

WTM/AB/CFD/CMD-2/16388/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

Under Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992.

In respect of:

S. No.	Name of the Noticee(s)	PAN
1.	Urja Global Limited	AAACC0367M
2.	Yogesh Kumar Goyal	ASXPG1218M
3.	Sunil Kumar Mittal	AXSPM4529P
4.	Aditya Venketesh	AGHPV8923A
5.	Bharat Pranjivandas Merchant	ANGPM6837N
6.	Priya Bhalla	AGPPB9884L
7.	Avinash Kumar Agarwal	ALQPA4274P

In the matter of Urja Global Limited

Background:

1. The present proceedings emanate from a common show cause notice dated March 22, 2021 (hereinafter referred to as “**SCN**”) issued by the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) against Urja Global Limited (hereinafter referred to as “**Urja Global**” or “**the Company**” or “**the Noticee No. 1**”), Yogesh Kumar Goyal (Noticee No. 2), Sunil Kumar Mittal (Noticee no. 3), Aditya Venketesh (Noticee no. 4), Bharat Pranjivandas Merchant (Noticee no. 5), Priya Bhalla (Noticee no. 6) and Avinash Kumar Agarwal (Noticee no. 7), pursuant to an examination by SEBI into the affairs of the Company for the period from April 01, 2018 to August 21, 2019

(hereinafter referred to as “**the Examination Period**”). The SCN was issued under Sections 11(1), 11(4), 11(4A) and 11B (1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI ACT, 1992**”) and it called upon the Noticees to show cause as to why suitable directions under the said Sections 11(1), 11(4), 11(4A) and 11B (1) of the SEBI Act, 1992, including directions to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and directions not to be associated with any registered intermediary/ listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever, should not be issued against them for the alleged violations of provisions of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”). The SCN was issued The findings of the said examination, as mentioned in the SCN, are provided below.

Findings of examination as mentioned in the SCN:

2. The Company made an announcement on July 13, 2019 that it has entered into an Agreement with Nippon Shinyaku Co. Ltd. (hereinafter referred to as “**Nippon Shinyaku**”), having its registered office in Japan, for supply of product i.e. Zacobite for five years. The disclosure mentioned that the Agreement will assist the Company in developing its market at domestic and international level. The Agreement was in the form of a Memorandum of Understanding / Irrevocable Master Fee Protection Agreement (hereinafter referred to as “**MoU**”), purportedly signed by one Prof. Yukio Sugiura, an External Director of Nippon Shinyaku.
3. As per the MoU, Urja Global would represent Nippon Shinyaku in the procurement of Zacobite at the cost price of US\$ 6,55,00,000 with a total of 10% commission / profit margin (US\$ 60,50,000) off from the total purchase and in return for the representation and commission / profit margin’s

agreement, a fair remuneration for its service, apart from it, if an investment is made will be paid to Urja Global. Further, Nippon Shinyaku also granted Urja Global the right to arrange negotiations on the purchase of Zacobite from Salvamtech Ltd. in India.

4. A search of websites of Urja Global and Nippon Shinyaku failed to show any mention of the word “Zacobite” – the product agreed to be sold by Urja Global to Nippon Shinyaku, in their current or upcoming projects/ products (as per the MoU and the announcement). The Company did not give to SEBI any information about the product Zacobite based on either its own research or its past experience in dealing with Zacobite. Further, there is no mention of Zacobite in any of the Annual Reports of Urja Global viz. for financial years 2017-18 and 2018-19, and thus, the Company allegedly had no prior experience in dealing in Zacobite.
5. No information regarding Zacobite was found to be available in publicly available sources. A Google search for the term Zacobite did not return any significant result. There was no information on internet or otherwise regarding material or element Zacobite and its uses. The only major search results involved corporate announcements by Urja Global. Therefore, it is alleged that no such matter, material or element exists by the name Zacobite and the word Zacobite itself was fictitious.
6. It is observed from the trade details of the scrip at BSE post the announcement on July 13, 2019 (Saturday) that there was a significant increase in the volume of the scrip on the next trading day. Further, there was also a positive impact on the price of the scrip. The details as noted from BSE website are as follows:

Date	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	WAP (Rs.)	No. of Shares	No. of Trades
8-Jul-19	2.24	2.24	2.15	2.16	2.174756762	74721	122
9-Jul-19	2.14	2.23	2.1	2.18	2.166754529	220042	219
10-Jul-19	2.21	2.21	2.15	2.15	2.158107808	292465	136
11-Jul-19	2.2	2.2	2.15	2.16	2.167811499	73082	84

12-Jul-19	2.19	2.19	2.12	2.17	2.162273318	1,66,312	118
13-Jul-19	Corporate Announcement						
15-Jul-19	2.30	2.60	2.30	2.60	2.572977766	24,66,443	566
16-Jul-19	2.98	3.12	2.71	3.05	3.055593297	93,41,234	3,035

7. Thus, it is alleged that the public announcement dated July 13, 2019 wherein the Company provided false information about its affairs, had an impact on the price and volume of the shares of the Company.

8. The Company vide its reply letter dated February 07, 2020 *inter alia* submitted that vide its email dated September 2, 2019, it had requested Nippon Shinyaku to make the payment, which was denied by Nippon Shinyaku. Subsequently, on September 16, 2019, the Company appointed M/s The Legal Remedy to take necessary action in this regard, pursuant to which a complaint dated January 9, 2020 was filed with the EOW. The complaint *inter alia* alleged that Persons impersonating Nippon Shinyaku recommended the name and details of persons through which the complainant company (Urja Global) could fulfil the contractual obligations in respect of agreement executed between the complainant company and Nippon Shinyaku dated July 12, 2019 and the Letter of Authorization dated April 23, 2019. It further alleged that till June 30, 2019, a total of Rs. 2.93 crore had been spent for purpose of procurement of sample, initial deposit to arrange for supply of raw material required, earnest money and security deposit, as demanded by persons impersonating the company, Nippon Shinyaku, and the suppliers claiming to be instructed by Nippon Shinyaku to work with the complainant company in exporting Zacobite to Japan to Nippon Shinyaku. The Japan based company denied having any kind of agreement with an Indian company and also stated that they did not have any Indian operations. In the complaint, the Company had alleged fraud against itself by various entities including Ms. Sanjeeta Sharma, a person claiming to be Prof. Yukio Sugiura and the company claiming to be Nippon Shinyaku.

9. Meanwhile, in response to Exchange query, M/s Khaitan & Co., a legal firm, on behalf of Nippon Shinyaku, vide an email dated January 10, 2020, *inter*

alia, stated that vide an email dated September 2, 2019, Urja Global had raised a claim of Rs 293 lakh to them by relying upon Irrevocable Master Fee Protection Agreement dated July 12, 2019 and a resolution of Board of Directors of Nippon Shinyaku dated May 14, 2019. However, vide emails dated September 5, 2019 and September 13, 2019, Nippon Shinyaku and Khaitan & Co., respectively, had explicitly indicated to Urja Global that no dealings of the kind described by Urja Global had been undertaken by Nippon Shinyaku or any of its Directors, specifically by Prof. Yukio Sugiura. It was further stated that Nippon Shinyaku then approached Urja Global in November, 2019 to assist them in any prosecution it wished to launch against the persons who have allegedly duped Urja Global. During the discussion, it was revealed that till November, 2019 neither a complaint had been filed by Urja Global nor was Urja Global willing to confirm whether it would file a complaint in near future.

10. Based on the aforesaid observations, the following circumstances demonstrate that the claim of the Company that a fraud has been perpetrated on it by persons impersonating as representatives / officials of Nippon Shinyaku, is allegedly an afterthought:
 - (a) From the complaint dated January 9, 2020, following alleged irregularities were observed which demonstrated that the transactions claimed to have been entered into by the Company prior to the corporate announcement, were not genuine transactions:
 - The Company in its complaint dated January 9, 2020 to EOW has stated that the persons impersonating Nippon Shinyaku had recommended the name and details of persons through which the Company could fulfil the contractual obligations. In this regard, the Company has failed to show any due diligence steps taken before entering into transactions with the companies referred to by the persons purportedly impersonating Nippon Shinyaku.
 - Though the invoice of \$3,000 (Rs. 10,50,000/-) for supply of 5 packs of Zacobite as sample to the Company, was claimed to be raised on

May 9, 2019, yet payment is claimed to be made for the same in full, in advance, on April 24, 2019, that too, when the Company has claimed to be transacting with Ms. Sanjeeta Sharma, a representative of M/s Salvamtech Ltd., for the first time. Further, the aforesaid claimed payment was made allegedly to one Babu Enterprise (a third party) instead of M/s Salvamtech Ltd., without any justifiable reason. Similar kind of third party payments were made by the Company purportedly on the advice of Ms. Sanjeeta Sharma. No documentary evidence for the same in the form of correspondences with the third parties or Ms. Sanjeeta Sharma, bank statements etc. have been submitted by the Company.

- The Company at the time of investigation has not substantiated the claimed payments made by it to the tune of Rs. 293 lakh to various persons / entities with the corresponding debits in its bank account.
- (b) Despite the Company being aware of the purported fraud pursuant to denial by Nippon Shinyaku on September 5, 2019, it had filed the complaint with EOW much later on January 9, 2020. Further, the Company has not shown any steps that it had taken in the intermediate four months to proceed against the persons who allegedly duped it or to take any other steps to recover the money. The Company has also not produced a proof of formal F.I.R filed by the Company or any kind of Court / legal proceedings initiated by it against the persons who allegedly duped the Company. Thus, the Company has allegedly failed to display any serious efforts to recover the money and / or initiate appropriate legal proceedings in this regard.
- (c) Apart from providing a copy of MoU with Nippon Shinyaku, no other documents, such as relevant Board agenda, minutes of the Board Meeting, pre MoU correspondences, correspondences with the alleged persons impersonating as officials / employees of Nippon Shinyaku, correspondences with Ms. Sanjeeta Sharma etc. were provided.

11. Based on the aforesaid observations and circumstances, the SCN alleged that the corporate announcement dated July 13, 2019 was false, misleading and fictitious and was made without any intention to executing / fulfilling the same.

It was allegedly made to influence the decision of investors to deal in securities, in terms of Regulations 2 (1) (b) (i) and (ii) of PFUTP Regulations, 2003. The aforesaid act of the Company led to the alleged violation of the provisions of Regulations 4(1)(c) & (e) of the LODR Regulations and Regulations 3 (a), (b), (c) & (d), 4(1), 4(2)(k) & (r) read with 2(1)(c)(1), (4) & (8) of the PFUTP Regulations, 2003.

Non updating material developments on a regular basis regarding corporate announcement dated July 13, 2019.

12. Regulation 4(1)(e) of the LODR Regulations mandates that the listed entity shall ensure that disseminations made under provisions of LODR Regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language., Further, as per Regulation 30(7) of the LODR Regulations, a listed entity shall, with respect to disclosures referred to in the regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations. Further, Regulation 30(8) of LODR Regulations requires a listed company to disclose on its website all such events or information which has been disclosed to the stock exchanges under Regulation 30 of the LODR Regulations. Further,
13. The Company withdrew the announcement of “Urja Global - Nippon Shinyaku” agreement by another announcement made on August 21, 2019 pursuant to follow-up by the Exchange. However, the Company did not disclose that the reason for which the announcement was withdrawn was not as per the terms and conditions of the MoU, that it has not raised any request for the advance payment to Nippon Shinyaku for the supply of product and that the Company did not have any communication with Nippon Shinyaku i.e., the decision to not act under the MoU has been taken unilaterally by the Company without any deliberations with Nippon Shinyaku. All these were material facts which were required to be disclosed.

