

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1), 11(4), 11(4A), 11B(1) AND 11B(2) READ WITH SECTION 15H(ii) AND 15A(b) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 32 OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

In respect of:

Noticee No.	Name of the Entity	PAN
1.	Shri Kapil Wadhawan	AAOPW6145L
2.	Shri Dheeraj Wadhawan	AAOPW4517G
3.	Shri Rakesh Kumar Wadhawan	AAEPW7656G
4.	Shri Sarang Wadhawan	AAAPW2530R
5.	Ms Aruna Wadhawan	AAHPW9334L
6.	Ms Malti Wadhawan	AAGPW8042G
7.	Ms Anu S Wadhawan	AAQPW2792P
8.	Ms Pooja D Wadhawan	AAJPB9268Q
9.	Wadhawan Holding Pvt. Ltd	AAACW5001G
10.	Wadhawan Consolidated Holding Pvt. Ltd	AACCD2944F
11.	Wadhawan Retail Venture Pvt. Ltd	AAACW6632R
12.	Wadhawan Global Capital Ltd (<i>formerly known as Wadhawan Housing P. Ltd</i>)	AAACW9811G
13.	Hemisphere Infrastructure India Pvt. Ltd	AABCH8065Q
14.	Galaxy Infraprojects and Developers Pvt. Ltd	AACCG7477N
15.	Silicon First Realtors Pvt. Ltd	AAMCS4236M

(The abovementioned Noticees are hereinafter individually referred to by their respective names or Noticee number and collectively as "the Noticees")

IN THE MATTER OF DEEWAN HOUSING FINANCE CORPORATION LIMITED

BACKGROUND:

1. Securities and Exchange Board of India ("SEBI"), based on a complaint dated January 15, 2019 received by it, had conducted an investigation in the scrip of Dewan Housing Finance Corporation Limited (hereinafter referred to as 'DHFL/ the target Company') to ascertain whether there has been any violation of the provisions of Securities and

Exchange Board of India Act, 1992 (“SEBI Act, 1992”), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“SAST Regulations, 1997”) and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SAST Regulations, 2011”) for the period from July 01, 2007 to December 31, 2018 (hereinafter referred to as the “investigation period”). The complainant in the said complaint had, *inter-alia*, alleged the following:

- i. *Kapil Wadhawan (Noticee No. 1) along with other promoters of DHFL are misrepresenting and misleading the shareholders by claiming that promoter holding in DHFL is 39.23%.*
- ii. *The promoters have suppressed the names of three companies, namely, Hemisphere Infrastructure India Pvt. Ltd. (“Hemisphere/ Noticee No. 13”), Galaxy Infraprojects and Developers Pvt. Ltd. (“Galaxy / Noticee No. 14”) and Silicon First Realtors Pvt. Ltd. (“Silicon/ Noticee No. 15”), who hold around 10% shareholding in DHFL, while actually these three companies are directly/indirectly being held by the promoters of DHFL. These three companies have been shown as part of “public shareholder” instead of part of the “promoter and promoter group” of DHFL.*

2. During the investigation, it was observed that DHFL was incorporated on April 11, 1984 as a public limited company and has been providing affordable housing finance to millions of lower and middle income families in semi-urban and rural India. The equity shares of the company are listed on Bombay Stock Exchange (BSE) and National stock Exchange (NSE). The registered office of the company is situated at “Warden House, 2nd Floor, Sir P M Road, Fort, Mumbai, Maharashtra, 400001”. As per the BSE records, the details of the management of DHFL as on quarter ending June 2019 were as under:

S. No.	Name of the Director	Designation	Appointment Date	Cessation Date
1	Dheeraj Rajeshkumar Wadhawan	Director	12/05/2008	-
2	Kapil Wadhawan	Managing Director	04/10/2010	-
3	Alok Kumar Mishra	Director	26/03/2019	-
4	Sunjoy Joshi	Director	26/03/2019	-
5	Srinath Sridharan	Director	26/03/2019	-
6	Deepali Pant Rajeev Joshi	Director	08/05/2019	-

3. Further, the following entities are/ were the Promoters of DHFL (as per the BSE website) during the relevant period:

S. No.	Name	Period during which the Entity was promoter
1.	Kapil Wadhawan (Noticee No. 1)	April 2006 - March 2019
2.	Dheeraj Wadhawan (Brother of Kapil Wadhawan) (Noticee No. 2)	April 2006 - March 2019
3.	Rakesh Kumar Wadhawan (Uncle of Kapil Wadhawan) (Noticee No. 3)	April 2006 - December 2009
4.	Sarang Wadhawan (Son of Rakesh Kumar Wadhawan) (Noticee No. 4)	April 2006 - December 2009
5.	Aruna Wadhawan (Mother of Kapil Wadhawan) (Noticee No. 5)	April 2006 - March 2019
6.	Malti Wadhawan (Wife of Rakesh Kumar Wadhawan) (Noticee No. 6)	April 2006 – December 2009
7.	Anu S Wadhawan (Wife of Sarang Wadhawan) (Noticee No. 7)	April 2006 - December 2009
8.	Pooja D Wadhawan (Noticee No. 8)	April 2006 - December 2013
9.	Wadhawan Holding Pvt. Ltd. (WHPL / Noticee No. 9)	April 2006 - December 2013
10.	Wadhawan Consolidated Holding Pvt Ltd. (WCHPL/ Noticee No. 10)	June 2010 - December 2013
11.	Wadhawan Retail Venture Pvt Ltd. (WRVPL/ Noticee No. 11)	June 2010 - December 2013
12.	Wadhawan Global Capital Ltd (formerly known as Wadhawan Housing Pvt Ltd. and Wadhawan Global Capital Pvt. Ltd. (WGCL/ Noticee No. 12))	March 2013 -March 2019
13.	Damyanti Rani Wadhawan (Deceased)	April 2006 - September 2010

The Noticee Nos. 1 to 12 mentioned above are also referred to as the disclosed promoter / promoter group of DHFL.

4. Based on the findings of the investigation it was, *prima facie*, observed as under:

- i. The disclosed promoter/ promoter group of DHFL exercised control over the three companies i.e. Hemisphere Infrastructure India Pvt. Ltd (Noticee No. 13 / Hemisphere), Galaxy Infraprojects and Developers Pvt. Ltd (Noticee No. 14/ Galaxy) and Silicon First Realtors Pvt. Ltd (Noticee No. 15/ Silicon), since the

time they were incorporated by virtue of the following:

- Certain employees of DHFL allegedly were acting as Directors in these three companies i.e. Noticee Nos. 13, 14 and 15 at the time of incorporation of these companies. These employees were also the ones who had subscribed to the initial shares of these companies and acted as witnesses at the time of the same.
 - The funds for subscribing to the initial shares of these companies were allegedly provided to these employees by promoter and/ or promoter controlled entities of DHFL.
 - The funds for the initial purchase of shares of DHFL by these three companies directly/ indirectly were allegedly provided by promoter and/ or promoter controlled entities of DHFL.
- ii. The three companies i.e. Hemisphere, Galaxy and Silicon, allegedly, were incorporated only for the purpose of substantial acquisition of additional shares of DHFL and hence, are a single group and persons acting in concert (PACs) with the disclosed promoter/ promoter group of DHFL in terms of the provisions of SAST Regulations, 1997 and SAST Regulations, 2011.
- iii. The disclosed promoter/ promoter group of DHFL, along with these three companies i.e. Hemisphere, Galaxy and Silicon, allegedly violated the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 due to acquisition of shares by these three companies and/or by the disclosed promoters, while acting in concert, which together exceeded the prescribed limit wherein public announcement for open offer was required to be made in terms of the said regulations during the investigation period.
- iv. The disclosed promoter/ promoter group of DHFL, along with these three companies i.e. Hemisphere, Galaxy and Silicon, allegedly violated the provisions of Regulation 7(1A) of the SAST Regulations, 1997 and Regulation 29(2) of the SAST Regulations, 2011 due to acquisition/ sale of shares by these three companies and/or by the disclosed promoters, while acting in concert, which together exceeded the prescribed limit wherein disclosures were required to be

made in terms of the said regulations during the investigation period.

- v. The disclosed promoter/ promoter group of DHFL, along with these three companies i.e. Hemisphere, Galaxy and Silicon, allegedly violated the provisions of Regulation 8(2) of the SAST Regulations, 1997 and Regulations 30(2) and 30(3) of the SAST Regulations, 2011 due to failure to disclose aggregate shareholding by promoter/promoter group of DHFL along with the shareholding of these three companies i.e. Hemisphere, Galaxy and Silicon during the investigation period.

SHOW CAUSE NOTICE, REPLIES AND PERSONAL HEARING:

- 5. A common Show Cause Notice dated September 16, 2021 (SCN) was issued to the Noticees calling upon them to show cause as to,
 - i. why suitable directions, including direction to make an open offer, under Sections 11(4) and 11B(1) of the SEBI Act, 1992 and Regulation 32 of the SAST Regulations, 2011 read with Section 11(1) of the SEBI Act, 1992 should not be issued against them;
 - ii. why suitable directions under Section 11(4A) and 11B(2) of the SEBI Act read with Section 15H(ii) of the SEBI Act and SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 imposing penalty for allegedly failing to make a public announcement for an open offer in violation of Regulation 11(1) & 11(2) of the SAST Regulations, 1997 read with Regulation 35 of the SAST Regulations, 2011 and Regulation 3(2) of the SAST Regulations, 2011 should not be issued against them; and
 - iii. why suitable direction imposing monetary penalty under Sections 11(4A) and 11B(2) read with Section 15A(b) of the SEBI Act and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 for failing to disclose the aggregate shareholding for violation of the provisions of Regulations 7(1A) and 8(2) of the SAST Regulations, 1997 and Regulations 29(2) and 30(2) read with 30(3) of the SAST Regulations, 2011 read with Regulation 35 of the SAST Regulations, 2011 be not issued against the Noticees.

6. The details with respect to the service of SCN to the Noticees and replies, if any, received are as under:

Sr. No	Name of the Noticee	Address/ email ids	Mode of delivery of SCN			Reply received on
			By SPAD	By email	Affixture	
1.	Shri Kapil Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai – 400050	Undelivered	Delivered vide email dated 16.09.2021	NA	
		kwadhawan1@gmail.com				
		Taloja Central Jail, Inampuri, Taloja, Navi Mumbai - 410208	Undelivered*			
2.	Shri Dheeraj Wadhawan	16 th Floor, DB Breeze, Opp Khar Gymkhana Ground, Khar (West), Mumbai – 400052	Undelivered	Delivered vide email dated 16.09.2021	NA	
		drwadhawan@hotmail.com				
		Taloja Central Jail, Inampuri, Taloja, Navi Mumbai - 410208	Undelivered*			
3.	Shri Rakesh Kumar Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	Undelivered	Not available	11.10.2021 (Report available on record)	
4.	Shri Sarang Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	Undelivered	Not available	11.10.2021 (Report available on record)	
5.	Ms Aruna Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	Undelivered (stamp-Unclaimed return to sender)		11.10.2021 (Report available on record)	27.11.2021 01.08.2022
		Dheeraj Apartments, Ground Floor, P. P. Dias Compound, Natwar Nagar, Road No.1, Jogeshwari East, Mumbai	Undelivered (remark-left)			

6.	Ms Malti Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	Undelivered (stamp- Unclaimed return to sender)	Not available	11.10.2021 (Report available on record)	
7.	Ms Anu S Wadhawan	23, Sea View Palace, Pali Hill, Bandra, Mumbai-400050	Undelivered (stamp- Unclaimed return to sender)	Not available	11.10.2021 (Report available on record)	
8.	Ms Pooja D Wadhawan	16th Floor, DB Breeze, Opp- Khar Gymkhana Ground, Khar (West) Mumbai- 400 052	Undelivered (stamp- Unclaimed)	Not available	11.10.2021 (Report available on record)	30.10.2021 (requested inspection of documents) 07.03.2022
9.	Wadhawan Holding Pvt. Ltd	4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Jitendra.kadam @whpl.co.in	Undelivered (remark – not claimed)	email dated 16.09.2021 failed	11.10.2021 (Report available on record)	
10.	Wadhawan Consolidated Holding Pvt. Ltd	4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Jitendra.kadam @whpl.co.in	Undelivered (remark – not claimed)	email dated 16.09.2021 failed	11.10.2021 (Report available on record)	
11.	Wadhawan Retail Venture Pvt. Ltd	4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400 051 Jitendra.kadam @whpl.co.in	Undelivered (remark – not claimed)	email dated 16.09.2021 failed	11.10.2021 (Report available on record)	
12.	Wadhawan Global Capital Ltd	Ground floor, Madhava Building, Near Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Undelivered (remark – not claimed)	email dated 16.09.2021 failed	12.10.2021 (Report available on record)	

		10th Floor, TCG Financial Centre, Plot No 53, G Block Bandra Kurla Complex, Bandra East, Mumbai	Undelivered (remark– Left)			
		compliance@wadhawan.com finance@wgcms.com				
13.	Hemisphere Infrastructure India Pvt. Ltd	G 1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Sanatacruz (East), Mumbai – 400055	Undelivered (stamp- Unclaimed)	Delivered vide email dated 16.09.2021	NA	
		Hemisphere infrastructure@gmail.com				
14.	Galaxy Infraprojects and Developers Pvt. Ltd	Shop No. F 40, 1st Floor, Raghuleela Mega Mall Near Poisar Bus Depot, S V Road, Kandivali (West), Mumbai City – 400067	Undelivered (remark– Left)	Delivered vide email dated 16.09.2021	NA	
		galaxyinfradev2007@gmail.com				
15.	Silicon First Realtors Pvt. Ltd	G 1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Sanatacruz (East), Mumbai – 400055	Undelivered (stamp- Unclaimed)	Delivered vide email dated 17.09.2021	NA	
		Siliconfirstrealtors@gmail.com				

**Remark by Talaja Jail dated 23.09.2021- "The prisoner is not in this Jail and is admitted in a hospital"*

7. Pursuant to the receipt of the SCN, I note that, vide letter dated October 30, 2021, the Authorized Representative (AR) for Noticee No. 08 (*Pooja Wadhawan*), Ms. Vaishali

Soni, Advocate while acknowledging receipt of the SCN, requested for inspection of the documents and records relevant to the proceedings. Further, four weeks' time, after completion of the inspection of documents, was requested by the AR to file a reply on behalf of Noticee No. 08 to the SCN in the matter. The details of the opportunities of inspection of documents and other correspondence is mentioned in the table below:

Pooja Wadhawan (Noticee No. 08)	Opportunities of inspection of documents granted on :	17.11.2021 02.12.2021 31.03.2022 27.04.2022 20.05.2022
Particulars of correspondence	<ol style="list-style-type: none"> 1. Vide letter dated October 30, 2021 (i.e. more than 1.5 months after issuance of SCN), the Noticee had requested for an opportunity to inspect the documents. 2. Accordingly, on November 17, 2021 & December 02, 2021, the AR for the Noticee inspected the documents. Thereafter, the AR was advised to file a reply to the SCN latest by December 16, 2021. 3. However, vide email dated December 16, 2021, the AR stated that reply to the SCN will be filed shortly. Finally, the AR submitted a reply on behalf of Noticee No. 08 on March 07, 2022 i.e. after almost 3 months from the date on which the Noticee was advised to file a reply to the SCN. 4. Vide the said reply dated March 07, 2022, the Noticee No. 08 while making the submissions on merits, had also requested for the Investigation Report and the same was provided to the Noticee. Inspection of the same was also carried out on March 31, 2022 along with other physical documents received by SEBI. 5. The Noticee was accordingly advised to file any further reply latest by April 07, 2022. 6. The AR for the Noticee No. 08, vide email dated April 06, 2022, stated as under: <ul style="list-style-type: none"> ➤ Incomplete inspection of two documents (i.e. IR and office notes in continuation to the IR) were provided as parts of several pages of the said purported investigative report were covered by blank sheet of papers ➤ Inspection of all the documents relied upon in the investigation report have not been provided. 7. Inspection of redacted portion of investigation report was carried out on April 27, 2022 and thereafter, AR was advised to file any further submissions latest by May 02, 2022. 8. Vide email dated May 03, 2022, the AR for the Noticee stated that inspection of all documents relied upon in the investigation report for eg: KPMG Report has not been provided. 9. As the KPMG Report per se is not relevant, vide email dated May 23, 2022, the said Noticee was communicated about the same. Further, 	

	<p>inspection of remaining annexures to the investigation report was provided to the Noticee on May 20, 2023.</p> <p>10. However, vide email dated June 02, 2022, the AR for the Noticee No. 08 made further submissions on inspection of documents and not on merits.</p>
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8. Similarly, the AR for Noticee No. 05 (Aruna Wadhawan), Mr. Ashwin Poojari, Advocate, vide letter dated November 27, 2021, stated that the SCN issued to Noticee No. 05 was affixed to the wall at “23, Sea View Palace, Pali Hill, Bandra, Mumbai – 400500”. It was mentioned that Noticee No. 05 does not reside at the said address any more. However, the present correspondence address of the said Noticee was not provided in the said letter. The AR requested to provide the copy of the SCN along with the annexures and all other relied upon documents at his address mentioned on the letterhead of the aforesaid letter. The details of the opportunities of inspection of documents granted to Noticee No. 05 and other correspondence is mentioned in the table below:

Aruna Wadhawan (Noticee No. 05)	Opportunities of inspection of documents granted on :	27.12.2021 17.02.2022 25.02.2022 05.04.2022 26.04.2022 23.05.2022
Particulars correspondence	of	<ol style="list-style-type: none"> 1. AR for the Noticee has requested for inspection of documents vide letter dated November 27, 2021 (i.e. more than 2.5 months after issuance of SCN). The AR was requested to forward the authority letter authorizing him to represent the case on behalf of the Noticee which was provided only on December 16, 2021. 2. Inspection of all the relied upon documents in soft copy form were provided thrice to the AR on his request i.e. on 27.12.2021, 17.02.2022 & 25.02.2022 and the AR was advised to file a reply to the SCN latest by March 07, 2022. 3. The AR/Noticee in this regard vide email dated March 09, 2022 submitted a reply to the SCN wherein inter-alia a copy of Investigation Report was sought and the same was provided to the AR/Noticee. Further, inspection of documents (4th opportunity) was granted and availed by the AR for the Noticee on April 05, 2022 in which the investigation report along with other documents were inspected and as per the records, inspection was completed on the said date. 4. Subsequently, the AR was advised to submit any additional response to the SCN latest by April 12, 2022. However, vide email dated April 14, 2022, it was stated by the AR for the Noticee that

	<p>an incomplete Investigation Report was shown on the last date of inspection and further stated that inspection of all the documents relied upon in the report has not been provided.</p> <p>5. Another opportunity of inspection of documents was provided to the Noticee on April 26, 2022 and redacted portions of the Investigation Report were once again inspected by the AR. Copy of the original Investigation Report was also given to the AR. Vide email dated April 27, 2022, the Noticee was advised to file reply, if any, latest by May 02, 2022.</p> <p>6. Vide email dated May 04, 2022, the AR for the Noticee once again mentioned his concerns with respect to the incomplete copy of the original Investigation Report being provided without annexures and / or documents relied upon.</p> <p>7. Accordingly, last opportunity to inspect the documents was provided and availed by the Noticee on May 23, 2022 and time till June 02, 2022 was provided to file reply, if any. However, no reply was filed by the Noticee.</p>
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9. Considering that post inspection of documents too, the ARs for Noticee Nos. 05 and 08 were raising concerns on the documents, which according to them were not provided during the inspection, SEBI had, vide separate emails both dated June 02, 2022, informed the ARs of the respective Noticees that the investigation had referred to a report by KPMG just to show the link between the Noticees. Further, it was clarified by SEBI that the correspondence from KPMG forwarding information has been provided as annexure to the Investigation report / SCN. Therefore, vide the said SEBI email, it was clarified that the KPMG report *per se* was not relevant and the information provided and relied upon has already been referred to and relied upon in the Investigation Report itself.
10. Thereafter, in compliance with the principles of natural justice, opportunity of hearing was provided by the then quasi-judicial authority to all the Noticees on August 23, 2022, vide hearing notice dated August 08, 2022. However, the said hearing was adjourned by the then quasi-judicial authority due to official exigencies. The instant case was allocated to me in August 2022. In compliance with the principles of natural justice, opportunities of personal hearings were granted to the Noticees before me, details of which are tabulated below:

Sr. No	Name of the Noticee	Dates of hearing notice/s	Dates of hearing	Status of delivery	Details / Remarks
1.	Shri Kapil Wadhawan	30.09.2022	18.10.2022	Delivered (by email)	<p>1. Vide email dated 14.11.2022, wife of the Noticee (Kapil Wadhawan) corresponded and stated that Noticee is in Tihar Jail. It was confirmed that the Noticee had received the hearing notice in Tihar Jail. As copy of the SCN was not received before, as claimed by the Noticee, a copy of the same along with time to file reply was requested.</p> <p>2. Vide email dated 23.11.2022, while adjourning the hearing scheduled on 15.11.2022, another opportunity of hearing was provided to the Noticee on 19.12.2022. Further, a copy of the SCN along with all the annexures was also forwarded to the email address of the wife of the Noticee.</p> <p>3. Thereafter, the AR for the Noticee, vide letter dated 14.12.2022, while confirming receipt of the SCN, requested for inspection of documents and adjournment of the hearing scheduled on 19.12.2022. The said request was acceded to and an opportunity to inspect the documents was granted to the Noticee on 19.12.2022* (i.e. on the same date on which hearing was scheduled previously).</p> <p>4. After granting several opportunities to inspect the documents, vide email dated 16.02.2023, certain issues w.r.t. the inspection were highlighted by the AR. Vide email dated 20.02.2023, while answering to the issues raised, SEBI provided certain documents to the AR for the Noticee. It was also clarified in the said email that inspection of documents stands completed. The Noticee was also advised to file a reply latest by 24.02.2023.</p>
		27.10.2022	15.11.2022	Delivered (at Tihar Jail)	
		23.11.2022	19.12.2022	Delivered (by email to wife)	
		21.06.2023	11.07.2023	Delivered on the email id of the AR	

