with BANCO for subscription of GDRs of ABL. As per the said credit agreement, Clifford would be provided a loan only for subscription of GDRs of ABL. As mentioned in preceding paragraphs, Clifford had signed drawdown (which forms part of the Credit agreement) notice which would be required to avail the loan facility. Credit agreement further states that a drawdown notice is irrevocable.

40. As per Account Charge Agreement executed between ABL & BANCO, ABL shall deposit in its designated account with BANCO an amount not exceeding loan availed by Clifford for subscription of GDRs of ABL as security for all the obligations of CLIFFORD under the Credit Agreement (which was signed between BANCO and Clifford by which BANCO agreed to lend Clifford for subscription of GDRs of ABL). Further, it is observed that only upon payment of all or part of the amounts due under the Credit Agreement, ABL could withdraw an equivalent amount from the bank account with BANCO. The Account Charge Agreement contained a clause to the effect that all communications to be given under the Agreement were to be addressed to Kollenmareth Oomman Isaac.

41. On perusal of certified true copy of the resolution passed in the meeting of Board of Directors of ABL held on April 30, 2008 as provided by BANCO, it was observed that board of ABL had authorised Kollenmareth Oomman Isaac to sign /execute any agreement and other papers as required by BANCO and authorised BANCO to use the funds deposited in its bank

account as a security in connection with loans. On the basis of authorisation given by the Board, the Noticee 2 signed the agreement which acted as a security to the loan availed by CLIFFORD for subscription of GDRs.

42. From the above, it is a fact that the Noticee 2 signed an account charge agreement with BANCO. The aforesaid account charge agreement was an integral part of Credit agreement entered into between Clifford and BANCO. These agreements enabled Clifford to avail a loan from BANCO for subscribing GDRs of ABL. The GDR issue would not have been subscribed had the company not given any such security towards the loan taken by the Clifford.

43. I note from the records that GDR proceeds of an amount of US $6,683,000 was credited to bank account (Account no: 6374065.15.001) of ABL with BANCO on June 20, 2008 and the same was transferred to its deposit account no: 637406525001 on June 20, 2008.

44. I also note that BANCO, vide letter dated March 24, 2009, informed Clifford that interest amount of US $12,610.72 and principal amount of US $6,583,000 was due on March 20, 2009 and was outstanding on March 24, 2009 which constitutes a default under clause 13.1(a) of the Credit agreement. Letter further stated that in accordance with clause 13.2 of the Credit agreement, it was notified by BANCO that:

    a) The Facility was placed on demand and the amounts payable under the Credit agreement is accordingly repayable on demand by the Bank and
    b) The Facility limit is reduced to zero.

    Further, BANCO stated that if demand is made and that payment is not received, it would exercise its rights under the Security Documents.

45. I also note that BANCO, vide letter dated March 25, 2009, also informed ABL regarding the demand notice issued to Clifford, vide letter dated March 24, 2009. Further, BANCO stated that in the absence of repayment by Clifford, it would exercise its rights and invoke charge of the ABL's deposit towards repayment of Clifford's loan, in accordance with provisions of the Account

Charge Agreement. Further, BANCO, vide letter dated March 25, 2009 had demanded Clifford for immediate repayment of the amounts (interest - US $12,610.72, principal - US $6,583,000) due under the credit agreement as referred to its letter dated March 24, 2009 addressed to Clifford. The Letter further stated that on failure to comply with the demand, BANCO without further notice exercises its rights under the Security documents. It was further observed that BANCO, vide letter dated March 31, 2009 had notified Clifford that an additional amount of US $36,720.64 was due in addition to the amounts referred to in its previous letters dated March 24 & 25, 2009.

46. It was observed from the company's deposit account (a/c no: 637406525002) with BANCO that an amount of US $6.58 million was transferred to its current account with BANCO (a/c no: 6282885.15.001) on March 31, 2009 and the deposit account shown NIL balance on March 31, 2009.

47. Details of utilisation of GDR proceeds as observed from the aforementioned bank account statement of ABL submitted by BANCO is tabulated below:

Date of Instruction by ABL to Banco for Transfer of Funds	Date of Debit in Bank Account with Banco	USD debited in Bank A/c with Banco	Transferee Name	Remarks
11/07/2008	17/07/2008	25,000.00	Fundabilis GmbH	Lead Manger's Fees
03/02/2009	03/02/2009	50,000.00	Oriental Trading	Charges for Supplies
16/02/2009	17/02/2009	22,545.00	Sea King Industrial Ltd.	Charges for Supplies
01/04/2009	01/04/2009	6,637,876.40	Clifford Capital	Repaid loan of Clifford
TOTAL		**6,735,421.00**		

48. It was observed that an amount of US $6.64 million was transferred from current account of ABL on April 1, 2009. From the above, it is clear that an amount of US $6.64 million was invoked by BANCO on April 1, 2009 towards the repayment of the loan of CLIFFORD. From the above facts, it is evident that Clifford, sole applicant in GDR issue, did not have any genuine interest in the GDR issue nor had any funds on its own. Rather, various chronology of events starting from opening of bank account of ABL with BANCO, credit agreement read with account charge agreement between ABL with BANCO, clearly indicates that GDR issue was prearranged and was premeditated plan of ABL. Further, the circular movement of funds starting from the source

of funds to repayment of loan through invoking of account charge agreement clearly establishes that GDRs were allocated to Clifford free of cost. Thus, I conclude that ABL had devised a fraudulent, deceptive and manipulative scheme of GDR Issue and created GDR's without actually receiving any consideration for same. Further, given that ABL was connected to Clifford well before the issue of GDR it corroborates that ABL had deliberately and carefully planned and executed the fraudulent, deceptive and manipulative scheme of GDR issues as mentioned above. However, ABL had ensured that the scheme of its operations are deliberately withheld the same to investors and therefore ABL and its directors are guilty of giving misleading and false information in public domain through deliberately suppressing the resolutions passed in its Board Meeting held on April 30, 2008. Considering the issue of GDR issue is by its nature price sensitive information, any announcement made by listed company will signal a positive impression in public domain that there is a good demand for its shares in international market. The positive impression created was that ABL it would be expanding its business operations which would ultimately enhance the value of shareholders.

49. I note that the provisions of Section 12A(a), (b), (c) of the SEBI Act read with Regulations 3(c), (d) of the SEBI (PFUTP) Regulations, inter alia prohibit buying, selling or dealing in securities in a fraudulent manner; employment of any manipulative/deceptive device, scheme or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Further, Regulations 4(1) and 4(2) (f), 4(2) (k), 4(2) (r) of the SEBI (PFUTP) Regulations, inter alia prohibit indulgence in fraudulent and unfair trade practices in securities through various acts, omissions stated therein. In my view, any fraudulent or deceptive device, scheme, act, omission, etc., which has the potential to inter alia induce sale/purchase of securities of any company; influence investment decisions of investors in such company; or result in wrongful gain, etc. would be covered within the prohibition under the aforementioned provisions of law. Based on evidence on record, I note that all the essential ingredients of fraud

as defined in SEBI (PFUTP) Regulations are present in this case. ABL had put in public domain such facts which it does not believe is true and have actively concealed deceptive plan despite being fully aware of the same deceptive scheme.

50. In view of the foregoing, it is established that ABL have deliberately devised a manipulative and deceptive scheme to ensure subscription of GDRs, without any consideration. Thus, I conclude that ABL has violated the provisions of Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f), (k), (r) of SEBI (PFUTP) Regulations, 2003.

CHARGES AGAINST NOTICEES 2 to 5

51. It is alleged that the Board of Directors of ABL viz., Kollenmareth Oomman Isaac, Rosemary Isaac, G Subramanian and Ravindran Sappany (Noticee 2 to 5) had acted as parties to the fraudulent, manipulative and deceptive scheme as mentioned in above paras. The connivance of the directors is implied from the board resolutions passed by Board of ABL on April 30, 2008.

52. Before dealing with the allegations against Noticee 2 to 5, I consider it relevant to examine the role and responsibilities of each of the Directors in the Board of ABL. As per the information available in Annual Report during 2008-2009, the Board of Directors of ABL are as under

Sl. No,	**Name**	**Designation**
1.	Kollenmareth Oomman Isaac	Chairman and Managing Director ('MD')
2.	Subramanian Goplakrishnan	Director
3.	Sankaran Nampoothiri Velliyod Madhavan	Director (w.e.f. 13/12/2008)
4.	Rosemary Isaac	Director (11/08/1994 – 20/04/2009)
5.	Ravindran Sappany	Director (15/04/2004 - 13/12/2008)

53. As per the constitution of Board of Directors as on March 31, 2009 (page 8 of Annual Report 2008-09) the Noticee 2 (Kollenmareth Oomman Isaac) was Chairman and Managing Director, Noticee 3 (Rosemary Isaac) was Non-Executive Director and Noticee 4 (G Subramanian) and Noticee 5 (Ravindran Sappany) were the Independent Directors of ABL. All the Noticees attended all the Board Meetings held during the period of investigation. I note that Sankaran Nampothiri Velliyod Madhavan, has been the Director of ABL w.e.f. December 13, 2008, which does not pertains to the period of investigation.

54. I note that the Noticees 2 and 3 did not file any reply to SCN and also did not appear before me despite being provided sufficient opportunities. Therefore, I proceed to deal with charges against them based on documents available on record. With regard to Noticee 4 and 5, they filed their reply to SCN and also appeared before me. I shall proceed based on their submissions and documents available on record.

55. I note that the facts on record that Board in its meeting held on March 1, 2008 while approving the proposal to raise financial resources through GDR issue, also constituted a Committee consisting of Kollenmareth Oomman, Chairman & Managing Director of ABL (Noticee 2) and Ravindran Sappany (Noticee 5), Independent Director and authorized it to take required steps for completion of all formalities and issuance of GDRs. Further, Board in its meeting held on April 30, 2008 had examined the proposal to open bank account with BANCO and after detailed discussion in the Board passed various resolutions authorising the Noticee 2 Managing Director of ABL to complete the formalities.

56. In the hindsight, I note that all the events relating to GDR issue exactly followed the same pattern / plan as was decided in the Board Resolutions passed in the Board Meeting held on April 30, 2008. Such a coincidence cannot happen unless Board was fully aware of the purpose for which the bank account was supposed to be opened. The Resolution no 4, clearly indicates the purpose “Bank is hereby authorised to use the funds so

deposited in the aforesaid bank account as security in connection with loans, if any as well as to enter into any Escrow Agreement or similar agreement if and when so required."

57. There are no records to suggest that ABL had opened bank account with BANCO for its business operations or had opened any offshore branch indicated in the proposal. Rather, from the facts and documents on record, I note that ABL had opened bank account with BANCO, entered into Account Charging Agreement with BANCO and also party to the Credit Agreement entered between CLIFFORD and BANCO, for the purpose of pledging of GDR proceeds available in such bank account. Thus, reading of minutes in conjunction with various activities undertaken by ABL in pursuance of decision of minutes clearly suggest that bank account was meant only for the purpose of pledging GDR proceeds as guarantee for loan given to CLIFFORD. In the absence of any specific mention of GDR in the minutes, it is difficult to conclude that entire Board was aware of the manipulative game plan in advance. In order to decide the same, I consider it relevant to examine the details of proposal claimed to have been discussed and approved in the Board Meeting held on April 30, 2008. Such clarity would emerge from the agenda papers circulated to members before the Board Meeting. It is matter of record that Noticee 2 who was the Managing Director and Chairman of ABL during the relevant period, neither submitted any information during the investigations nor filed any reply to SCN. Further, in this proceedings as well he failed to file reply and also failed to appear before me. However, Noticee 4 and 5 who were present in the Board Meeting filed their reply to SCN and also appeared before me. Therefore, I am constrained to proceed further and conclude on the basis of material on record and preponderance of probability.

58. I note from the records that the Noticee 2 had signed all the documents while opening of bank account with BANCO, entering into account charge agreement with BANCO, which acted as a security to the loan availed by Clifford for subscription of GDRs. Further, Noticee 2 had irrevocably authorized BANCO, on behalf of ABL, to carry out instructions transmitted by

Telephone, Telefax and/or email, without waiting for a written confirmation by letter thereof. It is thus evident that Noticee 2 being part of Board Meeting held on April 30, 2008, had full knowledge of scheme and therefore was involved at all stages relating to issuance of GDRs, arrangement of Loan to CLIFFORD, by signing various documents / agreement necessary for the purpose. Therefore, I am of the view that Noticee 2 was directly involved and therefore it can be said beyond reasonable doubt that he had conceived and executed the deceptive and manipulative scheme. Further, Noticee 2 being Managing Director and Chairman of the Board during the relevant time corroborates the possibility of his direct involvement by virtue of the executive role and position in the administrative hierarchy of ABL. Given that Noticee 2 was holding dual posts in terms of being head of the organisation and also the chairman of the Board, it is implicit that he would also had substantial influence in all operational and Board matters. Considering the constitution of the Board and background of Noticees as mentioned above, I note that only Noticee 2 was executive head responsible for day to day operations of the company whereas Noticee 3 was his wife holding Non-Executive Director and Noticee 4 and 5 (friend of Noticee2) were designated as Independent Directors. I note from the constitution of the Board that 3 members out of 4 are related and known to Noticee 2. I am of the view that majority of the Board is known to Noticee 2 and therefore it would be relatively easy for Noticee 2, being Managing Director and chairman of the Board, to influence the Board to gets it proposals approved without any resistance on paper.

59. Thus, from the facts on records and reasons mentioned above, I conclude beyond any reasonable doubt that only Noticee 2, being the Managing Director and Chairman of ABL, at the time of passing resolutions in its Board Meeting held on April 30, 2008, was fully aware of the modus operandi of colluding with CLIFFORD, well before the GDR issue, by planning deceptive, manipulative and fraudulent scheme and executing the same to perfection out of country. Thus, I conclude that the Noticee 2 violated provisions of Section 12 A (a) (b) (c) of SEBI Act, 1992 read with Regulation 3 (a) (b) (c) (d) and 4 (1) of SEBI (PFUTP) Regulations.

60. With respect to role of Noticee 5, I note that he was part of the Committee constituted by the Board in its meeting held on March 1, 2008. This committee (Noticee 2 and 5) was mandated to take required steps for completion of all formalities for issuance of GDRs. Noticee 5 being part of Committee was within its mandate to take all necessary steps with respect to issuance of GDRs and therefore expected to act independently and exercise proper care and diligence in completing its mandate. The fact that Noticee 5 had not declined to be part of the committee itself suggest that he had accepted the responsibility assigned by the Board and therefore responsible for all the acts and deeds committed by the committee. In the Board Meeting held on April 30, 2008, the Board had discussed and deliberated in detail the proposal to open account with BANCO. Since it was recorded in the minutes as having discussed in detail in the said Board Meeting, it is implicit that the committee (including Noticee 5) had explained or supposed to explain the proposal to the Board including the purpose for which bank account was required to be opened with BANCO. However, given that minutes of April 30, 2008 does not specifically mention that bank account was to be opened for the purpose of GDR. Rather it was recorded as meant for the business purposes. In order to examine whether Noticee was aware of the purpose, it is necessary to examine the agenda papers and also whether Noticee 5 had signed any documents or any other correspondence made with BANCO or Clifford or ABL with respect to issuance of GDR. In the absence of agenda papers,

61. The Noticee 5 in his submissions and during personal hearing before me stated that while playing badminton regularly, he developed acquaintance with Kollenmareth Oomman Isaac which was limited only to sports. Upon knowing his profession, Noticee 2 had informed that they were involved in scientific research and wanted a technical expert for pharmaceutical formation of the company and accordingly invited him to be in the Board of ABL as technical director. It was also submitted that he being technical expert and practicing Orthopaedic Surgeon in Chennai, does not have any

knowledge or exposure to capital markets or securities market and also does not understand GDR process etc.

62. I am of the opinion that the Noticee 5 being part of Board and Committee in particular cannot absolve himself from the outcomes or decisions taken by it. It is imperative that the independent directors should act responsibly and cannot merely be name lenders or passive in the meeting. They are expected to be independent from the management and act as the trustees of shareholders have greater role to play and therefore should discharge their responsibilities diligently and carefully. Any failure in this regard will facilitate promoter related directors / MD to take advantage of their ignorance. In the instant case, Noticee being part of Board and also part of committee did not produce any document, before me, to substantiate that he had exercised due diligence and discharged its duties as member of committee as per its mandate. Rather, it was submitted that not even one meeting took place after constitution of the committee and in the absence of same he cannot be said to have failed to exercise due diligence as member of Committee. I am not inclined to accept the submission in totality. It is necessary as a committee member to take steps in furtherance of the objective of the committees. The fact that a Committee has been formed for issuance of GDR, it is imperative that at least one or two meeting should be convened to discuss the issue and it is matter of records, based on his oral submission that no meeting took place is sufficient evidence to suggest failure on the part of Noticee 5 as a member of the committee. Based on facts on record, I am of the view that the Noticee 5 merely lend his name to the Board and did not have any further interest in the matters relating to Board which facilitated Noticee 2 to carry out its nefarious activities, which are detrimental to the interest of investors.

63. It was also submitted that the Noticee 5 did not have any financial knowledge / expertise in financial matter and does not know anything about GDR issue. I am of the view that on the guise of ignorance of expertise in relevant field, the Noticee 5 cannot absolve from his obligations or responsibilities and consequent actions which follows due to failure of discharge his responsibilities. In a listed company, independent directors who act as

trustees of stake holders should take all such steps and measures necessary in furtherance of the interest of shareholders and demonstrate highest standards of governance. Ignorance of law or knowledge is no excuse. For the purpose of this proceeding, I will proceed to deal whether Noticee 5 was aware that bank account opened with BANCO, as decided in April 30, 2008 Board Meeting, was for the purpose of GDR or not.

64. Upon perusal of the Board Resolution passed in the Board Meeting held on April 30, 2008, I note that the proposal discussed therein relates to opening of bank account, for business purposes including opening of offshore branch. However, there was no specific mention about GDR issue in the said resolution. In the absence of same and considering that bank accounts could also be opened for general business purposes, the hindsight knowledge of execution of manipulative scheme cannot be attributable to the Noticee 5, unless there are other attendant facts and circumstances which suggest that involvement of Noticee 5 in terms of signing any documents in pursuance of decision taken by Board. I note that Noticee 5 did not sign any documents relating to opening of bank account and all other related activities nor any correspondence received or made by Noticee 5 with ABL / BANCO / CLIFFORD. Further, bank account of Noticee 5 submitted during the proceedings also does not suggest as funds transfers from ABL / Noticee 2 or other related entities. In view of the same, in the interest of justice, based on preponderance of probability, I am inclined to give benefit of doubt to the Noticee 5 that he was not aware that the bank account proposed to be opened with BANCO was meant for executing manipulative scheme of GDR issue. Accordingly the charge against Noticee 5 does not stands established.