14. Further, the Company also has failed to disclose the material fact that Nippon Shinyaku vide its email dated September 5, 2019, had explicitly indicated to Urja Global that no dealings of the kind described by Urja Global had been undertaken by Nippon Shinyaku or any of its Directors, specifically by Prof. Yukio Sugiura. Further, the Company had admitted to BSE that it has failed to disclose the details of MoU with Nippon Shinyaku on its website.
15. In view of the above observations, the SCN alleged that the Company has not only failed to provide adequate and accurate dissemination but has also failed to timely update material development on a regular basis, till such time the event is resolved / closed, with relevant explanations. This also allegedly amounted to omission of an information resulting into alteration of the information already available publicly. Therefore, it is alleged that the Company has violated Regulations 4(1)(e), 30(7) and 30(8) read with 30 (4)(i) (a) and Schedule III Part A Para B (4) of LODR Regulations.
16. As per Regulation 4 (2) (f) (ii) (8) of LODR Regulations, the board of directors of the Company is responsible for overseeing the process of disclosure and communications. Further, an executive director of a company has a statutory duty towards the company to act with reasonable care, skill and diligence and has to ensure that the operations of the company are managed / conducted in the best interest of the company and as per the applicable provisions of law. In the present matter, the executive directors who were part of the board of directors at the time of making corporate announcement dated July 13, 2019 are Mr. Yogesh Kumar Goyal (12/05/2012–till date) and Mr. Sunil Kumar Mittal (26/05/2018- till date). It is alleged that Mr. Yogesh Kumar Goyal and Mr. Sunil Kumar Mittal, being the executive directors of the Company, have failed to act in the best interest of the company and its shareholders with respect to the corporate announcement dated July 13, 2019. Therefore, it is alleged that they along with the Company have violated the provisions of Regulations 4(1) (c) and (e) of LODR Regulations and Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (k) and (r) of PFUTP Regulations, 2003 for the corporate announcement dated July 13, 2019. They are also alleged to have violated Regulation 4(1)(e),

4(2)(f)(ii)(8), 30(7) and 30(8) read with Schedule III Part A Para B (4) of LODR Regulations.

17. As per Regulation 4(2)(f)(i)(2) of the LODR Regulations, the board of directors and senior management is required to conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making. Having regard to above, the SCN alleged that Ms. Priya Bhalla, as a key managerial personnel and senior management personnel viz., CEO of the Company, has failed to meet the expectations of operational transparency to stakeholders by failure to make adequate, accurate and timely updates to its stakeholders about the progress / development in the MoU entered into by the Company during her tenure with respect to the corporate announcement dated July 13, 2019. The CEO of a company is the highest-ranking executive in a company, whose primary responsibilities include managing the overall operations and resources of a company and acting as the main point of communication between the board of directors and corporate operations. Thus, Ms. Priya Bhalla who was responsible for overseeing and managing the operations of the company, was aware about the progress of the MoU entered into by the Company, which, as alleged above, the Company has failed to adequately, accurately and timely disclose to the stakeholders and public in general through its websites as well as through Stock Exchange mechanism. The said omission of Ms. Priya Bhalla has resulted in the alleged violation of Regulations 4 (1) (e), 4 (2) (f) (i) (2), 30 (7), 30(8) of LODR Regulations and Schedule III Part A Para B (4) of LODR Regulations.
18. Further, SCN alleges that the Company has made a false and fictitious corporate announcement dated July 13, 2019 without any intention to execute it and to mislead the investors to deal in its securities. It is therefore, also alleged that Ms. Priya Bhalla is liable for the aforesaid act of the Company, as being the CEO of the Company she had the primary responsibility of managing the operations of the Company when the alleged agreement with Nippon Shinyaku was entered to supply Zacobite for five years. Hence, it is alleged

that Ms. Priya Bhalla has violated provisions of Regulations 4(1) (c) and (e) of LODR Regulations and Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (k) and (r) of PFUTP Regulations, 2003.

19. It is observed from Company's submission vide its letter dated March 5, 2021 that the Company Secretary, Ms. Kanika Arora (May 28, 2019 to August 12, 2019) was reporting to CFO of the Company namely, Mr. Avinash Kumar Agarwal. One of the primary responsibility of a Company Secretary is ensuring compliance with statutory and regulatory requirements. Considering, Mr. Avinash Kumar Agarwal had the responsibility to oversee the functioning of the Company Secretary of the Company, SCN alleged that he has failed to exercise diligence while discharging the said responsibility. Therefore, it is alleged that he has failed to meet the expectations of operational transparency to stakeholders which has resulted in the alleged violation of Regulations 4 (1) (e), 4 (2) (f) (i) (2), 30 (7), 30(8) of LODR Regulations and Schedule III Part A Para B (4) of LODR Regulations.
20. Moreover, it is observed from the MoU signed by the Company with Nippon Shinyaku and from the Company's submission vide its letter dated March 5, 2021 that Mr. Avinash Kumar Agarwal, CFO, had signed the agreement on behalf of the Company. The same demonstrates that he had an immediate part in the process of entering into the agreement by the Company. If the CFO was diligent enough before being a signatory to the MoU, he would have realised by exercising due care and skill that the product Zacobite, does not exist. The need to exercise caution also stems from the fact that the Company had never dealt in the product earlier and that the Company was dealing with entities / persons with which it entered into an agreement for supply of Zacobite for the first time including the one mentioned in the MoU, as per available records. Mr. Avinash Kumar Agarwal ought to have exercised due diligence before entering into transactions with them / signing the MoU. Therefore, it is alleged that, Mr. Avinash Kumar Agarwal has failed to act in the best interest of the Company and its shareholders with respect to the corporate announcement dated July 13, 2019. The same amounted to fraud as it enabled the Company to disseminate the alleged false and misleading

corporate announcement dated July 13, 2019. Hence, it is alleged that Mr. Avinash Kumar Agarwal has violated provisions of Regulations 4(1) (c) and (e) of LODR Regulations and regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (k) and (r) of PFUTP Regulations, 2003.

Non updating material developments on a regular basis regarding other corporate announcements

21. It was noted during the Examination Period that apart from the aforesaid corporate announcement, the Company has made regular corporate announcements regarding various agreements with various other companies. The details of the corporate announcements made by the Company on the Stock Exchanges during the Examination Period are as under (The announcement on March 29, 2018 has also been considered as it was very close to start of the Examination Period):

Sr. No.	Announcement	Date of Announcement
1	Signed a MOU with Atul Auto Limited on 27th March, 2018 for marketing of 3 wheelers in Madagascar, off the coast of East Africa.	March 29, 2018
2	Signed a MOU with Divansu Automobiles Limited on April 04, 2018 for ICAT approved Paras Eco-Rickshaw Auto Model with Solar Panel for opening the Urja Kendras at gram panchayats	April 04, 2018
3	Signed a MOU with Walden Agri Infra Private Limited on June 06, 2018 for creating Panchayat level Urja Kendra's across various districts in Uttar Pradesh and Rajasthan for sales and marketing of Solar Products, batteries, E-Rickshaws and LEDs.	June 07, 2018
4	Signed the Business Cooperation Agreement with Macsun Solar Energy Technology Co. Limited, (MSET) a China based	September 24, 2018

Sr. No.	Announcement	Date of Announcement
	Company on September 23, 2018 to develop business in Indian Market and to avail the technical services from MSET.	
5	Signed a MOU with Economic Development Board-Andhra Pradesh for the development of Integrated Plant of Electronic Vehicles & Lithium Ion Battery including Skilling in the state of Andhra Pradesh on February 28, 2019.	March 01, 2019

22. With respect to Atul Auto Limited, it was observed that the said company in its reply to BSE dated January 8, 2020 confirmed the announcement by Urja Global regarding the agreement. They further stated that *“As per the terms, the MoU is expired on 14th April 2019 and not renewed for any further period since the Company has not received any order from Urja under the said MoU. Hence, no business transaction was undertaken with Urja Global Limited.”* The Company vide its letter February 7, 2020 to SEBI also admitted that the MoU expired on April 14, 2019. Further, vide its letter dated March 5, 2021, Company has submitted that it could not implement the MoU due to high prices by party as per international market and CEO, Mr. Bharat Merchant, had left. However, no update was provided by the Company to the Exchange as required under LODR. Further, there was no mention of the MoU with Atul Auto Limited in its Annual Report.
23. With respect to Divansu Automobiles Limited, it was observed that Paras Auto (Divansu Automobiles Ltd.) in its email dated April 27, 2020 submitted that *“We made preliminary understanding but it did not work out so we have not started business with them.”*. Vide its letter dated March 5, 2021, the Company has submitted that the products are under approval under the scheme FAME II. On getting approval, the Company would get OEM as per new policies of Government of India. However, no update was provided by the Company to the Exchange as required under LODR Regulations. Further, there was no mention of the MoU with Divansu Automobiles Limited in its Annual Report.

24. With respect to Walden Agri Infra Private Limited, it was observed that there was no mention of the MoU with Walden Agri Infra Private Limited in its Annual Report. The Company vide its letter dated March 5, 2021 has submitted that due to breach of contract by the other party, the Company has filed a case in Court. However, no update was provided by the Company to the Exchange as required under LODR Regulations.
25. With respect to the Business Cooperation Agreement with MSET, it was observed that no subsequent development / updates was provided by the Company to the Exchange. Further, there was no mention of Business Cooperation Agreement with MSET in its Annual Report. The Company vide its letter dated March 5, 2021 has submitted that the Agreement could not be implemented due to non-approval of products by the State Government due to focus on "Make in India". However, no update was provided by the Company to the Exchange as required under LODR Regulations.
26. With respect to MoU with Economic Development Board-Andhra Pradesh no subsequent development / updates was provided by the Company to the Exchange. The Company vide its letter dated March 5, 2021 has submitted that the State Government has changed so the process was delayed. Now the DPR is under preparation and the Company is hoping to start the work as soon as the approval is received by the Company. However, no update was provided by the Company to the Exchange as required under LODR Regulations.
27. It was observed from Company's reply dated February 15, 2020 to BSE that it had admitted that it has failed to disclose the details of MoUs / Agreements on its website. Therefore, the SCN alleged that the Company has violated Regulation 30(8) of LODR Regulations which required details of such MoUs / Agreements to be published on the website.
28. Further, none of the above said announcements were followed by any timely update on completion / progress on the MoUs / Agreement as per the requirement under LODR Regulations. The Company was obligated to provide

updates on the MoUs / Agreement entered by the Company. The Company had failed to timely update the public through Stock Exchange. Therefore, the SCN alleged that the Company has failed to timely update material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations. SCN alleged that it also amounts to omission to correct / update the information already published and that without such timely updates, the information already published becomes inadequate and inaccurate. Therefore, SCN alleged that the Company has violated Regulations 4(1) (e) and 30(7) read with 30 (4)(i) (a) of LODR Regulations and has further violated schedule III, Part A, Para B (4) of LODR Regulations.

29. As per Regulation 4 (2) (f) (ii) (8) of LODR Regulations, the board of directors of the Company is responsible for overseeing the process of disclosure and communications. The Executive Directors who were part of the Board of Directors during the time of respective corporate announcements are as follows:

Sr. No.	Announcement	Date of Announcement	Executive Directors (Tenure)
1	MOU with Atul Auto Limited on 27th March, 2018.	March 29, 2018	Yogesh Kumar Goyal (12/05/2012 – till date) Aditya Venketesh (25/05/2009 - 04/06/2019)
2	MOU with Divansu Automobiles Limited on April 04, 2018.	April 04, 2018	Yogesh Kumar Goyal (12/05/2012–till date) Aditya Venketesh (25/05/2009 - 04/06/2019)
3	MOU with Walden Agri Infra Private Limited on June 06, 2018.	June 07, 2018	Yogesh Kumar Goyal (12/05/2012 – till date) Aditya Venketesh (25/05/2009 - 04/06/2019), Sunil Kumar Mittal (26/05/2018-till date)

Sr. No.	Announcement	Date of Announcement	Executive Directors (Tenure)
4	Business Cooperation Agreement with MSET on September 23, 2018.	September 24, 2018	Yogesh Kumar Goyal (12/05/2012–till date) Aditya Venketesh (25/05/2009 - 04/06/2019) Sunil Kumar Mittal (26/05/2018-till date)
5	MOU with Economic Development Board - Andhra Pradesh on February 28, 2019.	March 01, 2019	Yogesh Kumar Goyal (12/05/2012–till date) Aditya Venketesh (25/05/2009 - 04/06/2019) Sunil Kumar Mittal (26/05/2018-till date)

30. Having regard to above, SCN alleged that the aforesaid the Executive Directors of the Company have failed to appropriately oversee the process of disclosure and communications as member of Board of Directors during their respective tenures. SCN therefore, alleged that they have violated Regulations 4 (1) (e), 4(2)(f) (ii) (8), 30 (7), 30(8) of LODR Regulations and Schedule III Part A Para B (4) of LODR Regulations.
31. SCN also alleged that the following key managerial and senior management personnel while assisting the Board have failed to meet the expectations of operational transparency to stakeholders as mandated under Regulation 4 (2) (f) (i) (2) of LODR Regulations:

Sr. No.	Announcement	Date of Announcement	Key Managerial and Senior Management Personnel (Designation) (Tenure)
1	MOU with Atul Auto Limited on 27th March, 2018.	March 29, 2018	Bharat Pranjivandas Merchant (CEO) (14/11/2017 – 16/01/2019) Avinash Kumar Agarwal (CFO) (14/11/2017 – 12/08/2019)
2	MOU with Divansu Automobiles Limited on April 04, 2018.	April 04, 2018	Bharat Pranjivandas Merchant (CEO) (14/11/2017 – 16/01/2019) Avinash Kumar Agarwal (CFO) (14/11/2017 – 12/08/2019)
3	MOU with Walden Agri Infra Private Limited on June 06, 2018.	June 07, 2018	Bharat Pranjivandas Merchant (CEO) (14/11/2017 – 16/01/2019) Avinash Kumar Agarwal (CFO) (14/11/2017 – 12/08/2019)
4	Business Cooperation Agreement with MSET on September 23, 2018.	September 24, 2018	Bharat Pranjivandas Merchant (CEO) (14/11/2017 – 16/01/2019) Avinash Kumar Agarwal (CFO) (14/11/2017 – 12/08/2019)
5	MOU with Economic Development Board - Andhra Pradesh on February 28, 2019.	March 01, 2019	Avinash Kumar Agarwal (CFO) (14/11/2017 – 12/08/2019)

32. Having regard to above, SCN alleged that Mr. Bharat Pranjivandas Merchant as a key managerial personnel and senior management personnel viz., CEO, has failed to meet the expectations of operational transparency to stakeholders as the Company has failed to make timely updates to its stakeholders about the progress / development in various MoUs / Agreement entered into by the Company during his tenure as CEO of the Company. Mr. Bharat Pranjivandas Merchant being the CEO of Urja Global, was responsible for overseeing and managing the operations of the Company and was aware about the progress of the MoUs / Agreement entered into by the Company, which, as alleged above, the Company failed to timely disclose to the

stakeholders and public in general through its websites as well as through Stock Exchange mechanism. The said omission of Mr. Bharat Pranjivandas Merchant, CEO of Urja Global, has resulted in the alleged violation of Regulations 4 (1) (e), 4 (2) (f) (i) (2), 30 (7), 30(8) of LODR Regulations and Schedule III, Part A, Para B (4) of LODR Regulations.

33. It is observed from Company's submission dated March 5, 2021 to SEBI that during the period when the aforesaid five corporate announcements were made by the Company, the Company Secretary (Mr. Sumit Bansal [November 14, 2017 to June 20, 2018] & Ms. Kirti Gupta [June 20, 2018 to May 28, 2019]) was reporting to CFO, Mr. Avinash Kumar Agarwal. A Company Secretary has to ensure that the company complies with all the legal and regulatory provisions. Considering, Mr. Avinash Kumar Agarwal had the responsibility to oversee the functioning of the Company Secretary, SCN alleged that he has failed to exercise diligence in doing the same. The said alleged failure of Mr. Avinash Kumar Agarwal has resulted in the Company not being able to make timely disclosure to the stakeholders and public in general through its websites as well as through Stock Exchange mechanism. Hence, SCN alleged that Mr. Avinash Kumar Agarwal has failed to meet the expectations of operational transparency to stakeholders which has resulted in the alleged violation of Regulations 4 (1) (e), 4 (2) (f) (i) (2), 30 (7), 30(8) of LODR Regulations and Schedule III Part A Para B (4) of LODR Regulations.

Non-cooperation by the Company to Exchange.

34. As noted from BSE's letter dated January 24, 2020, in a meeting held on January 10, 2020 amongst the Exchange, CEO of the Company and the firm, 'The Legal Remedy', the Exchange had advised the Company to submit a response on the following points by EOD on January 14, 2020:
- Chronology of events and action taken by the Company, along with supporting documents, in the matter of agreements with Japanese and Chinese company.
 - Details of due diligence carried out by the Company while entering into an agreement with any international company

- Current status w.r.t. all the agreements the Company has signed in the past two financial years.
35. In response to Exchange's query, the Company vide its reply dated January 14, 2020 only sent a request for extension of timeline to provide its reply. The Exchange, on multiple occasions including on January 15, 2020 and January 20, 2020, had sent reminders to the Company to submit its response. However, the Company in its reply dated January 21, 2020, only provided a copy of complaint filed by the Company before EOW, Delhi. It failed to provide the abovementioned information sought by the Exchange. Thus, it was observed that despite repeated communications and warning issued vide BSE letter dated January 24, 2020, the Company has not provided all the details as sought by BSE. Therefore, the SCN alleged that the Company has failed to provide specific and adequate reply to the queries raised by the Exchange with respect to the events / information in violation of Regulation 30(10) of LODR Regulations which provides that the listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. In view of the above, SCN alleged that the Company has violated regulation 30(10) of LODR Regulations.
36. In view of the above observations and findings, the SCN called upon the Noticees to show cause as to why suitable directions under Sections 11(1), 11(4), 11(4A) and 11B (1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI ACT, 1992**"), including directions to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period and directions not to be associated with any registered intermediary/ listed company and any public company which intends to raise money from public in the securities market, in any manner whatsoever, should not be issued against them for the alleged violations of provisions of PFUTP Regulations, 2003 and LODR Regulations.

Replies of the Noticees and personal hearing:

37. After receipt of the SCN, various Noticees responded to the same and the details of such responses / replies are provided in paragraphs below. The Noticees were granted an opportunity of personal hearing on December 14, 2021 which was attended by all the seven Noticees.
38. Bharat Merchant (Noticee no. 5) responded to the SCN vide letter dated April 07, 2021 and denied the allegations against him and objected to issuance of a common show cause notice to the Noticees, since the allegations against them were different from one another. He further submitted that he was appointed as CEO of the Company on November 14, 2017. He was based at Mumbai and looked after exports. He majorly looked after African markets with specific focus on Urja Solar projects and Urja Three Wheeler. He resigned from the post of CEO on January 16, 2019 and after that he did not have connections with the Company in any manner due to which he was facing grave difficulty in collating the necessary information and documents from the Company. Presently, he was neither connected to the Company nor its promoters or its directors in any manner whatsoever. Further, the Noticee *inter alia* requested for an opportunity to inspect various documents and get copies of the same. Subsequently, Noticee no. 5 was granted an opportunity to inspect documents on June 17, 2021 during which he inspected the SCN along with its annexures and received copies of the same. However, the Noticee no. 5 vide email dated June 17, 2021 again requested for inspection and copies of certain other documents. In response to this, SEBI vide email dated June 23, 2021 *inter alia* informed the Noticee that all the relevant documents relied upon had already been provided to the Noticee. Thereafter, Noticee no. 5 vide letters dated December 09, 2021 and December 17, 2021 replied to the SCN and submitted *inter alia* the following:
- (a) The Noticee is MA (political Science & Economics) from Delhi Hindu College. He holds post graduate diploma in international trade from IIFT, New Delhi.
 - (b) The Noticee has 43 years of work experience in International Marketing and Finance. He has worked in various countries outside India such as

USA, Malaysia, Russia and many other African countries. His specialization or expertise lies in trades with African countries / African markets.

- (c) He has held the following additional positions:
- Past President of Indian Institute of Foreign Trade Alumni
 - Executive Committee Member, India Brazil Association
 - Former Honorary Secretary of Indian Business Association, Russian Federation 1994-1996
 - Former Active Silver Member of Georgia Indo-American Chamber of Commerce, Atlanta, The United States of America.
- (d) Considering Noticee's expertise / specialization w.r.t. African markets, he was hired to specially look after the business development of Urja Global in African markets. He was appointed as Chief Executive Officer (CEO) of Urja Global on 14.11.2017. His responsibilities were strictly restricted to achieve business plan and subscription of bond assigned by the Board and timely reporting of the work to the Managing Director/Whole Time Director.
- (e) The Noticee's services were sought only to look after the business development in African market. He was not looking after the day to day business of the Company or anything related Indian market which was looked after by Managing Director/Whole Time Director of the Company. During the Noticee's tenure with Urja Global, he was frequently travelling to African countries for business growth of Urja Global in countries such as Kenya, Tanzania, Uganda etc. for which he was specifically hired by the Company. When he was in India, he was working from Mumbai office and the Company headquarters was based in New Delhi, where all the business decision, execution of business plans and day to day working of the Company was managed.
- (f) Due to certain unforeseen circumstances, the Noticee resigned from the Company as CEO on 16.01.2019. During his tenure as CEO of the Company, he never attended Annual General Meeting of the Company. Presently, he is neither connected to the Company nor its promoters or its directors in any manner whatsoever.

- (g) As regards the MoU with Atul Auto dated 27.03.2018, the Noticee submits that as his services were sought with specific focus on business plans in African markets, he had signed an MoU with Atul Auto Ltd w.r.t. Madagascar, one of the poorest African country. As he was only hired to formulate business plan and bring business w.r.t. African markets, he had only signed the MoU. The execution of the MoU was the responsibility of the Managing Director/Whole Time Director. Only on receipt of the SCN, the Noticee came to know that the said MoU was reported to the Stock Exchange.
- (h) The MoU with Atul Auto Ltd for Madagascar had expired on 14.04.2019. At that point in time, the Noticee had already resigned from Uija Global i.e. on 16.01.2019 and was no longer CEO of the Company. After his resignation, he was never in contact with the Company nor its promoters or its directors in any manner whatsoever.
- (i) Annexure - 9 of the SCN, which pertains to a letter written by Urja Global to SEBI, clearly mentions that signing Authority for MoU with Atul Auto was Bharat Merchant, who was reporting to Yogesh Kumar Goyal (Whole Time Director). Hence, it is clear that the final authority was always with Managing Director.
- (j) As regards Mou with Divansu Automobiles Limited (Divansu) on 04.04.2018, MoU with Walden Agri Infra Pvt Ltd (Walden Agri) on 06.06.2018 and Business Cooperation Agreement with Macsun Solar Energy Technology Co. Ltd (MSET) on 23.09.2018, the Noticee submits that it is only on receipt of the present SCN that he came to know about the existence of the said MoU's and Business Cooperation Agreement. None of the aforesaid MoU's and Business Cooperation Agreement has been signed by him. The Noticee was looking after business plan w.r.t. African countries and market. However, the aforesaid MoU's are w.r.t. Indian market which he had no relation with and was not part of his purview.
- (k) The issues raised in the SCN are technical in nature and in relation to compliances and disclosures, which were being taken care of by the Company and its secretarial department and respective Departmental Heads responsible for execution of MoU's and Business Cooperation

Department and the Noticee cannot be held liable for any alleged omission in that respect.

- (l) As regards the alleged violations of the LODR Regulations, it is always the Company (listed entity) which shall ensure that dissemination made under LODR Regulations and circulars made thereunder are adequate, accurate, explicit, timely and presented in simple language.
- (m) The onus is always on the listed company w.r.t. making disclosures updating material developments on regular basis, till such time the event is resolved/closed, with relevant explanations. Further, the listed company is responsible for disclosing on its websites all such events or information's which are to be disclosed to stock exchanges. The onus of making disclosures is on the person responsible for day to day functioning of the Company i.e. Managing Director / Whole Time Director and also on the secretarial department of the company which is responsible for making disclosures. As this was not part of Noticee's role and duties, he is not responsible for any contravention.

39. Sunil Kumar Mittal (Noticee no. 3) vide letter dated May 28, 2021 responded to the SCN and submitted *inter alia* the following:

- (a) The Noticee no. 3 admitted that the management was deceived by the impersonating persons as the documents submitted by the accused persons seemed to be authenticated and the communication with them was on superior level. Therefore, the transaction did not seem to be suspicious and no doubts were raised in the minds of Noticee no. 3 also.
- (b) Noticee no. 3 initially joined the organization as CFO of Urja Batteries Limited with the sole intention to explore the opportunities lying with manufacturing unit and wanted to use his professional skills and learning experience for organizational growth as well as personal growth.
- (c) Later the Noticee was appointed as additional director of Urja Batteries Ltd. to fill the vacancy caused due to the resignation of one of the existing director, Mr. Ishwar Chand Jindal. Subsequently, on May 26, 2018, he was also appointed as whole time director of Urja Global Limited to fulfill the requirement of composition of directors as per law with this clarity

that he would only look after the operations of Urja Batteries Ltd. Subsequently, to give effect to the above, the board of management of the Company vide resolution dated May 28, 2019 had authorized Noticee no. 3 to independently handle the operations and finance of wholly owned subsidiary company, Urja Batteries Limited.

- (d) Noticee no. 3 is the only employee director and not any promoter director. He does not have any shareholding in the Company, except 3,665 shares which he had acquired prior to joining the Company in respect of which he has made requisite disclosures from time to time. He also confirms that he does not have any direct and indirect interest in the Company except drawing the remuneration for rendering his professional services.
- (e) At the time of signing the agreement with Nippon, the Noticee no. 3 was not handling the operations of the business nor had any involvement in the transaction or negotiations in respect of the agreement with Nippon, as he was not actively involved in day to day affairs of the Company. He was only involved in the finance and day to day operations of Urja Batteries Limited only.
- (f) The Noticee resigned from the post of whole time director of Urja Global Limited on February 24, 2020 and his resignation was accepted with effect from May 05, 2020.
- (g) During the Noticee's association with the Company, he had followed proper due diligence.
- (h) The Noticee requests for dropping the proceedings.

40. Noticee nos. 1 filed a written reply received by SEBI on April 15, 2021 (hereinafter referred to as "reply dated April 15, 2021") in response to the SCN. In the said reply, the Noticee no. 1 stated that the said reply was a common reply on behalf of Noticee nos. 1, 2, 3, 4, 6 and 7. Vide the said reply, *inter alia* the following submissions were made:

- (a) Urja Global (Noticee No. 1) was incorporated on May 29, 1992 and the Company is primarily engaged' in the business of "Design, Consultancy, integration, supply, installation, commissioning & maintenance of off-grid

and grid connected Solar Power Plants and decentralized Solar Application”.

- (b) The Noticee No. 1 was contacted by Ms. Sanjeeta Sharma, authorized representative of Salvamtech Limited, having office at Panjabari Industrial Growth Mile, based out of Guwahati, Assam and initiated communication with Noticee No. 1 that she was contacted by M/s Nippon Shinyaku Co. Ltd. to assist the company in procurement process of Zacobite. Ms. Sanjeeta introduced Zacobite as an important raw material which was used by M/s Nippon for making medicines. The said material Zacobite is very rare and therefore is an expensive product the procurement of which requires huge investment.
- (c) Ms. Sanjeeta Sharma introduced Noticee No. 1 to the person impersonating as Prof. Yukio Suguira, External Director of M/s Nippon, based in Japan through e-mail. She confirmed that Prof. Yukio Suguira would make local arrangements in Guwahati to enable the procurement of raw material i.e. Zacobite and also claimed that the company Salvamtech Limited was engaged in the business of procuring and selling Zacobite.
- (d) Noticee No. 1 verified the accused persons and their company at its level best and believed the words of accused persons. On google search of product Zacobite, it appeared that zacobite is a Seed used as raw material in making medicines. Since it is a raw material in making medicines, not many companies are dealing into this product but few companies are visible in the search who are dealing with it. Copy of the search showing pre- existence of product Zacobite is attached herewith.
- (e) The Accused person trapped and fully convinced Noticee No. 1 and then raised invoices in different names, dates and times and different ways. When the Noticee raised doubts and questions, the accused person told that Zacobite demand was bulky and it could not be completed by one dealer so they needed to purchase it from different dealers and pay the amount in advance to different dealers. Invoices raised by Salvamtech from time to time attached.
- (f) Noticee No. 1 on the assurance of persons impersonating as authorized representative of Nippon Shinyaku had made payments of Rs. 44,59,500/- to Babu Enterprises (Rs.10.50 Lakh on 23.04.2019 and Rs.17.72 Lakh on

29.04.2019), Royal Enterprises (Rs.7 Lakh on 02.05.2019) and Mr. Sahir Khan (Rs.9.375 Lakh on 11.06.2019) to fulfil the contractual obligations in respect of Letter of Authorization dated 23 April, 2019 executed between Noticee No. 1 and Nippon Shinyaku.

- (g) That Notice No. 1 made an announcement on July. 13, 2019 that it had entered into an Agreement with Nippon, Japan, for supply of product Zacobite for five years. The copy of MOU, signed by Prof. Yukio Sugiura, an External Director of Nippon Shinyaku, has been duly shared with SEBI by the Noticee No.1. The Company has received the signed MoU effective from April 23, 2019.
- (h) Notice No. 1 has signed an MoU dated 12 July 2019 for representing "Nippon Shinyaku" for procurement of Zacobite at the cost of US \$6,55,00,000 with 10% Commission/ profit margin (US\$ 60,50,000) from the total purchase and in return for the representation and commission/ profit margin, a fair remuneration for its service, apart from it, if an investment is made will be paid to the Noticee No. 1. Further, Nippon Shinyaku also granted Urja Global Limited the right to arrange negotiations on the purchase of Zacobite from Salvamtech Ltd. in India.
- (i) Noticee No. 1 has complied with the provisions of Companies Act, 2013 and Regulation 30 of the LODR Regulations and schedule III Part A Para: B (4) of LODR Regulations in respect of uploading of MOU.
- (j) Noticee No. 1 after filing intimation with the exchanges on July 13, 2019 was waiting for the response from the impersonating persons and was constantly taking follow ups.
- (k) After receiving the entire payment, the accused persons suddenly stopped all communications and responding to the calls and emails of the Noticee No. 1. Thereafter, Noticee No. 1 had finally sent a mail for refund of amount and asked to provide details of IECN code and samples of Zacobite as per MoU and letter of authorization.
- (l) After getting no response from the accused persons, Noticee No. 1 had contacted the company, Nippon Shinyaku, by email dated September 02, 2019 for claiming the expenses incurred by Noticee No. 1 for executing the MOU. On September 05, 2019, Noticee No. 1 received the mail from M/s Nippon Shinyaku denying entering into any agreement or signing any

Board Resolution with Noticee No. 1 and also stated that they didn't have any Indian Operations.

- (m) All the accused persons have criminally conspired with each other and induced and convinced Noticee No, 1 to make the advance payment of Rs.44,59,500/-.
- (n) The intention of Noticee No. 1 for entering, into an agreement with Nippon Shinyaku was bona-fide. Although the product was not on the Company's website and the Company had never dealt in the above product in the past, the only intention of Noticee No. 1 was to earn profit that would be beneficial for the Company and it was completely based on representation made by Sanjeeta Sharma. As per SEBI LODR Regulation 2015, Noticee No. 1 duly intimated the exchanges about entering into the agreement.
- (o) As per the SCN, the announcement made by Noticee No. 1 was false and has impacted price of the share. Noticee No. 1 denies this allegation. It had only intimated the exchange about entering into agreement with Nippon Shinyaku as a part of listing compliance as per Regulation 30. Noticee No. 1 had no intention of manipulating the price or deceive the investors.
- (p) The SCN stated that post the announcement dated July 13, 2019 (Saturday), there was significant change in trading volume of the scrip of Noticee No. 1 at BSE. However, if the past records are seen, there were times when the price and volume increased substantially without any specific announcement made by the company. The change in the Trading volume and price of the scrip of Noticee No. 1 was wholly due to market sentiments. The increase in price and volume of shares was not attributable to uploading of MOU.
- (q) After receiving reply dated September 05, 2019 from Nippon denying the fact of entering into any MoU with the Noticee No. 1 and the fact of providing any board resolution in respect of the same, the Company realized that it needed to seek legal advice in the matter and had appointed M/s The Legal Remedy on 16th September 2019 as legal consultant for handling the matter and taking consultation for future course of action in this matter. Thereafter, there was a change in the management of Noticee No. 1. The newly appointed persons in the management took time to

analyze the matter and provide required documents and information to the legal consultant to assist them in taking appropriate action against the accused persons. Therefore, the matter got delayed and eventually on January 09, 2020, a complaint was filed with EOW against the Accused persons, including Sanjeeta Sharma.

- (r) As regards reply to the notice dated January 14, 2020, Noticee No. 1 sought time to submit the details. The details were submitted subsequently vide letter dated January 14, 2020. With regard to non-submission of reply to authorities, the same was on account of reasons beyond the Company's control, including change in the managerial persons and rise in the cases of Covid-19 pandemic. Noticee No.1 had provided all the information and relevant documents requested by NSE, BSE and SEBI from time to time.
- (s) Noticee No. 1 had entered into the agreement as per the bylaws of the country and after carrying out due diligence for procurement of product Zacobite, for which it had received sample of the product after clearing various proforma invoices raised by Salvamtech Limited. Thus, Zacobite was not fictitious name or product.
- (t) Noticee No. 1 is a victim in this transaction and has lost money and reputation along with unnecessary follow-ups from various authorities. Noticee No. 1 was in fact cheated by unscrupulous person on the pretext of doing business with Japanese company M/s Nippon Shinyaku Company Limited. Immediately after coming to know about the cheating, Noticee No. 1 took action through the legal recourses available and lodged FIR against the accused persons on 06th June 2020 in police Station, Mianwali Nagar. After lodging the FIR, the Hon'ble court of Sh, Kishor Kumar, Tis Hazari, Delhi, vide order dated October 21, 2020 ordered the recovery of amount Rs. 17,72,000 and the same was duly credited back to the bank account of Noticee No. 1 and this fact was shared by Noticee No. 1 with the Exchanges and investors.
- (u) Noticee No. 1 had always ensured that all available information about events and its operations are communicated in a timely and cogent manner to the exchanges and stakeholders. All the disclosures made by Noticee No. 1 are true and transparent.

- (v) The SCN has alleged that the Noticee No. 1 had not updated the status of material developments on a regular basis regarding corporate announcement dated July 13, 2019. In respect to the allegation, the Noticee No. 1 submit that it had intimated the exchange about the withdrawal of the agreement entered with Japanese company M/s Nippon Shinyaku Company Limited immediately after not getting any response regarding payment on August 21, 2019. Further, Noticee No. 1 always replied to the queries raised by the Exchange in respect of the aforesaid agreement from time to time.
- (w) The Noticees admit that there was a violation of Regulation 30(8) of SEBI LODR Regulations, 2015 in not disclosing the details of MoU with Nippon Shinkyu on its website which Noticee No.1 had duly rectified and updated the website of the company in accordance with Regulation 46 of SEBI LODR Regulations, 2015.
- (x) The Noticee no. 1 has not defaulted in the repayment of public deposits, unsecured loans, debentures, facilities granted by banks, financial institutions and non-banking financial etc. The Company has never indulged in any spurious activities in past 28 years. The Noticee No. 1 has suffered huge financial loss and more of reputation and goodwill.

Noticee No. 2 (Yogesh Kumar Goyal)

- (y) Mr. Yogesh Kumar Goyal (Noticee No. 2) during his tenure had duly complied with the laws applicable to the Company. He had carried out proper due diligence to the best of the knowledge in relation to Nippon Shinkayu and had used his skills for taking the decision in the best interest of the company and shareholders. He admits that he along with the management was deceived by the impersonating persons as the documents submitted by the accused persons seemed to be authenticated and the communication with them was on superior level due to which the transaction did not seem to be suspicious and no doubt was raised in his mind.

Sunil Kumar Mittal (Noticee no. 3)

- (z) Mr. Sunil Kumar Mittal (Noticee No. 3) had been appointed as whole time director on 24th May 2018 and held the position till 05th May 2020. During his tenure he had duly complied with the laws applicable on the company. That Noticee No. 3 had carried out proper due diligence to the best of the knowledge in relation to the Associations and had used his skills in the best interest of the company and shareholders. He admitted that he along with the management was deceived by the impersonating persons as the documents submitted by the accused persons seemed to be authenticated and the communication with them was on superior level, therefore, the transaction did not seem to be suspicious and no doubt was raised in the mind of Noticee No. 3. Further Noticee No. 3 resigned on May 05, 2020 the notice of which was duly submitted to the exchange on May 19, 2020. In the view of the above facts, Noticee No. 3 requests that the proceedings against him be dropped.

Mr. Aditya Venketesh (Noticee No. 4)

- (aa) Mr. Aditya Venketesh(Noticee No. 4) had been appointed as a whole-time director in the company on 25 May 2009 and was holding the position till June 04, 2019. During his tenure, he had complied with all the provisions of applicable laws mandatory requirements under various Acts. Further, he was not holding any position in the company at the time of signing of the Agreement with M/s Nippon. In the view of the above fact, Noticee No. 4 requests that the proceedings against him be dropped.

Ms. Priya Bhalla (Noticee No. 6)

- (bb) The SCN alleges that Ms. Priya Bhalla (Noticee No. 6), CEO, has failed to meet the expectations of operational transparency to stakeholders as mentioned under Regulation 4(2)(f)(i)(2) of SEBI LODR Regulations while assisting the board. Noticee No. 6 submits that she had joined the company on 28th May 2019 before which the company had already entered into MoU with Nippon Shinkayu. Till the time she was able to understanding the working structure of the company and the status of the Agreement, she resigned from the post of Chief Executive Officer on

September 23, 2019 due to certain personal issues in her family as she was not able to give her full attention to the work and towards the management. In the view of the above fact, Noticee No. 6 requests that the proceedings against her be dropped.

Mr. Avinash Kumar Aggarwal (Noticee No. 7)

- (cc) The SCN alleged that Mr. Avinash Kumar Aggarwal (Noticee No. 7) was holding position of CFO of the company during the period from November 14, 2017 till August 12, 2019. During his tenure, Noticee No. 7 had entered and signed various agreements for raising business and profit of the Company which were MoU dated June 06, 2018 with Walden Agri Infra Pvt. Ltd., Business Cooperation Agreement dated September 23, 2018 with Macsun Solar Energy Technology Co. Ltd., MoU dated February 28, 2019 with Economic Development Board – Andhra Pradesh and MoU dated July 12, 2019 with Nippon Shinyaku for supply of Zacobite. All the above mentioned agreements were entered by Noticee No. 7 with bonafide intention. He has conducted due diligence to the best of information provided and according to the examination carried out and explanations furnished to him.
- (dd) The Noticees assert that no undue advantage was gained by them at the expense of other shareholders and no prejudice or loss has been caused to the shareholders because of the agreement by the Noticees. Therefore, the Noticees request that the proceedings against them be dropped by relieving them from all the charges.

41. Subsequently, the Noticee nos. 1, 2, 3, 4, 6 and 7 vide a common letter dated December 14, 2021, made written submissions reiterating many submissions contained in reply earlier received by SEBI from Noticee no. 1 on April 15, 2021. Vide the said letter dated December 14, 2021, the Noticee nos. 1, 2, 3, 4, 6 and 7 submitted various documents as Annexures and made *inter alia* the following additional submissions:

- (a) Ms Sanjeeta Sharma introduced Noticee No. 1 with Prof Yukio Suguria, External Director of M/s Nippon Shinyaku Ltd through e-mails. She

confirmed that Prof Yukio Suguira would make local arrangements in Guwahati to enable the procurement of raw material i.e. Zacobite. She also claimed that the Company Salvamtech Limited is engaged in the business of procuring and selling Zacobite, but since the order received from M/s Nippon Shinyaku was in bulk and was an international order, M/s Urja Global being a legal compliant company and already holding a valid IEC code, would be an ideal company to enter such agreement.

- (b) Noticee No. 1 verified the existence and genuineness of Nippon Shinyaku and its External director, Prof Yukio Suguria, through the official website of Nippon Shinyaku Company Ltd and Japan's Stock Exchange.
- (c) The Company entered into an Irrevocable Master Fee Protection Agreement with M/s Nippon Shinyaku dated 23.04.2019, setting forth the terms of engagement between both the parties including Commission structure and mode of payment. Copy of Agreement is attached.
- (d) M/s Nippon Shinyaku issued Letter of Authorization dated 23rd April, 2019, which authorized Urja Global Limited to discuss, negotiate and communicate With Salvamtech Ltd on behalf of Nippon Shinyaku for the purchase and export of Zacobite to Japan on regular basis for a period of 5 years with possible rolls and extension.
- (e) Terms of agreement with Nippon Shinyaku gave Company the right to represent Nippon Shinyaku in the procurement of 10,000 packs of Zacobite at the cost price of USD \$30,000,000 with a total of 7% commission/ profit margin for the total purchase. The Agreement was signed by Prof. Yukio Sugiura, an External Director of Nippon Shinyaku. The agreement also gave Company the right to enter into Negotiations with Salvamtech Ltd of India for procurement of Zacobite. Copy of Board Resolution passed by Nippon Shinyaku and shared by Yukio through Ms Sanjeeta to the Company is attached. With the signed agreement at their disposal, Noticee No. 1 made expenses to the tune Rs 2.93 crore for the purpose of procurement of sample, initial deposit to arrange for supply of raw material required, earnest money and security deposit.

- (f) Due to ongoing changes in corporate structure of the Company, the Company could make intimation to BSE and NSE about entering into an agreement with Nippon Shinyaku Limited only on July 13, 2019.
- (g) The Company, in order to arrange fund for the transaction, entered into an agreement with M/s P.V.V. Global FZ- LLC to make necessary arrangement of fund. Agreement attached.
- (h) Noticee No. 1 after making payments, was waiting for the delivery of sample of product from the impersonating persons and was constantly taking follow ups. Since no response could be received from the impersonating persons, Noticee No. 1 withdrew its public announcement dated 13th July, 2019, by another announcement made on 21st August, 2019.
- (i) The company after continuous follow ups with the accused Indian representatives and getting no response from her, sent a mail dated 02nd September, 2019 to Nippon Shinyaku for claiming the expenses incurred by Noticee No.1 on their behalf for sample of product. Company took the mail-id from internet from their website. Chain of mails of following up with accused person Sanjeeta is attached.
- (j) The Company's claim was denied by Nippon Shinyaku Ltd vide email dated 5th September, 2019, in which they explicitly stated that no such agreement was entered by Nippon Shinyaku with Urja Global Ltd. They denied of all responsibilities with respect to agreement and any liability that may arise therefrom. They also claimed that the name of their External Directors have been fraudulently misused by the impersonator.
- (k) On being realized that the Company needed to seek legal advice in the matter, the Company hired M/S Legal Remedy on 16th September, 2019 as legal consultant and sought advice for future course of action to be taken. After appointment of legal consultant there was a change in the management of Noticee No. 1. The newly appointed management took time to analyze the matter and provide required documents and information to the legal consultant to assist them in taking next course of action against the accused persons.
- (l) Subsequently, Company logged FIR against the accused persons on 6th June, 2020 in police station, Mianwali Nagar. The Company also wrote

multiple times to its authorized bank ICICI to reverse the transaction done by it in favour of the accused persons. Vide court order dated 21st October, 2020, Hon'ble Court of Sh. Kishore Kumar, Tis Hazari, Delhi ordered the recovery of amount back to the Noticee No.1. An amount of Rs.17.72 lacs which was transferred to one of the accused persons, Babu Enterprises, was able to be recovered and was credited back to the bank account of Noticee No. 1. The same was intimated to the Exchange. During this period the Company was under inquiry under GST Act and thus was not able to file timely complaint in this matter. Off late, accusers Babu Enterprise and Sahir Khan have been arrested in the fraud case and have accepted they open fake accounts with the intention of cheating people.

Consideration of issues and findings:

42. I have examined the allegations made against the Noticees in the SCN, the material available on record and the submissions made by the Noticees in respect of the allegations, in their replies and during personal hearing granted to them.
43. Before proceeding any further, it would be appropriate to refer to the relevant provisions of LODR Regulations and PFUTP Regulations, 2003 which are alleged to have been violated by the Noticees. Relevant extract of these provisions is as under:

LODR Regulations

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:*

....

(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.

...

(e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.

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

30 (7) The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

30 (8) The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

Schedule III Part A

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

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

...

4 Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.

PFUTP Regulations, 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

(2) Dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves any of the following: —

...

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities;

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

44. I note that the first and foremost allegation against the Company is that it made a false and misleading corporate announcement on July 13, 2019 about the Company signing an agreement with, Nippon Shinyaku, a Japanese Company, for supply of an item “Zacobite”. As per the said Agreement / MoU dated July 12, 2019, Urja Global would represent Nippon Shinyaku in the procurement of 20,000 packs Zacobite in India at the cost price of US\$ 6,55,00,000 with a total of 10% commission / profit margin (US\$ 60,50,000) off from the total purchase to be paid to Urja Global. Further, under the said MoU, Nippon Shinyaku purportedly granted Urja Global the right to arrange negotiations on the purchase of Zacobite from Salvamtech Ltd. in India.
45. As per the SCN, the Company did not give to SEBI any information about the product Zacobite based on either its own research or its past experience in dealing with Zacobite. There was no information on internet or otherwise regarding material or element Zacobite and its uses. The only major search

results involved corporate announcements by Urja Global. The SCN therefore alleged that “Zacobite” is a fictitious item which does not exist in the first place.

46. I note that the Company in its defense has made primarily the same contentions which it had raised at the time of examination conducted by SEBI prior to the issuance of the SCN. A gist of such submissions is as follows:

- (a) That the Company has fallen victim to a fraud.
- (b) That it had entered into the said agreement in good faith but was duped by unscrupulous persons who were posing as representatives of Nippon Shinyaku and one Mrs. Sanjeeta Sharma representing M/s/ Salvamtech Ltd.
- (c) That it had carried out necessary due diligence before entering into the purported agreement with Nippon for supply of so called Zacobite.

47. However, I note from the SCN that the abovementioned contentions had already been dismissed by SEBI as afterthoughts on the following grounds:

- (a) Though the Company in its complaint dated January 9, 2020 to EOW has stated that the persons impersonating Nippon Shinyaku had recommended the name and details of persons through which the Company could fulfil the contractual obligations, it has failed to show any due diligence steps taken before entering into transactions with the companies referred to by the persons purportedly impersonating Nippon Shinyaku.
- (b) Though an invoice of \$3,000 (Rs. 10,50,000/-) for supply of 5 packs of Zacobite as sample to the Company, was claimed to be raised on May 9, 2019, yet the payment for the same was claimed to have been made in full, in advance, on April 24, 2019, that too when the Company was purportedly transacting with Ms. Sanjeeta Sharma, a representative of M/s Salvamtech Ltd., for the first time.
- (c) Though Ms. Sanjeeta Sharma was claimed to be a representative of M/s Salvamtech Ltd. who was going to supply Zacobite to Nippon Shinyaku, payments were made to third parties (i.e. Babu Enterprise etc.) instead

of M/s Salvamtech Ltd. No reason or any communication in this regard with the third parties or Ms. Sanjeeta Sharma has been submitted by the Company for allegedly transferring the funds to a third party.

- (d) The Company has not substantiated the claimed payments made by it to the tune of Rs. 293 Lakh to various persons / entities with the corresponding debits in its bank account.
- (e) Despite the Company being aware of the purported fraud pursuant to denial by Nippon Shinyaku on September 5, 2019, it had filed the complaint with EOW much later only on January 9, 2020. The Company has failed to display any serious efforts to recover the money and / or initiate appropriate legal proceedings in this regard.
- (f) Apart from providing a copy of MoU with Nippon Shinyaku, no other documents, such as relevant Board agenda, minutes of the Board Meeting, pre MoU correspondences, correspondences with the alleged persons impersonating as officials / employees of Nippon Shinyaku, correspondences with Ms. Sanjeeta Sharma etc. were provided.

48. In respect of the above, the Company vide letter dated December 14, 2021 has submitted that it had carried out various verifications before entering into agreement with Nippon Shinyaku. However, the Company has failed to substantiate the same with proper records, and the same is discussed in detail below. As regards payment of advances to third parties, the Company vide reply dated December 14, 2021 has submitted that Ms. Sanjeeta Sharma raised invoices to different dealers in different names, dates and times. When the Company asked reason for raising such invoices, Ms. Sanjeeta Sharma said that Zacobite demand was bulky and it could not be completely procured from one dealer and thus payment needed to be done to different dealers. In this regard, the Company vide letter dated December 14, 2021 has submitted copy of pro-forma invoice dated May 09, 2019 raised to Salvamtech Limited for a value of USD 30,000,000. It has also submitted documents which appear to be bank account statements showing total payments of Rs.44,59,500 made to Babu Enterprises, Royal Enterprises and Sahir Khan during April 23, 2019 to June 11, 2019. The Company has not provided any communication exchanged in this regard with the said third parties or Ms. Sanjeeta Sharma.

Further, the Company has not provided any explanation in as to why it had made payment of Rs.10,50,000 to a third party even prior to raising of invoice dated May 09, 2019, as alleged in the SCN. Further, though the Company in its email dated September 02, 2019 to Nippon Shinyaku had claimed to have made a payment of Rs.2.93 crore in total in connection with purported supply of Zacobite, it has failed to substantiate the said claim with supporting documents as well as provide the break-up of such expenses.

49. As regards late filing of complaint with EOW, the Company has submitted that the same had happened due to a change in management of the Company and also due to the Company being under enquiry under GST Act. The Company has also submitted that it has filed an FIR dated June 06, 2020 in the matter against the persons who purportedly cheated the Company. However, as regards Company's alleged failure to display any serious efforts to recover the money and / or initiate appropriate legal proceedings, the Company has not provided any satisfactory explanation. It is noted that the Company has not submitted any proof of any recovery proceedings or civil suit filed by the Company for recovery of Rs.44,59,500 paid to third parties. The Company vide reply dated December 14, 2021 has claimed that it had written to its authorized bank ICICI to reverse the transaction. It has further claimed that vide court order dated October 21, 2020, the Hon'ble Court, Tis Hazari, Delhi, had ordered the recovery of amount back to the Company and an amount of Rs.17.72 Lakh paid to Babu Enterprises was recovered and credited back to the account of the Company. However, from the copies of letter dated January 29, 2020 addressed by the Company to the Assistant Commissioner of Income Tax, and letter dated October 23, 2020 written by ICICI Bank to Axis Bank Ltd, which are part of Annexure 20 of the Company's reply dated December 14, 2021, it appears that the said reversal of transaction was not pursuant to any recovery suit but due to credit of money in Babu Enterprise's bank account with Axis Bank instead of Babu Enterprise's bank account with HDFC Bank.
50. As regards documents mentioned a para 47(f) above, I note that the Company has submitted a copy of letter dated April 23, 2019 purportedly issued by

Nippon Shinyaku vide which the Company was purportedly authorized to act as legal representative of Nippon Shinyaku for purchase of Zacobite and also a copy of a board resolution dated May 14, 2019 purportedly passed by Nippon Shinyaku regarding the Agreement with Urja Global. I note that while the Company has submitted that it had received the copy of said board resolution dated May 14, 2019 through Ms. Sanjeeta Sharma, it has failed to submit any record of correspondence between Ms. Sanjeeta Sharma vide which the said board resolution was received. Further, the Company has also not explained how it had received the above-mentioned copy of authorization letter dated April 23, 2019 purportedly issued by Nippon Shinyaku. It is pertinent to note that Nippon Shinyaku vide its email dated September 05, 2019 to the Company had categorically denied the existence of any agreement between the Company and Nippon Shinyaku for supply of Zacobite. Similarly, as regards pre-MoU correspondence and correspondence with the persons posing as officials / employees of Nippon Shinyaku and Ms. Sanjeeta Sharma etc., the Company has still not submitted any record of such communications except for a copy of email dated May 04, 2019 received from email ID sanjeetasharma00@gmail.com which read as follows: *Dear Sir, Kindly find attached the deposit receipt for the 10,000 units. Please wait till Monday before I can send the IECN to you because I will have to take the matter to my boss in the office. Thanks for your cooperation. Regards, Mrs. Sanjeeta Sharma.* I note from the trail email dated May 03, 2019 quoted below the said email dated May 04, 2019 that on M. G.N. Gupta from the Company had written the following: *Good morning Ma'am, thank you very much for your confirmation for sending all the documents by yesterday evening. I just checked, we have not received till now. pls make sure all compliances today so that we can proceed for next step. Your immediate attention will be helpful for me. Rgds gng*". I note that the said email dated May 04, 2019 received from email ID sanjeetasharma00@gmail.com was forwarded by G.N. Gupta from the Company on the same date to the email ID info@nippon-shinyaku-co.com with the comments *"Sir for information and compliance. Rgds gng."* I note that except for the abovementioned emails, the Company has not submitted any record of communication exchanged between the Company, Ms. Sanjeeta Sharma and the person posing as director of Nippon Shinyaku,

prior to September 02, 2019 when the Company first wrote to Nippon Shinyaku for refund of expenses. The Company vide reply dated December 14, 2021 has provided a copy of email dated September 03, 2019 sent by it to email ID sanjeetasharma00@gmail.com for recovery of Rs.44.60 Lakhs paid to third parties. I note that the said email was sent only after the Company had written to Nippon Shinyaku vide email dated September 02, 2019. I therefore note that the Company has failed to provide plausible explanations with supporting documents in respect of the issues mentioned in the SCN. Apart from the above, I note the following additional points, further impeach the credibility of the Company's submissions:

- (a) While the Company has claimed to have carried out necessary due diligence before entering into the purported MoU with Nippon for supply of Zacobite, it has failed to produce any credible evidence to show that it had any knowledge or information about the said product, Zacobite in the first place, at the time of entering into the purported MOU. The Company vide its reply dated April 15, 2021 has submitted that on Google Search of product Zacobite, it appeared that it is a seed used as raw material in making medicines and that few companies which were dealing with it were visible in the search on Google. In support of its claim, the Company has submitted a copy of purported web-page which appears to be from url <https://domixenterprises.co.in/products.html> which lists Zacobite as a product available for sale by one Domix Enterprises. However, on searching for the said web-page on the internet, it appears that the said page does not exist and there is no information available about Domix Enterprises selling Zacobite. It is noted that the Company has not submitted anything about whether it had made any effort to contact the said Domix Enterprises for supply of Zacobite. It is further noted that the Company vide its reply dated December 14, 2021 changed its stance in this regard and submitted that upon receipt of proposal for supply of Zacobite, the Company did research on Zacobite but didn't find any reference with same name in public domain. It has further submitted that it solely relied on the information provided by Ms. Sanjeeta Sharma regarding Zacobite. However, it has not provided any material or record

supplied by Ms. Sanjeeta Sharma which contained any information about Zacobite. It is thus noted that the Company has made conflicting submissions which are unreliable. The Company has failed to show that prior to entering into the purported MoU with Nippon Shinyaku and making the corporate announcement dated July 13, 2019, it had the following information:

- What is Zacobite?
- What are the uses and efficacy of Zacobite, its total production, availability and price in the country?
- Who are the suppliers of Zacobite in the market?
- Whether the Domix Enterprises which was mentioned as supplier of Zacobite on the abovementioned website was actually supplying the product
- Whether there were other entities who were using Zacobite and from where they were procuring the same.
- Whether the Company had the ability to procure and supply Zacobite as per the terms of purported MoU.
- Why Nippon Shinyaku required Zacobite and why it wanted to procure Zacobite from India and not any other country?

Since the Company has failed to show that it has obtained the above information prior to entering into the purported MoU and making the corporate announcement dated July 13, 2019, it is clear that it itself was involved in the fraud as opposed to its claim that it was a victim of fraud.

- (b) The Company claims to have been contacted by one Ms. Sanjeeta Sharma, authorized representative of M/s. Salvamtech Limited, having office at Guwahati, Assam. As per the Company, Ms. Sanjeeta Sharma initiated the communication with the Company and informed that she was an authorized representative of M/s Salvamtech Limited and was contacted by M/S Nippon Shinyaku Co. Ltd to assist it in the procurement process of Zacobite. The Company has further claimed that Ms. Sanjeeta Sharma introduced the Company with Prof. Yuko Suguria, external

director of M/s. Nippon, through emails. It has further claimed that it had M/s. Nippon had issued Letter of Authorization dated April 23, 2019 which authorized the Company to discuss, negotiate and communicate with Salvamtech on behalf of Nippon to the purchase and export of Zacobite to Japan on regular basis for a period of 5 years. Further, the Company has claimed a copy of Board Resolution dated May 14, 2019 passed by Nippon was shared with the Company by Yukio Sugiura through Ms. Sanjeeta Sharma. However, the Company has failed to submit any record of correspondence exchanged between the Company and Ms. Sanjeeta Sharma vide which the initial proposal was received by the Company or the abovementioned Letter of Authorization and the copy of Board Resolution dated May 14, 2019 passed by Nippon were shared with the Company. Further, the Company has not submitted any record of exchange of communication between the Company and Mr. Yukio Sugiura, except a one-line email dated May 04, 2019 sent by the Company to the email id info@nippon-shinyaku-co.com, which has already been discussed above. However, it is noted that the correct domain name / internet address of Nippon Shinyaku is <https://www.nippon-shinyaku.co.jp>, which indicates that the email address info@nippon-shinyaku-co.com did not belong to Nippon Shinyaku. I also note that while the Company has claimed to have communicated with email ID info@nippon-shinyaku-co.com while dealing with Mr. Yukio Sugiura, it had sent its email dated September 02, 2019 to Nippon Shinyaku at the correct email addresses which actually belonged to Nippon Shinyaku. Further, the following facts point towards the involvement of the Company in the fraud:

- The Company has failed to show that it had verified whether Nippon Shinyaku, a foreign company, intended to procure Zacobite from India thorough the Company or whether it had authorized its director, Mr. Yukio Sugiura, to enter into an MoU with the Company for supply of Zacobite.
- The Company has failed to show that it had verified whether any company with the name “Salvamtech Limited” was really existing

at the given address provided by Ms. Sanjeeta Sharma. This could have been done by verifying the Company's details from MCA records. It is noted that MCA website does not contain any records of any company with the name "Salvamtech Limited".

- The Company has not explained as to why it did not verify the real identity and credentials of Ms. Sanjeeta Sharma before dealing with her.
- The Company has failed to show that it had verified the identity of the person purportedly posing as Mr. Yukio Sugiura, a director of Nippon Shinyaku, or whether the email ID used by the said person belonged to Nippon Shinyaku or not.

(c) It is noted that prior to the Company's reply dated December 14, 2021, the Company all along had submitted to SEBI, including reply dated April 15, 2021, and to the exchange and to Nippon Shinyaku (email dated September 02, 2019) that it had entered in an MoU dated July 12, 2019 with Nippon Shinyaku for supply of 20,000 packets of Zacobite. However, for the first time, vide reply dated December 14, 2021, the Company has claimed that the purported MoU between the Company and Nippon Shinyaku was dated April 23, 2019 and the same was for supply of 10,000 packs of Zacobite at the cost of \$30,000,000. Thus, the Company's submissions are contradictory. If the purported MoU dated April 23, 2019 is considered, then the Company should have made the corporate announcement regarding the said MoU with Nippon immediately after April 23, 2019 and not on July 13, 2019, as done by the Company.

(d) It is noted from the purported MoU dated April 23, 2019 that the same refers to supply of 10,0000 packs of Zacobite. However, there is absolutely no mention of what constitutes a pack of Zacobite i.e. quantity of Zacobite contained in a pack, specification of the product etc. It appears very strange that such particulars were not mentioned in the

MoU and such vague MoU was purportedly signed for such high value contract.

- (e) The Company has claimed that after making above payments, it was waiting for the delivery of sample of product from Ms. Sanjeeta Sharma and other involved persons and was constantly taking follow ups. The Company has submitted that since no response could be received from Ms. Sanjeeta Sharma or other involved persons, it withdrew its public announcement dated 13th July, 2019, by another announcement made on 21st August, 2019, by clarifying that *“the company will supply the product only when 100% advance is received from M/s Nippon Shinyaku Co Ltd. Further, the company hadn't received any payment till now from the Japan company due to which no supply of the product has been done till date.”* In the said corporate announcement, the Company further stated that *“ ... we are withdrawing this agreement with M/s Nippon Shinyaku Co. Ltd., Japan to avoid any further misunderstanding between the stake holders and the Company”*. Though the Company has claimed to have withdrawn the agreement with Nippon as it has not received any advance payment from Nippon, it has failed to show any record of communication vide which it had raised demand of advance payment from Nippon. The Company has claimed that it was continuously following up with Ms. Sanjeeta Sharma to get delivery of samples for which it had made advance payment in account of different dealers introduced by Sanjeeta. As per the Company, only after realizing that there was no response from the involved persons and that the company might have been duped, the Company decided to take back its announcement. Since all communication with external director Prof Yukio Sugiura was done through Ms. Sanjeeta Sharma only, the Company relied on her to get all details related to agreement and thus was not able to get any deliberations from Nippon directly at that point of time. The Company in place of further delaying in the matter, took step to withdrew the announcement thinking in favour of shareholders. However, it is noted that even though the Company claims to have regularly followed up with Ms. Sanjeeta Sharma for delivery of samples, it has not produced

any records of such correspondence exchanged with Sanjeeta Sharma prior to withdrawal of the Agreement with Nippon vide corporate announcement dated August 21, 2019, except two emails dated May 03, 2019 and May 04, 2019 pertaining to certain documents and deposit receipt for 10,000 units, which have already been quoted earlier in this order. Thus, the submissions of the Noticee are not reliable and cannot be given credence to.

- (f) The Company has claimed that it was constantly following up for delivery of samples of Zacobite from concerned persons. Since no response could be received from such persons, the Company withdrew its public announcement dated July 13, 2019 by another announcement on August 21, 2019. However, it is noted from the copy of email dated September 03, 2019 sent by the Company to the email id sanjeetasharma00@gmail.com, purportedly belonging to Ms. Sanjeeta Sharma, that the Company had *inter alia* written: “ ... *the sample of Zacobite provided by you is not as per Product standards and all samples are DEFECTIVE and are of NO USE...*”. It is thus noted that on one hand the Company is claiming that it did not receive the sample of Zacobite, on the other hand, it has claimed in the said email that it had received the samples. Thus, the submissions of the Company are contradictory and are unreliable.
- (g) The Company vide letter dated December 14, 2021 has submitted that to arrange fund for the transaction, it entered into an agreement with M/s. P.V.V. Global FZ-LLC to make necessary arrangement of fund. In this regard, the Company has submitted a copy of agreement dated May 06, 2019 purportedly entered between the Company and one M/s. PVV Global FZ-LLC, a Limited Liability company based in UAE. The said agreement *inter alia* mentions that “*PVV has agreed to invest up to Rs.3 crores on behalf of Urja as initial investment to start the project which shall be refunded during the first year itself on execution of supply of material.*” However, it is noted that the said agreement is merely executed on a plain paper and does not have any stamp or seal of the said company,

M/s. P.V.V. Global FZ-LLC. Hence, the said document is unreliable and cannot be accepted.

- (h) It is very unusual that the Company, being a listed corporate entity, purportedly agreed to enter into an agreement with a foreign corporate entity for supply of a product (Zacobite) which it had no idea about, that too for an agreement value of US\$6,55,00,000 which could have given rise to civil liability of enormous proportion in case of default by the Company. It further defies logic as to why a foreign company would approach an Indian company to import a product through a third party in India (Salvamtech Limited) when it could directly import such product from the third party itself. I further note that as per the information in the Company's Annual Report, as mentioned in the SCN, the Company is primarily engaged in the business of *"Design, Consultancy, integration, supply, installation, commissioning & maintenance of off-grid and grid connected Solar Power Plants and decentralized Solar Applications."* Thus, even assuming that Zacobite was a real product having application in pharmaceutical industry, the Company's primary business as described above had no connection with the purported export of Zacobite. Considering all these factors in totality, it appears highly unlikely that a listed company like Urja Global could fall prey to a fraud of this nature, as claimed by the Company.

51. In view of the abovementioned observations, I find that the Company's submissions that it had fallen victim to a fraud committed by certain persons impersonating as representatives of Nippon and certain other persons cannot be believed and accepted. Rather, the above observations show that the Company had actively connived with such persons to create an artificial situation for making the corporate announcement dated July 13, 2019, which was false, misleading and inaccurate. I note from the Table under para 6 above that prior to the said corporate announcement, the closing price of the scrip on BSE during July 08, 2019 to July 12, 2019 ranged between Rs.2.15 to Rs.2.18. However, immediately after the corporate announcement, the scrip closed at Rs.2.60 and Rs.3.05 on July 15, 2019 and July 16, 2019

respectively. Similarly, there was significant increase in the traded volume in the scrip, which increased from 1,66,312 as on July 12, 2019 to 24,66,443 on July 15, 2019 and 93,41,234 on July 16, 2019. I find that the said corporate announcement had a direct positive impact on the price and volume in the scrip. It thus appears that the corporate announcement dated July 13, 2019 was made with an aim to induce investors to deal in the scrip of the Company. By indulging in the abovementioned act of issuing false and misleading corporate announcement to induce investors to deal in the scrip of the Company, the Company has violated the provisions of Regulations 4(1)(c) & (e) of the LODR Regulations and Regulations 3(a), (c) & (d), 4(1) and 4(2) (k) & (r) of the PFUTP Regulations, 2003.

52. Apart from the above, the Company is alleged to have failed to disclose the following material facts while making public disclosure in respect of withdrawal of the purported MoU with Nippon:

- The reason for which the announcement was withdrawn is not as per the terms and conditions of the MoU i.e., it is *ultra vires* to the MoU.
- The Company did not disclose that it has not raised any request for the advance payment to Nippon Shinyaku for the supply of product.
- The Company also failed to inform the public that before withdrawing the communication, the Company did not have any communication with Nippon Shinyaku i.e., the decision to not act under the MoU has been taken unilaterally by the Company without any deliberations with Nippon Shinyaku.

53. Further, the Company also allegedly failed to disclose the material fact that Nippon Shinyaku vide its email dated September 5, 2019, had explicitly indicated to Urja Global that no dealings of the kind described by Urja Global had been undertaken by Nippon Shinyaku or any of its Directors, specifically by Prof. Yukio Sugiura.

54. I note that as per Regulation 30(7) of the LODR Regulations, *“The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.”*. In the above regard, I note that vide a corporate announcement dated August 21, 2019, the Company had informed the exchange about withdrawal of agreement with Nippon Shinyaku. I therefore note that vide the corporate announcement dated August 21, 2019, the materiality regarding the previous corporate announcement dated July 13, 2019 came to an end, since it had the effect of nullifying the effect of previous announcement. I thus find that the Corporate announcement dated August 21, 2019 was in the form of an update on the previous corporate announcement dated July 13, 2019 and thus, the Company can be said to have complied with Regulation 30(7).
55. As regards the allegations that the Company had not updated material developments on a regular basis regarding other corporate announcements made during March 29, 2018 to March 01, 2019, I note that during the said period, the Company had made a total of 5 corporate announcements the details of which are already provided under para 21 above. In this regard, I note that the Company has submitted that none of the MoUs in respect of which the said corporate announcements were made got materialized into confirmed business deals and thus were not published in the Annual Report but were informed to the stock exchanges in a timely manner. The Company has submitted that the said agreements were entered into with bonafide intention.
56. I note that since the abovementioned MoUs/Agreements were deemed material due to which corporate announcements regarding them were made on the exchange from time to time in the first place, any material development in respect of them, including their termination or they having turned redundant had to be updated on the exchange. Since the initial corporate announcement about a positive event creates a positive impact about the company making them, it is only logical that even if the subject matter of these corporate announcements do not result in confirmed business deals, the public should

be informed about the intermediate development and the ultimate fate of those reported events. I therefore find that the Company's failure to publish updates about the corporate announcements made during March 29, 2018 to March 01, 2019 amount to non-compliance with the provisions of Regulations 4(1)(e) and 30(7) read with 30(4)(i)(a) and Schedule III Part A Para B (4) of the LODR Regulations.

57. I note that apart from the corporate announcements referred to above (i.e. corporate announcement dated July 13, 2019 regarding MoU with Nippon Shinyaku and other five corporate announcements mentioned in para 21 above), a complaint has been received by SEBI with respect to a corporate announcement dated March 22, 2022 made by the Company regarding setting up of an assembly unit for E-scooters at 441/1/A Plot No. 1, Kadambvan Society, Ambad Link Road, Nashik 422007 on March 22, 2022 for supply in western zone of India. The said complaint has been forwarded by SEBI to BSE for examination.
58. The Company is also alleged to have failed to publish the details pertaining to the corporate announcements related to purported MoU with Nippon Shinyaku and those made during March 29, 2018 to March 01, 2019 on its website, as mandated under Regulation 30(8) of the LODR Regulations. In this regard, I note that the Company vide its replies dated April 15, 2021 and December 14, 2021 and has admitted that it had there was a violation of Regulation 30(8) as it had failed to disclose the details of MoU with Nippon Shinyaku on its website due to oversight of the then Company Secretary. However, as regards the other corporate announcements, the Company has neither submitted any proof of compliance with Regulation 30(8) nor any explanation in this regard. Thus, I find that the Company has violated the provisions of Regulation 30(8) of the LODR Regulations.
59. Apart from the above, the Company is alleged to have failed to provide specific and adequate reply to the queries raised by the Exchange (BSE) with respect to the events / information reported by the Company, in violation of Regulation 30(10) of the LODR Regulations. In this regard, I note that the BSE vide

various letters, as detailed in para 35 above, had sought the following information:

- Chronology of events and action taken by the Company, along with supporting documents, in the matter of agreements with Japanese and Chinese company.
- Details of due diligence carried out by the Company while entering into an agreement with any international company
- Current status w.r.t. all the agreements the Company has signed in the past two financial years.

60. I note that even after repeated reminders and warning, the Company allegedly did not submit the abovementioned information. In this regard, I note that the Company has not provided any explanation except generally stating that it has provided all information and relevant documents requested by BSE, NSE and SEBI from time to time. I thus note that the Noticee has violated the provisions of Regulation 30(10) of the LODR Regulations.
61. As regards the allegations against Noticee nos. 2 to 7, I note that these persons were the Executive Directors / Key managerial persons / senior management personnel of the Company at the time of abovementioned corporate announcements with Nippon and others. I note that Noticee nos. 3 and 5 have filed separate replies individually. The Noticee nos. 2, 3, 4, 6 and 7 have adopted the reply dated December 14, 2021 filed by the Company. Further, the Company vide reply dated April 15, 2021 has stated that the said reply was a common reply on behalf of the Company and Noticee nos. 2, 3, 4, 6 and 7.
62. I note that Yogesh Kumar Goyal (Noticee no. 2) and Sunil Kumar Mittal (Noticee no. 3) were the executive directors of the Company at the time when the false and misleading corporate announcement dated July 13, 2019 was made by the Company. Mr. Yogesh Kumar Goyal (Noticee no. 2) was the executive director of the Company at the time of making of 5 corporate

announcements during March 29, 2018 to March 01, 2019 whereas Sunil Kumar Mittal was the executive director during three corporate announcements made during June 07, 2018 to March 01, 2019.

63. Mr. Aditya Venketesh (Noticee no. 4) was an executive director of the Company at the time of making of 5 corporate announcements during March 29, 2018 to March 01, 2019.
64. Similarly, Bharat P Merchant (Noticee no. 5) was a Key Managerial Person (KMP) and part of senior management during four corporate announcements made during dated March 29, 2018 to September 24, 2018.
65. Ms. Priya Bhalla (Noticee no. 6) and Mr. Avinash Kumar Agarwal (Noticee no.7) were the CEO and the CFO, respectively, of the Company at the time of corporate announcement dated July 13, 2019 pertaining to purported MoU with Nippon Shinyaku. Thus, they were acting as KMPs of the Company and were part of senior management of the Company at the relevant time. Further, Avinash Kumar Agarwal was the person who had signed the purported MoU with Nippon Shinyaku on behalf of the Company, which shows that he had a direct role in and immediate knowledge of the fraudulent transaction in respect of the purported agreement with Nippon Shinyaku for Zacobite. Further, it is noted from the Company's submissions dated March 05, 2021 that the Company Secretary, Ms. Kanika Arora (May 28, 2019 to August 12, 2019) was reporting to Mr. Avinash Kumar Agarwal, the CFO of the Company. Thus, he was responsible for ensuring that the primary responsibility of a Company Secretary, which is to ensure compliance with statutory and regulatory requirements is discharged. However, he failed to ensure the same and in fact, was actively involved in signing the purported MoU with Nippon Shinyaku leading to false and misleading corporate announcement on July 13, 2019. Further, Mr. Avinash Kumar Agarwal (Noticee no. 7) was also the CFO (KMP) of the Company when the abovementioned 5 corporate announcements during March 29, 2018 to March 01, 2019 were made by the Company.

66. I note that the Noticee no. 2, 3 and 7 vide common replies dated April 15, 2021 and December 14, 2021 have *inter alia* generally submitted that they had carried out proper due diligence to the best of their knowledge. They have submitted that they along with the management of the Company were deceived by persons posing as representing Salvamtech Limited and Nippon Shinyaku, as the documents submitted by them seemed to be authentic and the transaction did not raise any suspicion. However, I note that considering the loopholes pointed out in the Company's submissions about it falling victim of fraud, the contentions of the said Noticees cannot be accepted. The Noticee nos. 2 and 3 being the executive directors of the Company at the time of false corporate announcement and the Noticee no. 7 having signed the purported MoU with Nippon Shinyaku on behalf of the Company, are liable along with the Company for the said false corporate announcement resulting in violation of the provisions of PFUTP Regulations, 2003 and the LODR Regulations, as alleged in the SCN. They are also liable for violation of Regulations 30(7) and 30(8) the LODR Regulations by the Company, which took place during their tenure. Further, Noticee nos. 2 and 3 have also violated Regulation 4(2)(f)(ii)(8) and the Noticee no. 7 has violated Regulation 4(2)(f)(i)(2) of the LODR Regulations. The Noticee no. 3 vide his letter dated May 28, 2021 has additionally submitted *inter alia* that he was looking after the operations of a wholly owned subsidiary of the Company, Urja Batteries Limited, and was made a whole time director of the Company merely to fulfill the requirement of composition of directors as per law. However, I find that the said contention is not acceptable and he cannot evade responsibility since he was an executive director of the Company at the time of false corporate announcement dated July 13, 2019. Considering the same, the Noticee nos. 2, 3, and 7 are responsible for the violations of legal provisions alleged against them in the SCN.
67. Mr. Aditya Venketesh (Noticee no. 4) has submitted that he held the position of director in the Company only till June 04, 2019 and was not holding any position in the Company at the time of signing of the Agreement with Nippon. He was not involved in day to day affairs of the Company and had no role in the transaction with Nippon. I note that while he was an executive director

when the five corporate announcements during March 29, 2018 to March 01, 2019 were made, he had ceased to be director on June 04, 2019. I note that the allegation against the Noticee is not that he was responsible for making false and misleading corporate announcements but of not updating the exchanges regarding past corporate announcements, in terms of Regulation 30(7) of the LODR Regulations. I note that as per the submissions of the Company referred to in the SCN, the MoU pertaining to Atul Auto Limited had expired on April 14, 2019. I further note that except for the said MoU with Atul Auto Limited for which corporate announcement dated March 29, 2018 was made by the Company, the SCN has not mentioned any other development regarding the other 4 corporate announcements having taken place on a definite date which needed to be updated during Noticee's directorship. Since the Noticee had resigned from directorship after the expiry of the said MoU with Atul Auto Limited, I find that as an executive director of the Company, he was responsible for Company not updating information about the said MOU, in terms of Regulation 30(7) of the LODR Regulations. As regards other MOUs, since no specific development with a definite date of occurrence has been specified which needed to be updated on the exchange during the Noticee's directorship, the allegations against the Noticee in respect of the other 4 corporate announcements do not sustain. Further, I note that the Noticee was an executive director of the Company when the said 5 corporate announcements were made, which were required to be displayed on the Company's website, in terms of Regulation 30(8) of the LODR Regulations. Since it has been admitted in the reply dated December 14, 2021 that there was lapse in compliance of the same, the Noticee as an executive director is also liable for the same, resulting in violation of Regulation 30(8) and Regulation 4(2)(f)(ii)(8) of the LODR Regulations. Considering that the Noticee no. 4 has been found responsible only for not updating information about MoU with Atul Auto Limited and not disclosing about the MoUs on Company's website, I find that issuance of warning to the Noticee no. 4 for the said lapses would suffice in this case.

68. Mr. Bharat Pranjivandas Merchant (Noticee no. 5) has *inter alia* submitted that he was appointed as CEO on November 14, 2017 and he majorly looked after

African markets with specific focus on Urja Solar Projects and Urja Three Wheeler. The Noticee was not looking after the day to day business of the Company or anything related to the Indian market, which was looked after by MD / whole time director of the Company. He resigned from the post of CEO on January 16, 2019 and thereafter, he had no connections with the Company. I note that the allegation against the Noticee is not that he was responsible for making false and misleading corporate announcements but of not updating the exchanges regarding past corporate announcements. I note that as per the submissions of the Company referred to in the SCN, the MoU pertaining to Atul Auto Limited had expired on April 14, 2019. I further note that except for the said MoU with Atul Auto Limited for which corporate announcement dated March 29, 2018 was made by the Company, the SCN has not mentioned any other development regarding the other 3 corporate announcements having taken place on a definite date which needed to be updated during Noticee's tenure as CEO. Considering that the Noticee had already resigned from the post of CEO prior to the expiry of the said MoU with Atul Auto Limited and that no specific development with definite date has been mentioned about other MoUs/ Agreements, I find that the allegations against the Noticee regarding updating the exchanges about the MoUs do not sustain. Further, I note that the Noticee was the CEO of the Company when 4 corporate announcements during March 29, 2018 to September 24, 2018 were made, which were required to be displayed on the Company's website, in terms of Regulation 30(8) of the LODR Regulations. Since it has been established that there was lapse in compliance of the same, the Noticee as the CEO and being a part of the senior management at the relevant time, is also liable for the same, resulting in violation of Regulations 30(8) and 4(2)(f)(i)(2) of the LODR Regulations. Considering that the Noticee no. 5 has been found responsible only for not disclosing about the MoUs on Company's website in terms of Regulations 30(8) and 4(2)(f)(i)(2) of the LODR Regulations, I find that issuance of warning to the Noticee no. 5 for the said lapse would suffice in this case.

69. Ms.Priya Bhalla (Noticee no. 6) has submitted that she had joined the Company on May 28, 2019 before which the Company had already entered

into the MoU with Nippon and she resigned as CEO on September 23, 2019. I find that the Noticee was the CEO of the Company at the time when false and misleading corporate announcement dated July 13, 2019 was made by the Company. I therefore find that the Noticee cannot evade her liabilities in respect of the said false corporate announcement. Considering the same, the Noticee no. 6 is responsible for the violations of provisions of PFUTP Regulations, 2003 and LODR Regulations arising out of such false corporate announcement, as alleged against her in the SCN. Further, she being the CEO of the Company at the time of corporate announcement dated July 13, 2019, is also liable for non-compliance of Regulation 30(8) and 4(2)(f)(i)(2) of the LODR Regulations.

Directions:

70. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11, 11(4) and 11B read with of Section 19 of the SEBI Act, 1992, considering the peculiar facts and circumstances of this case, hereby direct the following:
- (a) Urja Global Limited (Noticee no. 1) is hereby restrained from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and is further prohibited from accessing the securities market by raising money from public, for a period of 2 years from the date of this order.
 - (b) Mr. Yogesh Kumar Goyal (Noticee no. 2), Mr. Sunil Kumar Mittal (Noticee no. 3), Ms. Priya Bhalla (Noticee no. 6) and Mr. Avinash Kumar Agarwal (Noticee no. 7) are hereby restrained from buying selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, and are further prohibited from being associated with any registered intermediary / listed company or any public company which intends to raise money from public in the securities market, for a period of 2 years from the date of this order.

- (c) Mr. Aditya Venketesh (Noticee no. 4) and Mr. Bharat Pranjivandas Merchant (Noticee no. 5) are hereby warned for the lapses found against them as pointed out above in this order.
- (d) For a period of three years from the date of this Order, prior to making any corporate announcement under Regulation 30 of the LODR Regulations:
- (i) The Company shall obtain certification of authenticity of such corporate announcement from a practicing Company Secretary.
 - (ii) The Company shall include in such certificate as referred to in sub-clause (i) above, the status of previous corporate announcements made by it in the last 10 years under Regulation 30 of the LODR Regulations, except for the periodical financial results declared from time to time. The Company shall also ensure strict compliance of the provisions of Regulation 30(8) of the LODR Regulations.

71. This order comes into force with immediate effect.

72. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, Depositories and Registrar and Transfer Agents to ensure that the directions given above are strictly complied with.

-Sd-

DATE: MAY 13, 2022

PLACE: MUMBAI

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA