

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER No. Order/AN/RG/2025-26/31438**

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

In respect of:
Shreshta Infra Projects Private Limited
(PAN: AAQCS3874B)

In the matter of examination of outliers from Debt Market Report – FY 2024

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') has initiated Adjudication Proceedings under Section 15-I of the SEBI Act, 1992 in respect of Shreshta Infra Projects Private Limited (hereinafter also referred to as "Company"/ "Noticee" / "You" / "Entity" / "SIPPL"), for the alleged violation of following provisions:
 - Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (hereinafter also referred to as "SEBI NCS Regulations").
 - Regulation 51 read with Part B of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter also referred to as "SEBI LODR Regulations").

B. APPOINTMENT OF ADJUDICATING OFFICER

2. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate upon the alleged violations by the Noticee, as stated above and therefore, in exercise of the powers conferred under Section

19 of SEBI Act, 1992 read with Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred as ‘Adjudication Rules’), the Competent Authority appointed the undersigned as Adjudicating Officer (“AO”) vide Communiqué dated March 25, 2025.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

3. A Show Cause Notice bearing no. SEBI/EAD-5/AN/RG/11580/1/2025 dated April 25, 2025 (“SCN”), was served upon the Noticee through Speed Post with Acknowledgment Due (“SPAD”) and digitally signed email dated April 25, 2025, under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticee under Section 15HB of the SEBI Act, for the violations alleged to have been committed by the Noticee.

4. The allegations in respect of the Noticee inter alia brought out in the SCN are as under:

“
.....

3.1. SEBI examined the following issue by Shreshta Infra Projects Private Limited:

Month	Name of the Issuer/	ISIN	Amount Raised (INR Cr.)	Tenure (Years)	Yield /Coupon (%)	Issuer Category	Credit Rating	Investor Name	Investor Category	Nature of instrument
January 2024	Shreshta Infra Projects Private Limited (SIPPL)	INE0CK K07045	350	3.48	20.05	Real Estate	B	1) India Special Assets Fund III 2) ISAF III Onshore Fund	AIF	Secured NCDs

3.2. During the course of examination, SEBI observed that the above issuance was carried out in the EBP platform of BSE.

3.3. Holding details of the EBP investors in SIPPL were sought from NSDL vide email dated September 10, 2024.

4. Findings and observations by SEBI and alleged violations thereto in respect of the Noticee:

4.1. The placement memorandum of SIPPL dated January 01, 2024 (Annexure 1) inter-alia mentions the following:

i. SIPPL is a private limited company under the Companies Act, 1956 and validly existing under Companies Act, 2013.

ii. It was incorporated on September 20, 2011 with registered and corporate office: No. No. 2/4, Langford Garden, Richmond Town, Bengaluru, Karnataka, India, 560025.

iii. The issuer is a part of Adarsh Group of companies, and is engaged in the business of designing, planning, managing developing and construction of apartments, homes, factory, buildings, warehouses, hotels, holiday resorts, industrial sheds, housing colonies, multi-storied buildings, integrated townships, commercial spaces, schools, colleges, community halls, playgrounds and to act as civil, mechanical, electrical, water supply, sanitary contractors.

iv. The promoters of SIPPL are:

- B M Jayeshankar,
- B M Karunesh,
- Nischay Jayeshankar,
- Sudha Shanker and
- Adarsh Developers represented by Mr. B M Jayeshankar

v. The Company plans to issue of up to 35,000 (Thirty Five Thousand) Rated Secured Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh Only) each, aggregating up to Rs. 3,50,00,00,000 (Rupees Three Hundred and Fifty Crores Only) on a private placement basis (the "Issue" or "Non Convertible Debentures")

vi. Issue opening, closing and redemption of Securities-

Sr. No	Particulars	Date
1	Issue opening date	January 16, 2024
2	Issue Closing date	January 16, 2024
3	Deemed date of allotment	January 16, 2024
4	Final date of redemption	August 31, 2027

vii. Details of the Security used by the issuer in the said issuance:

- a. a first ranking pari passu (pari passu solely to the A&S Debentures) registered equitable mortgage by way of deposit of title deeds on the Mortgaged Properties under the Mortgage Documents;
- b. a first ranking pari passu (pari passu solely to the A&S Debentures) mortgage on the Additional Mortgaged Properties under the Additional Mortgage Documents;
- c. a first ranking pari passu (pari passu solely to the A&S Debentures) charge by way of hypothecation on Hypothecated Assets under the Deed of Hypothecation;
- d. a first ranking pari passu (pari passu solely to the A&S Debentures) on the Additional Hypothecated Assets under the terms of the Deed of Hypothecation;
- e. a first ranking pari passu (pari passu solely to the A&S Debentures) pledge over: (a) 100% (one hundred per cent) of the issued and paid up equity share capital of Alekhya, Vismaya and the Company (each

on a fully diluted basis); and (b) 26% (twenty six per cent) of the issued and paid up equity share capital of Akarshak (on a fully diluted basis), held or to be held by Personal Guarantors, under the A&R Share Pledge Agreement;

- f. a non-disposal undertaking in relation to (a) 100% (one hundred per cent) of the Quasi-Debt Securities issued / to be issued by Adarsh Nivaas Private Limited and/or Adarsh Realty and Hotels Private Limited, as the case may be, held or to be held by the Company, under the Quasi-Debt NDU;
- g. a non-disposal undertaking in relation to (a) 100% (one hundred per cent) of the issued and paid up equity share capital of Adarsh Nest (each on a fully diluted basis); and (b) 74% (seventy four per cent) of the issued and paid up equity share capital of Akarshak (on a fully diluted basis);
- h. the signed post dated cheque(s) in the form and manner acceptable to the Trustee; and
- i. such other Security Interest on such assets as may be agreed between the Company and the Trustee (acting on Approved Instructions). The Company undertakes and shall procure that the Other Obligors, at all times, until the Final Settlement Date ensure that the Security Cover Ratio shall not be less than 3.00:1

viii. The Debenture Trustee to the issuance is Vistra ITCL (India) Limited.

ix. The NCDs are rated B (Stable) by Acuite Rating and Research Limited.

x. Coupon Rate: 20.05% per annum.

xi. The frequency of coupon payment: Monthly.

xii. The issue proceeds will be utilised for the following objectives:

- a. Towards the subscription of Quasi-Debt Securities issued/to be issued by Adarsh Nivaas Private Limited and/or Adarsh Realty and Hotels Private Limited¹, provided that the proceeds of the Quasi Debt Securities shall be utilized by Adarsh Nivaas Private Limited and/or Adarsh Realty and Hotels Private Limited towards part repayment of outstanding amounts under the Oaktree NCDs to the extent of INR 200,00,00,000 (Indian Rupees Two Hundred Crores): INR 200,00,00,000 (Indian Rupees Two Hundred Crores) – 57.14%; and
- b. Working capital for Project AWP Villas and Project AWP Apartments; – upto INR 50,00,00,000 (Indian Rupees Fifty Crores) – 14.29%; or
- c. Any other purpose and manner as may be mutually agreed in writing between the Trustee and the Company and/or general corporate purpose: INR 100,00,00,000 (Indian Rupees One Hundred Crores) (28.57%) to INR 150,00,00,000 (Indian Rupees One Hundred and Fifty Crores) (42.86%).

xiii. Credit Rating details

- a. The rating assigned to NCDs is B.
- b. Total fund raising assignment for which rating has been assigned is INR 350 Cr.
- c. The rating takes into cognizance the experience of the promoter in real estate development and favourable project location and the support extended by the promoter developer. These strengths are however, partly offset by the below average financial risk profile of the group, risk of project execution, and exposure to the risks in the real estate industry.
- d. Liquidity Position: Adequate

¹ Adarsh Nivaas Private Limited and Adarsh Realty and Hotels Private Limited are the ventures of Adarsh Developers, one of the promoter entity of Shreshta Infra Projects Private Limited

e. Outlook: Stable

4.2. The details of investors of NCDs issued by SIPPL, as provided by NSDL is as under:

a. The details of investors at the time of allotment of NCDs of SIPPL as on January 17, 2024 (date of allotment) is as follows:

Name of Investor	Category of Investor	PAN	Quantity of NCDs allotted	Value of NCDs as per face value (INR Cr.)
INDIA SPECIAL ASSETS FUND III	AIF	AABTI9383F	17,150	171.50
ISAF III ONSHORE FUND	AIF	AABTI9331H	17,850	178.50
Total			35,000	350

b. The details of investors of the outstanding NCDs of SIPPL as on September 10, 2024 is as follows:

Name of Investor	Category of Investor	PAN	Quantity of NCDs allotted	Value of NCDs as per face value (INR Cr.)
B M JAYESHANKAR	Resident	AAGFA3674G	35,000	100
Total			35,000	100

4.3. From information given at a and b above in para 2.3.11., it is noted that both the AIFs which subscribed to the NCDs issued by SIPPL have sold their holdings and as on September 10, 2024, Mr. B M Jayeshankar, one of the five promoters of SIPPL is holding all the NCDs issued by SIPPL.

4.4. It is informed that the initial investors - INDIA SPECIAL ASSETS FUND III and ISAF III ONSHORE FUND are both Special Situations Funds launched by Edelweiss Alternative Asset Advisors.

4.5. Further, NSDL vide email dated September 23, 2024 has informed that SIPPL had carried partial redemption through reduction in face value, pursuant to which the face value of NCDs issued by SIPPL under ISIN INE0CKK07045 has been reduced from Rs. 1,00,000/- (at the time of initial allotment) to Rs. 28571.43 as on date. Accordingly, value of outstanding 35000 NCDs under ISIN INE0CKK07045 is mentioned as Rs. 100 crores.

Offer document observation:

i. On perusal of the PPM available on the stock exchange website, it is observed that the issuer has not disclosed the covenants in the PPM. Further, as per Issue Details given at para 5.16 of the PPM, following is observed:

All covenants of the issue (including side letters, accelerated payment clause, etc.)	1. Information Undertakings as set out in Part 1 of Schedule 4 of the DTD 2. Financial Covenants as set out in Part 2 of Schedule 4 of the DTD 3. General Undertakings as set out in Part 3 of Schedule 4 of the DTD
---	--

However, debenture trust deed is not mandated to be part of PPM and may or may not be available on the stock exchange website.

ii. In this regard, SEBI, vide emails dated September 24 and October 04, 2024 (Annexure 2) had sought information from BSE w.r.t. listing of the NCDs issued by SIPPL (ISIN- INE0CKK07045) and upload of PPM and DTD on the website of BSE. In this regard, BSE vide emails dated September 25 and October 04, 2024 (Annexure 2) has provided following information:

S. No.	Name Of Company	ISIN	Issue Open Date	Date of Allotment	Date of Listing	Date of upload of IM on BSE website	Date of Upload Of DTD on BSE Website
1	Shreshtha Infra Projects Private Limited	INE0CKK07045	16/01/2024	17/01/2024	19/01/2024	23/01/2024	23/01/2024

iii. From the above it is observed that DTD and PPM, w.r.t. issue of NCDs by SIPPL were uploaded on the website of BSE as on January 23, 2024. However, the NCDs were allotted on January 17, 2024 and got listed on January 19, 2024.

iv. Further, as per Schedule I of SEBI NCS regulation - Disclosures for Issue of Securities by an Issuer seeking to list its Non-Convertible Securities on a recognized stock exchange issued by way of a public issue or private placement, it is mandated under the Risk factors under para 3.3.36 that "All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer".

4.6. Therefore, it is observed that SIPPL is not in compliance with the Schedule I of SEBI NCS Regulation.

Observations w.r.t. Corporate Action:

i. Further, on the perusal of BSE website and email dated October 04, 2024 received from BSE it was observed that there was change in the face value of the NCDs at more than one occasion, the details of the same is given as under:

Table (A)

S. No.	Change in Face Value From (INR)	Change in Face Value To (INR)	Redemption done on	Intimation given to BSE On
1	1,00,000	57,142.86	21/05/2024	22/05/2024
2	57,142.86	51,428.57	26/06/2024	Not given
3	51,428.57	34,285.71	16/07/2024	24/07/2024
4	34,285.71	28,571.43	31/07/2024	31/07/2024
5	28,571.43	19,428.57	13/08/2024	13/08/2024

ii. From the above, it is observed that the issuer has informed about partial redemption of NCDs. However, details of redemption were not mentioned in the said information (Annexure 3).

iii. In this regard, SEBI, vide an email dated October 04, 2024, had sought information from BSE w.r.t. disclosure(s) given by SIPPL to BSE, w.r.t. partial redemption of NCDs (ISIN - INE0CKK07045), pursuant to

which the face value reduced to INR 51,428.57. In this regard, BSE vide an email dated October 04, 2024 (Annexure 4), has, inter alia, submitted that:

“---, please note that the company has on 26.06.2024 given an intimation of record date fixed on 26.06.2024 for the purpose of part redemption of NCD (ISIN - INE0CKK07045) Copy Attached. However, there is no intimation of face value reduced to INR 51,428.5.

Further Since the record date was on 26.06.2024 and filed on 26.06.2024 the same was not captured in our internal system for monitoring under regulation 60.

We have taken on record and revised the face value from Rs. 57,142.86 to Rs. 34285.71 as per the clarification received by company on 24.07.2024.”

iv. On perusal of the email dated July 24, 2024 (Annexure 4), referred by BSE in its reply dated October 04, 2024, it is noted that the same pertains to the change in face value of NCDs (ISIN - INE0CKK07045) from INR 51,428.57 to INR 34,285.71 and the same does not provides any clarification w.r.t. failure in intimation in reduction of face value of NCDs from INR 57,142.86 to INR 51,428.57.

v. The above appears to be in non-compliance with Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations, as per which a company with listed Debt shall promptly inform the Stock Exchange(s) of all information having bearing on the performance/ operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend or redemption of Non-Convertible securities including any action which shall result in redemption, reduction, cancellation, retirement in whole or part of any Non-convertible securities.

vi. Since, it was observed from the disclosures made by SIPPL on the website of BSE that there were changes in the face value of the NCDs (INE0CKK07045) on more than one occasion. Further, vide email dated October 01 and October 04, 2024 (Annexure 5), SEBI sought the data from NSDL to verify and confirm the changes in face value of the said NCDs and also provide the investor wise holding data in the NSDL system for the date(s) subsequent to every sale/ partial redemption of the said NCDs. NSDL, vide its email dated October 07, 2024, has provided the said data and has also informed that it has updated the Face value of the said NCDs based on request received from SIPPL as per the details given below:

Table (B)

Date of change in NSDL system	Old Face Value	New Face Value
July 12, 2024	1,00,000	51,428.571
August 21, 2024	51,428.571	28,571.43
October 7, 2024	28571.43	19428.57

vii. The information available in Table (A) and Table (B) is summarised as under:

S. No.	Change in Face Value From (INR)	Change in Face Value To (INR)	Redemption done on	Intimation given to BSE On	Intimation given to NSDL
1	1,00,000	57,142.86	21/05/2024	22/05/2024	Not given
2	57,142.86	51,428.57	26/06/2024	26/06/2024**	12/07/2024*
3	51,428.57	34,285.71	16/07/2024	24/07/2024	Not given
4	34,285.71	28,571.43	31/07/2024	31/07/2024	21/08/2024^
5	28,571.43	19,428.57	13/08/2024	13/08/2024	07/10/2024

* The intimation to NSDL was for change in FV from INR 1,00,000 to 51,428.57.

^ The intimation to NSDL was for change in FV from INR 51,428.57 to INR 28,571.43.

*** The intimation was made to BSE. However, details of redemption were not provided in intimation.*

From the above table, it is observed that:

- The issuer (SIPPL) has not informed the change in face value of NCDs (INE0CKK07045) from INR 1,00,000 to INR 57,142.86 to NSDL.*
- The issuer (SIPPL) has informed about change in face value of NCDs (INE0CKK07045) from INR 57,142.86 to INR 51,428.57 to BSE but not about the amount of reduction.*
- The issuer (SIPPL) has not informed change in face value of NCDs (INE0CKK07045) from INR 51,428.57 to INR 34,285.71 to NSDL, instead, it directly informed changed in face value from INR 51,428.57 to INR 28,571.43, that too with a delay of more than 21 days from the date of intimation given to BSE.*
- The issuer (SIPPL) has informed change in face value of NCDs (INE0CKK07045) from INR 28,571.43 to INR 19,428.57 to NSDL on October 07, 2024, whereas the same was informed to BSE on August 13, 2024. Therefore, there was a delay of 24 days and only after SEBI raised query with NSDL on October 01, 2024.*

4.7. Therefore, it is observed that SIPPL is not in compliance of Regulation 51 of LODR Regulations read with Para 3 of Schedule III PAR B of LODR Regulations.

5. In view thereof, the following violations are alleged against the Noticee:

5.1. Non-disclosure of covenants in Placement Memorandum

- a. SIPPL has issued Placement Memorandum for issuance of NCDs on Private Placement basis. Which were subsequently listed on stock exchange.*
- b. Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI NCS Regulations inter-alia provides all covenants of the issuer where securities are listed, shall be incorporated in Placement Memorandum.*
- c. However, in Placement Memorandum, no covenants were mentioned but only reference for the same was given of Debenture Trust Deed for covenants.*

Therefore, the Noticee is alleged to have violated Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI NCS Regulations.

5.2. Non-disclosure of Corporate Action to Stock Exchange:

- a. SIPPL redeemed NCDs issued by it on Private Placement basis and subsequently listed.*
- b. On the perusal of information received from BSE, it is observed that SIPPL has made partial redemption of NCD (ISIN-INE0CKK07045) five times till the examination has been completed.*
- c. Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations inter-alia provides that any company which has redeemed its NCDs listed on stock exchange either in full or partially, shall inform the same to the exchange on which its securities are listed, not later than 24 hours from the date of redemption.*
- d. However, in the above mentioned cases, SIPPL has both failed to inform the stock exchange about the details of partial redemption as well as there was delay of more than 24 hours in intimating the stock exchange about partial redemption carried on July 16, 2024.*

Therefore, the Noticee is alleged to have violated Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations.

....”

5. Vide letter dated May 07, 2025, the Noticee submitted its reply to the SCN. The key submissions made by Noticee as reply to the SCN, are as under:

“ ...

In particular, the notice highlights the following Alleged Violations:

Observation 1: Regulation 45(1) read with para 3.3.36 of Schedule 1 of SEBI NCS Regulations.

Observation 2: Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations.

In this regard, we hereby submit our clarifications in response to the aforementioned observations and respectfully request that your esteemed office take these submissions into consideration and not take any adverse action against the Company or its officials. We respectfully assert that the Company has acted in good faith and has taken all appropriate measures to ensure transparency and adherence to applicable regulations.

Clarification for the Alleged Violation 1:

The Company issued NCDs on a private placement basis using the EBP of BSE Limited to Original Debenture Holders based on the PPM circulated to the Original Debenture Holders vide email dated January 12, 2024. Further, the Company had uploaded the PPM and other ancillary documents to BSE Limited through EBP dated January 9, 2024. The Company had also shared the executed copy of DTD with the Debenture Trustee and the Original Debenture Holders. The Debenture Trustee via custody letter dated January 12, 2024, has acknowledged the receipt of the DTD.

Referring to your observation made in 4.5 (iii), we understand that you have referred that the Company had uploaded the DTD and PPM with respect to NCDs on the website of BSE Limited as on January 23, 2024, in this respect we would like to clarify that as a part of process for final listing we have uploaded the PPM and the DTD in the listing centre of BSE Limited on January 18, 2024, which was subsequently uploaded by BSE Limited on their website on January 23, 2024. Hence, the DTD and the PPM were shared with the BSE Limited for uploading before the date of listing of NCDs i.e., January 19, 2024 (we are enclosing the screenshot of BSE listing centre dated January 18, 2024, as Annexure 3).

While certain financials and accelerated payment covenants were not set out verbatim within the PPM, the PPM did include a clear reference to such covenants being detailed in the DTD, specifically stating:

- “1. Information Undertakings as set out in Part 1 of Schedule 4 of DTD*
- 2. Financial covenants as set out in Part 1 of Schedule 4 of the DTD.*
- 3. General Undertakings as set out in Part 3 of Schedule 4 of DTD”*

This reference was included with the bona fide intent to ensure consistency across documents and avoid potential duplication or interpretational inconsistencies. The intention of the Company was to do the clear and fair disclosure to the Debenture Trustee and the Original Debenture Holders before making any financial decision. Referring to observation made by your good office in para 4.5 (iii) and 4.5 (iv), we acknowledge that the DTD was uploaded on the BSE Limited website on January 23, 2024 for the purpose of final listing of the NCDs, however, the same was uploaded on the listing centre of the BSE Limited on January 18, 2024, (refer Annexure 3). Further, based on the custody letter received by the Debenture Trustee acting on behalf of the Original Debenture Holders, the DTD was made available to the Debenture Trustee and the Original Debenture Holders in order to allow them to make an informed decision. Since it was a private placement arrangement and on non-receipt of any comments from the BSE Limited at the time of uploading the PPM while setting up the issue under the EBP, we proceeded with the issuance of NCDs to the Original Debenture Holders.

While we understand that, all covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer, we on good faith and under the impression that the Debenture Trustee and the Original Debenture Holders have the custody of DTD, have referred certain provisions of the DTD in the PPM.

We respectfully submit that referencing detailed covenants in the DTD, particularly where such covenants are voluminous and technical in nature, we have on a bona fide manner referred the same to DTD.

We would like to respectfully emphasize that there was no malafide intent or wilful suppression of information on the part of the Company. The reference to the DTD in the PPM was made with the good faith understanding that uploading and sharing the DTD on the exchange platform would ensure full transparency.

In light of the above, we sincerely request your good office to consider the facts of the matter — particularly the Company's bona fide intent, absence of investor prejudice, and strengthened compliance framework — and to take a lenient and compassionate view in the matter.

We remain fully committed to maintaining high standards of compliance and transparency and are willing to provide any further clarifications or participate in a personal hearing, if required. Further, the Company shall ensure compliance with SEBI NCS Regulations in the future issuance, if any.

We thank you for the opportunity to present our response and are grateful for your consideration.

Clarification for the Alleged Violation 2:

Referring to para 4.6 of the show cause notice issued by your good office, we would like to provide detailed account of events and filings made for the purpose of partial redemption of NCDs through face value reduction on various dates, the details of which are provided below:

A. 1st Partial Redemption of Debentures - 21st May 2024

The Company had redeemed NCDs through face value redemption from INR 1,00,000 to INR 57,142.86. The Company had made following filings with BSE Limited with respect to such redemption.

- Intimation under Regulation 50(1) of SEBI LODR Regulations: The Company had issued prior intimation of the Board Meeting dated May 21, 2024, for part redemption of privately placed NCDs (copy of which is provided under page 2 of Annexure 4).
- Intimation under Regulation 60(2) of SEBI LODR Regulations: The Company had issued the intimation dated May 21, 2024, to intimate the record date for the payment of interest and partial redemption of principal for NCDs (copy of which is provided under page 1 of Annexure 4).
- Disclosure under Regulation 51(1) of SEBI LODR Regulations: The Company had made disclosure dated May 21, 2024, for outcome of the Board meeting for partial redemption of NCDs (copy of which is provided under page 3 of Annexure 4).
- The Company has uploaded the XBRL file on the BSE Listing Centre under the section 'Redemption Payment Status' for the Centralized Database within the prescribed timeline of 24 hours.

The BSE Limited has acknowledged the receipt of intimation to redeem the NCDs through face value redemption vide acknowledgement no. 2205202402542224 (copy of which is provided under page 4 of Annexure 4).

Subsequently, the Company received an email from BSE Limited seeking clarification regarding the redemption whereby BSE Limited asked the Company to provide the details of partial redemption of NCDs, the extract of which is provided below:

“.....

In case of face value reduction pursuant to part redemption:

1. Current Face Value per NCD
2. Face Value per NCD to be redeemed
3. Post Redemption Face Value per NCD

.....

Please email the above details vide signed covering letter and file the same on BSE Listing Center under Reg.60."

However, as there is no available slot for uploads under Regulation 60 (as it is pertaining to record date intimation) under the BSE listing centre, BSE Limited recommended uploading the clarification under the category of General Announcements. In response to the above email, the Company filed intimation dated May 22, 2024, under Company Update providing the details sought by BSE Limited (copy of which is provided under page 5 of Annexure 4).

The BSE Limited has acknowledged the receipt of intimation to redeem NCDs through face value reduction vide acknowledgement no. 7311313 dated May 22, 2024 (copy of which is provided under page 6 of Annexure 4).

Further, the Company had initiated the corporate action under NSDL DLT Platform for redemption of NCDs through face value redemption on date June 6, 2024 (copy of which is provided under page 7 and 8 of Annexure 4).

B. 2nd Partial Redemption of Debentures - 29th June 2024

The Company had redeemed NCDs through face value redemption from INR 57,142.86 to INR 51,428.57. The Company had made following filings with BSE Limited with respect to such redemption.

- Intimation under Regulation 50(1) of SEBI LODR Regulations: The Company had issued prior intimation of the Board Meeting dated June 26, 2024, for part redemption of privately placed NCDs (copy of which is provided under page 2 of Annexure 5).
- Intimation under Regulation 60(2) of SEBI LODR Regulations: The Company had issued the intimation dated June 26, 2024, to intimate the record date for the payment of interest and partial redemption of principal for NCDs (copy of which is provided under page 1 of Annexure 5).
- Disclosure under Regulation 51(1) of SEBI LODR Regulations: The Company had made disclosure dated June 29, 2024, for outcome of the Board meeting for partial redemption of NCDs (copy of which is provided under page 3 of Annexure 5).
- The Company has uploaded the XBRL file on the BSE Listing Centre under the section 'Redemption Payment Status' for the Centralized Database within the prescribed timeline of 24 hours (copy of which is provided under page 4 of Annexure 5) showing the face value redemption.

The BSE Limited has acknowledged the receipt of intimation to redeem NCDs through face value redemption vide acknowledgement no. 0107202404193024 (copy of which is provided under page 5 of Annexure 5).

Subsequently, the Company has not received an email from BSE Limited seeking clarification regarding the redemption to provide the details of partial redemption of NCDs. Accordingly, the Company has not filed any response for the same.

However, the Company acknowledges that, while the requisite intimations regarding the partial redemption of NCDs were duly made to BSE Limited under the applicable provisions of the SEBI LODR Regulations, the specific details relating to the quantum of face value redeemed (i.e., from INR 57,142.86 to INR 51,428.57) were inadvertently not included in the filings. The omission was unintentional, and the Company regrets the oversight. Further, the Company has uploaded the XBRL file on the BSE Listing Centre under the section 'Redemption Payment Status' for the Centralized Database within the prescribed timeline of 24 hours, within which the details of redemption of NCDs through face value redemption has been clearly disclosed. The Company remains committed to maintaining full transparency and regulatory compliance and shall ensure that such details are explicitly disclosed in all relevant future filings.

Further, the Company had initiated the corporate action under NSDL DLT Platform for redemption of NCDs through face value redemption on date July 1, 2024 (copy of which is provided under page 6 and 7 of Annexure 5).

C. 3rd Partial Redemption of Debentures - 16th July 2024

The Company had redeemed NCDs through face value redemption from INR 51,428.57 to INR 34,285.71. The Company had made following filings with BSE Limited with respect to such redemption.

- *Intimation under Regulation 50(1) of SEBI LODR Regulations: The Company had issued prior intimation of the Board Meeting dated July 12, 2024, for part redemption of privately placed NCDs (copy of which is provided under page 2 of Annexure 6).*
- *Intimation under Regulation 60(2) of SEBI LODR Regulations: The Company had issued the intimation dated July 12, 2024, to intimate the record date for the payment of interest and partial redemption of principal for NCDs (copy of which is provided under page 1 of Annexure 6).*
- *Disclosure under Regulation 51(1) of SEBI LODR Regulations: The Company had made disclosure dated July 16, 2024, for outcome of the Board meeting for partial redemption of NCDs (copy of which is provided under page 3 of Annexure 6).*

The BSE Limited has acknowledged the receipt of intimation to redeem NCDs through face value redemption vide acknowledgement no. 1607202406440024 (copy of which is provided under page 4 of Annexure 6).

Subsequently, the Company received an email from BSE Limited seeking clarification regarding the redemption whereby BSE Limited has asked the Company to provide the details of partial redemption of NCDs, the extract of which is provided below:

".....

In case of face value reduction pursuant to part redemption:

- 1. Current Face Value per NCD*
- 2. Face Value per NCD to be redeemed*
- 3. Post Redemption Face Value per NCD*

.....

Please email the above details vide signed covering letter and file the same on BSE Listing Center under Reg.60."

However, as there is no available slot for uploads under Regulation 60 (as it is pertaining to record date intimation) under the BSE listing centre, BSE Limited recommended uploading the clarification under the category of General Announcements. In response to the above email, the Company has filed intimation dated July 24, 2024, under Company Update providing the details sought by BSE Limited (copy of which is provided under page 5 of Annexure 6).

Further, the Company had initiated the corporate action under NSDL DLT Platform for redemption of NCDs through face value redemption on date July 24, 2024 (copy of which is provided under page 6 and 7 of Annexure 6).

D. 4th Partial Redemption of Debentures - 31st July 2024

The Company had redeemed NCDs through face value redemption from INR 34,285.71 to INR 28,571.43. The Company had made following filings with BSE Limited with respect to such redemption.

- *Intimation under Regulation 50(1) of SEBI LODR Regulations: The Company had issued prior intimation of the Board Meeting dated July 29, 2024, for part redemption of privately placed NCDs (copy of which is provided under page 2 of Annexure 7).*
- *Intimation under Regulation 60(2) of SEBI LODR Regulations: The Company had issued the intimation dated July 29, 2024, to intimate the record date for the payment of interest and partial redemption of principal for NCDs (copy of which is provided under page 1 of Annexure 7).*
- *Disclosure under Regulation 51(1) of SEBI LODR Regulations: The Company had made disclosure dated July 31, 2024, for outcome of the Board meeting for partial redemption of NCDs (copy of which is provided under page 3 of Annexure 7).*

The BSE Limited has acknowledged the receipt of intimation to redeem NCDs through face value redemption vide acknowledgement no. 3107202406424324 (copy of which is provided under page 4 of Annexure 7).

Subsequently, the Company received an email from BSE Limited seeking clarification regarding the redemption whereby BSE Limited has asked the Company to provide the details of partial redemption of NCDs, the extract of which is provided below:

".....

In case of face value reduction pursuant to part redemption:

- 1. Current Face Value per NCD*
- 2. Face Value per NCD to be redeemed*

3. Post Redemption Face Value per NCD

.....

Please email the above details vide signed covering letter and file the same on BSE Listing Center under Reg.60.”

However, as there is no available slot for uploads under Regulation 60 (as it is pertaining to record date intimation) under the BSE listing centre, BSE Limited recommended uploading the clarification under the category of General Announcements. In response to the above email, the Company has filed intimation dated July 31, 2024, under Company Update providing the details sought by BSE Limited (copy of which is provided under page 5 of Annexure 7).

Further, the Company had initiated the corporate action under NSDL DLT Platform for redemption of NCDs through face value redemption on date August 9, 2024 (copy of which is provided under page 6 and 7 of Annexure 7).

E. 5th Partial Redemption of Debentures - 13th August 2024

The Company had redeemed NCDs through face value redemption from INR 28,571.43 to INR 19,428.57. The Company had made following filings with BSE Limited with respect to such redemption.

- Intimation under Regulation 50(1) of SEBI LODR Regulations: The Company had issued prior intimation of the Board Meeting dated August 12, 2024, for part redemption of privately placed NCDs (copy of which is provided under page 2 of Annexure 8).
- Intimation under Regulation 60(2) of SEBI LODR Regulations: The Company had issued the intimation dated August 12, 2024, to intimate the record date for the payment of interest and partial redemption of principal for NCDs (copy of which is provided under page 1 of Annexure 8).
- Disclosure under Regulation 51(1) of SEBI LODR Regulations: The Company had made disclosure dated August 13, 2024, for outcome of the Board meeting for partial redemption of NCDs (copy of which is provided under page 3 of Annexure 8).

The BSE Limited has acknowledged the receipt of intimation to redeem NCDs through face value redemption vide acknowledgement no. 1308202405281524 (copy of which is provided under page 4 of Annexure 8).

Subsequently, the Company received an email from BSE Limited seeking clarification regarding the redemption whereby BSE Limited has asked the Company to provide the details of partial redemption of NCDs, the extract of which is provided below:

“.....

In case of face value reduction pursuant to part redemption:

1. Current Face Value per NCD
2. Face Value per NCD to be redeemed
3. Post Redemption Face Value per NCD

.....

Please email the above details vide signed covering letter and file the same on BSE Listing Center under Reg.60.”

However, as there is no available slot for uploads under Regulation 60 (as it is pertaining to record date intimation) under the BSE listing centre, BSE Limited recommended uploading the clarification under the category of General Announcements. In response to the above email, the Company has filed intimation dated August 13, 2024, under Company Update providing the details sought by BSE Limited (copy of which is provided under page 5 of Annexure 8).

Further, the Company had initiated the corporate action under NSDL DLT Platform for redemption of NCDs through face value redemption on date September 20, 2024 (copy of which is provided under page 6 and 7 of Annexure 8).

We hereby submit a consolidated summary of the actions undertaken by the Company in connection with the partial redemption of NCDs.

S. No.	Pre-redemption Face value (INR)	Post-redemption Face value (INR)	Redemption Date	BSE Outcome - Disclosure as per Regulation 51, read with Part B of Schedule III of the SEBI LODR Regulations	Redemption Payment Status for Centralized Database	Receipt on Clarification seeking mail from BSE on redemption*	Intimation given to NSDL
1	1,00,000	57,142.86	21-05-2024	21-05-2024	22-05-2024	22-05-2024	06-06-2024
2.	57,142.86	51,428.57	29-06-2024	29-06-2024	01-07-2024	Not Received	01-07-2024
3.	51,428.57	34,285.71	16-07-2024	16-07-2024	16-07-2024	22-07-2024	24-07-2024
4.	34,285.71	28,571.43	31-07-2024	31-07-2024	31-07-2024	31-07-2024	09-08-2024
5.	28,571.43	19,428.57	13-08-2024	13-08-2024	13-08-2024	13-08-2024	20-09-2024

* Kindly note that, there is no email communication seeking clarification was received from BSE regarding the 2nd partial redemption. However, the relevant details concerning the redemption of NCDs through face value redemption have been duly disclosed and are available through the XBRL submission made promptly to BSE (the same is annexed in page 4 of Annexure 5).

Conclusion

We respectfully submit that in the matter of the 2nd Partial Redemption of Debentures, the Company has promptly undertaken all required intimations, disclosures and uploaded the XBRL disclosure to the BSE Listing Centre within 24 hours, in line with SEBI LODR Regulations.

As no email seeking clarification was received from BSE Limited in relation to the 2nd partial redemption, the Company did not upload any further communication under the "General Announcements" section. However, the details pertaining to redemption of NCDs through face value redemption have been duly disclosed and are available through the XBRL submission made promptly to BSE Limited. A copy of the said XBRL submission is enclosed herewith as page 4 of Annexure 5 for your kind perusal.

For your reference, all email communications received from BSE Limited seeking clarification on the partial redemption of debentures except for 2nd partial redemption are enclosed herewith as Annexure 9 for your kind perusal.

This is to respectfully inform you that a few clerical discrepancies occurred while intimating the face value of debentures to NSDL, wherein the old face value was inadvertently mentioned due to incorrect auto-population within the NSDL portal system. However, we would like to clarify that the Company has consistently recorded and updated the revised face value accurately at the time of each redemption to NSDL.

Each redemption was duly disclosed to the stock exchange in accordance with Regulation 51 read with Part B of Schedule III of the SEBI LODR Regulations. Further, the redemption payment status was timely updated on the centralized database, and intimation was also provided to NSDL. In a few instances, there were certain delays in responding to clarificatory emails from BSE or updating NSDL records; however, these were unintentional and promptly resolved upon identification.

We wish to assure you that this clerical oversight has not caused any adverse impact or harm to the interests of the debenture holders. There has been no disruption or deviation in the redemption process or investor entitlements.

...

6. In the interest of principles of natural justice, vide Hearing Notice dated May 08, 2025, the Noticee was provided an opportunity of hearing on May 15, 2025.
7. On the scheduled date of hearing viz., May 15, 2025, the Noticee availed the opportunity of hearing through its Authorized Representatives (AR) viz., Mr. Atul Murarka (Advocate) and Mr. Akshay Kumar C Kalyanshetti (Compliance Officer, SIPPL), wherein the ARs appeared in person and inter alia relied upon and reiterated the written submissions made vide letter dated May 07, 2025. Further, the AR inter alia submitted that there were no further/additional submissions to be made and the submissions made vide letter dated May 07, 2025 be taken as final and complete submissions in the matter.

D. CONSIDERATION OF ISSUES AND FINDINGS

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

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

Issue No. II: If yes, whether the violations on the part of the Noticee would attract monetary penalty under Section 15HB of the SEBI Act, 1992?

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

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

9. The following was inter alia observed and alleged in respect of the Noticee:

9.1. Non-disclosure of covenants in Placement Memorandum:

9.1.1. In this regard, the following was inter alia observed and alleged by SEBI:

- a. SIPPL had issued Placement Memorandum for issuance of NCDs on Private Placement basis which were subsequently listed on stock exchange.
- b. Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI NCS Regulations inter-alia provides all covenants of the issuer where securities are listed, shall be incorporated in Placement Memorandum.
- c. However, in Placement Memorandum, no covenants were mentioned but only reference for the same was given of Debenture Trust Deed for covenants.

Accordingly, it was alleged that the Noticee had violated Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI NCS Regulations.

9.1.2. In this regard, I note that Regulation 45(1) and para 3.3.36 of Schedule I of SEBI NCS Regulations read as under:

“ ...

45.(1) The issuer making a private placement of debt securities and non-convertible redeemable preference shares and seeking listing thereof on a recognised stock exchange shall make the following disclosures in the placement memorandum:

(a) disclosures specified in ²⁸[Schedule I] of these regulations;

(b) disclosures specified in the Companies Act, 2013 (18 of 2013), as applicable;

(c) additional disclosures as may be specified by the Board.

...”

SCHEDULE I

DISCLOSURES FOR ISSUUE OF SECURITIES

“ ...

3.3.36. Risk factors:

(viii) All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer.

...”

9.1.3. In this regard, I note from the material available on record that the following issue was carried out by SIPPL:

Month	Name of the Issuer/	ISIN	Amount Raised (INR Cr.)	Tenure (Years)	Yield /Coupon (%)	Issuer Category	Credit Rating	Investor Name	Investor Category	Nature of instrument
January 2024	Shreshta Infra Projects Private Limited (SIPPL)	INE0CK K07045	350	3.48	20.05	Real Estate	B	1) India Special Assets Fund III 2) ISAF III Onshore Fund	AIF	Secured NCDs

9.1.4. In this regard, I note from the material available on record that the issuer had not disclosed the covenants in the Private Placement Memorandum (“PPM”). As per Issue Details given at para 5.16 of the PPM, following was observed:

All covenants of the issue (including side letters, accelerated payment clause, etc.)	4. Information Undertakings as set out in Part 1 of Schedule 4 of the DTD 5. Financial Covenants as set out in Part 2 of Schedule 4 of the DTD 6. General Undertakings as set out in Part 3 of Schedule 4 of the DTD
---	--

I note that it is mandated under the Risk factors under para 3.3.36 of Schedule 1 of NCS Regulations that “All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer”.

9.1.5. I further note from the material available on record that the NCDs were allotted on January 17, 2024 and got listed on January 19, 2024, however, Debenture Trust Deed (“DTD”) and PPM, w.r.t. issue of NCDs by SIPPL were uploaded on the website of BSE as on January 23, 2024.

S. No.	Name Of Company	ISIN	Issue Open Date	Date of Allotment	Date of Listing	Date of upload of IM on BSE website	Date of Upload Of DTD on BSE Website
1	Shreshta Infra Projects Private Limited	INE0CK K07045	16/01/2024	17/01/2024	19/01/2024	23/01/2024	23/01/2024

9.1.6. In this regard, I note that the Noticee's submissions are in nature of admission in so far as the Noticee as part of its reply has interalia submitted that, "...While certain financials and accelerated payment covenants were not set out verbatim within the PPM, the PPM did include a clear reference to such covenants being detailed in the DTD..." and "...While we understand that, all covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer, we on good faith and under the impression that the Debenture Trustee and the Original Debenture Holders have the custody of DTD..."

9.1.7. In this regard, I find that the allegation that in Placement Memorandum, no covenants were mentioned but only reference for the same was given of Debenture Trust Deed for covenants, stands established. Therefore, I hold that the Noticee had violated the provisions of Regulation 45(1) read with para 3.3.36 of Schedule I of SEBI NCS Regulations.

9.2. Non- disclosure of Corporate Action to Stock Exchange:

9.2.1. In this regard, the following was inter alia observed and alleged by SEBI:

- a. SIPPL redeemed NCDs issued by it on Private Placement basis and subsequently listed.

- b. On the perusal of information received from BSE, it was observed that SIPPL had made partial redemption of NCD (ISIN-INE0CKK07045) five times.
- c. Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations inter-alia provides that any company which has redeemed its NCDs listed on stock exchange either in full or partially, shall inform the same to the exchange on which its securities are listed, not later than 24 hours from the date of redemption.
- d. However, in the above mentioned cases, SIPPL had both failed to inform the stock exchange about the details of partial redemption as well as there was delay of more than 24 hours in intimating the stock exchange about partial redemption carried on July 16, 2024.

Accordingly, it was alleged that the Noticee had violated Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations.

9.2.2. In this regard, I note that Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations reads as under:

“ ...

51.(1) The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend⁴⁴²[or redemption of non-convertible securities].

⁴⁴³[Explanation -The expression ‘promptly inform’, shall imply that the stock exchange shall be informed as soon as reasonably possible but not later than twenty-four hours from the date of occurrence of the event or receipt of information. In case the disclosure is made after twenty-four hours of the date of occurrence of the event or receipt of information, the listed entity shall, along with such disclosures provide an explanation for the delay]

⁴⁴⁴[(2) Without prejudice to the generality of sub-regulation(1), the listed entity who has ⁴⁴⁵[listed non-convertible securities]shall make disclosures as specified in Part B of Schedule III.]

....

PART B: DISCLOSURE OF INFORMATION HAVING BEARING ON PERFORMANCE/OPERATION OF LISTED ENTITY AND/OR PRICE SENSITIVE INFORMATION: NON-CONVERTIBLE ⁶⁴⁵[***] SECURITIES ⁶⁴⁶[***]

A. The listed entity shall promptly inform ⁶⁴⁷[***]the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend ⁶⁴⁸[or redemption payment] of non-convertible ⁶⁴⁹[***]securities ⁶⁵⁰[***]including :

...

(3) ⁶⁵⁴[any action which shall result in the redemption, reduction, cancellation, retirement in whole or in part of any non-convertible securities;]

...”

9.2.3. In this regard, I note from the material available on record that there were changes in the face value of the NCDs at more than one occasion, the details of the same is given as under:

S. No.	Change in Face Value From (INR)	Change in Face Value To (INR)	Redemption done on	Intimation given to BSE On
1	1,00,000	57,142.86	21/05/2024	22/05/2024
2	57,142.86	51,428.57	26/06/2024	26/06/2024*
3	51,428.57	34,285.71	16/07/2024	24/07/2024**
4	34,285.71	28,571.43	31/07/2024	31/07/2024
5	28,571.43	19,428.57	13/08/2024	13/08/2024

* