



**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
ADJUDICATION ORDER No.: Order/SM/SM/2025-26/32149**

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

In respect of

**Vishnu Prakash R Punglia Ltd**

(PAN: AAECV4526D)

In the matter of Vishnu Prakash R Punglia Ltd

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**A. BRIEF BACKGROUND**

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') inter alia carried out examination in the matter and observed that Vishnu Prakash R Punglia Ltd (hereinafter also referred to as 'Noticee' / 'Company' / 'VPRPL' / 'You') had been updating on all platforms latest events, but only positive events such as getting work order from PWD Goa updated on June 24, 2024 and from UP Jal Nigam updated on June 25, 2024, however, it was observed that negative i.e. debarment orders against the Company were not reported by the Company.
2. Pursuant to its examination, SEBI has initiated Adjudication Proceedings under Section 15 I of the SEBI Act, 1992 in respect of Noticee for the following alleged violations:
  - 2.1. Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter also referred to as 'LODR' / 'LODR Regulations')
  - 2.2. Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of LODR.



## **B. APPOINTMENT OF ADJUDICATING OFFICER**

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate upon the alleged violations by the Noticee, as stated and therefore, in exercise of the powers conferred under Section 15 I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter also referred as “SEBI Rules”) read with Section 19 of the SEBI Act, 1992, the Competent Authority appointed Shri Amar Navlani, General Manager, as Adjudicating Officer (“erstwhile AO”) vide order dated March 04, 2025 to enquire into and adjudicate under Section 15A(b) of the SEBI Act, 1992 the alleged violations by the Noticee, as stated. Pursuant to transfer of the erstwhile AO, vide order dated September 11, 2025, the undersigned was appointed as AO in the matter.

## **C. SHOW CAUSE NOTICE, REPLY AND HEARING**

4. A Show Cause Notice No. SEBI/HO/EAD/EAD5/P/OW/2024/8934/1 dated March 24, 2025 (hereinafter also referred to as ‘SCN’ / ‘SCN dated March 24, 2025 in short) was issued to the Noticee by erstwhile AO under Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against it and why penalty be not imposed under Section 15A(b) of SEBI Act, 1992 for the alleged violations, as stated. The SCN was duly served upon the Noticee through email dated March 24, 2025 and through Speed Post Acknowledgment Due (SPAD).
5. In this regard, following was inter alia observed and alleged in respect of the Noticee:

“ ...

1. ***Findings and Observations of SEBI pursuant to examination and alleged violations:***



- 1.1. Company has been updating on all platforms latest events, but only positive events such as getting work order from PWD Goa updated on June 24, 2024 and from UP Jal Nigam updated on June 25, 2024. However, it is observed that negative i.e. debarment orders against the Company were not reported by the Company.
- 1.2. In this regard, comments of Exchange were sought on non-compliance with the provisions of the SEBI (LODR) Regulations, 2015 ("LODR Regulations"). Exchange has sought comments from the Company, the comments of the Company and Exchange (Annexure-B) are summarized as under:
- 1.3. Exchange inter alia submitted that matter pertains to giving disclosure about positive event such as receipt of orders from various government bodies and not providing negative news related to debarment of Company from bidding in tenders of Rajasthan Government.
- 1.4. In this regard, Exchange had sought comments from the Company. The Company vide its letter dated December 20, 2024, December 23, 2024, December 27, 2024, submitted its comments to Exchange. (Annexure-C)

**Summary of Company Response:**

"This Office Order dated 22.06.2024 has been passed without giving any notice or opportunity of hearing to the Company which is mandatory under the enlistment rules. Upon receipt of this illegal Office Order dated 22.06.2024, Company has reasonably taken the legal remedy by approaching Hon'ble Rajasthan High Court Jodhpur and the Court has stayed the effect and operation of the aforesaid Order vide Hon'ble Court Order dated 03.07.2024. Therefore; by the Court Order dated 03.07.2024, this Orders became ineffective. And after detailed hearing, this Order has been quashed by Hon'ble Court in its Final Order dated 13.12.2024"

On further clarification on the materiality of the matter the Company stated that the "orders passed were material and we understand the importance of regulatory compliances, but the non-communication was purely unintentional. We will also inform to both the stock exchanges simultaneously the entire sequence of events with gist along with the Hon'ble Court order dated 13.12.2024."

- 1.5. Exchange has further submitted that on further investigation with the Company and verification of the High Court order dated December 13, 2024, it was found that there were in total 7 (seven) orders issued against the Company as tabulated below, which were quashed by the High Court vide order dated December 13, 2024:

Table:A

Sr. no	Name of Department by order passed	Date of Order	Penalty amount/ Action mentioned in order
1	Chief Engineer Project PHED Jodhpur	24.06.2024	Debarring in future bidding for 6 months under his jurisdiction & forfeiture of Bid security of Rs 6.5222 Cr
2	Addl CE Project PHED Ajmer	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 7.4854 Cr
3	Addl CE Project PHED Ajmer	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.6232 Cr
4	Addl CE Project PHED Udaipur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 7.4254 Cr
5	Addl CE PHED Region Kota	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.645 Cr
6	Addl CE Project PHED Bharatpur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.104 Cr



7	Addl CE Project PHED Bharatpur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.646 Cr
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- 1.6. The Company vide its letter dated January 01, 2025 addressed to Exchange, has inter-alia provided the details of these orders and also confirmed that these events were material in terms of Regulation 30 of the LODR Regulations, however no disclosures were submitted by the Company in this regard, within the prescribed timelines of 24 hours.
- 1.7. While, Company in its response to Exchange (Annexure-D) had stated that the said orders were breaching the materiality thresholds under Regulation 30, the materiality calculation as provided by Exchange is placed below:

Table: B

<b><u>Quantitative Materiality thresholds as per SEBI LODR Regulations (Regulation 30(4)(i)(c): (Lowest of the below) ~4.29 Cr.</u></b>	
<b>CRITERIA</b>	<b>AMOUNT (in crs.)</b>
2% of turnover, as per latest audited consolidated financials 2024	29.653
2% of networth as per latest audited consolidated financials, except in case the arithmetic value of networth is negative	36.053
5% of the average of absolute value of profit or loss after tax, as per last 3 audited consolidated financial statements	4.29