65. The Noticee 4 in his submissions and during personal hearing before me sated that he being a retired professor of Microbiology, the Noticee 2 had approached him to provide inputs to ABL at Chennai in the capacity of non-executive Director towards biological research consultancy for ABL. From the submissions of the Noticee 4, the Noticee being a non-executive director, was not involved in day to day affairs of the company or its financial affairs of the company, except guiding the research people employed by the

Company at their research unit. I note that the Noticee 4 had attended the Board meetings of ABL held on March 1, 2008 and April 20, 2008, wherein in-principle approval for raising financial resourced by way of GDRs and opening of bank account for business purposes, were approved respectively. I am of the opinion that the Noticee 4 being the independent director cannot be made liable for the violations committed by the Company and its Managing Director, unless he is aware of the manipulative and deceptive scheme devised by the ABL and its Managing Director. I note that the Noticee 4 apart from attending board meetings of ABL and various decisions taken therein, he was not actively involved in any of the subsequent acts in terms of signing any of the documents, correspondence made with ABL, BANCO & Clifford. Further, I also note that the Noticee 4 did not receive any consideration for the services rendered by him apart from reimbursement of actual expenses incurred for his travel and stay in Chennai for guiding and evaluating research. At the same time, I am of the view that the independent directors cannot confine themselves to lending their names to the Company, but they have onerous responsibility for its affairs of the company for the protection of interest of all stakeholders, which includes the shareholders. However, considering the submissions made by the Noticee 4 and that there is nothing on record which establishes connivance with the Company, prior knowledge of the manipulative and deceptive scheme devised by ABL and its Managing Director, I am inclined to give benefit of doubt to the Noticee 4. Therefore, the charge against the Noticee 4 does not stand established.

66. As regards the role of Noticee 3, I note that she neither replied to the SCN dated November 10, 2017 and nor availed the opportunity of personal hearing before me. Firstly, I note that she is wife of Noticee 2 and also the director of ABL in non-executive capacity. From the scheme of things as elucidated above, I note that the entire scheme of manipulative and deceptive nature was conceptualized and executed by ABL and Noticee 2. I note that apart from the Noticee 2, other Noticee viz., 3, 4 and 5 were not directors of ABL in executive capacity. I am of the view that, while the extent of responsibility of an independent director may differ from that of an executive director, an independent director had the duty of care. This duty

calls for exercise of independent judgment with reasonable care, diligence and skill which should be reasonably exercised by a prudent person with the knowledge, skill and experience which may reasonably be expected of a director in his position and any additional knowledge, skill and experience which he has. I note that the Noticee 4 also had attended the Board meetings of ABL in the capacity of non-executive director, held on March 1, 2008 and April 30, 2008, wherein in-principle approval for raising financial resourced by way of GDRs and opening of bank account for business purposes were approved respectively. However, based on documents available on record, I note that the Noticee 4 apart from attending the said board meetings of ABL, there is no active involvement by the Noticee in subsequent acts in terms of signing any of the documents, correspondence made with ABL, BANCO & Clifford are found. In view of the same, I give benefit of doubt to the Noticee 3 as she was not aware of scheme of manipulative and deceptive scheme devised by the Noticee 1 and 2. Therefore, the charge against the Noticee 3 does not stand established.

ISSUE – 2: Does the violation, if any, attract monetary penalty under Section 23E of SCRA and Section 15HA of SEBI Act.?

67. The main objective disclosures under listing agreement was to enhance the quality of disclosures made by listed entities and seek to achieve fair treatment by inter-alia mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well informed decision. It is a fact that the information regarding a GDR issuance is a price sensitive information and GDR issue by any listed company has direct bearing on the trading and prices of shares of the said company in Indian stock exchanges. In this case, immediately after the GDR issue of ABL, there was spurt both in price and traded volume in its shares on the stock exchange. The non-disclosure and delayed disclosure

of information with regard to GDRs of ABL, thus, had apparently influenced trading behaviour of investors in shares of ABL and induced them to deal in the shares of ABL. In the instant case, it is established that the Noticee 1 by not making timely disclosures and misleading information which enabled it to artificially manipulative the price of the scrip through non-disclosures, had violated the provisions of Clause 36 (7) and 50 of Listing Agreement read with Section 21 of SCRA. Therefore, I find that the aforesaid violations by ABL attracts monetary penalty under Section 23E of SCRA.

