



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER No. Order/SM/KS/2025-26/32025**

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

**In respect of:
Ashapura Minechem Limited
PAN: AAACA0957F**

In the matter of Ashapura Minechem Limited

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') has initiated Adjudication Proceedings under Section 15-I of the SEBI Act, 1992 in respect of Ashapura Minechem Limited (hereinafter also referred to as 'Noticee'/'AML'/'company'/'entity'), for the alleged violation of Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (hereinafter also referred to as 'LODR regulations') read with Sub-para. 6 and 20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and Regulation 30(4)(i)(a) of the LODR Regulations.



B. APPOINTMENT OF ADJUDICATING OFFICER

2. Whereas, the Competent Authority was *prima facie* of the view that there were sufficient grounds to adjudicate upon the alleged violation by the Noticee, as stated above and therefore, in exercise of the powers conferred under Section 19 read with Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (“Adjudication Rules” / “AO Rules”), the Competent Authority appointed the undersigned as the Adjudicating Officer (“AO”) vide order dated September 11, 2025 to inquire into and adjudicate under Section 15A(b) of the SEBI Act, 1992, for the aforesaid alleged violation by the Noticee. The said proceedings of appointment were communicated to the undersigned vide Communiqué dated September 11, 2025.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

3. The Show Cause Notice no. SEBI/HO/EAD/EAD3/P/OW/2025/27022 /1 dated October 17, 2025 (“SCN”), was served upon the Noticee under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to show cause as to why an inquiry should not be held and penalty not be imposed upon the Noticee under Section 15A(b) of the SEBI Act, for the violation alleged to have been committed by the Noticee.
4. The following was *inter alia* observed and /or alleged in the SCN in respect of the Noticee:

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.....

- a. *The Complainant alleged that Government of Gujarat through – Ministry of Geology & Mineral Accounts had issued multiple orders against the Company and its subsidiary since 2018 and the Company had failed to disclosed the said orders. Further, it is alleged that various FIRs, court cases were filed against the Company, Directors. However, it observed that no disclosure has been made for the same.*



- a. The Exchange has sought clarifications from the company and on the basis the response of the company, it is understood that –
- b. Cases for which fines were levied, as mentioned in the complaint, were pertaining to period of 2018 to 2020.
- c. During the period from F.Y. 2018 to June 2019, disclosure of fines by authorities was not mandatorily required to be made to the Exchange. Further, post SEBI LODR second amendment in July 2023, the disclosure of fine related matters was required to be made as per Sub-para 20 of Para A of Part A of Schedule III of LODR Regulation read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 within 24 hours of the occurrence of the event and any material litigation was pending if any supposed to disclosed by August 14, 2023. In this regard, it is noted that no such disclosure was submitted by the company w.r.t. the following events:

TABLE A

Company	Date referred in the notice dated 12.12.2024	Name of Dept passed order	Date of Order	Amount of order (In Rs. Crores)*	Date of receipt of order by company	Date of Set-aside / Concluded
AML	17.03.2018	Geologist, CGM-Bhuj	21-06-2019	17.35	21-06-2019	07-12-2023
AML	01.06.2019	Geologist, CGM-Bhuj	01-06-2019	4.72	01-06-2019	PENDING
AML	01.06.2019	Geologist, CGM-Bhuj	01-06-2019	6.66	01-06-2019	PENDING
AML	01.06.2019	Geologist, CGM-Bhuj	01-06-2019	5.60	01-06-2019	PENDING
Ashapura International Ltd (AIL) (subsidiary)	01.06.2019	Geologist, CGM-Bhuj	01-06-2019	6.36	01-06-2019	PENDING
AML	01.02.2019	Geologist, CGM-Bhuj	01-02-2019	8.22	01-02-2019	09-12-2023

- d. There was a matter in the special court of CBI, wherein the Company on October 27, 2024 has disclosed order passed by the CBI. However, no initial disclosure in this regard was made by the Company.
- e. Further, in one of the matters, Mr. Chetan Shah – Promoter & Chairman, was arrested pursuant to special court order dated October 26, 2024. In this regard, it is noted that no separate disclosure was made as per para 6 of Para A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023. However, the disclosure was submitted under sub-para 20 of Para A Part A of Schedule III of SEBI (LODR) Regulations, 2015. Below is the link of the disclosure - https://nsearchives.nseindia.com/corporate/ASHAPURMIN_27102024234820_Resolution3027102024.pdf .



4. Based on the above observations, it is noted that in terms of Regulation 30 (2) of the LODR Regulations events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity are required to make disclosure of such events. Additionally, Para. A of Part A of schedule III of the LODR Regulations, inter-alia, covers disclosure of fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity and action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed. In this context, it is observed that the Company has not provided any disclosure concerning several events as mentioned in Para 3 above.
5. In view thereof, it is alleged that Noticee had violated provisions of regulation 30(2) of the SEBI LODR regulations read with Sub-para. 6 and 20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and Regulation 30(4)(i)(a) of the LODR Regulations.

.....
...."

5. Vide email and letter dated October 30, 2025, the Noticee submitted its reply to the SCN. The submissions made by Noticee as reply to the SCN, are as under:

“.....

the Company respectfully submits that there was no intention to suppress or withhold any material information from the Stock Exchanges or its stakeholders. The Company has always endeavoured to comply in good faith with all applicable laws and regulations and has acted based on a bona fide understanding of the disclosure requirements prevailing at the relevant time.

We would like to emphasize that the matters mentioned in the aforesaid SCN relate to routine departmental show cause notices and/or orders received in the ordinary course of business. Wherever required, the Company has promptly responded to and rectified any irregularities and duly regularised the same in coordination with the concerned authorities. Any fines or fees, wherever applicable, were paid and duly accounted for in the Company's regular course of business.

Moreover, after due interaction and deliberation with the respective departments, we wish to highlight that no further demand has been raised by these departments in connection with the matters referred to, as of date. This further demonstrates that the said issues have not had any material or continuing financial or operational impact on the Company.

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...."

6. In consideration of the principles of natural justice, opportunity of personal hearing was provided to Noticee vide SEBI letter and email dated November 19, 2025. The Noticee indicated its unavailability for hearing on the



scheduled date stating that authorised key managerial personnel would be engaged in scheduled plan during the period from November 26, 2025 to December 01, 2025. Accordingly, the hearing was scheduled on December 10, 2025. On the said scheduled hearing date, the Noticee attended the hearing and was represented by Shri Hemul Shah, Executive Director and CEO along with Shri Sachin Polke, Company Secretary & President (Corp. Affairs) who reiterated the submission made vide reply dated October 30, 2025. The Noticee sought additional 10 days' time to make additional submission which was allowed.

7. Vide additional submission dated December 17, 2025, Noticee made the following key additional submissions;

“.....

.....

“Reply to Para 1, 2 and 3 of the SCN – Initiation of adjudication proceedings and background
The contents of these paragraphs are noted. The initiation of adjudication proceedings is based on a complaint dated December 12, 2024 filed by Shri Vankar Lalji Vishram.

It is respectfully reiterated that the complainant has not been on the Company's register of members for at least the last five years. Accordingly, his claim on being the Company's Shareholder is false and incorrect! Furthermore, the allegations made by him are vindictive in nature and in several instances, factually inaccurate, which may kindly be taken on record. Without prejudice to the above, the Company is submitting the present response in adherence to the principles of natural justice.

Reply to Para 3.1 and 3.2 of the SCN – Alleged non-disclosure of departmental orders / legal actions.

With respect to the allegations that the Company failed to disclose multiple orders passed by the Government of Gujarat / Department of Geology & Mining since 2018, the Company submits as under:

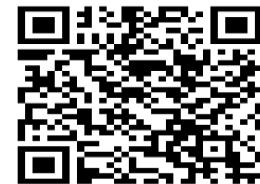
1. These notices and orders are routine departmental communications issued in the ordinary course of mining operations. The Operations Team regularly interacts with the relevant statutory and regulatory authorities to address, resolve and clarify issues/matters raised therein. Accordingly, such notices and orders, in and by itself, do not give rise to any exceptional circumstances and do not have any immediate material adverse impact on the Company's operations, financial position or legal standing.

2. Several of these matters are either sub judice before the Hon'ble Gujarat High Court or have been set aside and remanded by the Appellate Authority to the Kutch Collector for fresh adjudication.

Accordingly, at the relevant time, these matters did not qualify as material events requiring disclosure under Regulation 30 of the LODR Regulations.

Reply to Para 3.2(ii)(b) and related table – Allegation regarding non-disclosure post July 2023 amendment

With respect to the observation that disclosures were required to be made post the SEBI



LODR amendment of July 13, 2023, we wish to refer to response given above in reply to Para 3.1 and 3.2 of the SCN. Further, in terms of Regulation 30(4), the Company has duly adopted a materiality policy and computed materiality thresholds on a yearly basis. For FY 2023–24 and FY 2024–25 the materiality thresholds were Rs. 4.73 crore and Rs. 7.93 crore respectively. One of the departmental matters referred to in the SCN fall even below these thresholds and hence do not qualify as material events requiring a disclosure.

A detailed table explaining the status, monetary amounts along with remarks for each matter has been provided along with the relevant supporting documents for your ready reference (Annexure A).

Reply to Para 3.2(ii)(c) – Alleged non-disclosure in respect of CBI Court matter

The allegation that the Company failed to make disclosure in respect of the matter before the Special CBI Court is factually incorrect.

It is submitted that:

1. The order dated October 26, 2024 passed by the Special CBI Court in the matter of State of Karnataka by CBI, ACB vs. Mahesh Biliye & Others was disclosed to the Stock Exchanges on October 27, 2024.

2. Subsequent developments, including suspension of sentence and grant of bail by the Hon'ble High Court of Karnataka, were also promptly disclosed on November 14, 2024.

As such, the Company has fully complied with its disclosure obligations under Regulation 30 of the LODR Regulations. (Both Disclosure attached for reference in Annexure B).

Reply to Para 3.2(ii)(d) – Alleged non-disclosure of arrest of Promoter / Chairman

It is submitted that the disclosure relating to Mr. Chetan Shah, Promoter & Chairman, pursuant to the Special Court order dated October 26, 2024 was duly made to the Stock Exchanges.

The disclosure was filed under Sub-para 20 of Para A of Part A of Schedule III of the LODR Regulations.

There was no intention to suppress or misclassify the disclosure and the information was made available to the public in a timely and transparent manner.

Hence, the allegation of violation of Sub-para 6 of Para A of Part A of Schedule III is inappropriate.

Reply to Para 4 and 5 of the SCN – Alleged violation of Regulation 30(2) and 30(4)

The Company categorically denies that it has violated Regulation 30(2) or Regulation 30(4)(i)(a) of the LODR Regulations.

It is reiterated that:

1. Disclosures have always been made in good faith based on a bona fide interpretation of the applicable regulatory framework.

2. Matters which were routine, sub judice, pending adjudication or below materiality thresholds were not disclosed, strictly in accordance with Regulation 30(4).

3. There was no omission which resulted in discontinuity or alteration of publicly available information.

Accordingly, we believe that the Company has always acted in good faith and upheld the spirit of law.

Reply to Para 7 of the SCN – Liability under Section 15A(b) of SEBI Act

The Company has acted diligently, transparently and without any deliberate suppression or furnishing of incorrect information.

In view of the facts, circumstances and submissions made herein and in the absence of any established violation of the LODR Regulations, we sincerely believe that the intent should not be in doubt, as such, it does not warrant imposition of any penalty. The Company reiterates its full cooperation with SEBI and remains available to provide any further clarification or documentation, if required.

.....
.....”



8. Vide email dated January 27, 2026, further clarification was sought from Noticee with respect to criminal proceedings initiated by CBI. Noticee vide email dated January 30, 2026 enclosing letter dated January 29, 2026, submitted the following further additional submissions:

“.....

.....that a criminal complaint in the case titled State of Karnataka by CBI, ACB vs. Mahesh Biliye & Others was filed by the Central Bureau of Investigation in mid-2014 and was under trial before the Special CBI Court until 2024. While a chargesheet had been filed, the matter had not culminated in any final determination of penalty or punishment prior to the order dated October 26, 2024 and the proceedings continued to remain sub judice at the trial stage.

The Company, upon receipt of the Order dated October 26, 2024 passed by the Special CBI Court, Bangalore, promptly disclosed the same to the Stock Exchanges on October 27, 2024 in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosure was made without delay and strictly in accordance with the Company's regulatory obligations. (A copy of the said disclosure is attached herewith for your ready reference.)

Further, all subsequent material developments in the matter, including the suspension of sentence and grant of bail by the Hon'ble High Court of Karnataka, were also promptly disclosed to the Stock Exchanges on November 14, 2024. At all times, the Company acted diligently and transparently in ensuring regulatory compliance. (A copy of the said disclosure is attached herewith for your ready reference.)

.....”

E. CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully perused the allegation levelled against the Noticee in the SCN, the written replies filed and material /documents available on record. In the present matter, the issues which arise for consideration and determination are as follows:

Issue No. I: Whether the Noticee has violated the provisions of SEBI LODR and Circular, as alleged?

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15A(b) of the SEBI Act, 1992?



Issue No. III: If yes, what should be the quantum of monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the Adjudication Rules, 1995?

10. Before proceeding further, it is pertinent to refer to the relevant provisions, which are alleged to have been violated by the Noticee. The said provisions are reproduced hereunder;

“....

Regulation 30(2) of the LODR Regulations states as under:

“Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.”

Para. A of Part A of schedule III of the LODR Regulations, inter-alia, states as under:

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

1.
2.

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

For the purpose of this sub-paragraph:

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

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

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

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

Explanation 3 – Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.



20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:

- (a) suspension;
- (b) imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;
- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible....'

Regulation 30(4)(i)(a) of the LODR Regulations states as under;

"Disclosure of events or information

30.

....

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

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

read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023."

....

....."

11. I now proceed to deal with the matter having regard to the submissions of the Noticee on merits:

Issue No. I: Whether the Noticee has violated the provisions of SEBI LODR and Circular, as alleged?

Issue A: With respect to disclosure of material Fines/Orders



12. It was alleged in the SCN that six orders of fines totaling nearly Rs. 48.91 crore had been passed against the Noticee and its subsidiary since 2019 by the Government of Gujarat – Ministry of Geology & Mineral Accounts through Geologist CGM – Bhuj and the Company had failed to disclose the said Orders.

Accordingly, Noticee was alleged to have violated provisions of regulation 30(2) of the SEBI LODR regulations read with para 20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and Regulation 30(4)(i)(a) of the LODR Regulations.

13. In regard to the above allegations, Noticee in its reply to SCN submitted that these notices/orders are routine departmental communications issued in the ordinary course of mining operations. The Operations Team regularly interacts with the relevant statutory and regulatory authorities to address, resolve and clarify issues/matters raised therein. Accordingly, such notices and orders, in and by itself, do not give rise to any exceptional circumstances and do not have any immediate material adverse impact on the Company's operations, financial position or legal standing.

14. With regard to submission made by Noticee, I find that the contention of Noticee that notices/orders imposing penalties ranging from ₹4.72 crore to ₹17.35 crore are "routine departmental communications" and issued in ordinary course of Noticee's mining operations is unacceptable. Penalties of these magnitude have significant impact on the financial status of a company. These Orders are precisely the type of "material" information investors required to make informed decisions. By not disclosing liabilities worth ₹48.91 crore, the Noticee has failed to exercise due diligence in



disclosing significant financial liabilities, depriving shareholders of material information.

15. Noticee further claimed in aforesaid reply that several of these matters are either sub judice before the Hon'ble Gujarat High Court or have been set aside and remanded by the Appellate Authority of the Kutch Collector for fresh adjudication.
16. In regard to above contention of Noticee, I note that total six Orders were passed against the Noticee during year 2019 and the matter were sub-judice and eventually two Orders were remanded on December 07, 2023 and December 09, 2023. It is emphasized here that according to regulatory obligation under regulations 30(2) of SEBI LODR read with SEBI Circular dated July 13, 2023, even the pending material events listed under sub-para 20 were to be disclosed by Noticee latest by August 14, 2023. As sub-para 20 specifically states that action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, ought to be disclosed by a listed entity, the Company was required to disclose the Orders passed as material event at the time it was due for disclosure in accordance with SEBI Circular, even if the Orders were under appeal. By fact of the company omitting to disclose the existence of such huge financial liabilities, the investors were deprived of this crucial information while trading in the securities of the company.
17. Reference may be drawn to The Hon'ble Securities Appellate Tribunal (SAT), observed in the matter of *New Delhi Television Limited vs. SEBI (SAT appeal*

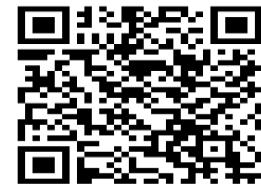


no. 358 of 2015), that “....the regulatory obligation to intimate the Stock Exchanges arises immediately upon the receipt of the order/demand notice and is not contingent upon subsequent developments such as the filing of appeal or the obtaining the stay....As the primary objective of the law is to prevent information asymmetry in the market at the earliest possible stage.”