- 1.8. Exchange has further confirmed that pursuant to intervention from SEBI/Exchange, the detailed announcement under sub-para 20 of Para A and sub-para 8 of Para B Part A Schedule III of SEBI LODR was submitted by the Company on January 01, 2025.
- 1.9. In view of the above, Exchange had confirmed that Company was in non-compliance under Regulation 30 read with sub-para 20 of Para A Part A Schedule III of SEBI LODR (delay of approx. 6 months for all seven orders) and sub-para 8 of Para B Part A Schedule III of SEBI LODR (delay of approx. More than 5 months for stay order and approx. 20 days for High Court quash order).
- 1.10. In this regard, on perusal of comments of the Exchange and Company, SEBI inter alia observed the following:
- 1.10.1. The Company had submitted false information regarding bidding capacity, which is violation of code of integrity as per Rule 80 of RTPP Rules, 2013 and therefore Company was found liable for action under Rule 82 of the RTPP Rules, 2013. (Rajasthan Transparency in Public Procurement Rules, 2013)
- 1.10.2. PHED having jurisdiction in Jodhpur, Ajmer, Kota, Udaipur and Bharatpur have passed seven orders debarring the Company for a period of six months in future tender process and forfeit the bid security submitted with respective authorities in seven projects totaling to approx Rs. 39.45 Crores as brought out by Exchange at Table A above.
- 1.10.3. Company has agreed and inter-alia submitted to Exchange that these orders were material however; Company has not made disclosure under Regulation 30 of the LODR within prescribed timelines of 24 hours. Accordingly, it was observed by SEBI that Company has violated Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III of the LODR.
- 1.10.4. Accordingly, while it is submitted by the Company that these orders were material, it is also submitted by Exchange that amount directed to be forfeited in these orders has exceeded the materiality thresholds as provided under Regulation 30(4)(i)(c) of the LODR. Accordingly, it was observed that Company has failed to make disclosure with regard to pending litigation i.e. upon becoming party of the litigation in respect of aforesaid orders and outcome thereof i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024 within 24 hours as required under Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III the LODR.



- 1.10.5. It is only after comments were sought by Exchange, Company on January 01, 2025 (Annexure-G) has made disclosure under Regulation 30 containing the details of these orders.
- 1.10.6. In view of the above, it was observed by SEBI that the Company has violated Regulation 30 read with sub-para 20 of Para A Part A Schedule III of SEBI LODR (delay of more than 6 months for all seven orders by PHED, Rajasthan) and sub-para 8 of Para B Part A Schedule III of SEBI LODR (delay of approx. more than 5 months for stay order July 03, 2024 and approx. 19 days for High Court quash order dated December 13, 2024).
- 1.10.7. In this regard, it is pertinent to note that during the period starting from June 22, 2024 i.e. date of first out of seven orders till January 01, 2025, it was observed that Company has continued giving corporate announcements (CA) to Exchange (Annexure-H) with regard to positive events, few instances of which are listed below:

<b>Date of CA</b>	<b>Brief Details of CA</b>
July 24, 2024	Press release dated July 24, 2024, titled "VPRPL Awarded Contract by North Western Railway"
August 09, 2024	Press release dated August 09, 2024, titled "VPRPL Awarded Contract by WDFC FIELD UNIT-JAIPUR-CIVIL"
October 10, 2024	Press release dated October 10, 2024, titled "VPRPL Awarded Contract by North Western Railway, Jaipur"
December 09, 2024	Press release dated December 09, 2024, titled "VPRPL Awarded Contract by North Western Railway Ajmer Division"
December 31, 2024	Press release dated December 31, 2024, titled "VPRPL Awarded Contract by Hissar Builders"

- 1.10.8. In view of the above, it was observed that while Company has continued giving disclosures regarding positive events such as award of contract to the Company by various authorities, it has failed to provide timely information regarding the issuance of orders of debarment and forfeiture of bid security amount by State Government Authorities of Rajasthan and details pertaining to pending litigation and outcome in this connection, which were material under Regulation 30 of the LODR, occurred in the same period.
- 1.10.9. Accordingly, it was observed by SEBI that Company has also violated Regulation 4(1)(d) of the LODR, which requires listed entity to provide adequate and timely information to recognized stock exchanges and investors.

In view thereof, the following has been alleged:

**Noticee has failed to make disclosures with regard to action taken by Public Health Engineering Department, Government of Rajasthan vide Orders dated June 22, 2024 (3 in Nos.) and June 24, 2024 (4 in Nos.), within prescribed timelines. The disclosures are made on January 01, 2025 with a delay of more than 6 months.**

**Noticee has failed to make disclosures with regard to pendency of litigation upon becoming party of the litigation in respect of aforesaid orders and outcome thereof i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024 within prescribed timelines. The disclosures were made on January 01, 2025 with a delay of more than 5 months and 19 days respectively.**

Therefore, Noticee has violated the following:

**Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of LODR**

**Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of the LODR**

...”



6. Vide letter dated April 02, 2025, Noticee sought Inspection of documents. Vide email dated April 15, 2025, Noticee was granted an opportunity of inspection on April 17, 2025. Vide email dated April 17, 2025, Inspection was re-scheduled to April 24, 2025 due to administrative exigencies. On the re-scheduled date i.e April 24, 2025, Inspection was granted to the Noticee.
7. Having regard to the principles of natural justice, vide Hearing Notice dated April 28, 2025, an opportunity of personal hearing was granted by erstwhile AO to the Noticee on May 06, 2025. Vide email dated May 02, 2025, Noticee requested to re-schedule the hearing to any date after the re-opening of the courts as most of the advocates were not available during vacations. Vide email dated May 05, 2025, hearing in the matter was rescheduled on May 14, 2025. Vide letter/email dated May 08, 2025, Noticee submitted its reply to the SCN.

Key submissions of the Noticee's reply dated May 08, 2025 to the SCN are as under:

“ ...

1. *I am duly authorised by Vishnu Prakash R Punglia Limited (**Company/Noticee**) to address this response to the above captioned SCN. Hereto annexed and marked as Exhibit A is the Letter of Authority dated April 16, 2025 on behalf of the Noticee.*
2. *The captioned SCN has called upon the Noticee to show cause as to why an inquiry should not be held in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) read with section 15(1) of the SEBI Act, 1992 and, why penalty not be imposed under section 15A(b) of the SEBI Act, 1992 in relation to the alleged violation of Regulation 30(2) read with Part A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
3. *Please note that Noticee has responded to every adverse observation or allegation in this reply, and nothing contained in the SCN ought to be admitted by him, merely for want of specific traverse.*

**ALLEGATION UNDER THE SCN**

4. *Based on a review of the SCN, it is humbly submitted that the core allegations against the Noticee are contained at paragraph 5.10.9 of the SCN, viz. set out hereunder:*

*Noticee has failed to make disclosures with regard to action taken by the Public Health Engineering Department, Government of Rajasthan, vide Orders dated June 22, 2024 (3 in Nos.) and June 24, 2024 (4 in Nos.), within prescribed timelines. The disclosures are made on January 01, 2025 with a delay of more than 6 months.*



Noticee has failed to make disclosures about the pendency of litigation upon becoming the party to the litigation in respect of the aforesaid orders and outcome thereof, i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024 within prescribed timelines. The disclosures were made on January 01, 2025 with a delay of more than 5 month and 19 days respectively."

