

To,
The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Date: 23.04.2021

Dear Sir/Madam,

Sub: Clarification from NSE about the GDR Order

With reference to the above-mentioned subject, we came to know about the GDR issue Order disposed before Hon'ble Member of SEBI from the Economics times newspaper (English) website on 22.03.2020 and same has been submitted to NSE & BSE. However due to misconception and some technical crunch partial order attached. The same has been rectified and submitted for your kind consideration and records please.

Sr No	Date of Event	Particulars of the Event	If Disclosure is made under Reg 30		Reasons for non-disclosure under Reg 30 (In case the same is non-material, justify the non-materiality in terms of materiality policy)
			Date of Disclosure	Reasons for delay in disclosure (If it exceeds 24 hours)	
1.	18.03.2021	SEBI Adjudication officer imposed penalty	22.03.2021	we came to know about the GDR issue Order disposed before Hon'ble Member of SEBI from the Economics times newspapers (English) website on 22.03.2020.	we came to know about the GDR issue Order disposed before Hon'ble Member of SEBI from the Economics times newspapers (English) website on 22.03.2020. The GDR order already published in SEBI website and publications in various news papers.

We hereby re-submit the copy of SEBI Order for your records. Kindly acknowledge the same

Yours faithfully,
For Ed & Tech International Limited


B. Prabhakara Reddy
Executive Director cum CEO
(DIN: 00166326)



BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. PM /NR/2020-21/10914-10917

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

In respect of:

1. Visu International Ltd., (PAN: AABCV1500A)	2. B Prabhakar Reddy (PAN: ACVPB8307N)
3. Dr. K Viswanath Reddy (PAN: Not available)	4. Mukesh Chauradiya (PAN: AAVPC0966A)

(The aforesaid entities are hereinafter individually referred to by their respective names/Noticee nos. and collectively as "Noticees", unless the context specifies otherwise)

In the matter of Visu International Ltd.,
(Presently known as Ed& Tech International Ltd.,)

BACKGROUND

1. Securities and Exchange Board of India (SEBI) conducted an investigation to ascertain whether shares underlying Global Depository Receipts (GDRs) of Visu International Ltd., (*hereinafter referred to as "Visu"/ "Company" / "Noticee 1"*) were issued with proper consideration and whether appropriate disclosures in compliance with the Listing Agreement, if any, were made by Visu with respect to the GDRs to the Stock Exchanges. The period under investigation was during issuance of GDRs i.e. April 1, 2006 to May 31, 2006 (*hereinafter referred to as "investigation period"*).
2. The shares of Visu were listed on the Bangalore Stock Exchange (BgSE) and Hyderabad Stock Exchange (HSE). The shares of Visu were permitted for trading on BSE Indo- Next. Visu issued 21,75,000 GDRs (amounting US\$9.66 million) at US\$4.44 per GDR each representing 2,17,50,000 underlying Equity Shares of ₹10/- each on April 21, 2006. The investigation revealed that Banco Efisa

(hereinafter referred to as “Banco Bank”) had granted loan to Seazun Ltd (hereinafter referred to as “Seazun”) by way of a Credit Agreement dated April 12, 2006 (hereinafter referred to as the “Credit Agreement”) for enabling them to subscribe to the GDR issued by Visu and it was observed that the entire 2.175 million GDR were subscribed by only one entity, i.e. Seazun.

3. The Investigation further revealed that the Company had pledged the entire GDR proceeds to Banco Bank as a security against the loan availed by Seazun from Banco Bank for subscribing to GDRs of Visu by entering into an Account Charge Agreement dated April 20, 2006 with Banco Bank (hereinafter referred to as the “Account Charge Agreement”) and the said agreement was signed by Mukesh Chauradiya (Noticee 4) on behalf of Visu. The aforesaid Account Charge Agreement was found to be an integral part of the Loan Agreement entered into between Seazun and Banco Bank. Thus, both Loan and Account Charge Agreements were executed with Banco Bank concurrently, by Seazun and Visu respectively. These agreements enabled Seazun to avail a loan from Banco Bank for subscribing GDRs of Visu. The GDR issue would not have been subscribed had the Company not given any such security towards the loan taken by Seazun.
4. It was also observed during investigation that B Prabhakar Reddy (Noticee 2) and Dr. K Viswanath Reddy (Noticee 3) were Directors of Visu during the relevant time of signing of Account Charge agreement and also participated in the Board meeting of the Company dated January 30, 2006, in which a resolution was passed for opening an account with Banco Bank wherein, the GDR proceeds would be deposited and a further resolution was passed authorizing Banco Bank to use the GDR proceeds of the Company as security against loan. The investigation also found that another resolution authorising the Noticee 4, who was a Director of Visu, to execute any documents on behalf of the Company with Banco Bank was also passed in the aforesaid Board meeting. On the strength of the said resolution passed by the Board, the Company had entered into the Account Charge Agreement with Banco Bank. Thus, the Account Charge Agreement executed by Visu has enabled Seazun to avail loan from Banco Bank for subscribing to the GDRs of Visu. The bank account in which GDR proceeds were to be deposited, was in the name of the Visu but on account of the Account Charge Agreement, the GDR proceeds deposited in the said account were not at the

disposal of the Company to utilize for its own needs till such time Seazun repaid the loan to Banco Bank. It was further observed that the GDRs issued by the Company to Seazun were subsequently converted into equity shares and sold in the Indian Securities Market.

5. On the backdrop of the above stated facts, the Company had not disclosed to the investors about the arrangement so made by it with Banco Bank to ensure the successful issuance/subscription/allotment of the GDRs by facilitating a loan to Seazun in terms of the aforesaid Credit Agreement. It was further concealed from the public that the proceeds of GDRs would be kept as security with the Banco Bank and would not be available for the Company's immediate use. Thus, the Company misled the Shareholders/investors at large by providing partial and distorted information, about issuance of GDR to the public. Therefore, it was alleged that the scheme of issuance of GDRs was fraudulent. Accordingly, it is alleged that Visu (Noticee 1) had violated the provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (*hereinafter referred to as "SEBI (PFUTP) Regulations"*).
6. It was also observed that Visu had not informed Stock Exchange with regard to the Account Charge Agreement entered into with Banco Bank for subscription of GDRs and about the outcome of the Board meeting dated January 30, 2006. Further, Visu did not inform the Stock Exchange about signing of the MoU with Vintage FZE (*hereinafter referred to as "Vintage"*), wherein Visu agreed to pay US\$10 million for its expansion activities and intimated the outcome of Board meeting dated April 21, 2006 with a delay. The aforementioned events comprise of price sensitive information and could have had impact on the performance/operations of the Company. Accordingly, it is alleged that the Company (Noticee 1) had violated the provisions of Section 21 of Securities Contracts (Regulation) Act, 1956 (*hereinafter referred to as "SCRA"*) read with Clause 36 (7) of Listing Agreement.
7. The Directors of the Company (Noticee 2 and 3) who attended the Board Meeting on January 30, 2006 had approved the Board resolution authorizing the Noticee 4

to sign the documents, based on which the Noticee 4 signed account charge agreement. Therefore, it is alleged that the Noticee 2, 3 and 4 have acted as colluding parties to the above stated scheme contrived to issue GDRs in a fraudulent manner. Accordingly, it is alleged that the Noticees 2, 3 and 4 have violated the provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of SEBI (PFUTP) Regulations.

APPOINTMENT OF ADJUDICATION OFFICER

8. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticees and appointed Shri Jeevan Sonparote as the Adjudicating Officer vide Order dated May 23, 2017 (*communicated vide Order dated January 9, 2018*) under Section 19 read with Sub-section (1) of Section 15I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 (*hereinafter referred to as "SEBI Adjudication Rules"*) and under Sub-section (1) of Section 23I of SCRA, 1956 and Rule 3 of Securities Contract Regulation (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (*herein after referred to as "SCR Adjudication Rules"*) to inquire into and adjudge the alleged violations committed by the Noticees. Pursuant to internal restructuring, the instant proceedings have been transferred to Ms. Sangeeta Rathod, vide Order dated November 27, 2019. Thereafter, the undersigned has been appointed as the Adjudicating Officer vide Order dated October 28, 2020.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

9. A common Show Cause Notice (SCN) ref. no. SEBI/HO/EAD-8/JS/NS/OW/P/4875/1/2018 dated February 14, 2018 was issued to the Noticees under Rule 4(1) of the SEBI Adjudication Rules and Rule 4 (1) of SCR Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against the Noticee 1 under Section 15HA of the SEBI Act and Section 23E of SCRA and in respect of the Noticees 2 to 3 under Section 15HA of the SEBI Act, for the violations alleged to have been committed by them as mentioned in the above paragraphs.

10. The SCN sent to the Noticee 1 returned undelivered and the SCN in respect of the Noticee 2 was duly served on him. However, the Noticee 2, on behalf of the Noticee 1 and for himself, vide letter dated March 12, 2018 sought extension of two weeks to furnish their reply, which was acceded to and a communication in this regard was sent to the Noticees 1 and 2 to furnish their reply by April 2, 2018. The Noticee 2 furnished his reply, which was received on April 3, 2018. The Noticee 1 vide email dated April 5, 2018 had attached a reply received from the Noticee 2 (B Prabhakar Reddy) to the SCN dated February 14, 2018. Further, vide letter dated February 26, 2020, the SCN along with the annexures mentioned therein were once again served on the Noticees 1 and 2 by Speed Post, which was received by the Noticees on March 3, 2020. Vide email dated March 4, 2020, the Noticees 1 and 2 sought copy of the SCN, which was once again sent to the Noticees 1 and 2 on March 17, 2020. The Noticee 2 on his behalf and on behalf of the Noticee 1 vide emails dated March 24, 2020, April 16, 2020 and May 26, 2020 submitted that due to lockdown imposed in view of Covid-19 pandemic, they were unable to file the reply and sought additional time to furnish the reply. Further, vide email dated June 2, 2020, the Noticees 1 and 2 were provide with an opportunity of hearing on in the month of June 2020, which was subsequently adjourned to July 8, 2020 based on a request received from the Noticees 1 and 2. The Noticees 1 and 2 vide letter dated July 16, 2020 furnish their replies. Further, I note that the Noticees 1 and 2 failed to avail the opportunity of hearing which was scheduled on July 8, 2020.
11. Pursuant to transfer of the instant proceedings to the undersigned, the Noticees 1 and 2 were once again provided with an opportunity of personal hearing on January 20, 2021, which was communicated through digitally signed email sent at prabhakar_1924@yahoo.co.in and operations@edtechintl.com on December 23, 2020. In view of Covid-19 Pandemic, the hearing was scheduled through videoconference on WebEx platform. The email sent to prabhakar_1924@yahoo.co.in did not bounce, whereas the email sent to operations@edtechintl.com bounced. In view of the fact that the Noticee 2 vide email dated April 16, 2020 confirmed that he is representing the Noticee 1 also in its capacity as Executive Director, I am of the view that the notice of hearing has been duly served on the Noticee 1 at its Email ID: prabhakar_1924@yahoo.co.in

However, I note that the Noticee 1 and 2 did not appear for the hearing which was scheduled on January 20, 2021.

12. The SCN in respect of the Noticee 3 i.e., Dr. K Viswanath Reddy sent by Speed Post returned undelivered. Therefore, in terms of Rule 7 (d) of SEBI Adjudication Rules, a Notice was published in three newspapers viz., Deccan Chronicle (English), Daily Hindi Milap (Hindi) and Sakshi (Telugu) in its Hyderabad edition on January 5, 2021, requiring the Noticee 3 to furnish his reply, if any within 14 days from the date of publication, besides providing with an opportunity of hearing on January 21, 2021. I note that the Noticee 3 neither furnished his reply nor appeared for the hearing.
13. The Noticee 4 i.e., Mukesh Chauradiya vide his letter dated March 1, 2018 submitted his reply. Thereafter, the Noticee 4 was once again provided with another opportunity to submit his reply, if any, in addition to earlier reply submitted vide letter dated March 1, 2018. It is observed that no reply was received from the Noticee 4 thereafter.
14. Pursuant to transfer of the instant proceedings to the undersigned, the Noticee 4 was provided with an opportunity of personal hearing on January 20, 2021, which was communicated through digitally signed email sent at mukeshchoradiya@gmail.com on December 23, 2020. The email sent to the Noticee 4 did not bounce. The Noticee 4 vide email dated January 19, 2021 sought adjournment of hearing in the last week of February 2021. Accordingly, the hearing was rescheduled to February 22, 2021. In view of Covid-19 Pandemic, the hearing was scheduled through videoconference on WebEx platform and the weblink along with the login credentials for joining the hearing were sent to the Noticee 4 on February 18, 2021. The Noticee along with his Authorized Representative appeared for hearing through videoconference on February 22, 2021 and reiterated the submissions made vide letter dated March 1, 2018. Further, the Noticee and the Authorized Representative sought an additional time of 7 days to make fresh submissions, which was acceded to. The Noticee 4 vide his letter dated February 26, 2021 made additional submissions.

15. The replies furnished by the Noticees 1, 2 and 4 are summarized hereunder:

(i) Replies of the Noticees 1 and 2

- a) *The day-to-day affairs, the corporate funding, major policy decisions of the Company were solely handled by the Chairman Late Shri C. Chandrasekhar Reddy in Ed & tech International Limited (Formerly known as Visu International Limited). He was the lone person who had complete knowledge on GDR and related matters and he passed away in the year 2014.*
- b) *Noticee 2 was an independent Director during the Investigation Period and does not have sufficient knowledge on the GDR issue. He was appointed as an independent non-executive Director of Visu in the FY 2002-03 and continued as Independent Director till FY 2009-10. He only attended the Board meetings whenever they were called for by the Company and did not participate in the day-to-day affairs of the Company.*
- c) *The Board Resolution as such does not specifically authorize Mr. Mukesh Chauradiya to enter into an Account Charge Agreement. The bare perusal of the Board resolutions would show that they are general in nature and can be understood to be in the ordinary course of business. The said agreement was not placed before the Board for approval. There was no occasion to know about the said Account Charge Agreement as it was entered into after three months of the passing of Board Resolution i.e., on April 20, 2006.*
- d) *With regard to non-disclosures to BSE regarding entering into Account Charge Agreement, Noticee 1 and Noticee 2 have submitted that as the Company has become defunct, they are unable to trace any documents to verify the disclosures made to the stock exchanges.*

(ii) Replies of the Noticee 4

- a) *The Noticee has denied all the allegations contained in the SCN stating that he was neither a Director, Officer or an Employee of the Company, nor was he responsible for the management of Visu.*
- b) *He was an employee of Vintage FZE, a company fully owned and controlled by Mr. Arun Panchariya. My employer had recommended my name to Visu for representing Visu in relation to its bank account to be opened with Banco Bank.*
- c) *The Board Resolution dated January 30, 2006 authorized Noticee 4 to sign, execute any application, agreement, escrow agreement, documents, undertakings confirmations, declaration and other paper(s) from time to time*

as may be required by the Bank and to carry and affix, Common Seal of the Company thereon, If and when so required.

- d) *It is apparent from the Board Resolution that the bank account was opened specifically in relation to the GDR issuance by the Company. The Board members had contemplated the underlying loan arrangement for subscription to its GDR and had expressly authorized Banco Bank to use the GDR proceeds as security in connection with loans. My role was limited to act as per the express authorization by the Board of Visu and I had no involvement in deciding any matters in relation to the GDR issue or its proceeds.*
- e) *I submit that, I as an employee of Vintage FZE had signed the Account Charge Agreement on April 20, 2006 in London and the fund transfer instructions as an Authorized Signatory for VISU based on the express authorization by the Board of Directors of VISU dated January 30, 2006.*
- f) *I hereby submit that I had never personally met or knew any Board member of Visu. I was drawing only a monthly salary for the work done by me in Vintage FZE. I did not have any other advantage, monetary or otherwise for any of the acts done by me as an employee of Vintage FZE working under Arun Panchariya.*
- g) *I was never been the Director or Managing Director of Vintage FZE.*
- h) *I submit that under the Implementing Regulations No. 1/92 (Pursuant Law No. 9 of 1992) of FZE, under which the Vintage FZE was registered as Free Zone Enterprises in JAFZA, shall have a single owner. I submit that in this case it was Mr. Arun Panchariya who has been the beneficial and legal owner of Vintage. It was a single member enterprise and he was the owner and the only Director of the Vintage and the face behind Vintage.*
- i) *I submit that from the copies of my resident permits for the period 14th September 2005 to 9th September 2017, it can be seen that my designation / position has always been mentioned as the General Manager and not as a Director /Managing Director.*
- j) *I submit that from the letter dated 1 October 2009 written by Vintage to Abu Dhabi Commercial Bank, it can be seen that I was referred to as the General Manager since September 2005. The said letter was signed by Mr. Arun Panchariya himself.*
- k) *I submit that it can be seen from the copy of the JAFZA Visa of Mr. Arun Panchariya for the period 12/01/2010 to 11/01/2013 that his designation was mentioned clearly as Managing Director.*

l) I submit that from the Employment Card issued to me by JAFZA, it can be seen that I had always been an employee of Vintage and not a Managing Director / Director of it.

m) The Noticee 4 has not derived any unfair advantage as a result of the alleged violations.

16. In respect of the Noticee 3, it is noted that SCN and the notice of hearing was duly served on the Noticee by way of newspaper publication, yet the Noticee neither submitted his reply to the charges alleged in the SCN nor appeared for the hearing.

17. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd., vs. SEBI (Appeal 68 of 2003 decided on December 08, 2006) wherein the Hon'ble SAT, inter alia, observed that - "*..... the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them*".

18. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others vs SEBI (Appeal 68 of 2013 decided on February 11, 2014), inter alia, observed that – "*.....As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices.....*".

19. In view of the above observations of the Hon'ble SAT and considering that no request has been received from the Noticee 3 for seeking more time for filing written reply or for hearing, I find no useful purpose would be achieved by granting any more opportunity for submission of reply and/or for personal hearing to the Noticees. Hence, I proceed to deal with matter ex-parte in respect of the Noticee 3.

CONSIDERATION OF ISSUES

20. I have taken into consideration the facts and material available on record. I observe that the allegations levelled against the Noticees are that the Noticee 1 has violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f) (k) & (r) of SEBI (PFUTP) Regulations, 2003 and Section 21 of SCRA read with Clause 36 (7) of the Listing Agreement. The Noticees 2 to 4 have alleged to have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1) of SEBI (PFUTP) Regulations.
21. After perusal of the material available on record, I have the following issues for consideration, viz.,

ISSUE-I: Whether the Noticee 1 has violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f) (k) & (r) of SEBI (PFUTP) Regulations, 2003 and Section 21 of SCRA read with Clause 36 (7) of the Listing Agreement?

ISSUE-II: Whether the Noticees 2 to 4 have violated Section 12A(a), (b), (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4(1) of PFUTP Regulations?

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

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

FINDINGS

22. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder:

ISSUE-I: Whether the Noticee 1 has violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (f) (k) & (r) of SEBI (PFUTP) Regulations, 2003 and Section 21 of SCRA read with Clause 36(7) of the Listing Agreement?

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

Section 12 (A) (a) (b) (c) of SEBI Act

No person shall directly or indirectly

- (a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*
- (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

Regulation 3 of PFUTP Regulations: - Prohibition of certain dealings in securities

No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.*

Regulation 4: - Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities

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

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

Section 21 of SCRA

Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange

Clause 36 (7) of Listing Agreement

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

(7) Any other information having bearing on the operation/performance of the company as well as price sensitive information, which includes but not restricted to;

i) Issue of any class of securities.

ii) Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the company, etc.

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

iv) Voluntary delisting by the company from the stock exchange(s).

v) Forfeiture of shares.

vi) Any action, which will result in alteration in, the terms regarding

Redemption/cancellation/retirement in whole or in part of any securities issued by the company.

vii) Information regarding opening, closing of status of ADR, GDR, or any other class of securities to be issued abroad.

viii) Cancellation of dividend/rights/bonus, etc.

24. I note that the Company had issued 2.175 million GDR on April 21, 2006 for raising 9.66 million US\$. The number of underlying shares issued by the Company against the said 2.175 million GDR issue, were 2,17, 50,000. Thus, the ratio of number of GDR issued to equity shares of the Company was 1:10.

25. The Board of Visu had passed a Resolution in its Meeting on January 30, 2006, wherein, inter alia, a decision was taken to open an account with Banco Bank for the purpose of depositing the GDR Proceeds therein and also to authorize Banco Bank to use the GDR proceeds as security against loan. Relevant extracts of the Board Resolution are as under:

“RESOLVED THAT a bank account be opened with Banco Efisa S. A. (“the Bank”) or any of the branch of Banco Efisa S. A., including the offshore Branch, outside India for the purpose of receiving subscription money in respect of the Global Depository Receipt issue of the Company.

RESOLVED FURTHER THAT Mr. Mukesh Chauradiya, Authorised Person be and is hereby authorized to sign, execute any application, agreement, escrow agreement, document, undertaking, confirmation, declaration and other paper(s) from time to time as may be required by the bank and to carry and affix, Common Seal of the Company thereon, if and when so required.

.....RESOLVED FURTHER THAT Mr. Mukesh Chauradiya, Authorised Person be and is hereby authorized to draw cheques and other documents, and to give instructions from time to time as may be necessary to the said Banco Efisa S.A. or any of branch of Banco Efisa S.A. including the offshore Branch, for the purpose of operation of and dealing with the said bank account and carry out other relevant and necessary transactions and generally to take all such steps and to do all such things as may be require from time on behalf of the company.

.....RESOLVED FURTHER THAT the Bank be and is hereby authorized to use the funds so deposited in the aforesaid bank account as security in connection

with loans if any as well as to enter into any Escrow Agreement or similar arrangements if and when so required”

26. On a perusal of the aforesaid Board Resolution, I note that the said Resolution was approved by the Board of Visu on January 30, 2006 for inter-alia, opening of a bank account with Banco Bank for the purpose of receiving subscription money in respect of the GDR issue of the Company. According to the Resolution, the Noticee 4 (Mukesh Chauradiya) was authorized to sign, execute any application, agreement, etc. as may be required by the Banco Bank. Accordingly, the Company had opened an account no. 62640 67.15.001 in its name in Banco Bank. It was further resolved by the Board to authorize the Banco Bank to use the funds so deposited in the said bank account as security in connection with loans, if any. A comprehensive reading of all the above said Board Resolution indicates that a decision was taken as on January 30, 2006 itself about the proposed issuance of GDR and at that very stage a decision was also taken to open a bank account with Banco Bank. Further, the Board had also contemplated on the date of passing of the said resolution itself, that the funds/proceeds of the proposed GDR to be received in their Banco Bank account would be used as a security for loans. The said contemplation of using the proceeds as security for loan was contrary to the common commercial practise. Passing of such a resolution by the Board involving the future use of the GDR proceeds as a security against a loan indicates that the Company did not intend to utilize the GDR proceeds immediately for the objects for which the GDR were to be issued. The Company, instead of raising funds through domestic means thought it proper to explore the possibility of raising funds offshore but did not seem to have any intentions to make use of such funds for the benefit of the Company. In this regard, I note that the information with regard to the aforesaid Board Resolution, particularly the resolution for keeping the GDR proceeds as security against loan if any, was not disclosed to the Shareholders of the Company, thereby misleading the investors in India by concealing such an important information from them.

27. It is noted that Seazun had signed a Credit Agreement dated April 12, 2006 with Banco Bank for availing a loan of up to 10 million US\$ so as to subscribe to the

full amount of the GDR issue of Visu worth of US\$ 9.66 million. In this regard some of the relevant clauses of the said Credit Agreement, are cited as under:

a) **“Facility-** *Subject to the terms of this agreement, the bank agrees to make available to the borrower a Dollar term loan facility in the maximum principal amount of up to US \$10,000,000.*

b) **Purpose-** *The borrower shall use the proceeds of the advance to subscribe for global depository receipts to the value of up to US \$10,000,000 issued by Visu on the terms of the Listing particulars to be delivered to the Luxembourg Stock Exchange.*

c) **Drawdown**

Drawdown period: *Subject to the terms of this agreement, the loan shall be made to the Borrower at any time during the Drawdown period by way of a single advance, when requested by means of a Drawdown notice.*

Drawdown Notice: *When the Borrower wishes to drawdown under the Facility, it shall give a duly completed Drawdown notice to the Bank to be received not later than 11.00 a.m. on the third business day before the Drawdown Date.*

A drawdown notice shall be irrevocable and the borrower shall be obliged to borrow in accordance with its terms.”