68. It is established that ABL and the persons in charge of its affairs viz., Noticee 2 had a pre-meditated plan to provide financial assistance by means of pledge of entire GDR subscription proceeds for the purpose of ensuring the issuance and subscription of its GDRs and in turn the underlying equity shares without receiving any consideration at the time of GDR issue. Thus, they indulged in employing fraudulent plan/arrangement, device, artifice and contrivance with regard to the subscription of GDRs and creation of underlying shares using the facade of GDR issue, monetizing those GDRs through the sale of underlying shares of the GDRs and inducing and alluring Indian investors to deal in shares of ABL. The pre-determined fraudulent and manipulative acts of a few entities damage the integrity of the market. Further, the genuine investors are put at risk because of the fraudulent artifice employed by the entities as observed in this case. I also note that the Noticee 1 and 2 did not cooperate with inquiry during the preliminary examination and did not information to SEBI to mislead the inquiry and deliberately avoided furnishing relevant information which indicate their mala-fide intention.

69. In this connection, the observation of the Hon'ble Supreme Court in the matter of N Narayanan Vs. Adjudicating Officer, SEBI in Civil Appeal Nos., 4112-4113 of 2013 (Order dated April 26, 2013) is worth mentioning, which reads as under.

"SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider

trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of this country and „market security" is our motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a divided lot. SEBI has, therefore, a duty to protect investors individual and collective, against opportunistic behaviour of Directors and Insiders of the listed companies so as to safeguard market's integrity".

70. While dealing with a matter of this nature, it would be worthwhile to refer to the following observations made by the Hon'ble SAT in the matter of V. Natarajan vs. SEBI (Order dated June 29, 2011in Appeal No.104 of 2011) wherein it was held:

"… we are satisfied that the provisions of Regulations 3 and 4of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003These regulations, among others, prohibit any person from employing 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 an exchange. They also prohibit persons from engaging 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 that are listed on stock exchanges. These regulations also prohibit persons from indulging in a fraudulent or unfair trade practice in securities which includes publishing any information which is not true or which he does not believe to be true. Any advertisement that is

misleading or contains information in a distorted manner which may influence the decision of the investors is also an unfair trade practice in securities which is prohibited. The regulations also make it clear that planting false or misleading news which may induce the public for selling or purchasing securities would also come within the ambit of unfair trade practice in securities…"

71. The Hon'ble SAT vide order dated October 25, 2016 in Appeal no 126/2013 Pan Asia Vs SEBI, wherein a similar modus operandi adopted by appellants held that :

"It is apparent that the appellants knew that if the investors in India come to know that the GDRs of the issuer companies have not been subscribed by foreign investors but by the entities controlled by the Managing Director (AP) of PAN Asia, then it would not generate interest in minds of the investors in India to subscribe to the shares of issuer companies. Therefore, in order to create an artificial impression that global investors have shown keen interest in investing in the issuer companies by subscribing to the GDRs, appellants by a dubious method introduced fictitious and non-existent initial subscribers to the GDRs of the issuer companies so as to mislead the investors in India in believing that the global investors have shown keen interest in investing in the GDRs of issuer companies. In these circumstances, decision of SEBI that the appellants attempted to committed fraud on the investors in India by introducing fictitious initial subscribers cannot be faulted.

72. Therefore, as the alleged violation against the Noticee 1 and 2 stands established, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act.

ISSUE-3: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?