#### **PRELIMINARY SUBMISSIONS**

5. At the very outset, I seek to emphasize that the Company has always endeavoured to maintain the highest standards of corporate governance and regulatory compliance. The Company places utmost importance on transparency and timely disclosures to all stakeholders. You are further urged to note that there have been no prior instances of any adverse / enforcement actions taken by SEBI against us.
6. Without prejudice to the Noticee's other submissions, it is stated that delay if any delay in observing the disclosure timelines prescribed under LODR Regulations was strictly unintentional and was on account of the Noticee's genuine belief that the illegal, ex parte orders passed by the Public Health Engineering Department (PHED), Government of Rajasthan, would eventually be set aside.
7. Admittedly, the SCN itself observes that upon taking recourse to the appeal against these orders, which were subsequently stayed by the Hon'ble Rajasthan High Court vide its Order dated December 13, 2024.

#### **FACTS OF THE CASE**

8. PHED, Government of Rajasthan, issued seven orders dated June 22, 2024 (3 in number) and June 24, 2024 (4 in number) debaring the Company from future bidding for six months and forfeiting bid security amounts. These orders were passed without giving any notice or opportunity of hearing to the Company, which is mandatory under the enlistment rules.
9. Given the procedural impropriety in this matter, the Company's legal team promptly initiated the process to exercise its writ remedies to assail the orders before the Hon'ble Rajasthan High Court. Considering the Company's submissions against PHED, the Rajasthan High Court also took the view that the orders were procedurally improper and legally untenable. Accordingly, the Hon'ble High Court, vide its order dated July 03, 2024, stayed the effect and operation of the aforesaid orders, thereby rendering them ineffective.
10. Thereafter, a detailed hearing in the matter was conducted, and the Hon'ble Rajasthan High Court, vide its final order dated December 13, 2024, quashed all the seven orders passed by the PHED, Government of Rajasthan. The Company made a comprehensive disclosure on **January 01, 2025**, providing all details regarding these orders, the stay order, and the final quashing order by the Hon'ble High Court. Thereafter, on January 01, 2025 itself the Noticee made a comprehensive disclosure regarding the orders that were quashed.
11. It is stated that the reasons for not making appropriate disclosures within the prescribed timelines under Regulation 30 (6) of LODR Regulations were also sufficiently explained to the stock exchanges.

#### **RESPONSES TO THE ALLEGATIONS**

- I. **Alleged violation of Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of the LODR**
12. The SCN alleges that the Company failed to make disclosures with regard to action taken by PHED, Government of Rajasthan, within the prescribed timelines.
13. **Company's Response**
  - (a) The Company acknowledges that there was a delay in disclosing Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III of the LODR Regulations.
  - (b) However, we respectfully submit that the non-disclosure was not intentional but occurred due to the following reasons:



- (c) *It is respectfully submitted that the LODR Regulations themselves provide for a disclosure beyond the specified timelines, provided the same is accompanied by an explanation for such delay. In this regard, your good office needs to consider the **Circular dated 25.02.2025 regarding Industry Standards on Regulation 30 of LODR Regulations (ISF Circular)**.*
- (d) *Clause 10.2 of the said Circular provides for reasonable delay inter alia for the time taken in prima facie assessment and ascertaining further course of action with respect to the order and communications from the concerned government authority. In the present case, it is the Noticee's humble submission that it did not anticipate several adverse orders from PHED, without providing an opportunity for a hearing so that the Company could defend itself.*
- (e) *It is submitted that given the stellar reputation of the Company, the factum of these orders caused a great deal of concern and required proper concentration of all efforts towards approaching the appropriate court, to have the illegal orders quashed.*
- (f) *The orders passed by PHED were issued without following due process of law, as no prior notice or opportunity of hearing was provided to the Company, which is mandatory under the enlistment rules.*
- (g) *The Company, considering these orders to be procedurally improper and legally untenable, immediately approached the Hon'ble Rajasthan High Court seeking legal remedy*
- (h) *The Hon'ble High Court granted a stay on these orders on July 03, 2024, effectively suspending their operation. The Company viewed these orders as ineffective from the date of the stay*
- (i) *The Company was under the bona fide belief that disclosures regarding legally defective orders that had been stayed by a competent court would not serve any material informational purpose and might instead create unnecessary market confusion.*
- (j) *It is pertinent to note that once the Company was made aware of the requirement to disclose these orders despite the stay, it promptly made a comprehensive disclosure on January 01, 2025, providing complete details of the orders, the stay order, and the Final quashing order*

**II. Alleged violation of Regulation 30(3) read with 30(4)(1)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of the LODR**

14. *The SCN alleges that the Company failed to make disclosures about the pendency of Litigation upon becoming a party to the litigation in respect of the aforesaid orders and outcome thereof.*
15. **Company's Response**
- (a) *The Company acknowledges that there was a delay in disclosing Regulation 30(3) read with 30(4)(i)(c) and Part A Para 5 Sub-Para 8 of Schedule III of the LODR Regulations.*
- (b) *The litigation was initiated by the Company as a direct consequence of the orders passed by PHED. As the Company had not made the initial disclosure regarding the PHED orders (for reasons explained above), it did not make subsequent disclosures regarding the litigation.*
- (c) *The Company was under the bona fide belief that once the orders were stayed by the Hon'ble High Court, effectively suspending their operation, there was no material impact on the Company's operations or financials that warranted immediate disclosure.*
- (d) *The Company did not intentionally withhold any information from its stakeholders. The non-disclosure was due to a misconception regarding the disclosure requirements in cases where orders passed by authorities are stayed/quashed by courts.*
- (e) *Upon realising the disclosure requirement, the Company made a comprehensive disclosure on January 01, 2025, providing all relevant details about the litigation and its outcomes.*

**STEPS TAKEN TO STRENGTHEN COMPLIANCE**

16. *To ensure that such instances do not recur in the future, the Company has undertaken the following measures*



- (a) **Enhanced Awareness to Regulations:** The awareness intended to provide greater clarity on the criteria for determining materiality, ensuring strict adherence to prescribed disclosure timelines, and minimizing the risk of non-compliance. To support this objective, discussions with special focus on regulation 30 of LODR with each departmental head through the circular, drafted in a manner, outlining specific guidelines for the identification of material events, particularly those that may have a potentially adverse impact, drafted in a common parlance which is easily understood.
- (b) **Revised Disclosure Circulars:** The Company has circulated a revised circular to all Department Heads, Directors, Key Managerial Personnel, and other concerned individuals to raise awareness regarding the disclosure requirements under the SEBI (LODR) Regulations. This initiative aims to ensure clarity on the process of materiality determination, adherence to timely disclosures, and to avoid any lapses in compliance.
- (c) **External Legal Consultation:** The Company has engaged external legal consultants to guide on complex compliance matters, including the disclosure requirements when litigation is involved.

#### MITIGATING FACTORS

17. We respectfully request the Adjudicating Officer to consider the following mitigating factors while deciding this matter:
- (a) **Absence of mala fide intention:** The non-disclosure was not intentional or with any mala fide intention. It occurred due to the Company's genuine belief regarding disclosure requirements in cases where orders passed by authorities are subsequently stayed/quashed by courts.
- (b) **No history of non-compliance:** The Company has a good track record of compliance with SEBI regulations and has not been found non-compliant with disclosure requirements in the past.
- (c) **No investor complaints:** There have been no investor complaints regarding the non-disclosure of the PHED orders or the subsequent litigation.
- (d) **No adverse impact on investors:** The non-disclosure did not have any material adverse impact on investors as:
- (e) The orders were stated within a short period (by July 03, 2024)
- (f) The orders were eventually quashed by the Hon'ble High Court on December 13, 2004
- (g) The Company's business operations continued unhindered during this period
- (h) **Subsequent compliance:** Once the Company became aware of the disclosure requirement, it made a comprehensive disclosure providing all relevant details.
18. It is respectfully submitted that the imposition of any penalty whatsoever is unjustified in the green scope of facts and that the contentions furthered on behalf of the Noticee in the present response require the unbiased and serious consideration of the Ld. AO.
19. It is humbly submitted that the imposition of penalty would be completely contrary to the canons of securities laws and jurisprudence. In this regard, reliance is placed on the decision of the Hon'ble Supreme Court in **SEBI v. Bhavesh Pabari (supra)**. The relevant paragraph thereof is reproduced herein for the sake of convenience:

8. This will require us to consider the first question referred. Having dealt with the submissions by the rival parties, (both parties have actually canvassed for a wider and more expansive interpretation of Section 15J), **we are inclined to take the view that the provisions of clauses (a) (b) and (c) of Section 15J are illustrative in nature and have to be taken into account whenever such circumstances exist. But this is not to say that there can be no other circumstance(s) beyond those enumerated in clauses (a), (b) and (c) of Section 15J that the Adjudicating Officer is precluded in law from considering while deciding on the quantum of penalty to be imposed.**

11. Therefore, to understand the conditions stipulated in clauses (a), (b) and (c) of Section 15J to be exhaustive and admitting of no exception or vesting any discretion in the Adjudicating Officer would be virtually to admit) concede that in adjudications involving penalties under Sections 15A, 15B and 15C, Section 1J) will have no application. Such a result could not have been intended



try the legislature. We, therefore, hold and take the view that conditions stipulated in clauses (a), (b) and (c) of Section 15J are not exhaustive and in the given facts of a case, there can be circumstances beyond those enumerated by clauses (a), (b) and (c) of Section 15J which can be taken note of by the Adjudicating Officer while determining the quantum of penalty."

20. It is humbly submitted that the discretion granted by the Parliament for the imposition of penalty under the SEBI Act 1992 only means that there has to be a reasonable exercise of it, rather than mechanically imposing the penalty regardless of the circumstances. Accordingly, the Hon'ble Supreme Court's ruling in **SEBI v. Bhavesh Pabari (supra)** squarely applies to the present case. Since the law is settled that the power to impose penalty also includes the power not to impose penalty in light of the mitigating factors.
21. Noticee has not taken the present regulatory proceedings in a nonchalant manner. Noticee is not guilty of conduct which is contumacious or dishonest or acted in conscious disregard of law. The actions of Noticee are not in any manner detrimental to the securities market and Noticee has conducted all his operations with integrity and in the best interest of its shareholders.
22. Noticee has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, no loss has been caused to any investor or group of investors as a result of the alleged default.
23. Noticee craves leave to refer to and rely upon the ratio laid down in the judgement of the Hon'ble Securities Appellate Tribunal in **P. G. Electroplast Ltd. & Ors. vs SEBI (Appeal no. 281 of 2017)**, wherein it is held that-

"Penalty can be imposed for failure to carry out a statutory obligation under the SEBI's Act Factors contemplated under Section 15J are required to be taken into consideration before imposing a penalty. If it is found that a party has not acted deliberately, then the authority has a discretion, to be exercised judicially, whether in a given case, after taking into consideration of all the relevant circumstances, as to whether a penalty should be imposed or not. Even if a minimum penalty is prescribed, the authority, after considering the circumstances of the case and other factors enumerated in Section 15J would be justified in refusing to impose a penalty when there is a technical or venial breach of the provisions of the Act. The above was precisely held by the Supreme Court in *M/s. Hindustan Steel Ltd vs. State of Orissa, 1969(2) SCC 627*."

24. It is respectfully submitted that the alleged violation has not resulted in any harm or loss caused to the securities marker. No such allegation sits in the SCN as well The Hon'ble Supreme Court in **Hindustan Steel Limited v. State of Orissa [1969 (2) SCC 627]** held that a penalty should not be imposed for the sake of it and should be utilised to achieve a specific purpose, rather than as an end in itself. Thus, the Ld. AO must not impose penalty upon the Noticee merely because the Parliament has empowered him to do so. The power to impose penalty also includes the power not to impose one. The relevant extract is as under

25. "8. Under the Act penalty may be imposed for failure to register as a dealer Section 9(1) read with Section 25(1)(a) of the Act. But the liability to pay a penalty does not arise merely upon proof of default in registering as a dealer. An order imposing a penalty for failure to carry out a statutory obligation is the result of a quasi-criminal proceeding, and a penalty will not ordinarily be imposed under the party obliged, ether and deliberately in defiance of law or was guilty of conduct contumacious or dishonest, acted in concise disregard of its obligation Penalty will not be imposed merely because it is lawful to do so. Whether a penalty should be imposed for failure to perform a statutory obligation to a matter of discretion of the authority to be exercised judicially and on a consideration of all the relevant circumstances. Even if a minimum penalty prescribed, the authority competent to impose the penalty will be justified in refusing to impose penalty, where there is a technical or venial breach of the provisions of the Act or where the breach flows from a bona fide belief that the offender is not liable to be act in the manner prescribed by the statute."

#### CONCLUSION

25. In light of the above, it is evident that the SCN and the allegations made out therein are without equitable considerations. It is submitted that the allegations against the Noticee are not sustainable and thus, no order/ directio ought to be passed issued and a penalty ought to be imposed against the Noticee.



26. *The submissions made and the case laws cited reaffirm that the Noticee have always acted within the letter and spirit of the applicable laws and regulations. In any event, applying the principles of penalty under Section 15) of the SEBI Act, it is clear that (i) the Noticee have not made any gains or avoided loss, (ii) the SCN does not allege any loss suffered by anyone, and (iii) there is no question of any repetitive nature of any default, whether as alleged or otherwise. Thus, the charges levied vide the SCN be disposed of entirely.*
27. *The Noticee seeks leave to submit such further explanations, clarifications, documents and expert opinions as may be considered necessary or appropriate in connection with the SCN and add to or amend this explanation/ reply and make such further legal submissions before the disposal of this matter. The Noticees are also desirable to avail an opportunity of personal hearing.*

...”

8. On the re-scheduled date of hearing viz., May 14, 2025, the Noticee availed the opportunity of hearing by appearing in person. During the hearing, the Noticee relied upon and reiterated the submissions made by Noticee vide its letter/email dated May 08, 2025. Further, the Noticee sought time till May 19, 2025 to make additional submissions as final and complete submissions in the matter, which was allowed. Noticee vide letter dated May 19, 2025 made additional submissions as final and complete submissions in the matter.

Key submissions in Noticee’s reply dated May 19, 2025 are as under:

“ ...

1. *The present Written Submissions are being filed by the Noticee in continuation to the Reply dated May 08, 2025 and the same be read as part and parcel of the Noticee's Reply dated May 08, 2025.*

*No material impact on the price of the Noticee’s securities after disclosure*

2. *It is respectfully submitted that the delayed disclosure of the 7 PHED orders and the resulting litigation had no material impact on the Noticee's securities, as evidenced by the subsequent market behavior. When the Noticee submitted a comprehensive disclosure on January 1, 2025 to the stock exchange detailing all 7 PHED Orders, the July 3, 2024 stay order, and the December 13, 2024 final judgment issued by the Hon'ble Rajasthan High Court, the Noticee's securities did not witness any significant price fluctuation that would typically characterize market reaction to material information.*
3. *In fact, the price of the Noticees securities in the seven-day trading period following the January 1, 2025 disclosure reveals that the previously undisclosed information regarding the 7 PHED orders and the consequent litigation lacked the materiality threshold necessary to influence investment decisions or affect security valuation. The price volume data of the Noticee from January 01, 2025 to January 08, 2025 extracted from website of BSE is produced below:*



Date	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
01-Jan-25	296	297.2	292.8	295.1	34,181	690	1,00,80,594
02-Jan-25	302.4	307.05	297.6	303.8	99,611	1,980	3,01,07,609
03-Jan-25	304	308.65	298.05	300.25	49,469	1,110	1,50,49,051
06-Jan-25	306.6	306.6	279.3	281.4	87,432	1,854	2,51,11,748
07-Jan-25	283.35	290.05	282.8	288.55	98,755	1,903	2,83,56,978
08-Jan-25	291.2	291.2	278.2	279.35	98,866	2,566	2,78,50,468

4. Furthermore, during the personal hearing, it was suggested to the Noticee that the 7 PHED Orders had allegedly caused the Noticee's entire business operations to come to a standstill. In response, the Noticee respectfully submits that this assertion is inaccurate, as despite the issuance of the 7 PHED Orders, the Noticee has actively continued submitting bids for projects with other authorities and has successfully secured work from alternative departments. Details of bidding made by the Noticee after the passing of the 7 PHED Orders are hereto annexed and marked as **Annexure -- A**.

5. Without prejudice, should the Learned AO nevertheless determine that a monetary penalty must be imposed, it is respectfully submitted that such penalty should be quantified at the minimum statutory threshold prescribed by law. This measured approach would appropriately acknowledge the regulatory imperative for nominal deterrence while simultaneously recognizing the absence of any factors that would warrant more severe financial consequences. The foundational principles of proportionality and equitable administration of justice dictate that any penalty imposed should serve solely as a symbolic reinforcement of regulatory compliance expectations rather than functioning as a punitive measure driven by a retributive mindset. This distinction is particularly salient in the present circumstances, where the alleged infractions, when properly contextualized within the complete factual matrix and relevant legal precedents manifestly lack the elements of willfulness or material harm that would otherwise justify penalization beyond the statutory minimum. In this regard, Noticee craves leave to refer to and rely upon the following orders:

1. **Adjudication Order dated January 31, 2025 bearing No. Order/BS/LS/2024- 25/31175 in respect of Charms Industries Limited.**

14.

...

(g) In view of the above reply submitted by Noticee, I find that the Noticee had delayed in disclosing the material information to the stock exchanges in two instances. In the first instance, the Noticee did not disclose the Order of RBI revoking the license of FFMC of the Noticee. In this regard, the Noticee stated that it could not make an application for renewal of the license of FFMC, within the stipulated time, due to outbreak of Corona virus (COVID) as the pandemic caused significant disturbance and slowdown of business activities. Thereafter, pursuant to receipt of administrative warning from stock exchange, the Noticee made the relevant disclosure vide announcement dated November 10, 2023. In the second instance, the Noticee had made a delayed disclosure (delay of two days) in respect of the rejection of the application for fresh FFMC license by RBI. In this regard, the Noticee, in response to the said violation enumerated in the SCN, has accepted that it has made delayed disclosures as required under Regulation 30 of SEBI (LODR) Regulations and the said delay was unintentional.

I note that the material available on record to quantify the amount of disproportionate gain or unfair advantage, if any, made by the Noticee and the loss, if any, suffered by the investors as a result of failure on the part of the Noticee. I also note that no prior default



of the Noticee is available on record. Considering the same, I am inclined to take lenient view with regarding to the penalty attracted in respect of the aforesaid violation by the Noticee.

**Order**

20. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, 1992 and in exercise of the powers conferred upon me under Section 15-1 of the SEBI Act, 1992 read with Rule 5 of the Rules, I hereby impose a monetary penalty on the Noticee as given in the table below:

ii. **Adjudication Order dated May 31, 2023 bearing No. Order/VV/AS/2023- 24/26950-26951 in the matter of Suumaya Industries Limited & Suumaya Corporation Limited.**

Noticees contended that arrest of Ushik Gala and Dhvani Dattani were privy to him and it is not possible to make disclosure without providing detailed explanation on events surrounding the such event of arrest. Further, Noticees contended that arrest has been made in commercial dispute and was in civil matter. In this regard, I note that LODR Regulation clearly prescribe that in the event of the arrest of key managerial personnel or promoter, the listed entity shall make a disclosure to the respective stock exchange(s). (refer Clause A (6) of Part A of the Schedule III of the LODR Regulation). Thus, no discretion has been provided to management of the company to not to disclose the said information. I note that 30(2) of LODR Regulation is creating deemed provision i.e. it creates a conclusive presumption as to the meaning of a particular word or expression. Thus, such contention of the Noticees cannot be accepted.

13. In view of above facts and circumstances, I find that Noticees have made delayed disclosure of arrest of their CMD & promoter Ushik Gala, and thereby, Noticees have violated the provisions of clause A (6) of Part A of Schedule III of LODR Regulation 2015 as mentioned under Reg. 30(2) r/w 30(6) of LODR Regulation. Further, SIL has made delayed disclosure w.r.t to arrest of CFO which is in violation of provision of clause A (6) of Part A of Schedule III of LODR Regulation under Reg 30(2) r/w 30(6) of the LODR Regulation.

19.1 note that Noticees have referred certain instances wherein SEBI has let off certain companies with administrative warnings for their alleged disclosure violation. In this regard, I note that in the instance case there is repeated defiance of the regulatory mandate of timely disclosure requirement as provided under 30(2) r/w 30(6) of LODR Regulation (Refer table no. 3 of the present order). I also note from the preceding paras that Noticees are liable for the violation of 30(2) r/w 30(6) under 15A(b) of the SEBI Act. Thus, Noticee has been liable for the monetary penalty as mentioned under 15A(b) of the SEBI Act. I also note that from the perusal of the 15A(b), I cannot find any mention of the warning under section 15A(b) of the SEBI Act. Thus, such contention of the Noticees cannot be acceptable.

21. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under section 15-1 of the SEBI Act read with rule 5 of the SEBI Adjudication Rules, I hereby impose the following penalty on Noticees:

Penalty	Charging Provisions	Violation established	Penalty Amount
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Noticee 1	15A(b) of SEBI Act	30(2) of LODR Regulation r/w 30(6) of LODR Regulation	1,00,000 (Rupees One Lakhs only)
Noticee 2			1,00,000 (Rupees Lakhs only)

2. *In view of the aforesaid, it is humbly submitted that the allegations against the Noticee are not sustainable and thus no order/direction ought to be passed and/or penalty be imposed against the Noticee.*

...”

9. Pursuant to transfer of erstwhile AO, vide order dated September 11, 2025, the undersigned was appointed as the AO in the matter. Having regard to the principles of natural justice, vide email dated February 6, 2026, an opportunity to file additional submissions was provided to the Noticee. Further, Noticee was advised to indicate if he desire to avail opportunity of personal hearing in the matter. Vide email dated February 13, 2026, Noticee confirmed that they do not wish to avail any further opportunity for personal hearing or for filing additional submissions and requested to decide the matter on the basis of their previous submissions.

#### **D. CONSIDERATION OF ISSUES AND FINDINGS**

10. The issues that arise for consideration in the instant matter are as following:

**Issue No. I: Whether the Noticee had violated the provisions of SEBI LODR Regulations, 2015 as alleged?**

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

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



11. I now proceed to deal with the matter on merits as regards the alleged violations in respect of the Noticee.

**Issue No. I: Whether the Noticee had violated the provisions of SEBI LODR Regulations, 2015 as alleged?**

**11.1. Noticee has failed to make disclosures with regard to action taken by Public Health Engineering Department, Government of Rajasthan vide Orders dated June 22, 2024 (3 in Nos.) and June 24, 2024 (4 in Nos.), within prescribed timelines. The disclosures are made on January 01, 2025 with a delay of more than 6 months.**

11.1.1. In this regard, it was inter alia observed and alleged by SEBI that Company has been updating on all platforms latest events, but only positive events such as getting work order from PWD Goa updated on June 24, 2024 and from UP Jal Nigam updated on June 25, 2024. However, it was observed that negative i.e. debarment orders against the Company were not reported by the Company.

11.1.2. In this regard, comments of Exchange were sought on non-compliance with the provisions of the SEBI (LODR) Regulations, 2015 (“LODR Regulations”). Exchange sought comments from the Company. The comments of the Company and Exchange are summarized as under:

11.1.3. Exchange inter alia submitted that matter pertains to giving disclosure about positive event such as receipt of orders from various government bodies and not providing negative news related to debarment of Company from bidding in tenders of Rajasthan Government.

11.1.4. In this regard, Exchange had sought comments from the Company. The Company vide its letter dated December 20, 2024, December 23, 2024 and December 27, 2024 submitted its comments to Exchange.

**Summary of Company Response:**



“This Office Order dated 22.06.2024 has been passed without giving any notice or opportunity of hearing to the Company which is mandatory under the enlistment rules. Upon receipt of this illegal Office Order dated 22.06.2024, Company has reasonably taken the legal remedy by approaching Hon’ble Rajasthan High Court Jodhpur and the Court has stayed the effect and operation of the aforesaid Order vide Hon’ble Court Order dated 03.07.2024. Therefore; by the Court Order dated 03.07.2024, this Orders became ineffective. And after detailed hearing, this Order has been quashed by Hon’ble Court in its Final Order dated 13.12.2024”

On further clarification on the materiality of the matter the Company stated that the “orders passed were material and we understand the importance of regulatory compliances, but the non-communication was purely unintentional. We will also inform to both the stock exchanges simultaneously the entire sequence of events with gist along with the Hon’ble Court order dated 13.12.2024.”

11.1.5. Exchange has further submitted that on further investigation with the Company and verification of the High Court order dated December 13, 2024, it was found that there were in total 7 (seven) orders issued against the Company as tabulated below, which were quashed by the High Court vide order dated December 13, 2024:

Table:A

Sr. no	Name of Department by order passed	Date of Order	Penalty amount/ Action mentioned in order
1	Chief Engineer Project PHED Jodhpur	24.06.2024	Debarring in future bidding for 6 months under his jurisdiction & forfeiture of Bid security of Rs 6.5222 Cr
2	Addl CE Project PHED Ajmer	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 7.4854 Cr
3	Addl CE Project PHED Ajmer	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.6232 Cr
4	Addl CE Project PHED Udaipur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 7.4254 Cr
5	Addl CE PHED Region Kota	24.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.645 Cr
6	Addl CE Project PHED Bharatpur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.104 Cr
7	Addl CE Project PHED Bharatpur	22.06.2024	Debarring in future bidding for 6 months & forfeiture of Bid security of Rs 4.646 Cr

11.1.6. The Company vide its letter dated January 01, 2025 addressed to Exchange, has *inter-alia* provided the details of these orders and also confirmed that these events were material in terms of Regulation 30 of LODR Regulations, however no disclosures were submitted by the Company in this regard, within the prescribed timelines of 24 hours.

11.1.7. While, Company in its response to Exchange had stated that the said orders were breaching the materiality thresholds under Regulation 30, the materiality calculation as provided by Exchange is placed below:



Table: B

Quantitative Materiality thresholds as per SEBI LODR Regulations (Regulation 30(4)(i)(c): (Lowest of the below) ~4.29 Cr.	
CRITERIA	AMOUNT (in crs.)
2% of turnover, as per latest audited consolidated financials 2024	29.653
2% of networth as per latest audited consolidated financials, except in case the arithmetic value of networth is negative	36.053
5% of the average of absolute value of profit or loss after tax, as per last 3 audited consolidated financial statements	4.29

- 11.1.8. Exchange has further confirmed that pursuant to intervention from SEBI/Exchange, the detailed announcement under sub-para 20 of Para A and sub-para 8 of Para B Part A Schedule III of SEBI LODR was submitted by the Company on January 01, 2025.
- 11.1.9. In view of the above, Exchange had confirmed that Company was in non-compliance under Regulation 30 read with sub-para 20 of Para A Part A Schedule III of SEBI LODR (delay of approx. 6 months for all seven orders) and sub-para 8 of Para B Part A Schedule III of SEBI LODR (delay of approx. more than 5 months for stay order and approx. 20 days for High Court quash order).
- 11.1.10. In this regard, on perusal of comments of the Exchange and Company, SEBI inter alia observed the following:
- 11.1.10.1. The Company had submitted false information regarding bidding capacity, which is violation of code of integrity as per Rule 80 of RTPP Rules, 2013 and therefore Company was found liable for action under Rule 82 of the RTPP Rules, 2013. (Rajasthan Transparency in Public Procurement Rules, 2013)
- 11.1.10.2. PHED having jurisdiction in Jodhpur, Ajmer, Kota, Udaipur and Bharatpur have passed seven orders debarring the Company for a period of six months in future tender process and forfeit the bid security submitted with respective authorities in seven projects totalling to approx Rs. 39.45 Crores as brought out by Exchange at Table A above.
- 11.1.10.3. Company has agreed and inter-alia submitted to Exchange that these orders were material however; Company has not made disclosure under Regulation 30 of the LODR within prescribed



timelines of 24 hours. Accordingly, it was observed by SEBI that Company has violated Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III of the LODR.

11.1.10.4. Accordingly, while it was submitted by the Company that these orders were material, it was also submitted by Exchange that amount directed to be forfeited in these orders has exceeded the materiality thresholds as provided under Regulation 30(4)(i)(c) of the LODR. Accordingly, it was observed that Company had failed to make disclosure with regard to pending litigation i.e. upon becoming party of the litigation in respect of aforesaid orders and outcome thereof i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024 within 24 hours as required under Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III the LODR.

11.1.10.5. It was only after comments were sought by Exchange, Company on January 01, 2025 had made disclosure under Regulation 30 containing the details of these orders.

11.1.11. In view of the above, it was observed by SEBI that the Company has violated Regulation 30 read with sub-para 20 of Para A Part A Schedule III of SEBI LODR (delay of more than 6 months for all seven orders by PHED, Rajasthan) and sub-para 8 of Para B Part A Schedule III of SEBI LODR (delay of approx. more than 5 months for stay order July 03, 2024 and approx. 19 days for High Court quash order dated December 13, 2024).

11.1.12. In this regard, it is pertinent to note that during the period starting from June 22, 2024 i.e. date of first out of seven orders till January 01, 2025, it was observed that Company has continued giving corporate announcements (CA) to Exchange with regard to positive events, few instances of which are listed below:

Date of CA	Brief Details of CA
July 24, 2024	Press release dated July 24, 2024, titled "VPRPL Awarded Contract by North Western Railway"



August 09, 2024	Press release dated August 09, 2024, titled "VPRPL Awarded Contract by WDFC FIELD UNIT-JAIPUR-CIVIL"
October 10, 2024	Press release dated October 10, 2024, titled "VPRPL Awarded Contract by North Western Railway, Jaipur"
December 09, 2024	Press release dated December 09, 2024, titled "VPRPL Awarded Contract by North Western Railway Ajmer Division"
December 31, 2024	Press release dated December 31, 2024, titled "VPRPL Awarded Contract by Hissar Builders"

11.1.13. In view of the above, it was observed that while Company has continued giving disclosures regarding positive events such as award of contract to the Company by various authorities, it has failed to provide timely information regarding the issuance of orders of debarment and forfeiture of bid security amount by State Government Authorities of Rajasthan and details pertaining to pending litigation and outcome in this connection, which were material under Regulation 30 of the LODR, occurred in the same period.

11.1.14. Accordingly, it was observed by SEBI that Company has also violated Regulation 4(1)(d) of the LODR, which requires listed entity to provide adequate and timely information to recognized stock exchanges and investors. Therefore, it was alleged by SEBI that Noticee has violated Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of the LODR

11.1.15. In this regard the relevant text of the provisions of law allegedly violated are given below:

***Disclosure of events or information.***

**30. (1)**

*(2) 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.*

**SCHEDULE III**

**PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES**

*[See Regulation 30]*

*The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):*

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

...



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) [\*\*\*] taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken[\*\*\*] 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.

<sup>617</sup>[Explanation – Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:

(i) disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours.

(ii) disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.]

...”

## **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **Principles governing disclosures and obligations.**

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

(d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.

11.1.16. I note that Noticee’s submissions are in nature of admission in so far as Noticee has submitted that “*The Company acknowledges that there was*



a delay in disclosing Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III of the LODR Regulations”.

11.1.17. I note that Noticee as part of reply to the SCN has inter alia contended the following:

*“...the non-disclosure was not intentional but occurred due to the following reasons:*

*It is respectfully submitted that the LODR Regulations themselves provide for a disclosure beyond the specified timelines, provided the same is accompanied by an explanation for such delay. In this regard, your good office needs to consider the **Circular dated 25.02.2025 regarding Industry Standards on Regulation 30 of LODR Regulations (ISF Circular).***

*Clause 10.2 of the said Circular provides for reasonable delay inter alia for the time taken in prima facie assessment and ascertaining further course of action with respect to the order and communications from the concerned government authority. In the present case, it is the Noticee's humble submission that it did not anticipate several adverse orders from PHED, without providing an opportunity for a hearing so that the Company could defend itself...*

*The orders passed by PHED were issued without following due process of law, as no prior notice or opportunity of hearing was provided to the Company, which is mandatory under the enlistment rules.*

*The Company, considering these orders to be procedurally improper and legally untenable, immediately approached the Hon'ble Rajasthan High Court seeking legal remedy*

*The Hon'ble High Court granted a stay on these orders on July 03, 2024, effectively suspending their operation. The Company viewed these orders as ineffective from the date of the stay*

*The Company was under the bona fide belief that disclosures regarding legally defective orders that had been stayed by a*



*competent court would not serve any material informational purpose and might instead create unnecessary market confusion...*

11.1.18. I note that the mandate of law is unambiguous as the Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III of the LODR Regulations clearly require disclosure of any action taken or orders passed by any regulatory, statutory, enforcement authority or judicial body inter alia against the listed entity irrespective of whether it is later stayed or contested. Further, I note that Regulation 30(2) of LODR Regulation creates a deemed provision i.e. it creates a conclusive presumption as to the meaning of a particular word or expression.

11.1.19. In this regard, the obligation to disclose by the Noticee is triggered on receipt of the order and not upon final judgement passed by the Hon'ble Rajasthan High Court. Further, the existence of a court stay does not nullify the duty to disclose especially when the action has already been initiated and may have material bearing on investor's decisions. I note that the company's belief regarding materiality on the stay of orders and potential confusion cannot override the express regulatory provisions.

Therefore, Noticee's submission in this regard are not acceptable.

11.1.20. I Note that Noticee as part of reply to the SCN has inter alia submitted that *"the delayed disclosure of the 7 PHED orders and the resulting litigation had no material impact on the Noticee's securities...the Noticee's securities did not witness any significant price fluctuation that would typically characterize market reaction to material information...In fact, the price of the Noticee's securities in the seven-day trading following the January 1, 2025 disclosure reveals that the previously undisclosed information regarding the 7 PHED orders and the consequent litigation lacked the materiality threshold necessary to influence investment decisions or effect security valuation..."*. In this regard I note that these events must be disclosed irrespective of any actual or anticipated share price movements. Further, I note that the fact that share price was



unaffected significantly is post event observation and cannot justify pre-event non-compliance of alleged provisions of law. The same at most can be considered as mitigating factor.

Therefore, Noticee's submission in this regard are not acceptable.

11.1.21. I note that Regulation 4(2) of SEBI (LODR) Regulations, 2015, puts mandate on the listed entity that a listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors. In this regard, I note from material available on record Noticee has failed to make disclosures with regard to action taken by Public Health Engineering Department, Government of Rajasthan vide Orders dated June 22, 2024 (3 in numbers) and June 24, 2024 (4 in numbers), within prescribed timelines. The disclosures were made on January 01, 2025 with a delay of more than 6 months.

**In view thereof, I hold that Noticee has violated Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of LODR Regulations.**

**11.2. Noticee has failed to make disclosures with regard to pendency of litigation upon becoming party of the litigation in respect of aforesaid orders and outcome thereof i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024 within prescribed timelines. The disclosures were made on January 01, 2025 with a delay of more than 5 months and 19 days respectively.**

11.2.1. In this regard it was inter alia observed and alleged that Company has failed to make disclosure with regard to pending litigation i.e. upon becoming party of the litigation in respect of aforesaid orders and outcome thereof i.e. Stay Order by Hon'ble High Court, Jodhpur dated July 03, 2024 and Final Order by Hon'ble High Court, Jodhpur dated December 13, 2024



within 24 hours as required under Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III LODR. It is only after comments were sought by Exchange, Company on January 01, 2025 has made disclosure under Regulation 30 containing the details of these orders.

11.2.2. In view of the above, it was observed by SEBI that the Company had inter alia violated sub-para 8 of Para B Part A Schedule III of SEBI LODR (delay of approx. more than 5 months for stay order July 03, 2024 and approx. 19 days for High Court quash order dated December 13, 2024). Therefore, it was inter alia alleged by SEBI that Noticee has violated Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of the LODR

11.2.3. In this regard the relevant text of provisions of law allegedly violated are given below:

#### **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

##### ***Principles governing disclosures and obligations.***

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

*(d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.*

##### ***Disclosure of events or information.***

**30. (1)** ..

*(2)..*

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

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

<sup>258</sup>*[(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:*

*(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;*

*(2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;*

*(3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;]*



SCHEDULE III

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

[See Regulation 30]

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. ...

**B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

...

8.<sup>641</sup>[Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.]

11.2.4. In this regard, firstly, I note that Noticee's submissions are in nature of admission in so far as Noticee has submitted that "*there was a delay in disclosing Regulation 30(3) read with 30(4)(i)(c) and Part A Para 5 Sub-Para 8 of Schedule III of the LODR Regulations.... As the Company had not made the initial disclosure regarding the PHED orders..., it did not make subsequent disclosures regarding the litigation...*".

11.2.5. Further, I note that Noticee as part of reply to the SCN has contended the following:

"...

- (a) *The litigation was initiated by the Company as a direct consequence of the orders passed by PHED. As the Company had not made the initial disclosure regarding the PHED orders (for reasons explained above), it did not make subsequent disclosures regarding the litigation.*
- (b) *The Company was under the bona fide belief that once the orders were stayed by the Hon'ble High Court, effectively suspending their operation, there was no material impact on the Company's operations or financials that warranted immediate disclosure.*
- (c) *The Company did not intentionally withhold any information from its stakeholders. The non-disclosure was due to a misconception*



*regarding the disclosure requirements in cases where orders passed by authorities are stayed/quashed by courts.*

- (d) *Upon realising the disclosure requirement, the Company made a comprehensive disclosure on January 01, 2025, providing all relevant details about the litigation and its outcomes.*

*...”*

11.2.6. As regards, Noticee’s submission that Company did not intentionally withhold any information from its stakeholders, I find relevant to refer to the judgment of Apex Court in SEBI vs Shri Ram Mutual Fund (Appeal Civil 9523-9524 of 2003) dated May 23, 2006, wherein it held that “*in our opinion, mens rea is not an essential ingredient for contravention of the provisions of a civil act*”. I find that the aforesaid submission of the Noticee can’t be considered relevant for determining whether the Noticee has violated the aforesaid alleged provisions of law.

11.2.7. I note that Regulation 30 (3) mandates that listed entities disclose events specified at Part A of Schedule III, and Regulation 30(4) read with Part B of Schedule III requires disclosures of certain events upon application of materiality guidelines. Clause 8 of part B clearly includes the following:

*“... ”*

*Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.*

*...”*

11.2.8. In this regard, Noticee was required to disclose the pendency of litigation as per the required extant applicable provision of law. Further, as already discussed in the forgoing, the existence of a court stay does not nullify the duty to disclose under the instant alleged provisions of law as the same may have material bearing on investor’s decisions. I also note that the company’s belief regarding materiality on the stay of orders cannot



override the express regulatory provisions. Further, I note that Noticee's eventual making of the disclosure on January 01, 2025 does not absolve the Noticee from the earlier failure to make disclosure as per the required extant applicable provision of law.

In view thereof, Noticee's submission in this regard are not acceptable.

**In view thereof, I hold that Noticee had violated Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of LODR.**

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

12. It has been established in the foregoing paragraphs that Noticee had violated the following provisions:

12.1. Regulation 30(2) read with Part A Para A Sub-Para 20 of Schedule III and Regulation 4(1)(d) of LODR.

12.2. Regulation 30(3) read with 30(4)(i)(c) and Part A Para B Sub-Para 8 of Schedule III and Regulation 4(1)(d) of LODR.

13. In this regard, it is also noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia 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 ...."*



14. Therefore, for the established violation, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 15A(b) of the SEBI Act, which reads as under:

**Securities and Exchange Board of India Act, 1992**

***Penalty for failure to furnish information, return, etc.***

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

“... ”

*(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations [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]];*

...”

*(Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.)*

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

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

**SEBI Act, 1992**

“... ”

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

*15J. While adjudging quantum of penalty under 15-I 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.*

...”

16. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or loss caused to an investor or group of investors as a result of the violation committed by the Noticee. Further,



there is nothing on record to show that the violation committed by the Noticee is repetitive in nature. However, I note that the Noticee was required to comply with the applicable provisions of securities laws, which it had failed to comply with, as dealt with and brought out in the foregoing and which SEBI is duty bound to enforce compliance of. Such non-compliance accordingly needs to be dealt with suitable penalty.

### **C. ORDER**

17. 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 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose penalty of ₹2,00,000/- (Rupees Two Lakhs Only) under Section 15A(b) of the SEBI Act, 1992, upon the Noticee viz. Vishnu Prakash R Punglia Ltd. In my view, the said penalty will be commensurate with the violation committed by the Noticee in this case.
18. 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](http://www.sebi.gov.in) on the following path, by clicking on the payment link:

ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW

19. 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 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.



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

**PLACE: MUMBAI**  
**DATE: February 24, 2026**

**SUDEEP MISHRA**  
**ADJUDICATING OFFICER**