18. Additionally, in the matter of Coimbatore Flavors & Fragrances Ltd. vs. SEBI (Appeal No. 209 of 2014), Hon'ble SAT unequivocally held that the objective of the Listing Regulations is to ensure market integrity and investor safety through timely transparency. The Tribunal observed:

"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies... True and timely disclosures by a company or its promoters are very essential from two angles: firstly, for the safety of the investors, and secondly, to maintain the integrity of the market. Investors make their investment decisions on the basis of the disclosures made by the companies and, therefore, if the material information is withheld by the companies/promoters, the investors would be deprived of the opportunity to take informed decision[s]."

19. From the above, it follows that obligation to disclose the material event arises immediately at the time of receipt of Notice/Order. Subsequent filing of an appeal only challenges the enforcement of the Notice/Order but does not extinguish the 'material event' itself. The investor is entitled to know of the existence of statutory demand to enable the investor to perform an informed risk assessment regardless of Noticee's optimism regarding appeal's outcome. A liability of ₹48.91 crore on the company is a material event. Therefore, the Noticee's plea of the matter being 'sub-judice' and/or 'remanded' is inadmissible and it is established that Noticee has violated provisions of regulation 30(2) of the SEBI LODR regulations read with para

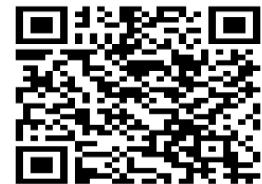


20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and Regulation 30(4)(i)(a) of the LODR Regulations.

Issue B: Material threshold quoted by Noticee

20. The SCN listed six specific Orders passed between 2018 and 2019 by the Geologist, CGM-Bhuj, imposing penalties ranging from Rs. 4.72 crore to Rs. 17.35 crore. It was alleged against the Noticee that despite the penalties exceeding the materiality threshold of Rs. 3.95 crore (calculated by NSE), no disclosure was made by Noticee under regulation 30 of SEBI LODR read with SEBI Circular dated July 13, 2023.
21. In respect to above, Noticee has submitted in its reply that in terms of Regulation 30(4) of LODR Regulations, the Company has duly adopted a materiality policy and computed materiality thresholds on a yearly basis. For FY 2023 –24 and FY 2024 –25, the materiality thresholds were Rs. 4.73 crore and Rs. 7.93 crore respectively. One of the departmental matters referred to in the SCN fall even below these thresholds and hence do not qualify as material events requiring a disclosure.
22. In regard to aforesaid contention by Noticee, I observed that Noticee claims a materiality threshold of Rs. 4.73 crore for FY 23 -24. Even accepting the Noticee's own higher materiality threshold, five out of the six orders (Rs. 17.35 Cr, Rs. 8.22 Cr, Rs. 6.66 Cr, Rs. 6.36 Cr, Rs. 5.60 Cr) clearly exceed this limit. Noticee, therefore, was under regulatory obligation to disclose these specific material liabilities in accordance with Regulation 30 of SEBI LODR read with SEBI Circular dated July 13, 2023 which it has failed to do.

Issue C: Disclosure of CBI Order and Arrest of Promoter/Chairman



23. It was alleged against the Noticee in the SCN that special court of CBI passed Order dated October 26, 2024 and the Company had disclosed the same on October 27, 2024. However, no initial disclosure in this regard was made by the Company.

24. In regard to the above allegation, Noticee has submitted that a criminal complaint in the case titled State of Karnataka by CBI, ACB vs. Mahesh Biliye & Others was filed by CBI in mid-2014 and was under trial before the Special CBI Court until 2024. While a chargesheet had been filed, the matter had not culminated in any final determination of penalty or punishment prior to the Order dated October 26, 2024 and the proceedings continued to remain sub judice at the trial stage. The Order dated October 26, 2024 was disclosed on October 27, 2024, and subsequent developments regarding bail/suspension of sentence were disclosed on November 14, 2024. Noticee has further added that the disclosures were filed under sub-para 20 of Para A of Part A of Schedule III of the LODR Regulations and information was made available to the public in a timely and transparent manner. Further, Noticee has submitted disclosure Notices dated October 27, 2024 and November 14, 2024.

25. From the reply of the Noticee, I note that the criminal complaint was filed by CBI during the year 2014 and the said proceeding culminated in Order of the CBI Court dated October 26, 2024. It is observed that the disclosure Notice dated October 27, 2024 made by the Noticee states that Order dated October 26, 2024 of the CBI Court found certain persons including the Noticee's company and its Chairman guilty u/s 120-B, 420 and 379 of Indian Penal Code, 1860 ('IPC') and passed an Order against them which carried fines along with a maximum imprisonment upto 7 years. I note that the core objective of Regulation 30 of LODR Regulations is the dissemination of



information. The Noticee disclosed the Court Order dated October 26, 2024 and the status in the matter to the stock exchange and public was informed of the event on October 27, 2024. Although this matter was also required to be disclosed in accordance with sub -para 6 of Para A of Part A of Schedule III of LODR Regulations, I am inclined to take a lenient view regarding this specific alleged violation and further observe that the purpose of informing the public was achieved through this disclosure under sub -para 20 of Para A of Part A of Schedule III of LODR Regulations.

Issue No. II: If yes, what should be the quantum of monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the Adjudication Rules, 1995?

26. It has been established in the foregoing paragraphs that Noticee had violated provisions of regulation 30(2) of the SEBI LODR regulations read with sub-para 20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and regulation 30(4)(i)(a) of the LODR Regulations.
27. In the context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund (2006, 5 SCC 361) wherein the Hon'ble Court had held that: "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established....*". Hence, in view of the foregoing, I am convinced that the Noticees are liable for monetary penalty u/s 15A(b) of the SEBI Act for the violation above.



The provisions of section 15A (b) read as under;

“.....

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,--

...

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

.....”

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

28. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:

SEBI Act

“.....

Factors to be taken into account while adjudging quantum of penalty.

15J. While adjudging quantum of penalty under 15- or section 11 or section 11B, the Board or 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.*

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

.....”

29. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or consequent loss caused to investors, if any, or profit made by the Noticee as a result of the violations committed by the Noticee. It is noted that there were six instances



of non-disclosure as cited in the SCN. It is pertinent to note that the disclosure requirement in respect of the events mentioned above was triggered subsequently by the second amendment to LODR Regulations and the SEBI Circular dated July 13, 2023. Therefore, in my view, the alleged default by Noticee may be treated as a single instance of failure to file the update by August 14, 2023 rather than a series of six separate violations committed over previous years. Further, as mentioned at paragraph 25 above, information regarding the CBI Court Order was made available to public within timeline specified through SEBI Circular dated July 13, 2023, therefore, I have taken a lenient view in this regard. However, I cannot ignore that regulatory requirements under Regulation 30(2) and 30(4)(i)(a) of the LODR Regulations, as in the present matter were obligatory which the Noticee failed to comply, as dealt with and established in the foregoing paragraphs and that SEBI is duty-bound to inter alia enforce compliance of these Regulations. In view thereof, I am of the view that such violation on part of the Noticee needs to be dealt with imposition of suitable penalty.

F. ORDER

30. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, I hereby impose below mentioned penalty on the Noticee, for the aforementioned violations, as discussed in this order. In my view, the said penalty will be commensurate with the violations committed by the Noticee in this case.



Noticee Name	Violation	Penalty Amount
Ashapura Minechem Limited	Violation of Regulation 30(2) of SEBI LODR Regulations, 2015 read with sub-para 20 of Para A of Part A of Schedule III of LODR Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and Regulation 30(4)(i)(a) of the LODR Regulations.	Rs. 2,00,000/- (Rupees Two Lakh Only)

31. The Noticee shall remit /pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

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

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

Date: FEBRUARY 05, 2026
Place: MUMBAI

SUDEEP MISHRA
ADJUDICATING OFFICER