73. While determining the quantum of monetary penalty under Section 23E of SCRA and Section 15HA of SEBI Act, I have considered the factors stipulated in Section 23J of SCRA and Section 15J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under Section 23-I of SCRA and Section 15-I of SEBI Act, 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.

74. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees' default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of default.

75. However, it is important to note that timely disclosure of information, as prescribed under the statute, is an important regulatory tool intended to serve a public purpose. Timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so prevents investors from taking a well-informed investment decision. It is an established fact that ABL, being in contravention of Clause 36 (7) and Clause 50 of Listing Agreement read with Section 21 of SCRA had deliberately and actively concealed the true and material facts, which suggest false and misleading facts in connection with the dealing in the shares of ABL.

76. It is also evident that ABL and Kollenmareth Oomman Isaac had indulged in employing fraudulent plan/arrangement, device, artifice and contrivance with regard to the subscription of GDRs and creation of underlying shares using the facade of GDR issue, monetizing those GDRs through the sale of underlying shares of the GDRs and inducing and alluring Indian investors to deal in shares of ABL. A basic premise that underlies the integrity of securities market is that persons connected with securities market conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities. In this case, it is established that Noticee 1, and 2 by employing fraudulent arrangement with regard to subscription of GDRs had acted in a manner which is fraudulent and deceptive, thereby detriment to the interest of investors in the Indian securities market. The manner in which entire scheme of fraudulent and deceptive scheme planned and executed by the Chairman and Managing Director of ABL demonstrates beyond reasonable doubt the manipulative intent to deliberately withhold the critical information to the Board of ABL and also to the investors which ultimately enabled to carry out the fraud. Such a conduct by Executive Head of a listed company erodes the trust and confidence of investors and also threatens the integrity of the securities market.

77. I note that upon conversion of GDRs into equity shares, the information pertaining to subsequent sale of shares in the Indian Capital market is not available before me in order to ascertain the ultimate beneficiary of the illegal gains made out. Therefore, I am of the view that considering the grave nature of fraud committed by the Noticee 1 and 2 and that the Noticee 2 being the Chairman and Managing Director of ABL and also natural person, it calls for imposition of exemplary penalty on the Noticees 1 and 2.

ORDER

78. In view of the foregoing, I, therefore, in exercise of the powers conferred upon me under Section 23I of SCRA and Section 15I of SEBI Act read with

Rule 5 of SCR Rules and Adjudicating Officer, hereby impose a penalty on the Noticees as under.

Sl. No.,	**Name of the Noticee**	**Penalty amount in ₹**	**Imposition of penalty under**
1	ABL Biotechnologies Ltd.,	25,00,000/- (Rupees Twenty Five Lakhs only)	Section 23E of SCRA for violation of Clause 36 (7) and Clause 50 of Listing Agreement read with Section 21 of SCRA.
		25,00,000/- (Rupees Twenty Five Lakhs only)	Section 15HA of SEBI Act for violation of Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f) (k) (r) of SEBI (PFUTP) Regulations, 2003
2	Kollenmareth Oomman Isaac	1,00,00,000 (Rupees One Crore only)	Section 15HA of SEBI Act for violation of Section 12 A (a) (b) and (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1) SEBI (PFUTP) Regulations, 2003.

79. The said penalty imposed on the Noticees, as mentioned above, shall commensurate with the violation committed and acts as a deterrent factor for the Noticees and others, in protecting the interest of investors.

80. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through e-payment facility into Bank Account the details of which are given below:

Account No. for remittance of penalties levied by Adjudication Officer

Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No	31465271959

81. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the General Manager, Enforcement Department, DRA-I, SEBI, in the format as given in table below

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for (like penalties/disgorgement/recovery/Settlement amount and legal charges along with order details)	

82. In terms of rule 6 of the SCR Rules and Adjudication Rules, copies of this Order are sent to all the Noticees and also to SEBI.

Date: April 23, 2018 **B J DILIP**

Place: Mumbai **ADJUDICATING OFFICER**