28. I also note that apparently on the strength of the afore-stated authorization given by the Board to “*use the funds so deposited in the aforesaid bank account as security in connection with loans if any*”, the Noticee 4 had signed an Account Charge Agreement with Banco Bank dated April 20, 2006 therein giving an undertaking on behalf of Visu to deposit in the designated account of Visu with Banco Bank, an amount not exceeding the loan availed by Seazun for subscribing to the GDR of Visu, as a security against the obligations of Seazun under the said Credit Agreement. Some of the relevant clauses of the Account Charge Agreement signed by the Company with Banco Bank are quoted as under:

“1. Definitions

.....

Loan agreement means the Loan agreement signed between Seazun (as borrower) and the Bank dated on or around the date of this agreement by which the bank agreed to lend to Seazun the maximum amount of up to US\$ 10,000,000.

2. Account Charge

Subject to the terms of this agreement, Visu deposited in its designated account with bank (hereinafter the Account) an amount not exceeding US\$ 10,000,000 as security for all the obligations of Seazun under the Loan Agreement (hereinafter the Secured Obligations) and with full title guarantee hereby assigns to and charges by way of first fixed charge in favour of the Bank all the rights, title, interest and benefit in and to the account as well as the moneys from time to time standing to the credit thereof and all interest from time to time payable in respect thereof. Such assignment and charge shall be a continuing security for the due and punctual payment and discharge of the secured obligations.

Upon payment of all or part of the amounts due under the Loan Agreement, Visu may withdraw from the account the equivalent amount.

Upon payment and final discharge in full of all the secured obligations, this agreement and the rights and obligations of the parties shall automatically cease and terminate and the Bank shall, at the request of Visu, release the deposit made in the account.

Visu covenants with the Bank that it will on demand pay and discharge the secured obligations when due to the bank.

.....

11. Notices

(a) Method: *each notice or other communication to be given under this Agreement shall be given in writing in English and, unless otherwise provided, shall be made by letter or Fax.*

(b) Delivery: *any notice or other communication to be given by one Party to another under this Agreement shall be given to that other Party at the respective addresses given herein under.....*

*Visu
104 Lumbini Enclave, Opposite NIMS Hospital
Punjagutta, Hyderabad - 500082
Attention: Mr. Mukesh Chauradiya”*

29. On a careful and combined examination of the contents of the relevant clauses of the “Credit Agreement” signed by Seazun and the “Account Charge Agreement”, signed by Visu with Banco Bank, following observations are forth coming: -

- a) The Account Charge Agreement was executed mainly to secure the obligations of the borrower i.e., Seazun, which was granted a loan for 10 million US\$ by Banco Bank. The Account Charge Agreement also mentions that the Company (Visu) will deposit in its designated account with the Banco Bank, an amount not exceeding US \$10,000,000 as security for all the obligations of Seazun in terms of its Credit Agreement and the Company thereby assigned all the rights, title, interest and benefit accruing out of its designated account as a continuing security for the payment and discharge of the obligations of Seazun under its Credit Agreement with the Bank.
- b) In terms of the Account Charge Agreement, only upon payment of the amounts due under the Credit Agreement by Seazun, Visu could withdraw equivalent amount from its designated account in the Banco Bank and also only upon payment and final discharge of all the obligations by Seazun under its Credit Agreement, that the rights and obligations of the parties(i.e. Visu and Banco Bank) under the Account Charge Agreement shall cease to exist and thereafter, Banco Bank shall release the remaining amount of bank balance lying in the account of the Company to Visu.
- c) The Account Charge Agreement also mentions that Visu has undertaken to pay and discharge the obligations of Seazun under their Credit Agreement to the Banco Bank. Accordingly, Banco Bank was entitled to apply all or any part of the deposit made by Visu in its designated account against the obligations of Seazun without further notice.
- d) As a consequence, to such terms & conditions contained in the Account Charge Agreement, I note that even after the GDR issue, Visu could not get the GDR proceeds at its disposal for its business utilization until repayment of the loan was made by Seazun.
- e) As per clause 3 of the Credit Agreement the said loan was sanctioned to Seazun for the purpose of subscribing to the GDR issue of Visu up to the value of USD 10,000,000. Further, as per clause 10 of the Credit

Agreement, obligations of the borrower (Seazun) was secured inter alia, by a charge over the deposit made by Visu with Banco Bank and any other documents acknowledging as security for the obligations of the Obligor (Seazun and Visu).

- f) Thus, in the Credit Agreement itself executed by Seazun to avail loan from Banco Bank, the Company, Visu, was christened as an obligor, although the Company was not a signatory to the said Credit Agreement. It implies that Seazun was completely assured by Visu at the time of signing the Credit Agreement that Visu will take upon itself the entire obligation of loan liability of Seazun. Accordingly, clause 2 of the Account Charge Agreement authorized Banco Bank to apply all or any part of the deposits made by Visu in its designated account to settle the loan liability of Seazun. It becomes clear that the Noticee 1 (Company) has authorized vide its Account Charge Agreement that, in all eventuality, in case of any default by the borrower, the security including proceeds of GDR to be deposited in its designated account would be realizable by Banco Bank.
- g) The Credit Agreement and Account Charge Agreement were thus inextricably connected and executed in a manner that clearly points out that the Noticee 1 i.e., the Company, had consciously facilitated the loan to Seazun so as to ensure success of issuance of GDR and to create a good overseas market impact about the scrip of the Company. The above stated acts were performed by the Company knowing well that the GDR proceeds cannot be used for its business, until the repayment is made by the borrower cum subscriber to its entire GDR issue, i.e., Seazun.

30. The Company (Noticee 1) in its submissions has taken a plea that since it has become defunct, it is unable to trace any documents to verify the disclosures made by it to the stock exchanges. At this juncture, it would be appropriate to examine all the disclosures made by the Company to the Stock Exchange during the relevant period of time: -

24 May 2005

Outcome of Board meeting held on May 23, 2005

.....

Board of Directors at meeting held on May 23, 2005, has inter-alia accorded to issue of 30 million shares to the Persons resident outside India by way of GDR/ADR/FCCB etc.

.....

28 June 2005

Outcome of EGM

.....

Authorised the Board to issue and allot, in the course of international offerings in one or more foreign markets, in the form and/or name of Global Depository Receipts or otherwise, equity shares and/or any securities convertible into equity shares at the option of the Company and/ or holder of the securities representing either Equity shares or convertible securities representing either Equity shares or convertible into equity shares ("Securities") subscribed in foreign currency (ies) to foreign investors for an aggregate number equity shares or such receipts or instruments equivalent to 30 million equity shares of Rs 10/- each including the over allotment option, if any, as decided by the Company/underwriters, such issue and allotment to be made at such time or times, in such tranche or tranches, at such Price or Prices at a discount or premium to market price or prices, in such manner as the Board may, in its discretion think fit.

.....

25 April 2006

Global Depository Receipts (GDR) of the Company has been officially listed on the Euro MTF of Luxembourg Stock Exchange, UK since April 24, 2006.

The Company was in the process of issuing capital by way of Global Depository Receipts (GDR) Issue. The Lead Managers to the GDR Issue informed that the Issue has closed on April 20, 2006. The allotment of the aforesaid 2.175 million GDR underlying 21.75 million equity shares of Rs 10/- each is done in the Board Meeting of the Company held on April 21, 2006.

31. After a careful reading of the afore-stated disclosures, I note that the Company has made no disclosures about the Board Resolutions pertaining to usage of GDR proceeds by Banco Bank as a security against loan, if any, as passed in the Board meeting dated January 30, 2006. In the aforementioned disclosures, the Company has also consciously concealed the information regarding authorizing Mukesh Chauradiya to perform various activities including opening and operating of a bank account in Banco Bank. The Company has also not disclosed its pre-planned arrangement for getting the GDR subscribed by Seazun by facilitating a loan to Seazun from Banco Bank and its decision to keep the GDR proceeds receivable from Seazun as security against the loan availed by the Seazun. Under the circumstances, such incomplete and misleading disclosures about the successful allotment and listing of GDRs were bound to create an artificial impression about a strong demand by the foreign investors to subscribe to the equity capital of the Company. Thus, it is clear that the Company has not disclosed to the stock exchanges, the most relevant information pertaining to GDR issue on the basis of which crucial resolutions have been passed by the Board.

32. Apart from non-disclosure of crucial information to the Exchange which are the subject matter of the present SCN, it is also observed that there are certain glaring inconsistencies in the submissions made by the Noticee Company which further strengthens the veracity of allegations made in the SCN, as pointed out below:

- a) The Account Charge Agreement signed by the Company with Banco Bank bears unmistakable references to Seazun and the Credit Agreement of Seazun with Banco Bank. Moreover, the contents of the Account Charge Agreement signed by the Company shows how it is intertwined with the contents of the Credit Agreement of Seazun. Therefore, the contentions of the Noticee 1 that it was not aware about the GDR issue is utterly false and deserve to be rejected.
- b) It is apparent from the Account Charge Agreement and the submissions of Noticees that the Noticee Company was very much aware about keeping the GDR proceeds as security to facilitate the loan sanctioned to the subscriber (i.e., Seazun). In such an eventuality, nothing prohibited the Noticee from making a specific disclosure to the effect that GDR proceeds

were to be kept as security towards loan availed by the overseas subscriber from the same Bank in which GDR proceeds were to be deposited. However, the non-disclosure of the same shows that Noticee never intended to come clean on the matter to its Shareholders.

- c) The Credit Agreement and Account Charge Agreement further indicate that the Noticee Company was aware that there would be a single subscriber to the entire GDR issue and Noticee Company was aware that Seazun would be the only subscriber to the GDR and, that proceeds of GDR received from them would be kept as security against the loan availed by the subscriber for making subscription to the GDR issue of the Company.

33. In view of the afore-stated observations, I find that the disclosures made by the Company suffered from gross deficiencies as the Company never disclosed that Seazun has been identified as the only entity to subscribe to the entire GDR and that the Noticee Company had agreed to facilitate their subscription by undertaking as an 'obligor' to Banco Bank for keeping the GDR proceeds as security with Banco Bank, subject to repayment by the borrower/ Seazun. Further, investors have not been informed that in case of default by Seazun, Company would be liable and the proceeds of GDR kept as security would be used by Banco Bank to settle the default amount of Seazun leading to forfeiture of the entire GDR Proceeds so received by the Company. Under the extant domestic securities laws, a company listed in India is required to make true, fair and proper disclosures to the Shareholders and the Securities Market. It is now amply clear that the Noticee Company has not made its disclosure in a fair manner and rather has concealed very crucial material information pertaining to its actions & transactions in connection with the GDR issue, from its Shareholders investors and from the Public at large.

34. The Company's submissions that it was not aware of the Account Charge Agreement in terms of which the proceeds/ balances lying in the Bank account of the Company were committed/undertaken to be utilized by Banco Bank as a security against the loan advanced to Seazun; is an impossible explanation far away from truth. If the Company is so aggrieved with Banco Bank's action, it is not known as to why the Company has not till date, contested the contents of the

Account Charge Agreement before Banco Bank or in a competent court of law, despite having been served with the SCN in the year 2018. I rather also note that the Noticee has not disputed the execution and contents of the Account Charge Agreement but has merely taken a trivial plea that it was not aware that the same would be used to secure the loan given to Seazun, which is again an improbable and illogical explanation and not acceptable. As pointed out earlier, the Account Charge Agreement makes specific stipulations with respect to the Credit Agreement entered into between Banco Bank and Seazun. Therefore, ignorance of these stipulations in the Account Charge Agreement duly entered into by the Company itself with Banco Bank cannot be pleaded by the Company. In fact, the contents of the Account Charge Agreement make it clear that it was entered into by the Company with Banco Bank only to create a charge on its Bank account and the proceeds lying therein against the loan advanced to Seazun to enable Seazun to subscribe to the GDR issue of the Company. Hence, such submissions of the Company feigning ignorance about the contents of their agreements are merely an afterthought exercise only to evade the consequences of the present proceedings. Therefore, the contention of Noticee that it was not aware as to how the Banco Bank has used its GDR proceeds for securing the loan given to Seazun is undeniably a lame and specious excuse that deserves to be rejected.

35. The execution of Credit Agreement dated April 12, 2006 and Account Charge Agreement dated April 20, 2006 before the issuance of GDR on April 21, 2006 shows that Seazun was already pre decided to be the sole subscriber to the GDR issue and the Company was aware about its would-be subscriber before the actual issuance of GDR. The Company was also aware that the proceeds to be realized against the issuance of GDR would be kept as security towards the loan amount availed by Seazun and by executing the Account Charge Agreement, Company had consciously restrained itself from using the proceeds of the issuance of GDR.
36. Further, I also note that the Company, despite having identified the prospective single subscriber to its proposed GDR in favour of whom it undertook to place the proceeds of GDR so as to secure the subscription by the said single subscriber, deliberately suppressed such vital and material facts from the knowledge of the investors and shareholders of the Company. The Company (Visu) deliberately misled its Shareholders and investors by not disseminating the above stated

information pertaining to GDR issue and Account Charge Agreement, thereby leading them to believe that the GDR issue of the Company on its own was a successful issue in overseas market, which in reality, was not the case as the subscription to its GDR issue was artificially arranged and contrived in collusion with Banco Bank and Seazun.

37. The declaration made by the Company on April 25, 2006 on the platform of the Stock Exchange about successful subscription of GDR issue without disclosing the advance arrangement undertaken by it with Seazun to ensure full subscription to its GDR, has given an ostensible impression to the investors and the market about the strong potential of the Company. The above acts of the Company represent a serious fraudulent and unfair trade practice, inflicted on the Shareholders and also on the innocent investors in the Securities Market at large. The investors including its own Shareholders were made to believe that the shares of the Company have a good market abroad and have been very well received by foreign investors and that the Company has a great value for investment in India as well. Such misleading inferences and false positive expectations about the shares of the Company were caused by the Company's own acts by devising and arranging a scheme through which it ensured a successful issuance of GDR and by concealment of actual material facts from the knowledge of its Shareholders. The investors were not aware about the artifice created by the Company through which it enforced the successful subscription to its GDR.

38. In this connection, I find it appropriate to refer to a decision by the Hon'ble Securities Appellate Tribunal (DOD 25.10.2016) in the case of *PAN Asia Advisors Ltd. & anr. v. SEBI*, wherein the Hon'ble Tribunal have observed the following:

"The expression 'fraud' is defined under the PFUTP Regulations.....

.....from the aforesaid definition it is absolutely clear that if a person by his act either directly or indirectly causes the investors in the securities market in India to believe in something which is not true and thereby induces the investors in India to deal in securities, then that person is said to have committed fraud on the investors in India. In such a case, action can be taken under the PFUTP Regulations against the person committing the fraud, irrespective of the fact any investor has actually become a victim of such fraud or not.....

.....Thus, the investors in India were made to believe that in the global market the issuer companies have acquired high reputation in terms of investment potential and hence the foreign investors have fully subscribed to the GDR, when in fact, the GDR were subscribed by AP through Vintage which was wholly owned by AP. In other words, PAN Asia as a Lead Manager and AP as Managing Director of PAN Asia attempted to mislead the investors in India that the GDR have been subscribed by foreign investors when in fact the GDR were subscribed by AP through Vintage. Any attempt to mislead the investors in India constitutes fraud on the investors under the PFUTP Regulations”.

39. In this regard, I note that the facts of the present matter and the modus operandi employed in the present GDR issue are similar to facts and modus operandi in the GDR issue of Cals Refineries Ltd. wherein the Hon'ble SAT vide its order dated October 12, 2017 has made the following observations:

“In these circumstances, the conclusion drawn by SEBI that opening a bank account with Banco and executing the Account Charge Agreement were the acts done by Cals through its directors to finance Honor for subscribing the GDRs issued by Cals in gross violation of Section 77(2) of the Companies Act, 1956 and the provisions contained in the SEBI Act and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ('PFUTP Regulations' for convenience), cannot be faulted.”

40. In view of the above observations, I find that the entire scheme created by Company (Visu) starting with passing of Board Resolution, followed by entering into the Account Charge Agreement to permit use of the funds deposited in its account with Banco Bank as a security against a loan, making a corporate announcement on April 25, 2006 that the GDR have been successfully allotted and then not disclosing the relevant Board Resolutions and details of Account Charge Agreement and its arrangement with subscriber to secure the obligation of their loan liability, behind the back of its shareholders and investors, have cumulatively resulted in misleading the investors and public at large. Such a scheme and arrangement have in it, all the ingredients that comprise a fraudulent activity in the Securities Market. It was further observed that the GDRs issued by

the Company to Seazun were subsequently converted into equity shares and sold in the Indian Securities Market.

41. In view of the above, I hold that by its acts of concealing and suppressing vital material facts about the arrangement of the Account Charge and Credit Agreements, the Noticee Company has committed a fraudulent act upon its own existing Shareholders and also upon all the investors of the Securities Market who might have been induced to deal in the shares of the Company due to the artificially created positive outlook about the Company's performance. Under the circumstances, the acts of engaging in such practices, scheme and concealing material information from Shareholder are held to be in violation of provisions of Section 12A(a), (b), (c) of the SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(f), (k), (r) of PFUTP Regulations.

Findings on the alleged violation of the provisions of Section 21 of SCRA read with Clause 36(7) of the Listing Agreement.

42. It is important to note that Investors are guided by all disclosures made by the listed company to the Stock Exchange where its shares are listed. Therefore, listed companies should ensure that all disclosures made by it in terms of listing agreement are transparent, true and fair at all times. Any concealment or misrepresentation of facts, which are relevant to investors, will tantamount to engaging a deceptive, fraudulent and manipulative scheme. In terms of Clause 36 (7) of the Listing Agreement, the Company is required to immediately inform the Stock Exchange of all the events, which will have bearing on the performance/operations of the company as well as price sensitive information which inter-alia includes status of ADR / GDR or any other class of securities to be issued abroad.
43. In the instant case, the Noticee 1 being a listed company had pre-arranged subscription of GDRs as per the scheme mentioned above. I note from the corporate announcements made by Noticee during May 2005 to April 2006, the Noticee 1 has not informed the Bombay Stock Exchange of entering into Account Charge Agreement with Banco Efisa, whereby the GDR proceeds were pledged against the loan availed of by Seazun for subscription of GDRs of Visu, which

could have an impact on the performance/ operation of the company. Had such back-to-back agreements not taken place, the GDR issue would not have gone through and thus I note that such arrangements were also price sensitive information. I am of the view that if such information was available in public domain during the relevant time, it would have been materially relevant for investors to make an informed decision. I note that though Visu was fully aware of such an arrangement, choosing not to disclose the same to BSE clearly brings out the deceptive intent of Visu. Non-availability of such information in the public domain to that extent during the relevant period had misled investors and therefore affected their interests.

44. As per Page 38 of Information Memorandum of GDR issue by Visu, the Company declared the following as the use of proceeds:

The total proceeds of the Offer will be USD10 million, and there being no underwriting fees, discounts, commissions and expenses associated with this offering, the net proceeds of the offer will be USD10 million, received by the Company in respect of the offering.

The Company intends to use the proceeds of the issue for the following:

- 1. The establishment of E-learning Laboratories across India;*
- 2. The establishment of Software Development Centres at Hyderabad and in South Africa, Uganda and in certain African Countries;*
- 3. The establishment of Schools of International Standards at Hyderabad and in Myanmar.*
- 4. Acquisition of foreign ventures abroad for the expansion of the Company's business.*

45. In this regard, it is observed that Visu had entered into Memorandum of Understanding (MoU) dated March 16, 2006 with Vintage with the following items to be delivered by Vintage and corresponding consideration to be paid by Visu.

Sl. No.	Item	Consideration (US\$)
1.	Vintage to establish education consulting centres for Visu in Dubai, Sharjah, Abu Dhabi, Mauritius, Nairobi, Oman & London for a consideration of US\$700,000 per branch	4,900,000

2.	Vintage to provide & install all hardware requirements for the centres mentioned at (1) above	2,700,000
3.	Vintage to provide software that will be installed in the hardware mentioned at (2)	2,400,000
Total		10,000,000

46. The aforesaid MoU was signed by Dr. Y Sonia Reddy, Managing Director of Visu on behalf of the Company. The MoU also mentioned that *No work (by Vintage) would begin until and unless it received the entire consideration in advance.* Further, the Noticee 4 was signatory to the MoU as a witness.
47. It is noted that the Company (Noticee 1) did not inform the Stock Exchange (BSE) about signing of the MoU dated March 16, 2006 with Vintage, wherein Visu agreed to pay US\$10 million for its expansion activities. Further, it is observed that the outcome of the Board meeting held on April 21, 2006 which had information regarding completion of GDR issue of the Company (*which was price sensitive information*), was intimated by the Noticee 1 to the Stock Exchange on April 25, 2006. Thus, it is noted that the Noticee 1 intimated the outcome of Board meeting dated April 21, 2006, with a delay.
48. It is a well laid down policy that, in order to ensure fairness and efficiency in the securities market, two factors generally apply, which are timely disclosures and adequacy of the information disclosed. The objective of continuous disclosures by listed companies is to provide transparency during the lifetime of the listed entity. The disclosures were mandated on listed companies to enable the shareholders and the public to be apprised of the position of the company and to avoid the establishment of a false market in its securities. If a listed company does not make the disclosures on material events, which has bearing on its share price, it would ultimately defeat the purpose of disclosures which are meant for the benefit of investors in taking an informed decision. In the instant case, since the Noticee 1 had not disclosed the pre-arrangement for subscription of GDRs, about execution of MoU with Vintage and delayed intimation of the outcome of the Board meeting dated April 21, 2006, I conclude that the Noticee 1 had violated the provisions of Section 21 of SCRA read with Clause 36 (7) of Listing Agreement.

ISSUE II: Whether the Noticees 2 to 4 have violated the provisions of Section 12A(a), (b), (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4(1) of PFUTP Regulations?

49. From the available records, I find that the Directors of the Company, viz. Noticee 2 (B. Prabhakar Reddy) and Noticee 3 (Dr. K. Viswanath Reddy) had attended the Board Meeting held on January 30, 2006. Further, the Board Resolution of the said Meeting categorically mentions that the Board had authorized Mukesh Chauradiya (Noticee 4) to sign /execute agreements with Banco Bank. Accordingly, on the basis of such authorization given by the Board, the Noticee 4 has signed the Account Charge Agreement on behalf of the Company, which provided inter alia, for GDR proceeds to be kept as a security against the loan availed by Seazun for subscription to the GDR of Visu. Further, the Noticee 4 has not disputed his act of signing the aforesaid Account Charge Agreement.
50. I note that the Noticee 2 has made identical submissions with that of the Noticee 1 (Visu). Therefore, the issues raised by Noticee 2 which have also been raised by the Noticee Company and have since been dealt in the preceding paras are not being repeated hereunder for the sake of brevity. I note from the records that during the relevant period, the Noticee 2 was a Non-Executive Director on the Board of the Company.
51. I further note that Noticee 2, has submitted in his written reply that he was an Independent (Non-Executive) Director and was not into the management of day-to-day affairs of the Company. He has further contended that he attended the Board meetings only whenever he was called by the Company and did not participate in any other activities. I note that the Noticee 2 has neither disputed his directorship during the relevant period when Noticee Company had issued GDR nor has not disputed the facts of his participation in the Board Meeting held on January 30, 2006. It also remains undisputed that he remained Director during the period when the Company made those incomplete, selective and misleading disclosures to the BSE and suppressed vital information from its Shareholders. Therefore, the submissions that he was an independent director and not involved in the day-to-day affairs of the Company would not have any relevance to his liability as a Director as charged under the SCN served on him. I find that Noticee

2 has not only failed to perform the duties cast upon him as an Independent Director but also, by passing the above-mentioned Board Resolution, he has acted in a manner to promote the unscrupulous design of the Company to perpetrate a fraud upon its shareholders and the investors of Securities Market. The Noticee 2 has not produced any evidence or any submission to support that he has actually acted responsibly or that he has raised all pertinent issues and had asked relevant questions to the management before the Board at the relevant time before agreeing to pass such a resolution, as expected of him as an Independent Director. There is no material or evidence on records to suggest that he has made due enquiries with or has confronted the management by questioning them as to why GDR proceeds should be kept as security for any loan in an overseas bank and how the GDR proceeds are proposed to be used in terms of the objects of issue. He has also not raised any question on the actual utilization of the GDR proceeds in terms of the objects of the issue. His claim of holding a position of independent non-executive director on the Board does not absolve him from his expected duties and responsibilities during his tenure as a Director of the Company, which bestowed a responsibility on him to act diligently in the interest of the Company and the Shareholders. The phrase of acting diligently embodies in itself the duty not to be careless and casual in approach while taking decisions. He may be right in submitting that being an independent director, he was not involved in day-to-day management of the affairs of the Company but that itself would not be adequate in holding him not guilty of the violations alleged in the SCN. The submissions advanced by the Noticee 2 may appear convincing at the first blush, however, upon analysing his conduct in the backdrop of all the facts of the matter, one would find his explanations too weak to stand on its own feet. As such the Noticee 2 has not disputed the fact that he attended several Board meetings including the one dated January 30, 2006 wherein, apart from the opening of bank account with Banco Bank, the authorization in favour of the Noticee 4 was also deliberated and approved. It is also not disputed that the Noticee 4 was not holding any post in the management of the Company, nor was he employed with the Company in any capacity whatsoever. It is very strange to find that none of Noticees who attended the Board meeting of January 30, 2006 has raised even a whisper about the Noticee 4. None of them had objected or raised any query about the reasons for selecting the Noticee 4 for the job that he

was required to be assigned before passing the authorization in favour of the Noticee 4. I further note that in their respective replies, the Noticees have not disputed their prior knowledge about or connection with the Noticee 4. In the absence of the same, I am constrained to conclude that the Noticee 2 has not only failed miserably in performing his duties as of an Independent Director, but by consenting to authorize the Noticee 4, inter alia, to sign, execute any application, agreement, escrow agreement, document, undertaking, confirmation, etc., from time to time as may be required by the bank, has ostensibly indicated his indictment in the entire scheme of fraudulent arrangement of issuance and subscription of GDR.

52. I further observe that being not aware of the day-to-day business affairs of the Company is different from turning a blind eye to an event or incident which takes place through deliberations leading to passing of Board Resolutions and thereafter seeking exoneration from the allegations by taking shelter under the plea that being Independent Director he was not involved in day-to-day management of the Company. As noted above, the Noticee 2 was present during the Board discussions and has approved the minutes of the Board meeting held on January 30, 2006, wherein a person, stranger to the Company, was authorized to perform important business transactions overseas, on behalf of the Company. Further, the Noticee 2 has also not produced any piece of evidence to demonstrate and verify his innocence and also to show that even after the issuance of GDR or subsequent to knowing about the fraud as alleged in the SCN, he had raised concerns over the issues before the Company or any other authorities.

53. The Noticees also contended that the Board Resolutions passed by them did not authorize Noticee 4 to enter into an Account Charge Agreement and no such proposal was ever placed before the Board for approval. I find that such contention of the Noticees is devoid of merit as the Noticees have not placed any evidence on record to substantiate such an argument. If the above submission of the Noticees is to be believe, it is perplexing to note as to why till date, none of the Noticees has taken any action against the Noticee 4 for exceeding the authorisation or for abusing the authorization given to him by the Board of the Company. Further, no diligence has been shown by any of the Noticee Directors by asking the Noticee 4, to at least place on record, the documents signed or

executed by him pursuant to the Board Resolution. Therefore, for the reason recorded above, I am of the view that though the Noticee 2 was an Independent Director, looking at the way he has conducted himself as an independent Director, as suggested by the facts of the matter, he does not deserve any leniency since the charges against him stand firmly established.

54. The aforesaid observations equally apply to the other Non-Executive Director on the Board of the Company, viz. Noticee 3 (Dr. K Viswanath Reddy), who also actively participated in the said Board Meeting and ensured the passage of the resolutions on January 30, 2006 thereby facilitating the fraudulent issuance of GDR by the Company. As noted earlier, the Company has used the GDR mechanism to mislead and induce the Indian investors. The Company has not divulged its fraudulent arrangement of the Credit Agreement and Account Charge Agreement in its disclosure to the Exchanges and by merely informing that its GDR issue was successfully subscribed, has rather presented a misleading appearance and a false promise of great value and potential about the stock of the Company in the domestic markets. Such a misleading disclosure tantamount to a fraud on the investors with a motive to further its interest as opposed to the interests of investors of Securities Market who may easily fall prey to the artificially created optimistic perception signalled by the so-called successful GDR issue and get induced to invest in its shares expecting better returns. The Noticees 2 and 3 being Non-Executive Directors of the Company, ought to have taken due precautions and diligence before agreeing on the resolutions of the Board that sowed the seeds of the Account Charge Agreement against a loan taken by an unrelated third party as part of a collusive scheme, to mislead and defraud the investors. Thus, evidently both the Non-Executive Directors (Noticee 2 and Noticee 3) have played a proactive role in facilitating the issuance of GDR and signing of the Account Charge Agreement as well as authorizing an external person to execute various transactions abroad, than merely being part of the Board Resolutions.

55. The Noticees have further submitted that they were not aware of any development about the issuance of GDR being Independent Directors and were not involved in the day-to-day management of the Company and further that it was the Chairman of the Company i.e., Mr. C. Chandrasekhar Reddy who was aware of the entire matter and was solely responsible of the handling of the GDR issue. I find no

substance in the above submissions advanced by Noticees in the absence of any documents to substantiate their claims. The plea of ignorance made by them appear to be an afterthought exercise and has no credence to rely on. Moreover, in view of the reasons recorded in preceding paragraphs, I am not inclined to accept such a submission and the same is rejected accordingly.

56. With respect to the role played by Noticee 4, there is no dispute that Noticee 4 (Mukesh Chauradiya) was not an employee of the Company (Visu) nor was having any prior business association with the said Company. However, it emerged from the Investigation that Noticee 4 was an employee of Vintage FZE which was a company fully owned and controlled by Mr. Arun Panchariya. At the same time, it is also not disputed that Noticee 4 was duly authorized by the Board of Visu by way of passing a resolution authorizing him to execute various documents including the Account Charge Agreement with banco bank on behalf of Visu. I further note from the SCN that the charge on the Noticee 4 is that of acting as a party to the fraudulent scheme in collusion with the Company and its Directors on the Board. The very fact that the Noticee 4, who apparently did not have any business nexus with the Company, was chosen by the Company to be authorized for executing, inter alia, the Account Charge Agreement with Banco Bank that occupies the central place in the entire pre-designed fraudulent strategy adopted by the Company and its Directors for financing the GDR issuance, explicitly exposes the crucial role played by Noticee 4 in the said arrangement fabricated by the Company and other Noticee Directors. The fact that the Board of Directors disregarded the employees of their own Company and chose to authorize an entirely outsider person employed in an overseas company run by Mr. Arun Panchariya (*who has been named as a key player in such fraudulent GDR issuances in many other cases investigated by SEBI*), speaks volumes of the fact that the Board of Directors in their wisdom and to the best of their conscious judgement, have authorized a person who can successfully facilitate the passage of their GDR issuance by appropriately handling the matter at the end of the subscriber and the Bank, so that GDR issuance is implemented successfully as per the plan. The preponderance of probabilities that emerges out of the entire set of facts and circumstances, makes it glaringly clear that even though Noticee 4 was not part of the Company but was certainly part of the fraudulent plan drawn

up by the Company and its Directors to issue GDR abroad in a deceptive manner. It is also observed that the Account Charge Agreement was executed subsequent to the execution of the Credit Agreement, which implies that the Noticee 4 had wilfully agreed to the insertion of the relevant clauses pertaining to the Credit Agreement in the said Account Charge Agreement and thereby consciously undertook to repay the liability of the borrower i.e., subscriber. Another undisputed fact is that the GDR were issued to the subscriber i.e., Seazun only after the execution of the Account Charge Agreement which further demonstrate the motive of the Noticees in getting the two agreements executed before the issuance of GDR. Under the circumstances, the arguments advanced by Noticee 4 taking the ground of his no business connection with the Company and its Board of Directors, is devoid of merit as it does not in any way go on to prove his innocence in the matter. On the contrary, keeping in view the proactive role played by Noticee 4 in the entire matter as highlighted above, I am convinced that the allegations made in the SCN for violations as alleged therein stands established.

57. From the above findings, it is established that the Company has used the GDR mechanism to mislead and induce the Indian investors. The Company has not divulged its fraudulent arrangement of the Credit Agreement and Account Charge Agreement in its disclosure made in the Indian securities market and by merely informing that the GDR were successfully placed, has presented a misleading appearance and a false promise of great value and potential about the stock of the Company in the domestic markets. The Noticees 2 and 3 being Non-Executive Independent Directors of the Company, ought to either have taken due precautions and diligence before agreeing on the resolutions of the Board that laid the foundation of the Pledge Agreement against a loan taken by an unrelated overseas party as part of a collusive scheme, to mislead and defraud the investor. The two Noticees referred to above at least should have displayed their concerns even subsequently by questioning the management of the Company about the bonafide of the GDR and about the utilisation of the proceeds etc., in order to establish their bonafide as being victim of the fraud and not part of the fraud. I note that both the Noticees 2 and 3 have not shown any diligence on their part as Independent Directors in the entire GDR issue or even otherwise, in the functioning of the Company. They were expected to play an active role in

safeguarding the interest of the Shareholders with alacrity by preventing the management or Whole Time Director from committing any fraud on the Shareholder, but the casual manner in which they appear to have conducted themselves in passing those Board Resolutions and even after the issuance of GDR, shows that they were oblivious to the serious implications of their actions & omissions with respect to the GDR matter.

58. The Hon'ble Supreme Court, in the matter of Rakhi Trading has appreciated that fairness, integrity and transparency are the hallmarks of the stock market in India and the stock market is not a platform for any fraudulent or unfair trade practice. The Hon'ble Court has further observed that *"The SEBI Act, 1992 was enacted to protect the interest of the investors in securities. Protection of interest of investors should necessarily include prevention of misuse of the market."*
59. To sum up the preceding discussions, I find that the Credit Agreement was inseparably linked to the Account Charge Agreement and vice versa, and both were executed consecutively. The Account Charge Agreement was signed by Mukesh Chauradiya (Noticee 4) on behalf of the pledgor i.e., Visu. The Noticee Directors facilitated the execution of the Account Charge Agreement by passing a suitable Board Resolution. The Credit Agreement and Account Charge Agreement enabled Seazun to avail loan from Banco Bank for subscription to GDR of Visu. This was made possible by Visu by offering its GDR proceeds as security for the loan extended by Banco Bank to Seazun. The GDR issue would not have been subscribed, if Visu had not given such a security against the loan taken by Seazun. The Noticees 2 and 3, by authorizing the Noticee 4 to enter into such an arrangement and the Noticee 4 by signing such agreement have led the investors in India to believe that the issuer company i.e., Visu has got a good reputation in terms of investment potential because of which, foreign investors have successfully subscribed to its GDR, whereas in reality, the GDR were subscribed by Seazun with the help of the Company (Visu) itself. Therefore, in effect, the Directors of the Company and Noticee 4 have together facilitated the subscription of GDR by Seazun through a loan obtained by it from Banco Bank against which, the GDR proceeds of Visu were kept as security on the basis of the authorization given by the Board of Directors of Visu, and all these transactions and activities were undertaken behind the back of the Shareholders and other investors of the

Securities Market. In my view, apart from the issuer company (Visu) i.e., Noticee 1, its Non-Executive Directors (Noticee 2 and Noticee 3) and the Noticee 4 are to be blamed for indulging in fraudulent arrangement and concealing the above information from the Shareholders. Thus, it can be seen that apart from the Noticee 1, Noticees 2, 3 and 4 have also acted fraudulently in breach of the provisions of Sections 12A (a) to (c) of the SEBI Act read with Regulations 3 (a) to (d) and 4 (1) of the PFUTP Regulations.

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

60. It is established from the above findings that the Noticee 1 had a pre-meditated plan to provide financial assistance by means of pledge of entire GDR subscription proceeds for the purpose of ensuring the issuance and subscription of its GDRs. It is also established that Directors of the Company and the Noticee 4 have together facilitated the subscription of GDR by Seazun through a loan obtained by it from Banco Bank against which, the GDR proceeds of Visu were kept as security on the basis of the authorization given by the Board of Directors of Visu, and all these transactions and activities were undertaken behind the back of the Shareholders and other investors of the Securities Market. Thus, the Noticees 2 to 4 had acted as party to the fraud perpetrated on the Indian investors by the Noticee 1. The pre-determined fraudulent and manipulative acts of a few entities damage the integrity of the market. Further, the genuine investors are put at risk because of the fraudulent artifice employed by the entities as observed in this case. It is also established that the Noticee 1 deliberately flouted the Listing Agreement norms.
61. Therefore, as the alleged violation against the Noticees stands established, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act, the provisions of which are reproduced hereunder:

Section 15HA of SEBI Act - Penalty for fraudulent and unfair trade practices

“If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh

rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher”.

62. Further, the Noticee 1 having violated the provisions of Section 21 of SCRA read with Clauses 36 (7) of Listing Agreement, is liable for monetary penalty under Section 23E of SCRA, the provisions of which are reproduced hereunder:

Section 23E of SCRA - Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds

If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees.

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

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

Section 23J of SCRA and Section 15J SEBI Act - Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under Section 23-I of SCRA and Section 15-I of SEBI Act, the Adjudicating Officer shall have due regard to the following factors, namely:

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.*

64. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the other Noticees and the loss

suffered by the investors as a result of these Noticees' default. The consequences resulting from violations committed by the Noticees are of very grave nature and are prejudicial to the interests of investors in the securities market. If violations of this nature and magnitude are not dealt with seriously with a firm hand then investors will lose faith in the Indian Securities Market and even good companies will find it extremely difficult to raise capital in future.

65. A basic premise that underlies the integrity of the securities market is that persons connected with the securities market conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities. The manner in which the entire scheme of fraudulent and deceptive scheme was planned and executed by the Company demonstrates beyond reasonable doubt the manipulative intent to deliberately withhold the critical information to Stock Exchange and also to the investors which ultimately enabled them to carry out the fraud. Such a conduct by a listed company erodes the trust and confidence of investors and also threatens the integrity of the securities market. Therefore, such lapses need to be dealt with sternly to protect the interest of investors in the securities market. Therefore, I find it appropriate to impose suitable penalty on the Noticee 1. In respect of the Noticees 2 to 4 it is established that they have acted as colluding parties to the above stated scheme contrived to issue GDRs in a fraudulent manner, which calls for suitable penalty on the Noticees 2 to 4.
66. However, it is relevant to mention that timely disclosure of information, as prescribed under the statute, is an important regulatory tool intended to serve a public purpose. Timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so prevents investors from taking a well-informed investment decision. It is established that Visu had deliberately and actively concealed the true and material facts and made several false and misleading disclosures and also made misrepresentation of facts to the stock exchange and investors in its shares. Such acts on the part of the Listed Company cannot be viewed leniently.
67. Further, Hon'ble SAT, in its order dated August 02, 2019 in the matter of P G Electroplast vs SEBI, has held that the Order passed in corresponding

proceedings before the Whole Time Member should be factored in while fixing the quantum of penalty.

68. In this regard, I note that, a separate and parallel proceeding was initiated against the Noticee under the provisions of Sections 11(1), 11(4) and 11B of SEBI Act under the same facts. In the said proceedings, vide Order dated February 14, 2020, Hon'ble Whole Time Member of SEBI has restrained the Noticees 1, 2, 3, and 4 from accessing the securities market and further prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 5 years, 2 years, 1 year and 1 year respectively.

ORDER

69. In view of the foregoing, I, therefore, in exercise of the powers conferred upon me under Section 23I of SCRA and Section 15I of SEBI Act read with Rule 5 of SCR Rules and SEBI Adjudication Rules, hereby impose a penalty on the Noticees as under.

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

3	Dr. K Viswanath Reddy	10,00,000 (Rupees Ten lakhs only)	Section 15HA of SEBI Act for violation of the provisions of Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1) of SEBI (PFUTP) Regulations, 2003
4	Mukesh Charuadiya	15,00,000 (Rupees Fifteen lakhs only)	Section 15HA of SEBI Act for violation of the provisions of Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) and 4 (1) of SEBI (PFUTP) Regulations, 2003

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

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

ENFORCEMENT → Orders → Orders of AO → PAY NOW

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

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

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

Date: March 18, 2021
Place: Mumbai

PRASANTA MAHAPATRA
ADJUDICATING OFFICER