BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/HP/2020-21/11169-11172]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of –

1. **Alliance Infrastructure Project Pvt. Ltd. (PAN: AAFCA0404J)** having address at - Number 85, Karthik Nagar, Marathahalli, K R Puram, Outer Ring Road, Bangalore – 560037, Karnataka
2. **Ashna Realtors Pvt. Ltd. (PAN: AAHCA0375Q)** having address at - Aristo House, N.S. Phadke Road, near East - West flyover, Andheri (East), Mumbai – 400069
3. **RMG Developers Pvt. Ltd. (PAN: AADCR5316E)** having address at - Kh. No. 300, Gopi Ram Building, Sultanpur Village, New Delhi - 110030
4. **Tarendra Infrastructure Chennai Pvt. Ltd. (PAN: AACCT9883F)** having address at - No. 19, Bishop Wallers Avenue East, Mylapore, Chennai - 600028, Tamil Nadu

In the matter of delayed submission/non-submission of financial results for financial year ended March 31, 2019.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as, '**SEBI**'), initiated adjudication proceedings under section 15A(b) of SEBI Act, 1992 (hereinafter referred to as, '**SEBI Act**') against Alliance Infrastructure Project Pvt. Ltd. (**Noticee 1**), Ashna Realtors Pvt. Ltd. (**Noticee 2**), RMG Developers Pvt. Ltd.

(**Noticee 3**) and Tarendra Infrastructure Chennai Pvt. Ltd. (**Noticee 4**) for alleged violations of provisions of Regulation 52(1), 52(4) and 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as, '**LODR Regulations**'). Noticees 1 to 4 are collectively referred to as **'Noticees/You'**.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as '**AO**') *vide* order dated November 19, 2020 to inquire into and adjudge under Section 15A(b) of SEBI Act, the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated *vide* order dated November 21, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/HP/21244/2020 dated December 08, 2020 (hereinafter referred to as '**SCN**'), was issued to the Noticees in terms of Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**'), to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Section 15A(b) of SEBI Act for the aforesaid alleged violations.

4. The allegations levelled against the Noticees in the SCN are summarized as below:

5. SEBI received a letter dated September 19, 2019 from Vistra ITCL (India) Limited, a SEBI registered Debenture Trustee, stating that the Noticees have not complied with provisions of Regulation 52(4) and 52(5) of LODR Regulations, with respect to financial results for the FY ended March 31, 2019. It was observed that Noticees had issued NCDs on private placement basis.

6. BSE and NSE *vide* email dated September 23, 2019 were asked to provide the

compliance status of the Noticees with respect to financial results for the half year ended March 31, 2019 under Regulations 52(1), 52(4) and 52(5) of LODR Regulations. BSE provided its reply *vide* emails dated October 07, 2019, January 09, 2020, April 02, 2020, June 12, 2020 and August 31, 2020.

7. Further, Noticees were also asked to provide clarification on the observations of BSE, NSE and Vistra ITCL. However, no reply was received from the Noticees. Further, Vistra ITCL was asked to seek clarification from the Noticees in this regard. Vistra ITCL *vide* its email dated May 22, 2020 and May 29, 2020 *inter alia* forwarded the reply received from Noticee 1 and also submitted that despite of multiple follow-up and reminders, no replies were received from Noticees 2, 3 and 4.

Allegation of non- compliance by the Noticees:

Noticee 1

8. Noticee 1 *vide* its email dated May 22, 2020 to Vistra ITCL informed that it has filed the financial results for March 31, 2019 with BSE. Further, BSE *vide* its email dated June 12, 2020 informed that Noticee 1 has submitted its financial results for March 31, 2019 on February 19, 2020. The financial results for the half year ended March 31, 2019 were required to be filed by May 15, 2019 and the same were filed on February 19, 2020. Therefore, there was delay of 280 days in submission of financial results for the FY ended March 31, 2019. Further, BSE also informed that Noticee 1 has not complied with Regulation 52(4) and 52(5) of LODR Regulations. Therefore, it was alleged that Noticee 1 has not complied with Regulation 52(1), 52(4) and 52(5) of LODR Regulations.

Noticee 2

9. BSE and Vistra ITCL provided the compliance status of Noticee 2 with respect to submission of financial results for the year ended March 31, 2019. BSE *vide* email dated October 07, 2019 and August 31, 2020 and Vistra ITCL *vide* email dated May 29, 2020 informed that Noticee 2 has not submitted financial results for the year ended March 31, 2019. Further, BSE also informed that Noticee 2 has not complied with Regulation 52(4) and 52(5) of LODR Regulations. Therefore, it was alleged that Noticee 2 has not complied with Regulation 52(1), 52(4) and 52(5) of LODR Regulations.

Noticee 3

10. BSE and Vistra ITCL provided the compliance status of Noticee 3 with respect to submission of financial results for the year ended March 31, 2019. BSE *vide* email dated April 28, 2020 and August 31, 2020 and Vistra ITCL *vide* email dated May 29, 2020 informed that Noticee 3 has not submitted financial results for the year ended March 31, 2019. Further, BSE also informed that Noticee 3 has not complied with Regulation 52(4) and 52(5) of LODR Regulations. Therefore, it was alleged that Noticee 3 has not complied with Regulation 52(1), 52(4) and 52(5) of LODR Regulations.

Noticee 4

11. BSE and Vistra ITCL provided the compliance status of Noticee 4 with respect to submission of financial results for the year ended March 31, 2019. BSE *vide* email dated October 07, 2019 and August 31, 2020 and Vistra ITCL *vide* email dated May 22, 2020 informed that Noticee 4 not submitted financial results for the year ended March 31, 2019. Further, BSE also informed that Noticee 4 has not complied with Regulation 52(4) and 52(5) of LODR Regulations. Therefore, it was alleged

that Noticee 4 has not complied with Regulation 52(1), 52(4) and 52(5) of LODR Regulations.

12. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 15A(b) of SEBI Act.

13. SCN was served to Noticees 1 and 4 through Speed Post and all the 4 Noticees through their respective email addresses. The proof of delivery for service through Speed Post is available on record. The emails to all 4 Noticees did not bounce back and were delivered on email addresses obtained from the BSE where they are listed. In the interest of justice, an opportunity of personal hearing through video conferencing was provided to the Noticees on February 15 and 16, 2021 vide Hearing Notices dated February 03, 2021. The Hearing Notice was served upon all the Noticees through email. Noticees neither appeared on the scheduled date of personal hearing nor was any reply to the SCN received from the Noticees.

15. I note that, through the SCN and the hearing notices, the Noticees were advised to furnish their reply, if any, within stipulated time, failing which, it shall be presumed that the Noticees have no reply to submit and the matter will be proceeded with on the basis of the material available on record.

16. As SCN and Hearing Notice were duly served upon the Noticees, and sufficient opportunity was given to the Noticees to submit reply and appear for hearing and no response was received from them, the adjudication proceedings against the Noticees are undertaken ex-parte on the basis of material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

17. The issues that arise for consideration in the instant matter are:

Issue No. I Whether the Noticees have violated Regulation 52(1), 52(4) and 52(5) of LODR Regulations.

Issue No. II If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A(b) of the SEBI Act.

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

Issue No. I **Whether the Noticees have violated Regulation 52(1), 52(4) and 52(5) of LODR Regulations.**

18. Regulation 52(1) of the LODR Regulations states that ‘‘*The listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by the Board within forty five days from the end of the half year to the recognized stock exchange(s)”.*

19. In terms of the aforesaid Regulation, Noticees were required to prepare and submit financial results on a half yearly basis within 45 days from March 31, 2019 to the stock exchange along with line items under provisions of Regulation 52(4) and a certificate signed by debenture trustee that it has taken note of the contents under Regulation 52(5) of LODR Regulations. From the evidence on record at the time of issuance of the SCN, it was observed that Noticees 2, 3 and 4 have not submitted financial results for the half year ended March 31, 2019 within the stipulated time, and Noticee 1 has submitted the same on February 19, 2020 i.e. with the delay of 280 days. As per aforesaid provisions of Regulation 52(1) of LODR Regulations, Noticees were required to submit the same by May 15, 2019.

20. In terms of Regulation 52(4) of LODR Regulations, ''*The listed entity, while submitting half yearly / annual financial results, shall disclose the following line items along with the financial results''* and in terms of Regulation 52(5), ''*the listed entity shall, within seven working days from the date of submission of the information required under sub-regulation (4), submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents''.* I note from material available on record that Noticees have not complied with Regulation 52(4) and 52(5) of LODR Regulations.

21. In view of the above, I find that that the allegation of violation of provisions of Regulation 52(1), 52(4) and 52(5) of LODR Regulations is established against the Noticees.

Issue No. II	**If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A(b) of the SEBI Act.**
	and
Issue No. III	**If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?**

22. As it has been established that the Noticees violated the provisions of Regulation 52(1), 52(4) and 52(5) of LODR Regulations, Noticees are liable for monetary penalty under Section 15A(b) of SEBI Act.

23. The text of Section 15A(b) of SEBI Act is as below:

SEBI Act

Penalty for failure to furnish information, return, etc.

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

(b) to file any return or furnish any information, books or other documents within the time specified there for in the regulations, fails to file return or furnish the same within the time specified there for 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;

24. While determining the quantum of penalty under Section 15A(b) of the SEBI Act the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:

Factors to be taken into account by the adjudicating officer

15J. *While adjudging quantum of penalty under Section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

25. I note that the material does not bring out any quantifiable figures to assess the disproportionate gain or unfair advantage made as a result of default by the Noticees or the exact monetary loss to the investors/clients on account of default by the Noticee. There is no material on record indicating prior violations by the Noticees. However, I note that timely disclosure of financial results and other necessary information is essential for investors to be adequately informed regarding the status of investments in terms of performance of the company, its repayment capability, credit rating, timely payment of interest etc. Non submission

of such disclosures in a timely manner is detrimental to the interest of investors and debenture holders and vitiates confidence in the securities markets.

26. In view of the above, I find that a penalty of Rs.1,00,000/- (Rupees One lakh only) each on Noticees 1 to 4 under Section 15A(b) of SEBI Act will be commensurate with the violations committed by them.

ORDER

27. After taking into consideration all the facts and circumstances of the case, in exercise of the powers conferred upon me under Section 15-I(2) of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty on the Noticees:

Name of the Noticee	Penalty Amount	Under the provisions of
Alliance Infrastructure Project Pvt. Ltd. (Noticee 1)	Rs.1,00,000/- (Rupees One lakh only)	Section 15A(b) of SEBI Act for the violation of the provisions of Regulation 52(1), 52(4) and 52(5) of LODR Regulations
Ashna Realtors Pvt. Ltd. (Noticee 2)	Rs.1,00,000/- (Rupees One lakh only)	
RMG Developers Pvt. Ltd. (Noticee 3)	Rs.1,00,000/- (Rupees One lakh only)	
Tarendra Infrastructure Chennai Pvt. Ltd. (Noticee 4)	Rs.1,00,000/- (Rupees One lakh only)	

28. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link

ENFORCEMENT → Orders → Orders of AO → PAY NOW

29. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – IV of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:
    a) Name and PAN of the entity (Noticee)
    b) Name of the case / matter
    c) Purpose of Payment – Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

30. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: March 26, 2021 **MANINDER CHEEMA**

PLACE: MUMBAI **ADJUDICATING OFFICER**