					<p>5. However, due to the difficulties mentioned in the email dated 27.02.2023 by the AR, additional time till 10.03.2023 was granted to the AR/Noticee to file a reply in the matter.</p> <p>6. The AR for the Noticee, vide email dated 14.03.2023, while stating that the inspection of documents is incomplete, requested for cross examination of various persons, whose statements are relied upon in the SCN. Further, it was mentioned that a detailed reply will be filed by 20.03.2023.</p> <p>7. The request for cross-examination of persons, statements of whom have been relied upon in the SCN was acceded to and the same was scheduled between April 19, 2023 to April 21, 2023*.</p> <p>8. Upon completion of the cross-examination i.e. on June 13, 2023, time until June 30, 2023 was granted to the Noticee to file a reply. Further, an opportunity of hearing was also granted to the Noticee on 11.07.2023. However, vide email dated 10.07.2023, the AR for the Noticee, while stating the constraining factor of the Noticee being in judicial custody in Taloja Jail (<i>inadvertently mentioned as Tihar Jail in previous correspondence</i>), stated that the AR would not be able to attend the personal hearing scheduled on 11.07.2023. Further, it was also stated that the AR will also not be able to file any reply on merits and requested for atleast 1 months' time to secure a meeting with the Noticee in Jail.</p>
2.	Shri Dheeraj Wadhawan	30.09.2022	18.10.2022	Delivered (by email)	1. No correspondence was received from the said Noticee in response to the hearing notice dated 27.10.2022 delivered through Jail authorities.
		27.10.2022	15.11.2022	Delivered (at Tihar Jail)	

					<p>2. Vide email dated 16.12.2022, one Adv. Vatsal Thakkar, claiming to be the AR for the Noticee, stated that the Noticee is in Judicial Custody since April 2020 and presently at Tihar Jail. No SCN has been received till date. In view of the same, copy of SCN, time to file reply and inspection of documents was sought by the AR.</p> <p>3. Accordingly, vide email dated 19.12.2022, while attaching a copy of the SCN along with annexures thereto, an opportunity to inspect the documents was granted to the said Noticee on 26.12.2022. The AR for the Noticee was also advised to file his authorisation letter. However, the said opportunity was not availed of by the Noticee. Also, no authority letter authorising Adv. Vatsal Thakkar to represent the Noticee was submitted.</p> <p>4. Vide email dated 27.12.2022, SEBI asked the AR for the Noticee to file the reply, if any, to the SCN by 05.01.2023. The AR for the said Noticee was once again advised to submit his Authority Letter. No response was received from AR/Noticee.</p> <p>5. Thereafter, vide email dated July 10, 2023, Adv. Vatsal Thakkar once again requested for a copy of the SCN and opportunity to inspect the documents.</p> <p>6. Although copy of the SCN along with all the annexures was provided to the Noticee, the same was once again forwarded to the Noticee and an opportunity to inspect was provided on 18.07.2023. Further, an opportunity of hearing was also granted to the Noticee on 08.08.2023.</p> <p>7. The AR/Noticee neither availed of the opportunity to inspect the documents nor did he/AR</p>
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					attend the personal hearing on 08.08.2023.
3.	Shri Rakesh Kumar Wadhawan	30.09.2022	18.10.2022	Undelivered	<ol style="list-style-type: none"> Confirmed attendance for hearing scheduled on 15.11.2022 vide email dated 04.11.2022. On the date of hearing i.e. 15.11.2022, the AR, Ms. Aayushi Sharma, Advocate, appeared on behalf of the said Noticees and requested for adjournment. Next date fixed on 14.12.2022. On the scheduled date of hearing, the AR on behalf of the Noticees, sought adjournment as she could not get briefing for the said Noticees, they being in judicial custody. Next date of hearing fixed on 06.01.2023. Vide email dated 05.01.2023, a common reply was filed by the said Noticees. On 06.01.2023, the AR appeared on behalf of the Noticees and made submissions. The hearing qua the Noticees was concluded on the said date.
		27.10.2022	15.11.2022	Delivered (Arthur Road Jail)	
			14.12.2022	Scheduled during last hearing	
			06.01.2023	Scheduled during last hearing	
4.	Shri Sarang Wadhawan	30.09.2022	18.10.2022	Undelivered	<ol style="list-style-type: none"> Confirmed attendance for hearing scheduled on 15.11.2022 vide email dated 04.11.2022. On the date of hearing i.e. 15.11.2022, the AR, Ms. Aayushi Sharma, Advocate, appeared on behalf of the said Noticees and requested for adjournment. Next date fixed on 14.12.2022. On the scheduled date of hearing, the AR on behalf of the Noticees, sought adjournment as she could not get briefing for the said Noticees, they being in judicial custody. Next date of hearing fixed on 06.01.2023. Vide email dated 05.01.2023, a common reply was filed by the said Noticees. On 06.01.2023, the AR appeared on behalf of the Noticees and made submissions. The hearing qua the Noticees was concluded on the said date.
		27.10.2022	15.11.2022	Undelivered	
			14.12.2022	Scheduled during last hearing	
			06.01.2023	Scheduled during last hearing	
5.	Ms Aruna Wadhawan	30.09.2022	18.10.2022	Undelivered	Confirmed attendance vide email dated 17.10.2022. On the scheduled date of hearing, the AR, Mr. Somasekhar Sundaresan, Counsel, appeared on behalf of the said Noticee and made submissions.
6.	Ms Malti Wadhawan	30.09.2022	18.10.2022	Undelivered	<ol style="list-style-type: none"> Confirmed attendance for hearing scheduled on 15.11.2022 vide email dated 04.11.2022. On the date of hearing i.e. 15.11.2022, the AR appeared on behalf of the said Noticees and requested for adjournment. On the scheduled date of hearing, the AR on behalf of the Noticees, Ms. Ayushi Sharma, Associate, SDS Advocates, sought adjournment as she could not get briefing from Mr. Rakesh Wadhawan & Mr. Sarang Wadhawan, they being in judicial custody. Next date of hearing fixed on 06.01.2022.
		27.10.2022	15.11.2022	Undelivered	
			14.12.2022	Scheduled during last hearing	
			06.01.2023	Scheduled during last hearing	
7.	Ms Anu S Wadhawan	30.09.2022	18.10.2022	Undelivered	<ol style="list-style-type: none"> Confirmed attendance for hearing scheduled on 15.11.2022 vide email dated 04.11.2022. On the date of hearing i.e. 15.11.2022, the AR appeared on behalf of the said Noticees and requested for adjournment. On the scheduled date of hearing, the AR on behalf of the Noticees, Ms. Ayushi Sharma, Associate, SDS Advocates, sought adjournment as she could not get briefing from Mr. Rakesh Wadhawan & Mr. Sarang Wadhawan, they being in judicial custody. Next date of hearing fixed on 06.01.2022.
		27.10.2022	15.11.2022	Undelivered	
			14.12.2022	Scheduled during last hearing	
			06.01.2023	Scheduled during last hearing	

					<p>3. Vide email dated 05.01.2023, replies were filed by the said Noticees.</p> <p>4. On 06.01.2023, the AR appeared on behalf of the Noticees and made submissions. The hearing qua the Noticees was concluded on the said date.</p>
8.	Ms Pooja D Wadhawan	30.09.2022	18.10.2022	Delivered (by SPAD)	Confirmed attendance vide email dated 17.10.2022. On the scheduled date of hearing, the AR, Mr. Somasekhar Sundaresan, Counsel, appeared on behalf of the said Noticee and made submissions.
9.	Wadhawan Holding Pvt. Ltd	30.09.2022	18.10.2022	Undelivered (email delivery failed)	The hearing notice dated 27.10.2022 was delivered to the Noticees by way of affixture. However, none of the Noticees appeared for the hearing and / or no response has been received from any of the Noticees.
		27.10.2022	15.11.2022	Delivered (by affixture)	
10.	Wadhawan Consolidated Holding Pvt. Ltd	30.09.2022	18.10.2022	Undelivered (email delivery failed)	
		27.10.2022	15.11.2022	Delivered (by affixture)	
11.	Wadhawan Retail Venture Pvt. Ltd	30.09.2022	18.10.2022	Undelivered (email delivery failed)	
		27.10.2022	15.11.2022	Delivered (by affixture)	
12.	Wadhawan Global Capital Ltd	30.09.2022	18.10.2022	Undelivered (email delivery failed)	
		27.10.2022	15.11.2022	Delivered (by affixture)	
13.	Hemisphere Infrastructure India Pvt. Ltd	30.09.2022	18.10.2022	Undelivered	<p>1. As the hearing notices sent to the Noticee were returned undelivered, attempts were made to deliver the hearing notice through BSE. However, as the PAN of the said Noticee Company was deactivated, the hearing notice could not be delivered by BSE.</p> <p>2. Thereafter, the notice of hearing for the opportunity of hearing granted on 19.04.2023 was delivered through newspaper publication. However, no representation and / or response was received from the Noticee.</p>
		27.10.2022	15.11.2022	Undelivered	
		23.11.2022	19.12.2022	Undelivered	
		24.03.2023	19.04.2023	Delivered (newspaper publication)	

14.	Galaxy Infraprojects and Developers Pvt. Ltd	30.09.2022	18.10.2022	Undelivered	<p>1. The AR, Dr. Prayag Jha, Advocate, appeared on the scheduled date of hearing i.e. on 19.12.2022 and sought for documents to file a reply in the matter. Further, a short adjournment of two weeks was sought for hearing in the matter.</p> <p>2. Vide letter dated 31.01.2023, the AR filed a reply on behalf of the Noticee.</p> <p>3. Further, on the scheduled date of hearing i.e. 02.02.2023, the AR appeared, stated that he is appearing on behalf of the directors of the Noticee and not the Noticee Company, and made submissions.</p>
		27.10.2022	15.11.2022	Undelivered	
		23.11.2022	19.12.2022	Delivered (through MII)	
		09.01.2023	02.02.2023	Delivered (by email to AR)	
15.	Silicon First Realtors Pvt. Ltd	30.09.2022	18.10.2022	Undelivered	<p>The hearing notice along with the SCN is stated to be delivered through BSE. However, no representation and / or response has been received from the Noticee.</p>
		27.10.2022	15.11.2022	Undelivered	
		23.11.2022	19.12.2022	Delivered (through BSE)	

**Details of inspection of documents and cross examination granted to Noticee No. 1 (Kapil Wadhawan) are mentioned in paragraphs below.*

Details of inspection and cross examination by Kapil Wadhawan (Noticee No. 1):

11. As can be seen from the table above, after granting three opportunities of personal hearings i.e. on October 18, 2022, November 15, 2022 and December 19, 2022 to Noticee No. 1, the AR for Noticee No. 1, Ms. Deepal Thakkar, Advocate, while confirming receipt of the SCN, requested for an opportunity to inspect the documents. Further, the AR also requested for an adjournment of the hearing scheduled on December 19, 2022 in the instant matter. The said request made by the AR was acceded to and the details with respect to the opportunities of inspection of documents granted to Noticee No. 1 are in the table below:

Kapil Wadhawan (Noticee No. 01)	Opportunities of inspection of documents granted on :	19.12.2022 05.01.2023 10.01.2023 02.02.2023 13.02.2023
Particulars	1. An opportunity to inspect documents was granted to the said Noticee on December 19, 2022 (<i>i.e. on the same date on which hearing was scheduled</i>). However, vide email dated December 17, 2022, the AR for the Noticee requested to re-schedule the	

	<p>inspection of documents to any date in January 2023 due to the practical difficulty faced as the Noticee No. 1 is in judicial custody.</p> <ol style="list-style-type: none"> 2. Partly acceding to the said request, another opportunity to inspect the documents was granted on December 26, 2022. However, again, vide email dated December 22, 2022, the AR requested to fix for an opportunity to inspect the documents in January 2023. Accordingly, an opportunity to inspect the documents was granted to Noticee No. 1 on January 05, 2023, which was again adjourned on the request of the AR to January 10, 2023. 3. On the scheduled date, the AR for the Noticee availed the said opportunity and inspected the documents in the matter and the record of the same is available in the file. Upon perusal of the records of inspection, it is noted that the AR had mentioned non-receipt of Annexures A, B & C to the SCN. Although the annexures to the SCN were provided to the Noticee No. 1 earlier, the same were once again provided to the said Noticee, vide SEBI email dated January 13, 2023. 4. Thereafter, vide email dated January 19, 2023, the AR of Noticee No. 1, while stating that certain documents are still to be inspected, requested for another opportunity of inspection of documents on February 02, 2023, which was acceded to and granted on the requested date, vide SEBI email dated January 25, 2023. However, vide email dated February 01, 2023, the AR for the Noticee No. 1 stated that she completely missed the SEBI email dated January 25, 2023 vide which inspection of documents was scheduled on February 02, 2023 (<i>the date as was requested by the AR herself</i>) and requested to schedule the inspection on either 9th or 10th February, 2023. 5. In order to comply with the principles of natural justice, the scheduled inspection was re-scheduled on February 13, 2023. On the said date, the AR for the Noticee No. 1 inspected the documents in the matter. However, vide email dated February 16, 2023, the AR once again requested for copies of certain documents (annexures to SCN) and stated that the inspection of documents has not been completed. Vide email dated February 20, 2023, while clarifying that the documents requested have been provided for inspection on the scheduled date, it was also stated that a CD containing all the originals of the soft copies (emails and downloads from public domain i.e. MCA and BSE website) forming part of the relied upon documents was provided to the AR on February 13, 2023.
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	<p>Further, Annexure H (email dated 20.11.2020), Annexure M (email of CDSL)(Downloads from BSE website provided in CD), Annexure F (email of Axis Bank with bank statement) were attached to the said email and forwarded to the AR of Noticee No. 1. In view of the same, the inspection of documents was stated to be complete in the said email dated February 20, 2023.</p> <p>6. The Noticee No. 1 was also advised to file a reply latest by February 24, 2023.</p> <p>7. However, vide email dated February 27, 2023, the AR stated that as Noticee No. 1 is in judicial custody at Tihar Jail, the copies of the documents could not be sent to him for perusal and get instructions. In view of the constraining factors, additional time until March 10, 2023 was granted to the AR/Noticee to file a reply in the matter. However, it is noted from the records that no reply was filed by Noticee No. 1 till date.</p>
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12. Vide email dated March 14, 2023, the AR for the Noticee, while reiterating that the Noticee No. 1 is in judicial custody due to which there is a genuine handicap on his part to give instructions, mentioned that the inspection of documents is yet to be completed. Further, the AR made a request (*for first time after issuance of the SCN*) for cross-examination of various persons, statements of whom are relied upon in the SCN. Further, it was mentioned that a detailed reply will be submitted within couple of days and a more detailed reply will be submitted by March 20, 2023.
13. Considering the peculiar situation of Noticee No. 1 and in order to comply with the principles of natural justice, the request for cross examining the entities (*i.e. Mr. Balakrishna Madhur, Mr. Hemant Bhatia, Mr. Javed Abdul Kadir Sheikh, Mr. Krishna Kumar Pooniah and Mr. Vijay Tambe*), statements of whom have been relied upon in the SCN, was acceded to. The details of opportunities to cross-examine the said entities provided are mentioned as under:

Sr. No.	Name of the Witness	Date of cross-examination	Particulars
1.	Mr. Balakrishna Madhur	19.04.2023 10.05.2023	1. On the scheduled dates, AR for Noticee No. 1 i.e. Ms. Saachi Purohit, Advocate, cross examined Mr. Balakrishna Madhur (on 19.04.2023), Mr. Hemant Bhatia (on 20.04.2023) and Mr. Krishna Kumar Pooniah (on 21.04.2023).
2.	Mr. Hemant Bhatia	20.04.2023 11.05.2023	2. Mr. Javed Abdul Kadir Sheikh did not appear on the scheduled date & time for cross-examination. 3. Mr. Vijay Tambe appeared through video conference for the cross-examination. However, due to connectivity issue, the cross examination was adjourned and the next date was fixed on May 22, 2023. On May 22, 2023, the witness appeared in person and was cross-examined by the AR of the Noticee. The cross examination was to continue on June 14, 2023. However, vide email dated June 09, 2023, the witness informed that due to certain personal medical issues, he would not be able to attend the cross examination. However, as the witness was cross-examined on the relevant issues involved, the same was considered as complete.
3.	Mr. Javed Abdul Kadir Sheikh	20.04.2023	4. With respect to Mr. Balakrishna Madhur, Mr. Hemant Bhatia and Mr. Krishna Kumar Pooniah, as the cross examination on the dates scheduled in April 2023 was not completed, the same continued on May 10, 2023, May 11, 2023 and May 12, 2023 (<i>through video conferencing considering the witness is stationed at Kochi</i>), respectively.
4.	Mr. Krishna Kumar Pooniah	21.04.2023 12.05.2023 25.05.2023	5. On the scheduled dates, cross-examination of all the witnesses was undertaken by AR to Noticee No. 1. Cross-examination of Mr. Balakrishna Madhur and Mr. Hemant Bhatia was concluded on the said dates i.e. May 10, 2023 and May 11, 2023.

5.	Mr. Vijay Tambe	21.04.2023 22.05.2023 14.06.2023	<p>6. With respect to Mr. Krishna Kumar Pooniah, due to connectivity issues during the cross examination conducted through video conferencing, the cross examination was to continue on May 25, 2023, which was further adjourned to June 13, 2023. On the said date i.e. June 13, 2023, the cross examination of the said witness was concluded.</p> <p>7. With respect to the witness, Mr. Javed Abdul Kadir Sheikh, attempts were made to contact him. However, as the witness did not respond to any of the modes of communication, cross examination in case of the said witness could not be scheduled and / or produced by SEBI for cross-examination. However, considering that the statement of the said witness is on similar lines as that of the statements recorded of the other witnesses, cross-examination of whom have been completed, there is no denial of natural justice to the said Noticee.</p>
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Replies filed by the Noticees to the SCN:

Noticee No. 08 (Pooja Wadhawan)

14. Noticee No. 08, vide letter dated March 07, 2022, filed a reply to the SCN dated September 16, 2021 and the submissions made therein are summarized as under:

- (i) The Noticee is a housewife and was only a promoter of DHFL from April 2006 to December 2013. The Noticee was not involved in the day-to-day affairs of the Company.
- (ii) The Noticee has had no association with the operations of Noticee Nos. 13, 14 and 15 and was never a part of the management of the said companies nor had any position or designation in the said companies.
- (iii) The Noticee states that the direction to make an open offer can no longer be issued as the company DHFL was admitted to resolution under the Insolvency and Bankruptcy Code, 2016 and was subsequently resolved by way of approval of resolution plan by the Hon'ble NCLT by its order dated June 07, 2021. As a part of the resolution plan, all existing shares of DHFL have been extinguished and therefore, all the shares which existed in DHFL as on June 07, 2021 have been cancelled. Thus, any direction to make an open offer would be a direction

incapable of being met and no shareholders have any shares that they would be able to tender to the acquirer. The Noticee states that the delay in issuance of the SCN has thus, made the issuance of the SCN infructuous.

- (iv) With respect to the allegation in the SCN, the Noticee states that as an erstwhile promoter of DHFL, she was not involved in the day to day affairs and she was never a director of DHFL. It is the case of the Noticee that without conducting any independent investigation, a SCN has been issued merely on her being classified as an erstwhile “promoter” without considering the actual and real facts about any role played by her in DHFL.
- (v) Noticee has been disclosed as the promoter of DHFL for a limited period and SEBI has mechanically impleaded her as the Noticee in the SCN. The Noticee submits that she had no knowledge of the acquisitions by the said companies and the Noticee has neither been the decision maker nor has she signed any agreement / instrument or document which would show that she was aware of the acquisition.
- (vi) The Noticee has expressed her concerns with respect to the manner in which the inspection of documents was provided to her. It is stated by the Noticee that limited time was granted to her to complete inspection of limited documents which prevented her to inspect all the documents. The Noticee states that multiple opportunities of inspection of documents were provided to her but still documents were denied to be shown.
- (vii) Further, the Noticee states that the complainant i.e. Adv Kislay Pandey is himself arraigned as an accused in several criminal proceedings. It is in public domain that he has initiated criminal proceedings on the basis of false and frivolous allegations so as to extract money from NBFCs/Banks/Financial institutions and with the intention to harass them. Certain newspaper articles suggest that he has left India absconding arrest and that a Red Corner Notice has been issued by Interpol seeking his arrest.
- (viii) The Noticee further stated that she is unaware of any loan granted by Variya Hospitality and Investments P. Ltd including the alleged fund transfer to Mr. Krishna Kumar Pooniah.

- (ix) The Noticee has placed reliance on the Supreme Court case of *Daichii Sankyo* and the Bombay High Court case in *K.K. Modi* claiming to be squarely applicable to the facts of the case.

Noticee Nos. 03, 04, 06 & 07 (Rakesh Wadhawan, Sarang Wadhawan, Malti Wadhawan and Anu Wadhawan)

15. A common reply was filed by Noticee Nos. 03 and 04 vide letter dated January 04, 2023. Further separate replies have been filed by Noticee Nos. 06 and 07 vide letters dated January 04, 2023. However, as the submissions made therein are similar in nature, the same have been summarized as under:

- (i) The Noticee Nos. 03, 04, 06 and 07 have stated that the SCN in the matter was served to them on the wrong address i.e. “23, Sea View Palace, Pali Hill, Bandra Mumbai – 40050”, as they did not reside there. The SCN was also affixed at the said wrong address. The Noticees state that they got to know of the said SCN when they received the hearing notice dated October 27, 2022 which was issued at the correct address in case of Noticee Nos. 03 and 04 through the Superintendent of Prison, Authur Road Jail, Mumbai Central Prison and “Wadhawan House, Plat No. 32A, Union Park, Road No. 05, Near Shatranj Hotel, Bandra West, Mumbai-400050” in case of Noticee Nos. 06 and 07. Thereafter, upon requesting for a copy of the SCN, vide email dated November 07, 2022, the same was provided by SEBI to the Noticees.
- (ii) The Noticees further state that the investigation conducted by SEBI was pursuant to a complaint dated January 15, 2019 filed by Mr. Vikash Shekhar, shareholder of DHFL. However, in the said complaint neither the complainant has accused Noticee Nos. 03, 04, 06 and 07 nor made them a party.
- (iii) Noticee Nos. 06 and 07 are homemakers. The Noticees submit that they were never in charge of any of the managerial or decision-making authorities or related to the day-to-day affairs of the company and were only the promoters for a very short span i.e. from April 2006 to December 2009. After the year 2009, due to family arrangements, the Noticee Nos. 03, 04, 06 and 07 were unquestionably not related with the affairs of DHFL. Management of DHFL, as depicted in para no. 3 of the SCN clearly shows that Mr. Dheeraj Wadhawan and Mr. Kapil Wadhawan were the main key managerial personnel of DHFL.

- (iv) With respect to the allegation that the promoters had suppressed the names of three companies i.e. Noticee Nos. 13, 14 and 15, who held around 10% shareholding in DHFL, while the said companies being directly / indirectly being held by the promoters of DHFL, the Noticees submit that they had no knowledge about the alleged transactions and were never related to these three companies. Moreover, as per the MCA company master data of the three companies i.e. Noticee Nos. 13, 14 and 15, Noticee Nos. 03 and 04 were not even directors of the said three companies.
- (v) With respect to the finding in the investigation done by SEBI stating that the promoters of DHFL including Noticee No. 04 (Sarang Wadhawan) were also directors in the Wadhawan Group Companies at some point in time, the Noticee states the said statement itself shows the ambiguity. The details of directorship as per the MCA company master annexed as Annexure E in the SCN do not depict the name of Noticee No. 04 as the director of the Wadhawan Group of Companies after the family arrangement took place in the year 2009 wherein the business was segregated.
- (vi) The Noticees denied being related to and aware of the funding of the initial shares of Noticee Nos. 13, 14 and 15. Even otherwise, Noticee No. 04 became the director of Blue Star Realtors Pvt. Ltd (BSRPL) on August 03, 2009, however, as admitted by SEBI in the SCN at para no. 17.5, the fund transfer from BSRPL to Noticee No. 14 (Galaxy Infraprojects and Developers Pvt. Ltd) was done during the period December 08, 2003 to June 10, 2008. Therefore, it is the case of the Noticee No. 04 that he was neither involved nor aware of the said transfer.
- (vii) In addition, the said Noticees state that there were no pecuniary benefits which they received in their individual capacities.
- (viii) The Noticees submit that the allegations pertaining to open offer violations and disclosure violations are wrongfully imposed on the Noticees as they were not associated with DHFL after the family arrangement took place in the year 2009 wherein the businesses were segregated.
- (ix) Assuming without admitting that the Noticees were promoters only for three years, the same does not mean that the Noticees had knowledge of the processes and prerequisites of the open offer and disclosures.

- (x) The Noticees further state that they never attended any board meetings or signed any minutes of the meeting of the said companies and are absolutely unaware of the transactions as alleged in the SCN.
- (xi) In the view of the aforesaid submissions, the Noticees state that no directions should be issued and /or no penalty should be imposed on them of the alleged violations.

Ex-director of Noticee No. 14 (Galaxy Infraprojects and Developers Pvt. Ltd)

- 16.** Vide letter dated January 31, 2023, the ex-director of Galaxy Infraprojects and Developers Pvt. Ltd namely, Mr. Anand Shankar Tedginkeri filed a reply to the SCN. It is stated that Mr. Anand Shankar Tedginkeri and Mr. Javed Abdul Kadir Shaikh became Additional Directors of Galaxy Infraprojects and Developers Pvt. Ltd (Noticee No. 14) with effect from September 02, 2019. They resigned from the directorship of the company w.e.f. June 09, 2022. The two Additional Directors were not much educated and were not associated with the management and actual business activities of Galaxy Infraprojects and Developers Pvt. Ltd. They were not aware of their obligations with regards to the provisions of SEBI Act, 1992. Therefore, it was submitted that no directions may be issued and / or penalty be imposed on the said two additional directors of the said Noticee. I find that the SCN has been issued to Galaxy Infraprojects and Developers Pvt. Ltd for the alleged violations of the open offer and disclosure requirements under the SAST Regulations, 2011 and the directors have made the said submissions in their individual capacities and not on behalf of the Noticee Company (Galaxy).
- 17.** I find that sufficient opportunities of inspection of documents, cross-examining the persons whose statements have been relied upon in the SCN and appearing before me for personal hearing have been provided to Noticee No. 1 in the matter. However, despite the same, the AR for Noticee No. 01, under the garb of the said Noticee being in judicial custody and her handicap to get instructions, have neither filed a reply to the SCN (post inspections and / or post cross examination) nor has appeared before me and put up a defence. I find that the SCN was issued to the said Noticee in September 2021. The fact that the Noticee No. 01 has not been able to file a reply to the SCN till date and / or arrange appearance through his AR on any of the opportunities of hearing

despite granting and availing ample opportunities of inspection and cross examination shows that the Noticee No. 01 has nothing to submit.

18. Further, with respect to Noticee No. 2, I note that the SCN dated September 16, 2021 was delivered to the said Noticee via email dated September 16, 2021 on the email id drwadhawan@hotmail.com. Further, the hearing notice dated October 27, 2022 was delivered to the Noticee (in judicial custody at Tihar Jail) through the Jail Authorities at Tihar Jail and the acknowledgment received from the Office of the Superintendent of Prisons, Central Jail No. 07, Tihar, Delhi is available on record. Thereafter, as mentioned in the Details / Remarks column at the table at para no. 10 above, vide email dated December 16, 2022, one Mr. Vatsal Thakkar, Advocate, claiming to be the AR for the Noticee No. 02, stated that the Noticee has not received the SCN and the same may be provided to him. The AR had further requested time to file a reply to the SCN, once received and further, for an opportunity to inspect the documents relied upon in the matter. Accordingly, vide email dated December 19, 2022, a copy of the SCN along with the annexures thereto were forwarded to the email id of Mr. Vatsal Thakkar, Advocate which is vatsalthakkar23@gmail.com. Further, an opportunity to inspect the documents was provided to Noticee No. 2 on December 26, 2022. In the said SEBI email, as the AR had not provided the authority letter showing his authorization to represent the case on behalf of the said Noticee, SEBI had requested Mr. Vatsal Thakkar, Advocate to provide for his authority letter. Neither any authority letter was produced and / or response was received from Mr. Vatsal Thakkar, Advocate nor the opportunity of inspection of documents so granted was availed by Noticee No. 2. SEBI, vide email dated December 27, 2022, while reminding the AR to forward his authority letter, granted time till January 05, 2023 to the Noticee No. 2 to file his reply in the matter. I note that there was no response from the AR for the said email.

19. Thereafter, vide email dated July 10, 2023 i.e. after more than six months from the last email, Mr. Vatsal Thakkar, Advocate while stating that the said email is being sent on behalf of Noticee No. 2, claimed that his previous email dated December 16, 2022 addressed to SEBI was unanswered and remains unanswered till that date. It was submitted that Noticee No. 2 is in judicial custody since April 2020 pending investigation at Tihar Jail, New Delhi. Vide the said email, Mr. Vatsal Thakkar, Advocate once again requested for a copy of the SCN, opportunity to inspect the

documents and time to file a reply thereafter. Even though the SCN along with the annexures thereto was forwarded to the email id of Mr. Vatsal Thakkar, Advocate on December 19, 2022 itself, exercising abundant caution, vide email dated July 14, 2023, a copy of the SCN along with the annexures was once again forwarded to the email id of Mr. Vatsal Thakkar, Advocate viz. vatsalthakkar23@gmail.com and an opportunity to inspect the documents was granted on July 18, 2023 and thereafter, an opportunity of hearing was also provided to the Noticee No. 2 on August 08, 2023. Mr. Vatsal Thakkar, Advocate was also requested to forward his authority letter. However, I find that the Noticee No. 2 has opted not to file any reply to the SCN and has also not availed of the opportunity to inspect the documents and personal hearing; neither has the AR produced any authority letter.

- 20.** As brought out in the table at para nos. 10, 18 and 19 above, service is complete with respect to Noticee No. 2 (by way of delivering the SCN on the email id of the Noticee No. 2 and the hearing notice in the Tihar Jail, where the Noticee No. 2 was lodged at the relevant time and also by way of sending the SCN along with annexures to the email id to the claimed AR). In view of the aforesaid, considering that despite providing sufficient opportunities to Noticee Nos. 01 and 02 to defend their case and the fact that enough time has lapsed since the date of issuance of the SCN, I am constrained to proceed with passing of the order against the said Noticees on the basis of the material available on record in the matter.
- 21.** Furthermore, with respect to Noticee Nos. 09 to 15, I note that the SCN was delivered to the last known addresses of Noticee Nos. 9, 10, 11 and 12 by way of affixture and by way of emails to Noticee Nos. 13, 14 and 15. Further, in case of Noticee No. 14, the ex-director of the said Noticee Company (Galaxy Infraprojects and Developers Pvt. Ltd) has acknowledged receipt of the SCN and the hearing notices. The AR, Dr. Prayag Jha, Advocate, also appeared on behalf of the directors of Noticee No. 14. However, the submissions were made on behalf of the directors in their individual capacity and not on behalf of the Noticee Company (Galaxy). With respect to Noticee No. 14, details are mentioned at para no. 16 above. Further, as can be seen from the table at para no. 10 having the details of the hearing opportunities given to the Noticees before me, it can be seen that the hearing notices have been duly delivered to Noticee Nos. 9, 10, 11 and 12 by way of affixture. In case of Noticee Nos. 13 (Hemisphere Infrastructure

India Pvt. Ltd), the hearing notice dated March 24, 2023 issued to Noticee No. 13 was delivered through newspaper publication. However, the said Noticee Company has neither responded nor appeared on the scheduled date of hearing i.e. April 19, 2023. With regard to Noticee No. 15 (Silicon Realtors Pvt. Ltd), the hearing notice dated November 23, 2022 is stated to be delivered through BSE. However, no representation and / or response was received from the said Noticee Company. In view of the same, I am of the considered view that despite providing ample time and opportunities to the Noticees to defend their case, the Noticees have neither filed any reply to the SCN nor availed of the opportunity of hearing granted to them before me. Therefore, in case of the said Noticees as well, I am constrained to proceed further with passing of the order on the basis of the material available on record in the matter.

22. In this regard, I find it apposite to draw attention to the observations of the Hon'ble Securities Appellate Tribunal (SAT) in the matter of *Sanjay Kumar Tayal & Others Vs. SEBI (Appeal No. 68 of 2013) decided on February 11, 2014* which are as under:

"...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..."

23. Without prejudice to the above observation, I now proceed to examine the matter on merits.

Consideration of Issues and Findings:

24. I have carefully perused the allegations levelled against the Noticees in the SCN issued, the replies filed by Noticee Nos.03, 04, 06, 07 and 08 and the material available on record. On perusal of the material available on record, the following issues arise for consideration in the instant case in hand:

Issue No. 01: Whether Noticee Nos. 1 to 12 and Noticee Nos. 13, 14 and 15 (i.e. Hemisphere Infrastructure India Pvt. Ltd, Galaxy Infraprojects and Developers Pvt. Ltd and Silicon First Realtors Pvt. Ltd) fall under the category of PACs as defined under Regulation 2(1)(e) of the SAST Regulations, 1997 and Regulation 2(1)(q) of the SAST Regulations, 2011?

Issue No. 02: If yes, whether, while acting in concert, the promoter/ promoter group consisting of Noticee Nos. 1 to 12 along with Noticee Nos. 13, 14 and 15 have violated the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 by failing to make a public announcement of open offer on acquiring shares of DHFL during the relevant period?

Issue No. 03: Whether the Noticees have violated the provisions of Regulation 7(1A) of the SAST Regulations, 1997 and Regulation 29(2) of the SAST Regulations, 2011 by failing to make the necessary disclosures on acquiring shares exceeding the prescribed limit?

Issue No. 04: Whether the Noticees have violated the provisions of Regulation 8(2) of the SAT Regulations, 1997 and Regulation 30(2) read with Regulation 30(3) of the SAST Regulations, 2011 by failing to make disclosures to DHFL and to the stock exchanges for various financial years as prescribed under the said Regulations?

Issue No. 05: If the answers to the above issues are in affirmative, what directions should be issued against the Noticees?

25. Before proceeding to deal with the issues involved in the case in hand, it would be apposite to refer to the relevant provisions of the SEBI Act, 1992, the SAST Regulations, 1997 and the SAST Regulations, 2011 which have a bearing on the allegations made against the Noticees. The relevant provisions are reproduced hereunder for facility of reference as they stood at the time of issuance of the SCN:

SAST Regulations, 1997:

2(1)(b) 'acquire' means any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in the target company, or acquires or agrees to acquire control over the target company, either by himself or with any person acting in concert with the acquirer;

2(1)(c) 'control' shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

2(1)(e) "person acting in concert" comprises—

(1) persons who, for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an

agreement or understanding (formal or informal), directly or indirectly co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control over the target company.

(2) Without prejudice to the generality of this definition, the following persons will be deemed to be persons acting in concert with other persons in the same category, unless the contrary is established:

(i) a company, its holding company, or subsidiary or such company or company under the same management either individually or together with each other;

(ii) a company with any of its directors, or any person entrusted with the management of the funds of the company;

(iii) directors of companies referred to in sub-clause (i) of clause (2) and their associates;

(iv) mutual fund with sponsor or trustee or asset management company;

(v) foreign institutional investors with sub-account(s);

(vi) merchant bankers with their client(s) as acquirer;

(vii) portfolio managers with their client(s) as acquirer;

(viii) venture capital funds with sponsors;

(ix) banks with financial advisers, stock brokers of the acquirer, or any company which is a holding company, subsidiary or relative of the acquirer:

Provided that sub-clause (ix) shall not apply to a bank whose sole relationship with the acquirer or with any company, which is a holding company or a subsidiary of the acquirer or with a relative of the acquirer, is by way of providing normal commercial banking services or such activities in connection with the offer such as confirming availability of funds, handling acceptances and other registration work;

(x) any investment company with any person who has an interest as director, fund manager, trustee, or as a shareholder having not less than 2 per cent of the paid-up capital of that company or with any other investment company in which such person or his associate holds not less than 2 per cent of the paid-up capital of the latter company.

Note: For the purposes of this clause —associate means,—

(a) any relative of that person within the meaning of section 6 of the Companies Act, 1956 (1 of 1956); and

(b) family trusts and Hindu undivided families;

2(1)(h) “promoter” means –

(a) any person who is in control of the target company;

(b) any person named as promoter in any offer document of the target company or any shareholding pattern filed by the target company with the stock exchanges pursuant to the Listing Agreement, whichever is later; and includes any person belonging to the promoter group as mentioned in Explanation I:

Provided that a director or officer of the target company or any other person shall not be a promoter, if he is acting as such merely in his professional capacity.

Explanation I:- —For the purpose of this clause, ‘promoter group’ shall include:

- (a) in case promoter is a body corporate—
- (i) a subsidiary or holding company of that body corporate;
 - (ii) any company in which the promoter holds 10 % or more of the equity capital or which holds 10 % or more of the equity capital of the promoter;
 - (iii) any company in which a group of individuals or companies or combinations thereof who holds 20 % or more of the equity capital in that company also holds 20 % or more of the equity capital of the target company; and
- (b) in case the promoter is an individual—
- (i) the spouse of that person, or any parent, brother, sister or child of that person or of his spouse;
 - (ii) any company in which 10 % or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member;
 - (iii) any company in which a company specified in (i) above, holds 10 % or more, of the share capital; and
 - (iv) any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10 per cent of the total.

Disclosure of acquisition and disposal.

7(1A) Any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, or under second proviso to sub-regulation (2) of regulation 11 shall disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Continual disclosures.

8. (1)...

(2) A promoter or every person having control over a company shall, within 21 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, disclose the number and percentage of shares or voting rights held by him and by persons acting in concert with him, in that company to the company.

Consolidation of holdings.

11. (1) No acquirer who, together with persons acting in concert with him, has acquired, in accordance with the provisions of law, 15 per cent or more but less than fifty five per cent (55%) of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than 5% of the voting rights, with post acquisition shareholding or voting rights not exceeding fifty five per cent, in any financial year ending on 31st March unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.

(2) No acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, shall acquire either by himself or through or with persons acting in concert with him any additional shares entitling him to exercise voting rights or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations:

SAST Regulations, 2011:

2(1) *In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly,-*

(a) *“acquirer” means any person who, directly or indirectly or indirectly, acquires or agrees to acquire whether by himself, or through, or with persons acting in concert with him, shares or voting rights in or control over the target company;*

.....

(e) *‘control’ includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

(g) *“persons acting in concert” means—*

(1) persons who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights in, or exercise of control over the target company.

(2) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be persons acting in concert with other persons within the same category, unless the contrary is established—

(i) a company, its holding company, subsidiary company and any company under the same management or control;

(ii) a company, its directors, and any person entrusted with the management of the company;

(iii) directors of companies referred to in item (i) and (ii) of this sub-clause and associates of such directors;

(iv) promoters and members of the promoter group;

(v) immediate relatives;

(vi) a mutual fund, its sponsor, trustees, trustee company, and asset management company;

- (vii) a collective investment scheme and its collective investment management company, trustees and trustee company;*
- (viii) a venture capital fund and its sponsor, trustees, trustee company and asset management company;*
- (ix) a foreign institutional investor and its sub-accounts;*
- (x) a merchant banker and its client, who is an acquirer;*
- (xi) a portfolio manager and its client, who is an acquirer;*
- (xii) banks, financial advisors and stock brokers of the acquirer, or of any company which is a holding company or subsidiary of the acquirer, and where the acquirer is an individual, of the immediate relative of such individual:
Provided that this sub-clause shall not apply to a bank whose sole role is that of providing normal commercial banking services or activities in relation to an open offer under these regulations;*
- (xiii) an investment company or fund and any person who has an interest in such investment company or fund as a shareholder or unitholder having not less than 10 per cent of the paid-up capital of the investment company or unit capital of the fund, and any other investment company or fund in which such person or his associate holds not less than 10 per cent of the paid-up capital of that investment company or unit capital of that fund:
Provided that nothing contained in this sub-clause shall apply to holding of units of mutual funds registered with the Board;*

Explanation— For the purposes of this clause “associate” of a person means—

- (a) any immediate relative of such person;*
- (b) trusts of which such person or his immediate relative is a trustee;*
- (c) partnership firm in which such person or his immediate relative is a partner; and*
- (d) members of Hindu undivided families of which such person is a coparcener;*
- (s) ‘promoter’ has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and includes a member of the promoter group;*

.....
(t) “promoter group” has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Substantial acquisition of shares or voting rights

3.(1)...

(2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless

the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.

Explanation.—For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation,—

(i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.

(ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

Disclosure of acquisition and disposal.

29.(1)..

(2) Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

Continual disclosures.

30(1) ...

(2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—

- (a) every stock exchange where the shares of the target company are listed; and***
- (b) the target company at its registered office.***

Repeal and Savings.

35.(1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, stands repealed from the date on which these regulations come into force.

(2) Notwithstanding such repeal,—

(a) anything done or any action taken or purported to have been done or taken including comments on any letter of offer, exemption granted by the Board, fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;

(c) any open offer for which a public announcement has been made under the repealed regulations shall be required to be continued and completed under the repealed regulations.

(3) After the repeal of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009:

2. (1) In these regulations, unless the context otherwise requires:

.....
 (za) "promoter" includes:

- (i) the person or persons who are in control of the issuer;
- (ii) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public;
- (iii) the person or persons named in the offer document as promoters:

....."

Finding on the preliminary objections raised by Noticee No. 8 (Pooja Wadhawan):

26. I find that vide her reply dated March 07, 2022, Noticee No. 08 has raised a concern that SEBI has made the allegations against her in the SCN without conducting an independent investigation into the said Noticee's role merely on the basis of her being classified as an erstwhile promoter. I note the present proceedings have been initiated against Noticee No. 8 with respect to the allegation of failing to make a public announcement of an open offer being a part of the promoter / promoter group as disclosed by DHFL. Therefore, the submission of the Noticee that merely on the basis of her being classified as a promoter of DHFL that she has been charged with the allegations levelled against the Noticee does not hold any merit and is therefore not tenable. Further, I note that an elaborate investigation has been conducted by SEBI to

ascertain whether there have been any violations of the provisions of the SEBI Act, 1992, SAST Regulations, 1997, SAST Regulations, 2011 or any other rules or regulations framed thereunder. Only after investigating the case, SEBI *prima facie* has approved initiation of enforcement action against the disclosed promoter / promoter group of DHFL along with the alleged three PACs i.e. Noticee Nos. 13, 14 and 15 for the violations of the provisions of open offer requirement and disclosure requirements under the SAST Regulations. Considering that the charges levelled against the Noticees in the present case are not that of fraud and/ or insider trading, the investigation has been carried out by taking the entities in the promoter / promoter group together as has been disclosed by DHFL on the stock exchanges as the shareholdings under the category of promoter / promoter group. Therefore, I do not find any merit in the concern raised by Noticee No. 8 with respect to SEBI not conducting an independent examination into the role played by the said Noticee.

- 27.** I further note that, vide her reply dated March 07, 2022, Noticee No. 08 has shown concern with respect to the inspection of documents and stated that complete inspection of documents was not provided to her by SEBI. In this regard, I note from the records available before me and the details as provided in the preceding para no. 7 above that opportunities of inspection of documents were provided to the said Noticee on November 17, 2021, December 02, 2021 and March 31, 2022. Thereafter, as the Noticee No. 08, vide her email dated April 06, 2022 had stated that inspection in the case is incomplete and all documents replied upon are still not inspected, another opportunity was provided to her on April 27, 2022 which was duly availed by the said Noticee. However, vide email dated May 03, 2022, Noticee No. 08 once again stated that inspection of all documents replied upon in the investigation report for eg: KPMG Report has not been provided. As the KPMG report per se was not relevant, the same was communicated to the Noticee vide SEBI email dated May 23, 2022. Upon perusal of the material, I note that the KPMG report does not form a part of the material under consideration before me. I also note that after the aforementioned reply dated March 07, 2022, one more opportunity to inspect the documents was granted to her on May 20, 2022 in compliance with the principles of natural justice. In view of the fact that sufficient opportunities of inspection of documents were granted to the Noticee No. 08,

I find that the submission of the Noticee No. 08 with regards to inspection of documents is not tenable and lacks merit.

Issue No. 01: Whether Noticee Nos. 1 to 12 and Noticee Nos. 13, 14 and 15 (i.e. Hemisphere Infrastructure India Pvt. Ltd, Galaxy Infraprojects and Developers Pvt. Ltd and Silicon First Realtors Pvt. Ltd) fall under the category of PACs as defined under Regulation 2(1)(e) of the SAST Regulations, 1997 and Regulation 2(1)(q) of the SAST Regulations, 2011?

28. I note that the SCN alleges that the three Noticee companies i.e. Noticee Nos. 13, 14 and 15 had acquired shares of DHFL during the relevant period and the said companies were created only for the purpose of acquiring shares of DHFL and were controlled and managed by the employees of DHFL. During the investigation, the details with respect to the three Noticee Companies i.e. Hemisphere, Galaxy and Silicon at the time of their incorporation, which shows that the employees of DHFL were acting as Directors of the said three Noticee Companies are as under:

(Source: MCA website)

Sr. No.	Particulars	Hemisphere	Silicon	Galaxy
1.	Date of Incorporation	Jan 16, 2007	August 18, 2008	January 10, 2007
2.	Initial Subscribers	Mr. Krishna K Ponniah (KKP) - 5000 shares of Rs. 10 each	Mr. Vijay S Tambe (VST) - 5000 shares of Rs. 10 each	Mr. Krishna K Ponniah (KKP) - 5000 shares of Rs. 10 each
		Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each	Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each	Mr. Balakrishna Madhur (BKM) - 5000 shares of Rs. 10 each
3.	Witness at initial subscription	Mr. Vijay Tambe	Mr. Sanjay Parab	Mr. Vijay Tambe
4.	Initial Directors	Mr. Krishna K Ponniah	Mr. Vijay S Tambe	Mr. Krishna K Ponniah
		Mr. Balakrishna Madhur	Mr. Balakrishna Madhur	Mr. Balakrishna Madhur

29. With respect to the persons named in the table above viz., Mr. Krishna Kumar Ponniah (*hereinafter referred to as 'KKP'*), Mr. Balakrishna Madhur (*hereinafter referred to as 'BKM'*) and Mr. Vijay Tamble (*hereinafter referred to as 'VT'*), the following was revealed:

29.1 KKP joined DHFL in May 1985 and was working with DHFL at the time of issuance of the SCN, VT has been working with DHFL since May 1995 and was working with DHFL at the time of issuance of the SCN and BKM had worked with DHFL from January 1984 till July 2017. The same was confirmed by the said entities during their statement recording during the investigation.

29.2 They were employees of DHFL at the time of (a) incorporation of these three companies, (b) initial subscription to shares of these three companies and (c) being Directors in these three companies.

29.3 It was noted that they were also the directors in other companies belonging to the promoter / promoter group of DHFL and the directorship details as per the MCA website were provided as Annexure E to the SCN. An example of the directorships held by **KKP (Mr. Krishna Kumar Ponniah)** is as below:

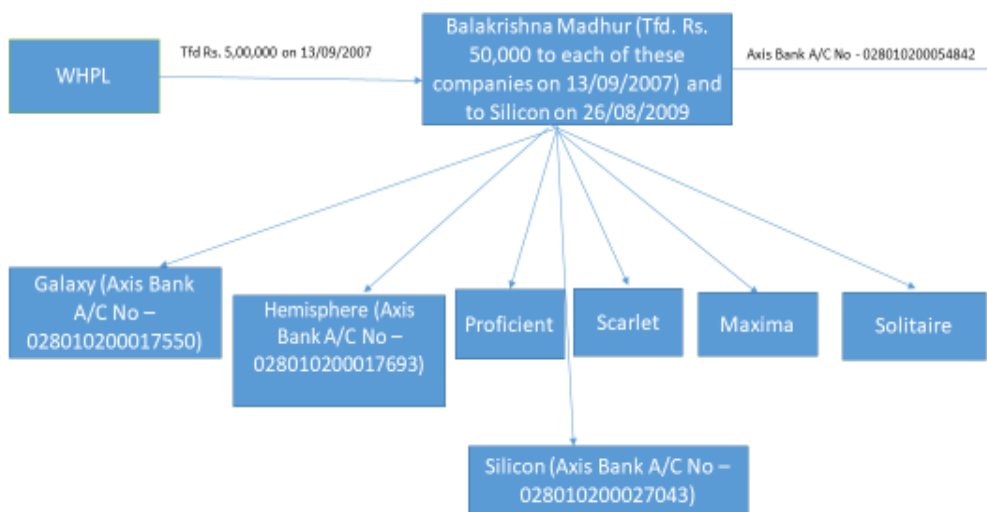
Sr. No.	Name of Company	Relation of Company with the promoter/ promoter group of DHFL	Tenure as Director	
1	Wadhawan Holdings Pvt. Ltd. (Noticee No. 09)	Promoter of DHFL	28/03/2006	24/01/2008
2	Wadhawan Lifestyle Retail Private Limited	As per MCA, Dheeraj and Kapil Wadhawan (Promoters of DHFL) were directors in this company during the period May 14, 2007-November 14, 2014 and May 14, 2007-March 30, 2013 respectively.	03/01/2007	23/01/2008
3	Kyta Advisors Private Limited	As per MCA, Dheeraj and Kapil Wadhawan (Promoters of DHFL) were directors in this company during the period February 03, 2006-March 27, 2018 and October 01, 2008-March 16, 2015 respectively.	03/02/2006	24/01/2008
4	DHFL Advisory & Investments Private Limited	Dheeraj Wadhawan and Kapil Wadhawan are directors in this company from February 12, 2016 onwards.	15/02/2016	04/04/2016

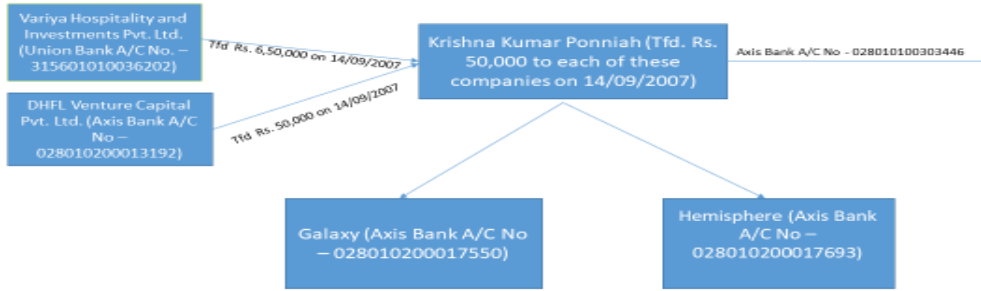
- 29.4** The investigation also revealed that certain other entities namely, Mr. Saimon Francis Dsouza, Mr. Hetin Ramesh Sakhuja, Mr. Dhondu Ram Jadyar, Mr. Suman Dutta, Mr. Kishan Gopal, among others, were directors in Hemisphere, Galaxy and Silicon, as well as in other Wadhawan Group companies, at some point of time during the period of investigation.
- 29.5** It was noted that the promoters of DHFL namely, Noticee No. 01 (Mr. Kapil Wadhawan), Noticee No. 02 (Mr. Dheeraj Wadhawan) and Noticee No. 04 (Mr. Sarang Wadhawan), among others, were also directors in the said Wadhawan Group of Companies at certain point of time during the period of investigation.
- 30.** Thus, it was noted that the persons who were Directors in Hemisphere, Galaxy and Silicon were, at the same time, employees of DHFL or employees of entities belonging to the promoter/ promoter group of DHFL and therefore, it was alleged in the SCN that these Directors and Hemisphere (Noticee No. 13), Galaxy (Noticee No. 14) and Silicon (Noticee No. 15) were under the '*control*' of the promoter/ promoter group of DHFL.
- 31.** Further, during the investigation, it was noted that Wadhawan Holding Private Limited (*Noticee No. 09 / WHPL*) and other promoter/ promoter group controlled entities had given funds to the abovementioned three entities i.e. KKP, BKM and VT to subscribe to the initial shares of Hemisphere, Galaxy and Silicon. The same was reflected from the transactions in the bank account statements of the said three entities / employees, details of which are as under:
- Funding of initial shares of Hemisphere and Galaxy:*
- 31.1** WHPL, who is one of the Promoter entities of DHFL, had transferred Rs. 5,00,000 to the account of BKM (*Mr. Balakrishna Madhur*) on September 13, 2007, and on the same day BKM had paid Rs. 50,000 each, for subscribing to the initial shares of Hemisphere and Galaxy.
- 31.2** Similarly, it was observed that companies viz. Variya Hospitality and Investments Pvt. Ltd. (VHIPL) and DHFL Venture Capital Pvt. Ltd., which belonged to the Wadhawan Group, had transferred Rs. 6,50,000 and Rs. 50,000, respectively, to the account of KKP (*Mr. Krishna Kumar Pooniah*) on September 14, 2007. On

the same day, it was observed that he had paid Rs. 50,000 each, for subscribing to the initial shares of Hemisphere and Galaxy.

31.3 It was observed that Noticee No. 01 i.e. Promoter of DHFL, was a director in DHFL Venture Capital Pvt. Ltd. (now known as Arthveda Fund Management Pvt. Ltd.) during the period May 12, 2005 to September 19, 2018. Also, Noticee No. 01 was the director of VHIPL during the period March 27, 2008 to March 30, 2013. VHIPL, at the time of the fund transfer to KKP, was part of the Wadhawan Group as Noticee No. 06 (Malti Wadhawan) and Noticee No. 08 (Pooja Wadhawan), belonging to the promoter group of DHFL were directors of VHIPL during that period.

31.4 The fund flow is shown diagrammatically as below:

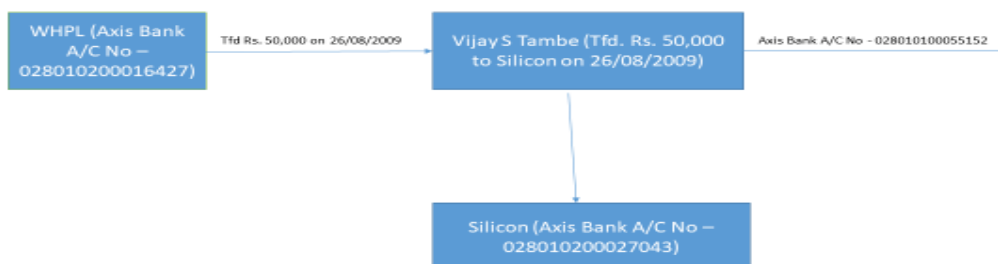




Funding of initial shares of Silicon:

31.5 It was also observed that WHPL (Noticee No. 09) had transferred Rs. 50,000 to the account of VT (*Mr. Vijay Tambe*) on August 26, 2009, and on the same day he had paid Rs. 50,000 for subscribing to the initial shares of Silicon (Noticee No. 15). Further, it was observed that BKM (*Mr. Balakrishna Madhur*) had also paid Rs. 50,000 for subscribing to the shares of Silicon on August 26, 2009.

31.6 It was observed from bank account KYC of WHPL, as obtained from Union Bank of India, that Noticee No. 01 (*Mr. Kapil Wadhawan*) was one of the authorized signatories for the bank account of WHPL from where the above mentioned fund transfers were made. The abovementioned fund flow is diagrammatically shown below:



32. In view of the above transactions, it was alleged in the SCN that the entities related to the promoter/ promoter group of DHFL had provided the funds to KKP, BKM and VT,

which were then used by the said entities for the initial subscription to the shares of Hemisphere, Galaxy and Silicon.

33. Further, during the statement recording of KKP, BLM and VT, the following was submitted by them:

33.1 All the three, *inter alia*, submitted that they had subscribed to the initial shares of Hemisphere, Galaxy and Silicon on the instructions of their then boss i.e., Mr. Kapil Wadhawan (Noticee No. 01), the promoter of DHFL.

33.2 They also submitted that these three companies were under the control of the same management i.e., Mr. Kapil Wadhawan (Noticee No. 01) and Mr. Dheeraj Wadhawan (Noticee No. 02) directly/indirectly through crossholdings since their inception.

33.3 Further, KKP and VT submitted that these companies were PACs with the Wadhawan Group.

Funding for initial purchase of shares of DHFL:

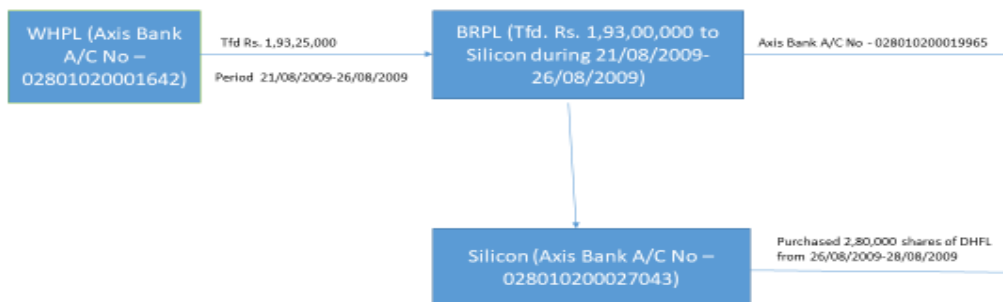
34. During the investigation, it was noticed that Hemisphere, Galaxy and Silicon were directly / indirectly funded by promoter and/ or promoter controlled entities of DHFL, to purchase the shares of DHFL. Details of the funding provided for the initial purchase of shares of DHFL to these three companies is given below:

First Purchase of shares of DHFL by Noticee No. 15 (Silicon):

34.1 During the period August 21-26, 2009, it was noticed that Silicon had received Rs. 1,93,00,000 from a company named Bodhisatva Realtors Pvt. Ltd. (BRPL). Subsequent to receiving these funds, Silicon had purchased around 1,40,000 shares of DHFL between the period August 26, 2009 to August 28, 2009, which was its first purchase in the scrip of DHFL.

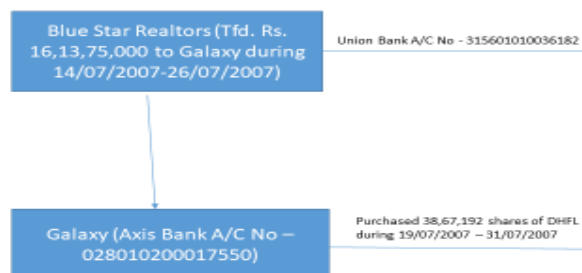
34.2 It was also observed that during the period August 21-26, 2009 i.e. within a span of five days, BRPL had received, through three transactions, a total of Rs. 1,93,25,000 from WHPL, the promoter of DHFL.

34.3 The flow of funds is diagrammatically shown as below:



First purchase of DHFL shares by Noticee No. 14 (Galaxy):

34.4 It was observed that Galaxy had received Rs. 16,13,75,000 from a company named Blue Star Realtors Pvt. Ltd. (BSRPL) during the period July 14-26, 2007, through five transactions. Subsequent to receiving these funds, Galaxy had purchased around 19,33,596 shares of DHFL between the period July 19-31, 2007, which was their first purchase in the scrip of DHFL. The flow of funds is diagrammatically shown as below:

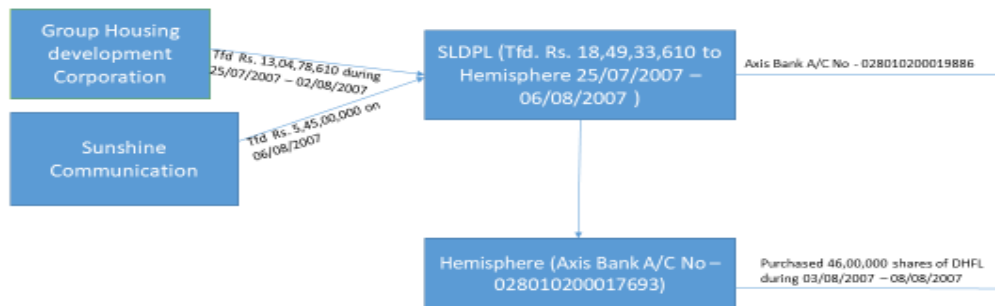


34.5 Upon investigation, it was noted that Noticee No. 2 (Mr. Dheeraj Wadhawan), promoter of DHFL was the director of BSRPL during the period December 08, 2003 to June 10, 2008 i.e. when the aforesaid fund transfer was ade from BSRPL to Galaxy. Further, Noticee No. 4 (Mr. Sarang Wadhawan), also a

promoter of DHFL, subsequently had become the director of DSRPL from June 10, 2008 to April 26, 2018. The KYC of BSRPL, obtained from Union Bank of India, shows that Noticee No. 1 (Mr. Kapil Wadhawan), promoter of DHFL, was one of the authorized signatories for the account of BSRPL as on July 03, 2006 from where funds were transferred to Galaxy. Noticee No. 2 (Mr. Dheeraj Wadhawan), promoter of DHFL, was one of the applicants for opening this bank account of BSRPL. Also, as per the documents with the KYC, it was noticed that BKM, employee of DHFL and initial subscriber and director of Silicon, Galaxy and Hemisphere, was also one of the initial subscribers and director of BSRPL.

First purchase of DHFL shares by Noticee No. 13 (Hemisphere):

34.6 Similarly, during the period July 25-August 06, 2007, Hemisphere had received Rs. 18,49,33,610 from a company named Sapphire Land Development Pvt. Ltd. (SLDPL). Subsequent to receipt of these funds, Hemisphere had purchased around 23,00,000 shares of DHFL between the period August 03-August 08, 2007, which was their first purchase in the scrip of DHFL. The flow of funds is diagrammatically shown as below:



34.7 The source of the aforesaid funds received from SLDPL to Noticee No. 13 (hemisphere) is as follows (by examination of bank statement of SLDPL):

Sr. No.	Date	Amount (In Rs.)	Received from	Connection with promoters of DHFL
1	July 25, 2007	9,91,33,610.	Group Housing Development Corporation (GHDC)	BKM was one of the directors of both SLDPL and GHDC, along with other directors, who were also directors of Wadhawan Group of Companies at different time period between 2007-2019
2	July 28, 2007	2,07,45,000.	GHDC	
3	August 02, 2007	1,06,00,000.	GHDC	
4	August 06, 2007	5,45,00,000.	Sunshine Communication Private Limited (SCPL)	Directors of SCPL were directors of Wadhawan Group of Companies at different time period between 2007-2019
Total		18,49,78,610.		

35. In view of the above funds provided to Noticee Nos. 13, 14 and 15, it was alleged in the SCN that entities, which were directly / indirectly controlled by the promoters / promoter group of DHFL, had provided funds to the said Noticees for their initial purchase of DHFL shares.

Other connections between Noticee Nos. 13, 14 and 15 and DHFL / promoters of DHFL:

36. Upon examining the bank statements of the relevant entities, KYC documents, MCA records, replies of Noticee Nos. 13, 14 and 15 to the queries of SEBI during investigation, statements of the employees of DHFL, etc., the following additional facts were revealed:

36.1 BKM, on the same day on which he had received Rs. 5 lakhs from Noticee No. 09 (WHPL), had paid Rs. 50,000 each for subscribing to the initial shares of companies namely Proficient Real Estate Develop. Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Maxima Agrottrade Pvt. Ltd., Solitaire Real Tech Pvt. Ltd., etc. It was observed that some of these companies later on became the shareholders of Silicon, Hemisphere and Galaxy and some of them continued to be their shareholders.

36.2 It was also observed from the bank statement of BKM that he had continuously transacted with WHPL and DHFL Venture Capital India Pvt. Ltd. i.e., with promoter and associated entities of DHFL. BRPL had purchased the shares of

Galaxy and Hemisphere subsequent to the initial subscription of their shares. Further, as per the information submitted by these three companies during the investigation, as on March 31, 2018, BRPL was one of their shareholders holding around 4% each along with 25 other companies or so.

- 36.3** SLDPL had received Rs. 12,03,96,646 from a company named Sunshine Communication Private Limited (SCPL) on August 17, 2007. Mr. [Hetin Ramesh Sakhuja](#) and Mr. [Vasant Dattatraya Gavade](#), who were the directors of SCPL during the time funds were transferred to SLDPL, were also directors in other companies belonging to the Wadhawan Group at different time periods between 2007-2019, which is evident from the details of their directorship. Subsequently, it was observed that Galaxy had received Rs. 15,77,54,735 from SLDPL between August 17-22, 2007, through two transactions.
- 36.4** It was observed that 14 entities viz., BRPL , Canary Hospitality Pvt. Ltd., Daffodil Realtors Pvt. Ltd., Emblem Realtors Pvt. Ltd., Entity Realtors Pvt. Ltd., Escalate Realtors Pvt. Ltd., Grand Reality India Pvt. Ltd., Hireward Finco Pvt. Ltd., Marari Hospitality Pvt. Ltd., Rooftop Infraprojects Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Stunner Merchandising Pvt. Ltd., Ultratech Project Management and Services Pvt. Ltd. and Victor Infratech Pvt. Ltd., who were also shareholders in Hemisphere, Galaxy & Silicon, had deposited funds amounting to Rs. 2,258 Cr during the period April, 2015 – December, 2018 in the bank account bearing number 315601010014098 (Union Bank), which belonged to DHFL.
- 36.5** Kyta Advisors Pvt. Ltd., part of the Wadhawan Group, in FY 2014-15, made preferential allotment of equity / preference shares to the aforesaid 14 entities who were also the shareholders in Hemisphere, Galaxy & Silicon. The same was also observed from the submissions made by Union Bank and KPMG, which had carried out a special review of DHFL for Union Bank of India. Further, KPMG has also submitted that Silicon, Galaxy and Hemisphere together held 9.97% shares in DHFL as on March 31, 2018, which represented additional indirect holding of 9.97% by the promoters of DHFL.
- 36.6** The three companies i.e. Noticee Nos. 13, 14 and 15 in their reply during the investigation period have submitted that they were not associated with each other and/or with the promoters of DHFL. However, it was observed from the shareholding pattern submitted by the said three companies (*as on March 31,*

2018) that they were held by same group of companies through cross holdings, where each company was holding around 2%-6% in each of these three companies. Further, directors in many of these companies were also directors in companies belonging to the Wadhawan Group at different point of time during the period 2007-2019. Also, some of these companies namely Proficient Real Estate Devlop. Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Maxima Agrottrade Pvt. Ltd., Solitaire Real Tech Pvt. Ltd. were alleged to be directly/indirectly funded by the promoter/promoter group of DHFL, as BKM had subscribed to the initial shares of some of these entities from the funds received from Noticee No. 9 (WHPL).

36.7 It was observed that Silicon and Hemisphere had same address i.e., *G-1, Rising Sun Society, St. Anthony Street Bhd. Vakola Church, Santacruz (East), Mumbai City - 400055* along with Coral Inn Private Limited (CIPL). In this regard, it was observed that Noticee Nos. 1 and 2, promoters of DHFL, were the directors of CIPL during the period July 10, 2008 to August 04, 2008. Further, it was observed as per the information submitted by the said three companies, CIPL was one of their shareholders holding around 4%-4.5% in each company, along with 25 other companies, as on March 31, 2018.

36.8 Mr. Hemant Bhatia, employee of Noticee No. 09 (WHPL) from June 2006, to March 2020, had introduced Hemisphere, Galaxy and Silicon on behalf of WHPL, the promoter of DHFL, for opening their trading account with Siblings Securities Pvt. Ltd. As submitted by Mr. Bhatia in his statement during the investigation, the same was done on the instructions of his then boss i.e. Noticee No. 01 (Mr. Kapil Wadhawan) and Noticee No. 02 (Mr. Dheeraj Wadhawan), promoters of DHFL.

37. In view of the same, it has been alleged in the SCN that the disclosed promoter / promoter group of DHFL were in control of Noticee Nos. 13, 14 and 15 since the inception of these companies and therefore, the disclosed promoter / promoter group of DHFL and the three said Noticee Companies were part of the promoter group (thought not disclosed as such). It was alleged that Noticee Nos. 13, 14 and 15 were PACs with the disclosed promoter / promoter group of DHFL as (a) the employees of DHFL were directors in these three Noticee Companies, (b) funds were provided for subscribing shares and for purchase of shares of DHFL (c) controlled and owned

directly / indirectly by the promoter / promoter group of DHFL i.e. Wadhawan Family / Wadhawan Group through web of cross holdings in companies and directorship since the inception of these three Noticee Companies.

- 38.** In order to say that the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15, who had acquired shares of DHFL during the investigation period, were PACs with the promoter / promoter Group of DHFL, who had directly / indirectly acquired shares of DHFL, it is pertinent to understand the definitions of certain concepts such as 'acquirer', 'control', 'promoter', 'PAC' and / or 'deemed to be PACs' under the SAST Regulations. The definitions of these terms under the SAST Regulation, 1997 and SAST Regulations, 2011 are reproduced at the preceding para no. 25 above.
- 39.** Upon perusal of the said definitions, I note that Regulation 2(1)(e)(1) of the SAST Regulations 1997 and Regulation 2(1)(q)(1) of the SAST Regulations, 2011, 'person acting in concert' means a person who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights in, or exercise of control over the target company. In order to better appreciate the concept of 'persons acting in concert', attention is drawn to the judgement of Hon'ble Supreme Court in *Daiichi Sankyo Company Ltd Vs. Jayaram Chigurupati & Ors (2010) 7 SCC 449*, wherein the Hon'ble Court, while interpreting the said term, has observed as under:

"44. The other limb of the concept requires two or more persons joining together with the shared common objective and purpose of substantial acquisition of shares etc. of a certain target company. There can be no "persons acting in concert" unless there is a shared common objective or purpose between two or more persons of substantial acquisition of shares etc. of the target company. For, dehors the element of the shared common objective or purpose the idea of "person acting in concert" is as meaningless as criminal conspiracy without any agreement to commit a criminal offence. The idea of "persons acting in concert" is not about a fortuitous relationship coming into existence by accident or chance. The relationship can come into being only by design, by meeting of minds between two or more persons leading to the shared common objective or purpose of acquisition of substantial acquisition of shares etc. of the target company. It is another matter that the common objective or purpose may be in pursuance of an agreement or an understanding, formal or informal; the acquisition of shares etc. may be direct or

*indirect or the persons acting in concert may cooperate in actual acquisition of shares etc. or they may agree to cooperate in such acquisition. Nonetheless, the element of the shared common objective or purpose is the *sin qua non* for the relationship of "persons acting in concert" to come into being.....*

48.....Regulation 2(1)(e)(2) defines "person acting in concert". It is a deeming provision. It has to be read in conjunction with regulation 2(1)(e)(1) which states that person acting in concert comprises of persons who in furtherance of a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights in the target company or to acquire control over the target company. The word "comprises" in regulation 2(1)(e) is significant. It applies to regulation 2(1)(e)(2) as much as to regulation 2(1)(e)(1). A fortiori, a person deemed to be acting in concert with others is also a person acting in concert. In other words, persons who are deemed to be acting in concert must have the intention or the aim of acquisition of shares of a target company. It is the conduct of the parties that determines their identity. Whether a person is or is not acting in concert with the acquirer would depend upon the facts of each case. In order to hold that a person is acting in concert with the acquirer or with another person it must be established that the two share the common intention of acquisition of shares of some target company....."

- 40.** I note that the Judgment in the *Daiichi* case (supra) examines the definition of "person acting in concert" as provided under Regulation 2(1)(e) of the SAST Regulations, 1997 (since repealed). In the present case, the definition of 'persons acting in concert' under the SAST Regulation, 2011 is also involved. I note that Regulation 2(1)(e) of SAST Regulation, 1997 and Regulation 2(1)(q) of SAST Regulation, 2011 are *pari materia* and hence, interpretation given to Regulation 2(1)(e) of SAST Regulations, 1997 by Hon'ble Supreme Court in *Daichi* case (supra) can be referred to with respect to interpretation of Regulation 2(1)(q) of SAST Regulations, 2011 as well.
- 41.** I find from the facts revealed during the investigation and the SCN that Noticee No. 09 (WHPL) and other promoter-controlled entities had funded the abovementioned three employees of DHFL namely, Vijay Tambe, Krishna Kumar Pooniah and Balakrishna Madhur to subscribe to the shares of the three Noticee Companies viz. Hemisphere, Galaxy and Silicon. The details of the flow of funds is found as under:

Balakrishna Madhur (Director in Silicon, Hemisphere and Galaxy and other Wadhawan Group of Companies)

- i. As can be seen from the diagram in para no. 31 above, WHPL (Promoter of DHFL) had transferred Rs. 5,00,000 to Balakrishna Madhur (BKM) on September 13, 2007 and on the same day he had paid Rs. 50,000 each for subscribing to the initial shares of Hemisphere and Galaxy. Additionally, on the same day, he had paid Rs. 50,000 each for subscribing to the initial shares of Proficient Real Estate Develop. Pvt. Ltd., Scarlet Realtors Pvt. Ltd., Maxima Agrottrade Pvt. Ltd., Solitaire Real Tech Pvt. Ltd., etc. Some of the said entities later on became the shareholders of Silicon, Hemisphere and Galaxy and some of them continued to be their shareholders. Further, BKM had paid Rs. 50,000 for subscribing to the shares of Silicon on August 26, 2009. The same shows that WHPL (Noticee No. 9) had subscribed to the shares of Silicon, Hemisphere and Galaxy through the employees of DHFL and then subsequently purchased shares of the said three entities through other companies. It is also observed from the KYC of WHPL obtained from Union Bank of India that Mr. Kapil Wadhawan was one of the authorized signatories for the bank account of WHPL.
- ii. It is also observed from the bank statement of Balakrishna Madhur that he has continuously transacted with WHPL, DHFL Venture Capital India Pvt. Ltd, etc. (Promoter and associated entities of DHFL).
- iii. It may also be noted that during statement recording he inter-alia submitted that Hemisphere, Galaxy and Silicon were directly/indirectly Wadhawan Group (including Wadhawan Holdings Private Ltd.) controlled entities through cross holdings and direct/indirect funding.
- iv. It is also noted that during the statement recording, BKM had inter-alia submitted that he had subscribed to the initial shares of Hemisphere and Galaxy on the instructions of his then boss i.e. Noticee No. 1, Kapil Wadhawan (promoter of DHFL). Further, he has also submitted that there was no person other than Kapil Wadhawan and Dheeraj Wadhawan behind the said three companies.

Krishna Kumar Ponniah (Director in Hemisphere and Galaxy and other Wadhawan Group of Companies)

- i. As mentioned in para no. 31 above, Wadhawan Group of Companies namely Variya Hospitality and Investments Pvt. Ltd. and DHFL Venture Capital Pvt. Ltd. had transferred Rs. 6,50,000 and Rs. 50,000 respectively to the Bank account of Krishna Kumar Ponniah (KKP) on September 14, 2007 and on the same day he had paid Rs. 50000 each for subscribing to the initial shares of Hemisphere and Galaxy.
- ii. It may be noted that Noticee No. 1 i.e. Kapil Wadhawan (Promoter of DHFL) was the director of Variya Hospitality and Investments Pvt. Ltd during the period March 27, 2008 to March 30, 2013. Further, it is noted that Noticee No. 1 was also a director of Arthveda Fund Management Pvt. Ltd. (erstwhile DHFL Venture Capital Pvt. Ltd) during the period May 12, 2005 to September 19, 2018. The same reflects that Wadhawan group controlled entities had funded Krishna Kumar Ponniah for subscribing to the shares of Hemisphere and Galaxy.
- iii. During the statement recording, KKP had inter-alia submitted that he had subscribed to the initial shares of Hemisphere and Galaxy on the instructions of his then boss i.e. Kapil Wadhawan (promoter of DHFL). Further, he had also submitted that these three companies namely Hemisphere, Galaxy and Silicon were under the control of the same management i.e. Kapil Wadhawan and Dheeraj Wadhawan directly/indirectly through crossholdings since their inception. He had also submitted that these companies were persons acting in concert with Wadhawan Group.

Vijay S Tambe (Director in Hemisphere, Galaxy, Silicon and other Wadhawan Group of Companies)

- i. As mentioned in para no. 31 above, WHPL (Promoter of DHFL) had transferred Rs. 50,000 to the Bank account of Vijay S Tambe (VT) on August 26, 2009 and on the same day he had paid Rs. 50,000 for subscribing to the initial shares of Silicon. The same reflects that Noticee No. 9 (WHPL) had subscribed to the shares of Silicon through VT. From the KYC of WHPL obtained from Union Bank of India, it is noted that Mr. Kapil Wadhawan was one of the authorized signatories for the bank account of WHPL.
- ii. VT was also the witness during the initial shares subscription of Hemisphere and Galaxy by Balakrishna Madhur and Krishna Kumar Ponniah. These three also

had a common connection that all of them were employed in DHFL / DHFL Group during the investigation period.

iii. During statement recording VT had inter-alia submitted that he had subscribed to the initial shares of Silicon on the instructions of his then boss i.e. Kapil Wadhawan (promoter of DHFL). Further, he had submitted that these three companies namely Hemisphere, Galaxy and Silicon were under the control of the same management i.e. Kapil Wadhawan and Dheeraj Wadhawan directly/indirectly through crossholdings since their inception. He has also submitted that these companies were persons acting in concert with Wadhawan Group.

42. Upon perusal of the MCA records available before me, I find that as mentioned in the table at para no. 29.3 with respect to the directorships held by KKP (*Mr. Krishna Kumar Ponniah*), BKM (*Mr. Balkrishna Madhur*) and VT (*Mr. Vijay Tambe*) were also having common directorship in the Wadhawan Group Companies which is as under:

Balkrishna Madhur				
Sr. No.	Name of the Company	Relation of the Company with the promoter / promoter group of DHFL	Tenure as Director	
1.	Sapphire Land Development Pvt Ltd	Company connected to Wadhawan group, Promoters of DHFL	31/10/2006	23/02/2010
2.	Bodhisatva Realtors Pvt Ltd	Company connected to Wadhawan group, Promoters of DHFL	09/06/2007	30/01/2010
3.	Group Housing Development Corporation Pvt Ltd	Company connected to Wadhawan group, Promoters of DHFL	01/10/2005	27/03/2009

Vijay Tambe				
Sr. No.	Name of the Company	Relation of the Company with the promoter / promoter group of DHFL	Tenure as Director	
1	DHFL Sales and Services Limited	Wadhawan Group Company, Promoters of DHFL	04/11/2014	20/03/2018
2	Wadhawan Football Pvt Ltd	Wadhawan Group Company, Promoters of DHFL	12/06/2009	21/07/2009
3	Wadhawan Sports Holdings Pvt Ltd	Wadhawan Group Company, Promoters of DHFL	12/06/2009	21/07/2009

4	Wadhawan Sports Pvt Ltd	Wadhawan Group Company, Promoters of DHFL	12/06/2009	21/07/2009
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43. I note that Noticee No. 1 had sought for cross-examination of all the entities whose statements have been relied upon in the SCN based on which the allegations have been levelled. Upon perusal of the record of the proceedings of the cross-examination so conducted, I find that -

- (i) BKM has confirmed his statement given before the Investigating Authority during the SEBI investigation and reiterated that he was an employee of DHFL and director in the three Noticee Companies i.e. Hemisphere, Galaxy and Silicon. With respect to the fund received in his bank account and transferred to other connected / related Wadhawan Group companies, he has reiterated that all the acts were done on the instructions given by Noticee No. 1 i.e. Kapil Wadhawan his then boss. All the instructions were verbal in nature. Based on his everyday dealings in all the three Noticee companies, he has submitted that the said Noticee Nos. 13, 14 and 15 were under the control and management of Kapil Wadhawan directly / indirectly through cross holdings. He has stated that Noticee No. 1 was the whole and sole of the group of companies.
- (ii) Mr. Hemant Bhatia confirmed that he was employed with Noticee No. 9 i.e. WHPL. He stated that the shareholding of Hemisphere, Galaxy and Silicon was mainly held through cross holdings as the companies were holding shares amongst each other. He stated that as the directors in Hemisphere, Galaxy and Silicon were either employees, relatives and / or friends of Wadhawan Group, it was submitted by him in his statement during SEBI investigation that the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 were directly / indirectly Wadhawan Group controlled entities. He confirmed introducing the three Noticee Companies in the trading A/c opening forms on the instructions of his then boss Mr. Kapil Wadhawan on behalf of WHPL. The instruction from Kapil Wadhwan were verbal in nature and no written instructions were given. He further confirmed that the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 were all acting on behalf of and under the instructions from Kapil Wadhawan.
- (iii) Krishna Kumar Pooniah (KKP) in the cross-examination confirmed his employment with DHFL and stated that he retired from the services in April 2020. He confirmed being the initial subscriber to the shares of Galaxy and Hemisphere.

Upon asking to produce the share subscription agreement or certificate, it was stated that all these records were kept by a separate section / department of the Wadhawan Group which managed the investments and maintained relevant documents. The said entity also submitted that all the instructions were given verbally to Wadhawan Group of Companies and the same were given by Mr. Kapil Wadhawan. KKP stated that the said three Noticee Companies were managed by the Wadhawan Group and the funds have come from the said Group. KKP affirmed his statement by stating that Noticee Nos. 13, 14 and 15 were all persons acting in concert with the Wadhawan Group and further that the companies were managed by Wadhawan Group of companies.

(iv) With respect to the cross examination of Mr Vijay Tambe, I find from the record of the proceedings that he affirmed being employed with DHFL from 1995 (*joined on off payroll from May 1995 and appointment letter issued in May 1996*) to December 06, 2022 and that he was handling transfer of physical shares of DHFL. With reference to his being the initial subscriber of Silicon and any documents in support of the same, he has stated that the documents like MoA and AoA should be available online on MCA platform and the same may be taken on record. He confirmed receiving amount of Rs. 50,000 from WHPL which was utilized for initial subscription of shares of Silicon. The said amount was debited on the same day it got credited in the account. Vijay Tambe also stated that there was a separate team who used to take care of all the filings, directly under the control of Kapil Wadhawan and Dheeraj Wadhawan. All the instructions with respect to funding and share subscription were given verbally by Kapil Wadhawan.

44. I also find that the said companies were incorporated for the very purpose of acquisition of shares of DHFL and the said Noticees cooperated towards with the common objective of substantial acquisition of shares. I find from the facts mentioned above that the said three Noticee Companies, whose shareholding in DHFL was to be disclosed under the category of promoter group, although disclosed as part of the public shareholders of DHFL, were acting in concert with the other Noticees i.e. Noticee Nos. 1 to 12 who were disclosed by DHFL as promoter / promoter group, for the acquisitions of shares of DHFL during the relevant period. As discussed at length in the preceding

paragraphs above, I find that the employees of DHFL were the directors and initial subscribers in the said three Noticee Companies. Some of the directors in the said three Noticee Companies i.e. Vijay Tambe (VT), Krishna Kumar Pooniah (KKP) and Balakrishna Madhur (BKM) were also acting as directors in some of the Wadhawan Group companies during the period June, 2007 – March, 2020. Further, funds were transferred in the accounts of the employees of DHFL, who were the directors in the said three Noticee Companies, from Noticee No. 9 (WHPL), which were further transferred to certain entities forming part of the Wadhawan Group, in which Noticee Nos. 1 and 2 along with certain other employees of Wadhawan Group were directors. The said fund were ultimately utilized by the said entities for initial subscription of shares of the said three Noticee companies (*reference preceding para no. 31*). I find that certain other persons namely, Saimon Francis Dsouza, Hetin Ramesh Sakhuja, Dhondu Ram Jadyar, Suman Dutta, Kishan Gopal, among others were directors in Hemisphere, Galaxy and Silicon at some point of time during the period of investigation. The said persons were also directors in other Wadhawan Group of companies across the period of investigation. Promoters of DHFL namely Noticee No. 1, 2 and 4, among others were also directors in the said Wadhawan group of Companies at some point of time during the period of investigation and the directorship as per MCA records is available before me. The same reflects that several companies (directly/indirectly controlled and owned by Wadhawan Group) had the same set of directors and they were changing their directorship from one company to another during the period of investigation. The flow of funds from the Wadhawan Group companies and the cross holdings between various Wadhawan Group entities further establish that the said three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 were owned and controlled by the promoter/ promoter group of DHFL/ Wadhawan Group. In view of the said facts, in terms of Regulation 2(1)(e)(2)(i) of the SAST Regulations, 1997 and Regulation 2(1)(q)(2)(i) of SAST Regulations, 2011, the Noticee Nos. 13, 14 and 15 being controlled and owned by the Wadhawan Group of Companies and the promoters of DHFL, the said Noticees are deemed to be persons acting in concert with the promoters of DHFL.

45. Furthermore, as can be seen from the definition of the term '*promoter*' and '*promoter group*', it can be clearly said that as Noticee Nos. 1 to 12 were disclosed as promoter

/ promoter group in the shareholding pattern of DHFL, these Noticees were in control of DHFL. I find that Noticee Nos. 1 to 8 are all relatives and are part of the same family. It is pertinent to note that Noticee Nos. 1 (Kapil Wadhawan) and 2 (Dheeraj Wadhawan) are brothers. Noticee No. 3 (Rakesh Kumar Wadhawan) is the uncle of Noticee No. 1 and the father of Noticee No. 4 (Sarang Wadhawan). Noticee No. 5 (Aruna Wadhawan) is the mother of Noticee No. 1. Further, Noticee No. 6 (Malti Wadhawan) is the wife of Noticee No. 3 and Noticee No. 7 (Anu S Wadhawan) is the wife of Noticee No. 4. Noticee No. 8 (Pooja Wadhawan) is the wife of Noticee No. 2. I find from the note to Regulation 2(1)(e)(2) of the SAST Regulations, 1997 stating about persons deemed to be persons acting in concert that for the purpose of the said clause, associate means – (a) any relative of that person within the meaning of section 6 of the Companies Act, 1956; and (b) family trusts and Hindu undivided families. Meaning of the term “relative” as per the Companies Act, 1956 is “a person shall be deemed to be a relation of another if, and only if, -(a) they are members of a Hindu Undivided Family; or (b) they are husband and wife; or (c) the one is related to the other in the manner indicated in Schedule IA, which is reproduced as under:

1	Father	8	Mother's mother	15	Daughter's son
2	Mother (including step-mother)	9	Mather's father	16	Daughter's son's wife
3	Son (including step-son)	10	Son's son	17	Daughter's daughter
4	Son's wife	11	Son's son's wife	18	Daughter's daughter's husband
5	Daughter (including step-daughter)	12	Son's daughter	19	Brother (including step-brother)
6	Father's father	13	Son's daughter's husband	20	Brother's wife
7	Father's mother	14	Daughter's husband	21	Sister (including step-sister)
				22	Sister's husband

- 46.** I note that the Noticees being all related to each other thereby forming part of the same family and the fact of their shareholding in DHFL being disclosed in the category of promoter / promoter group of DHFL for respective periods of time has not been disputed by Noticee Nos. 3, 4, 5, 6, 7 and 8. Further, the said Noticees have not stated that they were not in control of DHFL. I find that as the Noticees were disclosed by the company as promoter / promoter group and the fact that they were in control of the

target company, for the purpose and objective of the SAST Regulations, they are covered under the definition of 'persons deemed to be acting in concert' for acquiring the shares of the company. I note that Noticee Nos. 5, 6, 7 and 8 have stated in their respective replies that they are all housewives. Further, Noticee Nos. 3, 4, 5, 6, 7 and 8 have submitted that they were not involved into the day-to-day affairs of the company nor did they have any knowledge of the acquisition of shares of DHFL by the said three Noticee Companies i.e. Noticee Nos. 13, 14 and 15. The allegation of failing to make an open offer is based on the fact that they were all PACs and had crossed the threshold limit by way of acquisition of shares, directly / indirectly, of the target company. For the said purpose, their being housewives or whether they were involved into the day-to-day management and affairs of the company would not be relevant and same cannot absolve them of their statutory obligation of making an open offer, being PACs with the acquirers. I note that at the relevant time shareholding pattern was disclosed by DHFL to the stock exchanges in terms of Clause 35 of the Equity Listing Agreement. In terms of Clause 35 of the Equity Listing Agreement, a listed company is required to disclose *inter alia* the shareholding of the promoter and promoter group at the end of each quarter to the stock exchange within 21 days from the end of the quarter. The shareholding of Noticee Nos. 3, 4, 5, 6, 7 and 8 i.e. Rakesh Wadhawan, Sarang Wadhawan, Aruna Wadhawan, Malti Wadhawan, Anu S Wadhawan and Pooja Wadhawan was disclosed as part of the shareholding of the promoter / promoter group by DHFL in the disclosures made under Clause 35 of the Equity Listing Agreement. I find that no submissions have been made by the said Noticees to state that they did not hold any shares / voting rights / controlling position in the company. Based on the disclosed promoter / promoter group shareholding by DHFL on the BSE website, the Noticees' liabilities under the various provisions of law have been discussed at length in the subsequent paragraphs. With respect to the Noticee Nos. 9, 10, 11 and 12, it is noted that the said companies were all under the control and management of the promoters of DHFL and formed the part of the Wadhawan Group. I also note that these Noticees i.e. Noticee Nos. 9, 10, 11 and 12 were also disclosed by DHFL as the promoter / promoter group.

47. Here, it is pertinent to note that even though the Hon'ble Supreme Court in *Daiichi case* (supra) and the Hon'ble Bombay High Court in *K.K. Modi Vs. Securities Appellate*

Tribunal (2003) 113 Com. Cases 418 Bom have observed that a person can be said to be 'deemed to be acting in concert' in terms of Regulation 2(1)(e)(2) only when the said person has a common objective of acquisition of shares and / or cooperation in acquiring the shares of the target company, it has to be appreciated that the said judgements also categorically state that whether persons have a common objective of acquiring shares and / or control would depend upon the facts of each case. Further, upon perusal of both the aforementioned judgements it can be seen that the same have been passed after examining the facts involved in the respective cases which are clearly distinguished from the ones in the present case in hand. To better appreciate the same, I find it apposite to look into the facts of both the judgements so cited (especially by Noticee No. 08) to differentiate the present case from them.

48. I note from the facts in the case of Daiichi (*supra*) that on 03.10.2007, Ranbaxy Laboratories Ltd (Ranbaxy) had entered into a Share Purchase and Share Subscription Agreement (SPSSA) jointly with Zenotech Laboratories Ltd and its promoter, Dr. Jairam Chigurupati for acquiring shares (27.35%) of Zenotech from Zenotech's promoter on October 03, 2007. In view of the same, an open offer was to be made by Ranbaxy for the said acquisition which was made by it on 05.10.2007. Thereafter, on 11.06.2008, Daiichi had entered into a SPSSA with one Mr. Malvinder Singh and Others, promoters of Ranbaxy to acquire 30.91% shares of Ranbaxy which also required making of a public announcement of an open offer to the shareholders of Ranbaxy which was made by Daiichi on 16.06.2008. Daiichi, on 20.10.2008 consummated Ranbaxy by acquiring more than 51% share capital of Ranbaxy and from the said date, Ranbaxy became the subsidiary of Daiichi. In view of the said acquisition, Daiichi had indirectly acquired control in Zenotech as Ranbaxy held 46.85% equity shares of Zenotech, which obligated Daiichi to make a public announcement of an open offer to the shareholders of Zenotech, which was made by it on 19.01.2009. Aggrieved by the open offer price quoted by Daiichi, there was a round of litigation and reached the Hon'ble Supreme Court wherein, the Hon'ble Court, while interpreting the terms 'persons acting in concert' and persons deemed to be acting in concert' held that –

“49. Something else that is of utmost importance is to understand that the deeming fiction under sub-regulation (2) can only operate prospectively and not

retrospectively. That is to say the deeming provision would give rise to the presumption, as explained above, only from the date two or more persons come together in one of the specified relationships and not from any earlier date. Thus, in the case in hand, the deeming provision under sub- regulation (2) would give rise to the presumption that Daiichi and Ranbaxy were "persons acting in concert", provided of course the other conditions as explained above were also satisfied, only from October 20, 2008, the date on which Ranbaxy became a subsidiary of Daiichi and not before that. Hence, the purchase of Zenotech shares by Ranbaxy in January 2008 cannot be said to be by a "person acting in concert" with Daiichi.....

....

52.....What is material is that the other person was acting in concert with the acquirer at the time of purchase of shares of the target company...

55.in so far as Zenotech is concerned Ranbaxy was not acting in concert with Daiichi either from the date of the SPSSA or even after becoming a subsidiary of Daiichi and the acquisition of Zenotech shares by Ranbaxy in the month of January 2008 did not come within the ambit of regulation 20(4)(b). The offer price in the public announcement for Zenotech shares made by the appellant was correctly worked out. It follows that the judgment of the Appellate Tribunal is unsustainable and it has to be set aside."

- 49.** Therefore, as can be seen from the above, the facts of *Daiichi* case (Supra) are distinguished from the facts of the present case in hand wherein the promoter / promoter group are related to each other being 'relatives' and Noticee companies are controlled and managed by the promoters of the target company.
- 50.** Similarly, while deciding the case of *K.K. Modi Vs. Securities Appellate Tribunal (2003) 113 Com. Cases 418 Bom*, the Hon'ble Bombay High Court, had to consider as to whether Modipon Ltd would be treated as a '*person deemed to be acting in concert*' with the acquirers of the shares of the target company in the given facts. In the said case, Modipon Ltd was the promoter in the target company. However, when members of one group of promoters acting in concert with two others had made a public announcement to acquire 35% shareholding of the company, Modipon Ltd. did not wish to act in concert with them, but, in fact, was desirous of selling off its shares to meet its financial obligations. In the said circumstances, the Hon'ble High Court held that there can be no common objective or purpose between the acquirer who wishes to acquire further shares in the company and a promoter who is interested in the disinvestment

of his shares in the company and therefore, cannot be said to be '*deemed person acting in concert*'.

51. Therefore, considering that the promoters / promoter group were all related parties and companies held and controlled by the promoters, based on the circumstantial evidence, I am inclined to conclude that the said Noticees i.e. Noticee Nos. 1 to 12, being part of the promoter / promoter group, are considered to be acting in concert for the common objective of acquiring shares / voting rights in the target company, especially when Noticee Nos. 13, 14 and 15 are wrongly disclosed / classified as public shareholders, whereas, they were being managed, controlled and owned directly / indirectly by the promoter group of DHFL as brought out at the preceding paragraph no. 29. In fact, the very acquisition by the said three Noticee companies, during the relevant period, is also in itself a proof for their common objective of acquisition of shares of the target company.
52. Considering that it has been already established in the above paragraphs that the Noticee Nos. 13, 14 and 15 were PACs with the promoter / promoter group of DHFL, I find it appropriate to deal with the issue nos. 2, 3 and 4 together which mention the allegations levelled against the Noticees in the SCN with respect to the violation of the requirements of open offer and disclosures under the SAST Regulations.

Issue No. 02: If yes, whether, while acting in concert, the promoter/ promoter group consisting of Noticee Nos. 1 to 12 along with Noticee Nos. 13, 14 and 15 have violated the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 by failing to make a public announcement of open offer on acquiring shares of DHFL during the relevant period?

Issue No. 03: Whether the Noticees have violated the provisions of Regulation 7(1A) of the SAST Regulations, 1997 and Regulation 29(2) of the SAST Regulations, 2011 by failing to make the necessary disclosures on acquiring shares exceeding the prescribed limit?

Issue No. 04: Whether the Noticees have violated the provisions of Regulation 8(2) of the SAT Regulations, 1997 and Regulation 30(2) read with Regulation 30(3) of

the SAST Regulations, 2011 by failing to make disclosures to DHFL and to the stock exchanges for various financial years as prescribed under the said Regulations?

53. Now that it has been established in the foregoing paragraphs that the Noticees were all acting in concert to acquire the shares of DHFL in terms of Regulation 2(1)(e) of the SAST Regulations, 1997 and Regulation 2(1)(q) of the SAST Regulations, 2011, further issues which ought to be examined are (a) to look into the acquisition of shares of DHFL by the disclosed promoter / promoter group of DHFL, together with the three Noticee Companies viz. Hemisphere, Galaxy and Silicon during the investigation period in order to ascertain whether there was any violation of the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011, (b) whether on acquiring shares of DHFL, the Noticees were under an obligation to make requisite disclosures under Regulation 7(1A) of the SAST Regulations, 1997 and Regulation 29(1) of the SAST Regulations, 2011 and (c) whether the Noticees had failed to make necessary disclosures as specified under Regulation 8(2) of the SAST Regulations, 1997 and Regulation 30(2) read with Regulations 30(3) of the SAST Regulation, 2011.

54. The following are the details of the acquisitions made by the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 as ascertained from NSE, BSE, NSDL and CDSL whereby the open offer requirement was alleged to be triggered along with disclosure requirements during the period of investigation:

Date of Acquisition/Sale by atleast one of the three PACs	Shares bought by atleast one of the three PACs considering share split	Shares sold by atleast one of the three PACs considering share split	Consolidated Holding of the three PACs	PACs sh. as % of overall shareholding	Promoter Group Shareholding Considering Share Split	Promoter Sh. As % of overall shareholding	Total Shareholding position Considering Share Split	Total Shareholding and Promoter /Promoter group PAN holding as on date - Quarter end date considered	Total Shareholding = Promoter + PACs	Open Offer Trigger SAST 1997/2011	Disclosure Requirement SAST 1997/2011
12/07/2007	100000	0	100000	0.10	5461778	54.48	100245038	30/06/2007	54.58	NA	NA
13/07/2007	110000	0	210000	0.21	5461778	54.48	100245038	30/06/2007	54.69	NA	NA
16/07/2007	320000	0	530000	0.53	5461778	54.48	100245038	30/06/2007	55.01	NA	NA
17/07/2007	190000	0	720000	0.72	5461778	54.48	100245038	30/06/2007	55.20	11(2) of SAST Regulations, 1997	NA

19/07/2007	3115030	0	3835030	3.83	54617778	54.48	100245038	30/06/2007	58.31	11(2) of SAST Regulations, 1997	7(1A) of SAST Regulations, 1997
23/07/2007	480000	0	4315030	4.30	54617778	54.48	100245038	30/06/2007	58.79	11(2) of SAST Regulations, 1997	NA
24/07/2007	2404970	0	6720000	6.70	54617778	54.48	100245038	30/06/2007	61.19	11(2) of SAST Regulations, 1997	7(1A) of SAST Regulations, 1997
25/07/2007	267192	0	6987192	6.97	54617778	54.48	100245038	30/06/2007	61.45	11(2) of SAST Regulations, 1997	NA
26/07/2007	480000	0	7467192	7.45	54617778	54.48	100245038	30/06/2007	61.93	11(2) of SAST Regulations, 1997	NA
31/07/2007	3067192	0	10534384	10.51	54617778	54.48	100245038	30/06/2007	64.99	11(2) of SAST Regulations, 1997	7(1A) of SAST Regulations, 1997
06/08/2007	1800000	0	12334384	12.30	54617778	54.48	100245038	30/06/2007	66.79	11(2) of SAST Regulations, 1997	NA
12/01/2008	0	60000	12274384	10.14	54617778	45.12	121045950	31/12/2007	55.26	NA	NA
16/01/2008	60000	0	12334384	10.19	54617778	45.12	121045950	31/12/2007	55.31	11(2) of SAST Regulations, 1997	NA
21/08/2009	95744	0	12430128	10.27	72761656	60.11	121045950	30/06/2009	70.38	11(2) of SAST Regulations, 1997	7(1A) of SAST Regulations, 1997
24/08/2009	84256	0	12514384	10.34	72801656	60.14	121045950	30/06/2009	70.48	NA	NA
25/08/2009	100000	0	12614384	10.42	72801656	60.14	121045950	30/06/2009	70.56	NA	NA
01/06/2010	0	800000	11814384	7.20	74517380	45.42	164053088	31/03/2010	52.62	NA	NA
02/06/2010	300000	0	12114384	7.38	74517380	45.42	164053088	31/03/2010	52.81	NA	NA
04/06/2010	170000	0	12284384	7.49	74517380	45.42	164053088	31/03/2010	52.91	NA	NA
05/08/2010	3904850	0	16189234	7.78	82517380	39.67	208010334	30/06/2010	47.45	NA	NA
11/08/2010	7014850	0	23204084	11.16	86612800	41.64	208010334	30/06/2010	52.79	11(1) of SAST Regulations, 1997	7(1A) of SAST Regulations, 1997
25/08/2010	2640000	0	25844084	12.42	86612800	41.64	208010334	30/06/2010	54.06	NA	7(1) of SAST Regulations, 1997
13/09/2010	200000	0	26044084	12.52	86612800	41.64	208010334	30/06/2010	54.16	NA	NA
13/12/2010	400000	0	26444084	12.70	81931262	39.34	208255950	30/09/2010	52.04	NA	7(1A) of SAST Regulations, 1997
04/02/2011	250000	0	26694084	12.79	82088136	39.33	208718282	31/12/2010	52.12	NA	NA
13/04/2011	400000	0	27094084	12.97	82224136	39.37	208852804	31/03/2011	52.34	NA	NA
16/06/2011	122000	0	27216084	13.03	82224136	39.37	208852804	31/03/2011	52.40	NA	NA
17/06/2011	150000	0	27366084	13.10	82224136	39.37	208852804	31/03/2011	52.47	NA	NA
21/06/2011	120000	0	27486084	13.16	82224136	39.37	208852804	31/03/2011	52.53	NA	NA
22/06/2011	838278	0	28324362	13.56	82224136	39.37	208852804	31/03/2011	52.93	NA	NA
24/06/2011	808278	0	29132640	13.95	82224136	39.37	208852804	31/03/2011	53.32	NA	NA

30/06/2011	90736	0	29223376	13.95	82224136	39.26	209445868	30/06/2011	53.21	NA	NA
27/07/2011	194644	0	29418020	14.05	82224136	39.26	209445868	30/06/2011	53.30	NA	NA
28/07/2011	30000	0	29448020	14.06	82224136	39.26	209445868	30/06/2011	53.32	NA	NA
29/07/2011	1000	0	29449020	14.06	82224136	39.26	209445868	30/06/2011	53.32	NA	NA
09/08/2011	32000	0	29481020	14.08	82224136	39.26	209445868	30/06/2011	53.33	NA	NA
13/08/2011	200000	0	29681020	14.17	82224136	39.26	209445868	30/06/2011	53.43	NA	NA
19/08/2011	30000	0	29711020	14.19	82224136	39.26	209445868	30/06/2011	53.44	NA	NA
22/08/2011	126000	0	29837020	14.25	82224136	39.26	209445868	30/06/2011	53.50	NA	NA
23/08/2011	18000	0	29855020	14.25	82224136	39.26	209445868	30/06/2011	53.51	NA	NA
29/08/2011	130000	0	29985020	14.32	82224136	39.26	209445868	30/06/2011	53.57	NA	NA
30/08/2011	132000	0	30117020	14.38	82224136	39.26	209445868	30/06/2011	53.64	NA	NA
06/09/2011	0	200000	29917020	14.28	82224136	39.26	209445868	30/06/2011	53.54	NA	NA
16/09/2011	20000	907092	29029928	13.86	82308906	39.30	209445868	30/06/2011	53.16	NA	NA
27/09/2011	180000	0	29209928	13.95	82308906	39.30	209445868	30/06/2011	53.24	NA	NA
29/09/2011	400000	0	29609928	14.14	82308906	39.30	209445868	30/06/2011	53.44	NA	NA
30/09/2011	1344572	200000	30754500	14.68	82308906	39.29	209491652	30/09/2011	53.97	NA	NA
24/10/2011	271900	0	31026400	14.81	82308906	39.29	209491652	30/09/2011	54.10	NA	29(2) of SAST Regulations, 2011
08/11/2011	1816472	0	32842872	15.68	82308906	39.29	209491652	30/09/2011	54.97	NA	NA
22/11/2011	100000	0	32942872	15.73	82308906	39.29	209491652	30/09/2011	55.01	NA	NA
23/11/2011	62000	0	33004872	15.75	82308906	39.29	209491652	30/09/2011	55.04	NA	NA
24/11/2011	18000	0	33022872	15.76	82308906	39.29	209491652	30/09/2011	55.05	NA	NA
25/11/2011	100000	0	33122872	15.81	82308906	39.29	209491652	30/09/2011	55.10	NA	NA
30/11/2011	826522	0	33949394	16.21	82308906	39.29	209491652	30/09/2011	55.50	NA	NA
02/12/2011	70000	0	34019394	16.24	82308906	39.29	209491652	30/09/2011	55.53	NA	NA
05/12/2011	0	52462	33966932	16.21	82308906	39.29	209491652	30/09/2011	55.50	NA	NA
07/12/2011	0	197538	33769394	16.12	82308906	39.29	209491652	30/09/2011	55.41	NA	NA
08/12/2011	0	2800	33766594	16.12	82308906	39.29	209491652	30/09/2011	55.41	NA	NA
26/12/2011	0	14400	33752194	16.11	82308906	39.29	209491652	30/09/2011	55.40	NA	NA
27/12/2011	0	842	33751352	16.11	82308906	39.29	209491652	30/09/2011	55.40	NA	NA
29/12/2011	20000	0	33771352	16.12	82308906	39.29	209491652	30/09/2011	55.41	NA	NA
30/12/2011	330000	0	34101352	16.28	82308906	39.29	209491652	30/09/2011	55.57	NA	NA
31/12/2011	34758	0	34136110	16.27	82308906	39.24	209766558	31/12/2011	55.51	NA	NA
03/01/2012	12000	0	34148110	16.28	82308906	39.24	209766558	31/12/2011	55.52	NA	NA

04/01/2012	5000 0	2000 00	33998 110	16.21	82308 906	39.24	20976 6558	31/12/2011	55.45	NA	NA
06/01/2012	7000 0	0	34068 110	16.24	82308 906	39.24	20976 6558	31/12/2011	55.48	NA	NA
10/01/2012	4654	0	34072 764	16.24	82308 906	39.24	20976 6558	31/12/2011	55.48	NA	NA
12/01/2012	1154 2	0	34084 306	16.25	82308 906	39.24	20976 6558	31/12/2011	55.49	NA	NA
13/01/2012	0	3219 6	34052 110	16.23	82308 906	39.24	20976 6558	31/12/2011	55.47	NA	NA
14/02/2012	5822 04	0	34634 314	16.51	82308 906	39.24	20976 6558	31/12/2011	55.75	NA	NA
16/02/2012	6600 00	0	35294 314	16.83	82308 906	39.24	20976 6558	31/12/2011	56.06	NA	NA
21/02/2012	2	0	35294 316	16.83	82308 906	39.24	20976 6558	31/12/2011	56.06	NA	NA
22/02/2012	1012 998	0	36307 314	17.31	82308 906	39.24	20976 6558	31/12/2011	56.55	NA	29(2) of SAST Regulations, 2011
23/02/2012	4000 00	0	36707 314	17.50	82308 906	39.24	20976 6558	31/12/2011	56.74	NA	NA
24/02/2012	1737 18	0	36881 032	17.58	82308 906	39.24	20976 6558	31/12/2011	56.82	NA	NA
27/02/2012	4000 00	0	37281 032	17.77	82308 906	39.24	20976 6558	31/12/2011	57.01	NA	NA
28/02/2012	3000 00	0	37581 032	17.92	82308 906	39.24	20976 6558	31/12/2011	57.15	3(2) of SAST Regulations, 2011	NA
29/02/2012	1121 204	0	38702 236	18.45	82308 906	39.24	20976 6558	31/12/2011	57.69	NA	NA
01/03/2012	3000 00	0	39002 236	18.59	82308 906	39.24	20976 6558	31/12/2011	57.83	NA	NA
02/03/2012	0	2000 0	38982 236	18.58	82308 906	39.24	20976 6558	31/12/2011	57.82	NA	NA
03/03/2012	0	3830 0	38943 936	18.57	82308 906	39.24	20976 6558	31/12/2011	57.80	NA	NA
05/03/2012	0	5392 56	38404 680	18.31	82308 906	39.24	20976 6558	31/12/2011	57.55	NA	NA
07/03/2012	3261 62	0	38730 842	18.46	82308 906	39.24	20976 6558	31/12/2011	57.70	NA	NA
12/03/2012	1000 000	0	39730 842	18.94	82308 906	39.24	20976 6558	31/12/2011	58.18	NA	NA
13/03/2012	0	1170 000	38560 842	18.38	82308 906	39.24	20976 6558	31/12/2011	57.62	NA	NA
14/03/2012	1030 000	0	39590 842	18.87	82308 906	39.24	20976 6558	31/12/2011	58.11	NA	NA
15/03/2012	1200 000	0	40790 842	19.45	82308 906	39.24	20976 6558	31/12/2011	58.68	NA	29(2) of SAST Regulations, 2011
19/03/2012	9800 0	0	40888 842	19.49	82308 906	39.24	20976 6558	31/12/2011	58.73	NA	NA
20/03/2012	1000 000	0	41888 842	19.97	82308 906	39.24	20976 6558	31/12/2011	59.21	NA	NA
21/03/2012	1059 394	0	42948 236	20.47	82308 906	39.24	20976 6558	31/12/2011	59.71	NA	NA
22/03/2012	2000 000	0	44948 236	21.43	82308 906	39.24	20976 6558	31/12/2011	60.67	NA	NA
27/03/2012	3480 000	0	48428 236	23.09	82308 906	39.24	20976 6558	31/12/2011	62.33	3(2) of SAST Regulations, 2011	29(2) of SAST Regulations, 2011
30/03/2012	2000	0	48430 236	23.09	82308 906	39.24	20976 6558	31/12/2011	62.33	NA	NA
15/05/2012	1350 000	0	49780 236	21.30	82308 906	35.22	23367 9962	31/03/2012	56.53	NA	NA
16/05/2012	7000 00	0	50480 236	21.60	82308 906	35.22	23367 9962	31/03/2012	56.83	NA	NA
18/05/2012	1350 000	0	51830 236	22.18	82308 906	35.22	23367 9962	31/03/2012	57.40	NA	NA

21/01/2013	106402	0	51936638	22.13	82597634	35.20	234641618	31/12/2012	57.34	NA	NA
22/01/2013	180400	0	52117038	22.21	82597634	35.20	234641618	31/12/2012	57.41	NA	NA
23/01/2013	79804	0	52196842	22.25	82597634	35.20	234641618	31/12/2012	57.45	NA	NA
24/01/2013	169004	0	52365846	22.32	82597634	35.20	234641618	31/12/2012	57.52	NA	NA
25/01/2013	106402	0	52472248	22.36	82597634	35.20	234641618	31/12/2012	57.56	NA	NA
30/01/2013	169004	0	52641252	22.43	82597634	35.20	234641618	31/12/2012	57.64	NA	NA
01/03/2013	1001814	0	53643066	22.86	82647634	35.22	234641618	31/12/2012	58.08	NA	NA
11/05/2018	0	500000	53143066	16.94	123049714	39.23	313658847	31/03/2018	56.17	NA	NA
16/05/2018	0	500000	52643066	16.78	123049714	39.23	313658847	31/03/2018	56.01	NA	29(2) of SAST Regulations, 2011
24/05/2018	0	250000	52393066	16.70	123049714	39.23	313658847	31/03/2018	55.93	NA	NA
30/05/2018	0	6435404	45957662	14.65	123049714	39.23	313658847	31/03/2018	53.88	NA	29(2) of SAST Regulations, 2011
31/05/2018	0	2000000	43957662	14.01	123049714	39.23	313658847	31/03/2018	53.24	NA	NA
07/06/2018	0	500000	43457662	13.86	123049714	39.23	313658847	31/03/2018	53.09	NA	NA
15/06/2018	0	150000	43307662	13.81	123049714	39.23	313658847	31/03/2018	53.04	NA	NA
18/06/2018	0	200000	43107662	13.74	123049714	39.23	313658847	31/03/2018	52.97	NA	NA
19/06/2018	0	400000	42707662	13.62	123049714	39.23	313658847	31/03/2018	52.85	NA	NA
25/06/2018	0	259917	42447745	13.53	123049714	39.23	313658847	31/03/2018	52.76	NA	NA
26/06/2018	0	500000	41947745	13.37	123049714	39.23	313658847	31/03/2018	52.60	NA	NA
02/07/2018	0	150000	40447745	12.90	123049714	39.23	313658847	30/06/2018	52.13	NA	NA
03/07/2018	0	500000	39947745	12.74	123049714	39.23	313658847	30/06/2018	51.97	NA	NA
06/07/2018	0	600000	39347745	12.54	123049714	39.23	313658847	30/06/2018	51.78	NA	29(2) of SAST Regulations, 2011
10/07/2018	0	150000	37847745	12.07	123049714	39.23	313658847	30/06/2018	51.30	NA	NA
16/07/2018	0	100000	36847745	11.75	123049714	39.23	313658847	30/06/2018	50.98	NA	NA
26/07/2018	0	500000	36347745	11.59	123049714	39.23	313658847	30/06/2018	50.82	NA	NA
30/07/2018	0	735399	35612346	11.35	123049714	39.23	313658847	30/06/2018	50.58	NA	NA
31/07/2018	0	165000	35447346	11.30	123049714	39.23	313658847	30/06/2018	50.53	NA	NA
06/08/2018	0	150000	35297346	11.25	123049714	39.23	313658847	30/06/2018	50.48	NA	NA
29/08/2018	0	450000	34847346	11.11	123049714	39.23	313658847	30/06/2018	50.34	NA	NA
19/09/2018	0	174436	34672910	11.05	123049714	39.23	313658847	30/06/2018	50.28	NA	NA
04/10/2018	0	6910564	27762346	8.85	123049714	39.21	313798591	30/09/2018	48.06	NA	29(2) of SAST Regulations, 2011
26/10/2018	0	145000	26312346	8.39	123049714	39.21	313798591	30/09/2018	47.60	NA	NA
29/10/2018	0	1460564	24851782	7.92	123049714	39.21	313798591	30/09/2018	47.13	NA	NA

27/12/2018	0	7000 00	24151 782	7.70	12304 9714	39.21	31379 8591	30/09/2018	46.91	NA	NA
01/01/2019	3518 34	0	24503 616	7.81	12304 9714	39.21	31382 3024	31/12/2018	47.02	NA	NA
02/01/2019	2205 01	0	24724 117	7.88	12304 9714	39.21	31382 3024	31/12/2018	47.09	NA	NA
03/01/2019	2766 5	0	24751 782	7.89	12304 9714	39.21	31382 3024	31/12/2018	47.10	NA	NA
09/01/2019	0	4350 00	24316 782	7.75	12304 9714	39.21	31382 3024	31/12/2018	46.96	NA	NA
11/01/2019	0	1500 00	24166 782	7.70	12304 9714	39.21	31382 3024	31/12/2018	46.91	NA	NA
14/01/2019	0	1500 00	24016 782	7.65	12304 9714	39.21	31382 3024	31/12/2018	46.86	NA	NA
15/01/2019	0	2000 00	23816 782	7.59	12304 9714	39.21	31382 3024	31/12/2018	46.80	NA	NA
16/01/2019	0	1500 00	23666 782	7.54	12304 9714	39.21	31382 3024	31/12/2018	46.75	NA	NA
17/01/2019	0	1500 00	23516 782	7.49	12304 9714	39.21	31382 3024	31/12/2018	46.70	NA	NA
18/01/2019	0	1000 00	23416 782	7.46	12304 9714	39.21	31382 3024	31/12/2018	46.67	NA	NA
21/01/2019	0	1000 00	23316 782	7.43	12304 9714	39.21	31382 3024	31/12/2018	46.64	NA	NA
22/01/2019	1000	1010 00	23216 782	7.40	12304 9714	39.21	31382 3024	31/12/2018	46.61	NA	NA
24/01/2019	0	5000 0	23166 782	7.38	12304 9714	39.21	31382 3024	31/12/2018	46.59	NA	NA
25/01/2019	0	1000 00	23066 782	7.35	12304 9714	39.21	31382 3024	31/12/2018	46.56	NA	NA
29/01/2019	0	1000 00	22966 782	7.32	12304 9714	39.21	31382 3024	31/12/2018	46.53	NA	NA
26/02/2019	0	2400 000	20566 782	6.55	12304 9714	39.21	31382 3024	31/12/2018	45.76	NA	29(2) of SAST Regulations, 2011
27/02/2019	0	2200 000	18366 782	5.85	12304 9714	39.21	31382 3024	31/12/2018	45.06	NA	NA
28/02/2019	0	1658 525	16708 257	5.32	12304 9714	39.21	31382 3024	31/12/2018	44.53	NA	NA
01/03/2019	0	2030 001	14678 256	4.68	12304 9714	39.21	31382 3024	31/12/2018	43.89	NA	NA
05/03/2019	0	2200 000	12478 256	3.98	12304 9714	39.21	31382 3024	31/12/2018	43.19	NA	29(2) of SAST Regulations, 2011
06/03/2019	0	9000 00	11578 256	3.69	12304 9714	39.21	31382 3024	31/12/2018	42.90	NA	NA
08/03/2019	0	36	11578 220	3.69	12304 9714	39.21	31382 3024	31/12/2018	42.90	NA	NA
12/03/2019	0	5000	11573 220	3.69	12304 9714	39.21	31382 3024	31/12/2018	42.90	NA	NA
13/03/2019	0	1000 0	11563 220	3.68	12304 9714	39.21	31382 3024	31/12/2018	42.89	NA	NA
14/03/2019	0	1100 0	11552 220	3.68	12304 9714	39.21	31382 3024	31/12/2018	42.89	NA	NA
18/03/2019	0	5000	11547 220	3.68	12304 9714	39.21	31382 3024	31/12/2018	42.89	NA	NA
28/03/2019	0	2342 65	11312 955	3.60	12304 9714	39.21	31382 3024	31/12/2018	42.81	NA	NA
01/04/2019	0	2000 00	11112 955	3.54	12304 9714	39.21	31382 3024	31/03/2019	42.75	NA	NA
05/04/2019	0	3000 00	10812 955	3.45	12304 9714	39.21	31382 3024	31/03/2019	42.66	NA	NA
23/04/2019	0	3000 00	10512 955	3.35	12304 9714	39.21	31382 3024	31/03/2019	42.56	NA	NA
24/04/2019	0	5000 00	10012 955	3.19	12304 9714	39.21	31382 3024	31/03/2019	42.40	NA	NA
12/06/2019	0	250	10012 705	3.19	12304 9714	39.21	31382 3024	31/03/2019	42.40	NA	NA

24/07/2019	250	0	10012955	3.19	123049714	39.21	313823024	30/06/2019	42.40	NA	NA
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55. However, further examination of the shareholding of the promoter / promoter group along with the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 was conducted and I find from Annexure B to the SCN that the open offer requirement under Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 got triggered on various dates during the relevant period details of which are mentioned below:

Regulation 11(2) of the SAST Regulations, 1997 trigger dates (at the relevant point in time)	% change in the shareholding of the promoter group along with the three Noticee Companies (PACs)	Regulation 11(1) of the SAST Regulations, 1997 trigger dates (at the relevant point in time)	% change in the shareholding of the promoter group along with the three Noticee Companies (PACs) (5% & more)	Regulation 3(2) of the SAST Regulations, 2011 trigger dates (at the relevant point in time)	% change in the shareholding of the promoter group along with the three Noticee Companies (PACs) (5% or more)
From July 03, 2007 till July 18, 2007 the shareholding of the promoters / promoter group along with the PACs (Noticee Nos. 13, 14 and 15) was 65.13%					
19-Jul-07	65.13% to 65.84%	19-Mar-10	43.86% to 52.90%	27-Mar-12	47.26% to 52.42%
24-Jul-07	65.84% to 68.24%	11-Aug-10	43.49% to 47.56%	11-Jul-13	45.29% to 50.31%
26-Jul-07	68.24% to 68.72%	-		25-Mar-14	38.38% to 51.46%
31-Jul-07	68.72% to 68.99%	-		28-Mar-14	19.36% to 51.46%
3-Aug-07	68.99% to 71.78%	-		25-Oct-16	42.51% to 49.29%
8-Aug-07	71.78% to 73.57%	-		-	
16-Jan-08	60.88% to 60.93%	-		-	
26-Mar-08	57.90% to 60.93%	-		-	
13-Oct-08	60.93% to 60.98%	-		-	

14-Oct-08	60.98% to 61.00%	-		-	
15-Oct-08	61.00% to 61.10%	-		-	
16-Oct-08	61.10% to 61.17%	-		-	
20-Oct-08	58.18% to 58.25%	-		-	
16-Jul-09	62.95% to 71.79%	-		-	

56. I note that in terms of Regulation 11(2) of the SAST Regulations, 1997, the acquirer i.e. the disclosed promoter / promoter group of DHFL, together with the PACs i.e. the three Noticee Companies (*Noticee Nos. 13, 14 and 15*) were holding 55% or more but less than 75% of shares / voting rights in DHFL. The same can be seen from the table above which clearly shows that from the period from July 03, 2007 to July 13, 2007, the promoter / promoter group along with the three PAC Noticees were holding 65.13% shares in DHFL. However, as can be seen from the said table, in terms of Regulation 11(2) of the SAST Regulations, 1997, the acquirers, together with the PACs, were under an obligation to make a public announcement to acquire any additional shares entitling them to exercise voting rights in the target company. Further, as per the SEBI (SAST) (Amendment) Regulations, 2008 (*with effect from October 31, 2008*), the requirement to make an open offer would trigger only after acquiring 5% or more shares of the target company in terms of the proviso to Regulation 11(2). I find that Noticee Nos. 3, 4, 6 and 7 have submitted that they were the promoters of DHFL for a limited period of time i.e. from April 2006 till December 2009. Thereafter, due to the family arrangement, the said Noticees i.e. Noticee Nos. 3, 4, 6 and 7 had ceased to be promoters of DHFL. In order to ascertain the veracity of the said submissions, the shareholding patterns for the promoter / promoter group as disclosed by DHFL on the BSE website was examined. Upon perusal, it is noted that from the quarter September 2007 till December 2009 quarter, Noticee Nos. 3, 4, 6 and 7 were disclosed as the promoter / promoter group in the shareholding pattern of DHFL as per the shareholding pattern appearing on the BSE website. Thus, I note that for the dates when the public announcement of an open offer obligation got triggered (as per the above table) in terms of Regulation 11(2) of the SAST Regulations, 1997, the said Noticees i.e.

Noticee Nos. 3, 4, 6 and 7 were disclosed as promoter / promoter group of DHFL. In view of the same, said Noticees cannot be absolved from their obligation to make a public announcement of an open offer in terms of the said provision of law. It is further noticed from the shareholding pattern disclosed on the BSE website for the period from September 2007 till December 2009 that Noticee Nos. 10, 11 and 12 i.e. Wadhawan Consolidated Holdings P. Ltd, Wadhawan Retail Venture P. Ltd and Wadhawan Global Capital Ltd were not disclosed by DHFL as a part of the promoter / promoter group. In view of the same, these three Noticees i.e. Noticee Nos. 10, 11 and 12 cannot be held liable for the obligation to make an open offer for the said period. Therefore, considering the aforesaid, I find that Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 14 and 15 had failed to make a public announcement of an open offer on 14 occasions when the obligation to make an open offer got triggered (*as mentioned in the table above*) and thus, I conclude that they have violated the provision of Regulation 11(2) of the SAST Regulations, 1997 on said 14 occasions.

57. Furthermore, in terms of Regulation 11(1) of the SAST Regulations, 1997, no acquirer who together with the PACs with him has acquired 15% or more but less than 55% of the shares or voting rights in a company can acquire, either by himself or with the PACs, additional shares or voting rights which will entitles more than 5% of the voting rights to him without making a public announcement to acquire such additional shares. I find from the disclosed shareholding pattern of DHFL for the period from March 2010 to September 2010 on BSE website that Noticee Nos. 3, 4, 6 and 7 had ceased to be the promoter / promoter group of DHFL. Therefore, I find merit in the submission made by the said Noticees with respect to the fact that they were promoter / promoter group of DHFL only till December 2009 and that after the family arrangement, they did not continue to be a part of the promoter / promoter group of DHFL. Further, upon perusal of the shareholding pattern for the said period i.e. March 2010 to September 2010 it is also noted that Noticee No. 12 i.e. Wadhawan Global Capital Ltd (*formerly known as Wadhawan Housing Pvt. Ltd*) was not disclosed as a part of the promoter / promoter group by DHFL. Therefore, Noticee Nos. 3, 4, 6, 7 and 12 cannot be held liable for failure to make a public announcement of an open offer for the two occasions when there was a trigger under Regulation 11(1) of the SAST Regulations, 1997. In view of the same, I conclude that Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 13, 14 and 15, by failing to

make a public announcement of an open offer to acquire more than 5% shares of the target company DHFL on two occasions i.e. on March 19, 2010 and August 11, 2010, have violated the provisions of Regulation 11(1) of the SAST Regulations, 1997.

- 58.** In addition, Regulation 3(2) of the SAST Regulations, 2011 states that no acquirer, who together with the PACs holds and exercises 25% or more voting rights in the target company can acquire more than 5% of the voting rights unless the acquirer makes a public announcement of an open offer for acquiring such shares of the target company. I find from the above table that there was an acquisition of additional shares by the promoter / promoter group along with the three Noticee Companies i.e. PACs Hemisphere, Galaxy and Silicon entitling them to 5% and more shares / voting rights in DHFL on five occasions. Upon perusal of the disclosed shareholding pattern of the promoter / promoter group of DHFL on BSE website, I find that as stated in the above paragraphs, Noticee Nos. 3, 4, 6 and 7 had ceased to be the promoters of DHFL from December 2009 onwards. Therefore, the said charge of not making a public announcement of an open offer for acquiring 5% and more shares / voting rights of DHFL on the aforementioned five occasions is not attracted to the said Noticees. Further, I note that Wadhawan Global Capital Ltd (*Noticee No. 12, formerly known as Wadhawan Housing Pvt. Ltd*) was disclosed by DHFL in its shareholding pattern in the category of promoter / promoter group from the quarter of March 2013 onwards. Further, as submitted by Noticee No. 8, she had ceased to be the promoter of DHFL from the quarter ended December 2013. However, I note from the disclosed shareholding pattern for the promoter / promoter group category for the quarter December 2013 that she has been disclosed as the promoter of DHFL for the said quarter. I find from the table above that an obligation to make a public announcement of an open offer under Regulation 3(2) of the SAST Regulations, 2011 was triggered on five occasions i.e. March 27, 2012, July 11, 2013, March 25, 2014, March 28, 2014 and October 25, 2016. However, no public announcement of an open offer was made. In view of the same, I find that Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 12, 13, 14 and 15 have violated the provision of Regulation 3(2) of the SAST Regulations, 2011 for the trigger dates viz. on March 27, 2012 and July 11, 2013. I further find from the shareholding patterns for the quarters March 2014 to December 2016 that only Noticee Nos. 1, 2, 5 and 12 have been disclosed in the category of promoter / promoter group

in the shareholding pattern of DHFL on the BSE website. Based on the material on record, I conclude that only Noticee Nos. 1, 2, 5, 12, 13, 14 and 15 were under an obligation to make a public announcement of an open offer to acquire shares of the target company on the trigger dates i.e. on March 25, 2014, March 28, 2014 and October 25, 2016 and by failing to make an open offer the said Noticees have violated the provisions of Regulation 3(2) of the SAST Regulations, 2011.

59. The following table gives the details of the violation of the open offer requirement on various occasions under the provisions of the SAST Regulations:

Regulation 11(2) of the SAST Regulations, 1997 trigger dates (at the relevant point in time)	Noticee who were under an obligation to make a public announcement of an open offer	Regulation 11(1) of the SAST Regulations, 1997 trigger dates (at the relevant point in time)	Noticee who were under an obligation to make a public announcement of an open offer	Regulation 3(2) of the SAST Regulations, 2011 trigger dates (at the relevant point in time)	Noticee who were under an obligation to make a public announcement of an open offer
19-Jul-07	Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 14 and 15	19-Mar-10	Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 13, 14 and 15	27-Mar-12	Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 12, 13, 14 and 15
24-Jul-07		11-Aug-10		11-Jul-13	
26-Jul-07		25-Mar-14		Noticee Nos. 1, 2, 5, 12, 13, 14 and 15	
31-Jul-07		28-Mar-14			
3-Aug-07		25-Oct-16			
8-Aug-07					
16-Jan-08					
26-Mar-08					
13-Oct-08					
14-Oct-08					
15-Oct-08					
16-Oct-08					
20-Oct-08					
16-Jul-09					

60. With respect to the disclosure requirement under Regulation 7(1A) and 8(2) of the SAST Regulations, 1997 and Regulation 29(2) and Regulation 30(2) read with 30(3) of the SAST Regulations, 2011, I note from Annexure B to the SCN that the requirement to make the necessary disclosures arose on the following occasions:

Disclosure requirement under Reg 7(1A) of the SAST Reg, 1997 (purchase or sale of 2% or more)	Disclosure requirement under Reg 29(2) of the SAST Reg, 2011 (change in shareholding – 2% of the total shareholding)
24-Jul-2007 (65.84% to 68.24%)	30-Nov-2011 (46.62% to 48.84%)
03-Aug-2007 (68.99% to 71.78%)	22-Mar-2013 (52.42% to 49.12%)
21-Mar-2008 (60.93% to 57.90%)	13-Apr-2013 (45.42% to 50.27%)
26-Mar-2008 (57.90% to 60.93%)	19-Mar-2014 (51.46% to 38.38%)
17-Oct-2008 (61.17% to 58.18%)	25-Mar-2014 (38.38% to 51.46%)
06-Nov-2008 (58.35% to 61.39%)	26-Mar-2014 (51.46% to 19.36%)
01-Jul-2009 (62.95% to 60.03%)	28-Mar-2014 (19.36% to 51.46%)
13-Jul-2009 (60.03% to 62.95%)	25-Oct-2016 (42.51% to 49.29%)
16-Jul-2009 (62.95% to 71.79%)	30-May-2018 (48.79% to 46.74%)
10-Mar-2010 (53.27% to 47.05%)	21-Sep-2018 (47.92% to 45.24%)
11-Mar-2010 (47.05% to 43.86%)	27-Feb-2019 (45.24% to 43.02%)
19-Mar-2010 (43.86% to 52.90%)	05-Mar-2019 (43.02% to 40.96%)
09-Jul-2010 (41.61% to 45.46%)	
11-Aug-2010 (43.49% to 47.56%)	
13-Dec-2010 (48.87% to 46.62%)	

61. From the above table, it can clearly be seen that the Noticees i.e. the disclosed promoter / promoter group along with the three Noticee Companies i.e. PACs Hemisphere, Galaxy and Silicon were under an obligation to make the necessary disclosures upon purchase and / or sale of shares of DHFL aggregating 2% or more of the share capital of DHFL to the target company (DHFL) and the stock exchanges where the shares of the target company were listed within two days of such purchase and / or sale along with the aggregate shareholding after such acquisition or sale as prescribed under Regulation 7(1A) of the SAST Regulations, 1997. I further note that in terms of Regulation 29(2) of the SAST Regulations, 2011, the Noticees i.e. the disclosed promoter / promoter group together with Noticee Nos. 13, 14 and 15 (PACs) were holding 5% and more shares of DHFL and therefore, were under an obligation to make necessary disclosures of the number of shares or voting rights held and change in the shareholding or voting rights even when the change resulted in the shareholding falling below 5% from the last disclosures made. Based on the disclosed shareholding

pattern for the category of promoter / promoter group by DHFL on the BSE website for different points of time during the investigation period, I conclude that the following Noticees had failed to make the necessary disclosures under the said provision of law-

Violation of the provisions of Regulation 7(1A) of the SAST Regulations, 1997		Violation of the provisions of Regulation 29(2) of the SAST Regulations, 2011	
Dates	Noticees who were under an obligation to make the disclosures	Dates	Noticees who were under an obligation to make the disclosures
24-Jul-2007	Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10	30-Nov-2011	Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 13, 14 and 15
03-Aug-2007	Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8,	22-Mar-2013	Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 12, 13, 14 and 15
21-Mar-2008	9, 13 and 14	13-Apr-2013	
26-Mar-2008		19-Mar-2014	
17-Oct-2008		25-Mar-2014	
06-Nov-2008		26-Mar-2014	
01-Jul-2009		28-Mar-2014	
13-July-2009		25-Oct-2016	
16-Jul-2009		30-May-2018	
10-Mar-2010	Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8,	21-Sep-2018	
11-Mar-2010	9, 13, 14 and 15	27-Feb-2019	
19-Mar-2010		05-Mar-2019	
09-Jul-2010	Noticee Nos. 1, 2, 5, 8, 9, 10, 11,		
11-Aug-2010	13, 14 and 15		
13-Dec-2010			

62. Further, in terms of Regulation 8(2) of the SAST Regulations, 1997, the Noticees being the promoter / promoter group and PACs having control over DHFL, were under an obligation to make necessary disclosures with respect to the number and percentage of shares or voting rights held by them as on March 31 for the years ending 2008, 2009, 2010 and 2011 to DHFL. I find that as per the submissions made by NSE and BSE during investigation that the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 were neither disclosed as part of promoter / promoter group nor as PACs as per the disclosures filed by the promoters of DHFL under the SAST Regulations, 1997 and their shareholding was wrongly shown under the public category. In view of the same, based on the shareholding pattern disclosed by DHFL on the BSE website for

the years 2008 and 2009, I find that, the Noticee Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14 and 15 have failed to make the necessary disclosures thereby violating the provisions of Regulation 8(2) of the SAST Regulations, 1997. Further, based on the shareholding pattern disclosed by DHFL on the BSE website for the years 2010 and 2011, I find that Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 13, 14 and 15 have failed to make the necessary disclosures thereby violating the provisions of Regulation 8(2) of the SAST Regulations, 1997.

63. Furthermore, in terms of Regulation 30(2) read with 30(3) of the SAST Regulations, 2011, the Noticees were under an obligation to disclose their aggregate shareholding and voting rights as on March 31 for the years ending 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 to DHFL and the stock exchanges, where the shares of DHFL were listed. I find that as per the submissions made by NSE and BSE, for the said years as well, the three Noticee Companies i.e. Noticee Nos. 13, 14 and 15 were neither disclosed as part of promoter / promoter group nor as PACs as per the disclosures filed by the promoters of DHFL under the SAST Regulations, 1997 and their shareholding was wrongly shown under the public category. In view of the same, based on the shareholding pattern disclosed by DHFL for the promoter / promoter group for the year 2012 and 13, I find that, the Noticee Nos. 1, 2, 5, 8, 9, 10, 11, 12, 13, 14 and 15 have failed to make the necessary disclosures thereby violating the provisions of Regulation 30(2) read with 30(3) of the SAST Regulations, 2011. Further, based on the shareholding pattern disclosed by DHFL for the promoter / promoter group for the year 2014, 2015, 2016, 2017 and 2018, I find that Noticee Nos. 1,2,5,12, 13, 14 and 15 have failed to make the necessary disclosures thereby violating the provisions of Regulation 30(2) read with 30(3) of the SAST Regulations, 2011.

Issue No. 05: If the answers to the above issues are in affirmative, what directions should be issued against the Noticees?

64. Now that it has been established that the Noticees, as mentioned at the respective paragraphs, were in violation of the open offer and disclosure requirements for the relevant periods, the next issue which needs to be addressed is as to what directions should be issued against the said Noticees for the established violations of the provisions of law. I note from the investigation report that during the investigation itself, DHFL was admitted for Corporate Insolvency and Bankruptcy proceedings before the

Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT). I find that vide order dated June 07, 2021, the resolution plan submitted by Piramal Group was approved by the NCLT and was in effect from June 07, 2021 itself. I note that Piramal Capital & Housing Finance Limited (PCHFL) has merged with DHFL. As per the said order, the issued equity share capital of DHFL held by any person other than the equity shares that are issued to the Successful Resolution Applicant i.e. PCHFL were to be entirely cancelled and extinguished. The relevant portion of the said order is reproduced for better understanding as under:

“RE-CONSTITUTION OF THE SHARE CAPITAL OF THE CORPORATE DEBTOR

The share capital of the Corporate Debtor shall be re-constituted as follows:

a. As per Step III of Schedule II of the Resolution Plan, after payment of the total resolution amount and assignment of debt (as contemplated under the Resolution Plan), the Successful Resolution Applicant shall infuse an amount of INR 1,00,00,000 in DHFL, by way of subscription to equity shares of DHFL. After infusion of equity (as described above and in accordance with Step III of Schedule II of the Resolution Plan), the Successful Resolution Applicant proposes to delist DHFL in compliance with the delisting guidelines of the BSE Limited / National Stock Exchange of India Limited and SEBI guidelines. After completion of delisting (as described above and in accordance with Step IV of Schedule II of the Resolution Plan), the issued equity share capital of DHFL held by any person other than the equity shares that are issued to the Successful Resolution Applicant (as described above and in accordance with Step III of Schedule II of the Resolution Plan) shall be entirely cancelled and extinguished. After completion of this capital reduction (as described above and in accordance with Step V of Schedule II of the Resolution Plan), the shareholding pattern of DHFL shall be as follows:

<i>Sr. No.</i>	<i>Shareholder</i>	<i>Shareholding percentage</i>
<i>1.</i>	<i>Successful Resolution Applicant *Along with nominee shareholders</i>	<i>100%</i>

b. Upon completion of Step V of Schedule II of the Resolution Plan (as described above and in accordance with the provisions of the Resolution Plan), the Successful Resolution Applicant shall be merged into DHFL by way of an amalgamation by a scheme of arrangement.....”

65. I note that public offer is made under the regulations to enable the other shareholders of the company to take an informed decision as to whether they would like to continue as shareholders or whether they will offer their shares to the acquirers who made the

public offer to purchase them at a stipulated price. Thus, it is an exit opportunity which is provided to the existing shareholders of the target company by the acquirer/s. In the instant case, I find that PCHFL has merged into DHFL and the existing equity shares of DHFL have been extinguished as per the approved resolution plan by NCLT in June 2021 itself. Therefore, issuance of any direction to the Noticees to make a public announcement by way of an open offer for the established violations of the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 is not be feasible, rather it is infructuous. Also, I note that the investigation period being from July 01, 2007 to December 31, 2019, the violations in the present case are also spread across a wide period starting from 2007 till almost 2019. Therefore, in the light of the peculiar facts and circumstances of the case and the fact that the target company itself has ceased to be in existence, I do not find it appropriate to pass any directions under Sections 11(4) and 11B(1) of the SEBI Act, 1992.

66. I note that actions are initiated under Section 11B(2) read with Section 15A(b) and 15H(ii) and of the SEBI Act, 1992 against the said Noticees for the various violations of the provisions of the SAST Regulation in the SCN. In view of the same, in the given facts and circumstances, I find that it would be appropriate to impose monetary penalties on the Noticees for the stated violations of the provisions of law which would meet the ends of justice.

67. In order to issue the said direction, it is felt important to look at the penalty provisions under Sections 15A(b) and 15H(ii) of the SEBI Act, 1992 which read as under:

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

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

(a).....

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

“Penalty for non-disclosure of acquisition of shares and takeovers.

15H. *If any person, who is required under this Act or any rules or regulations made thereunder, fails to, -*

(i).....

(ii) make a public announcement to acquire shares at a minimum price; or

(iii).....

(iv).....

he shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.”

68. For imposition of penalties under the provisions of the SEBI Act, 1992, Section 15J of the SEBI Act, 1992 provides as follows:

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

15J. *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*

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

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

(c) the repetitive nature of the default.”

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

69. In this regard, I note that there is no material on record which gives any calculation of the amount of disproportionate gain or unfair advantage made by the Noticees. In addition, there is nothing on record to show the number of shareholders in the target company at the various trigger dates who could have opted for exit in the open offer, if it would have been made by the Noticees and / or the amount of costs which the Noticees would have incurred if an open offer was to be made by the Noticees on several occasions when the obligation got triggered under the SAST Regulations. There is also no material to show the losses caused to the investors at large. However, I find that the Noticees have violated the provisions of Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 on multiple occasions by failing to make public announcement of an open offer. I note that evasion of the mandatory obligations by such wrong disclosures and wilful defiance

were definitely profitable to the Noticees as they have avoided incurring the costs of compliance of the open offer obligations which entails appointment of SEBI registered merchant banker, making public announcement, payment of consideration to the public shareholders who opt for exit in the open offer at the price determined in terms of the SAST Regulations. Further, I also note that the Noticees have violated the provisions of Regulation 7(1A) and 8(2) of the SAST Regulation 1997 and Regulation 29(2) and 30(2) read with Regulation 30(3) of the SAST Regulations, 2011 on various occasions by not making the requisite disclosures under the said provisions of law. Therefore, I find that the violations of the provisions of the SAST Regulation, 1997 and SAST Regulations, 2011 by the Noticees is repetitive in nature. I find that complete failure to make public announcements of open offer on so many occasions and committing disclosure violations as established in the paragraphs above, starting from the year 2007 and continuing till 2019, clearly has defeated the object and purposes of the Regulations and therefore, deserves stringent action.

- 70.** Furthermore, I note that several attempts have been made by SEBI to deliver the SCN and the hearing notices to the Noticees at their respective addresses in the matter. Further, I also note that during the proceedings, multiple opportunities of to inspect the documents were granted and availed by Noticee Nos. 1, 5 and 8 and multiple opportunities of hearings were granted to the Noticees. Also, request for cross-examination made by Noticee No. 01 in March 2023, although made for the first time after issuance of the SCN, the same was acceded to and multiple rounds of cross-examination were conducted in the matter. However, I note that despite all these efforts, Noticee No. 1 has neither filed any reply (i.e. neither after inspecting the documents nor after cross examination of entities) nor appeared before me for the opportunities of personal hearing provided to him in the matter. Noticee No. 1 was authorized signatory for the Noticee Companies i.e. the PACs. The constant requests for inspection of documents and cross-examination at the end of Noticee No. 1, without submitting any reply on merits constrains me to believe that these were all delaying tactics adopted by the Noticee No. 1 to prolong and procrastinate the proceedings. Further, I also note that apart from Noticee No. 1, Noticee Nos. 2, 5, 9, 10, 11, 12, 13, 14 and 15 have also not filed any replies to the SCN. By not submitting any reply on merits and avoiding appearance during the hearing opportunities so granted, these

Notices have demonstrated a casual approach towards the enforcement proceedings initiated by SEBI considering that during the investigation, there have been correspondence between SEBI and Noticee Nos. 13, 14 and 15 which is evident from the investigation report which states the submissions made by the said Noticee companies during the examination. However, by choosing not to file any replies to the SCN issued thereafter, displays their non-cooperation in the proceedings.

71. As discussed in the previously mentioned paragraphs, the specified Noticees have failed to make an open offer under Regulation 11(1) and 11(2) of the SAST Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011 on twenty-one occasions. Further, the Noticees have also failed to make the necessary disclosures on various occasions as mentioned in detail in paragraphs above under Regulation 7(1A) (fifteen occasions) and 8(2) of the SAST Regulations, 1997 and Regulations 29(2) (twelve occasions) and 30(2) read with 30(3) of the SAST Regulations, 2011. Therefore, I find that imposition of monetary penalties on the Noticees, to be paid jointly and severally, for the said violations of law would meet the ends of justice in the present case.

ORDER AND DIRECTIONS

72. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4A) and 11B(2) read with Section 19 of the SEBI Act, 1992 and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby issue the following directions:

72.1 The following monetary penalties are imposed on the respective Noticees for the open offer and disclosure violations under the SAST Regulation, 1997 and SAST Regulations, 2011:

Sr. No.	Name of the Noticees		Trigger dates	Provision of SAST Regulations, 1997 violated	Penal Provision under which penalty attracted	Penalty Amount (in Rs)
1.	(i)	Kapil Wadhawan,	19.07.2007,	Regulation 11(1) and 11(2) of the SAST	Section 15H(ii) of the SEBI Act, 1992	Rs. 5,00,00,000 Creore to be
	(ii)	Dheeraj Wadhawan,	24.07.2007,			
	(iii)	Rakesh Wadhawan,	26.07.2007,			

	(iv)	Sarang Wadhawan,	31.07.2007,	Regulations, 1997 and Regulation 3(2) of the SAST Regulations, 2011		paid jointly and severally			
	(v)	Aruna Wadhawan,	03.08.2007,						
	(vi)	Malti Wadhawan	08.08.2007,						
	(vii)	Anu S Wadhawan	16.01.2008,						
	(viii)	Pooja D Wadhawan	26.03.2008,						
	(ix)	Wadhawan Holding P. Ltd	13.10.2008, 14.10.2008,						
	(x)	Wadhawan Consolidated Holding P. Ltd	15.10.2008, 16.10, 2008,						
	(xi)	Wadhawan Retail Venture P. Ltd	20.10.2008, 16.07.2009,						
	(xii)	Wadhawan Global Capital Ltd	19.03.2010,						
	(xiii)	Hemisphere Infrastructure India P. Ltd	11.08.2010 27.03.2012, 11.07.2014,						
	(xiv)	Galaxy Infraprojects and Developers P. Ltd	25.03.2014, 28.03.2014,						
	(xv)	Silicon First Realtors P. Ltd	25.10.2016						
2.	(i)	Kapil Wadhawan,	15 occasions of non-disclosure under Reg 7(1A) of the SAST Regulations, 1997 and 12 occasions under Regulation 29(2) of the SAST Regulations, 2011 (ref. table at para 60 above). In addition, non-disclosures for the years 2008 to 2011				Regulation 7(1A) and 8(2) of the SAST Regulations, 1997 and Regulation 29(2), 30(2) read with 30(3) of the SAST Regulations, 2011	Section 15A(b) of the SEBI Act, 1992	Rs. 1,00,00,000 Crore to be paid jointly and severally
	(ii)	Dheeraj Wadhawan,							
	(iii)	Rakesh Wadhawan,							
	(iv)	Sarang Wadhawan,							
	(v)	Aruna Wadhawan,							
	(vi)	Malti Wadhawan							
	(vii)	Anu S Wadhawan							
	(viii)	Pooja D Wadhawan							
	(ix)	Wadhawan Holding P. Ltd							
	(x)	Wadhawan Consolidated Holding P. Ltd							
	(xi)	Wadhawan Retail Venture P. Ltd							
	(xii)	Wadhawan Global Capital Ltd							
	(xiii)	Hemisphere Infrastructure India P. Ltd							

	xiv)	Galaxy Infraprojects and Developers P. Ltd	& 2012 to 2019 as specified			
	(xv)	Silicon First Realtors P. Ltd	under the SAST Regulations (ref para nos. 62 and 63 above)			
TOTAL PENALTY TO BE PAID (Rupees Six Crores Only)						Rs. 6,00,00,000 (jointly and severally)

72.2 The Noticees shall remit / pay the amounts of penalties mentioned against their names in the Table above, within 45 days of receipt of this order by using the undermentioned pathway: www.sebi.gov.in / ENFORCEMENT → Orders → Orders of EDs / CGMs → Click on PAY NOW or by using the web link: <https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>. The Noticees shall forward the details / confirmation of penalty so paid through e-payment to "The Division Chief, IVD-ID15, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id: tad@sebi.gov.in in the format given in the table below.

1. Case Name	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties / disgorgement / recovery / settlement amount and legal charges along with order details)	

73. This Order shall come into force with immediate effect.

74. A copy of this order shall be sent to the Noticees, recognized Stock Exchanges, Depositories and Registrar and Transfer Agents for information and compliances.

Date: September 20, 2023

Place: Mumbai

**Dr. ANITHA ANOOP
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA**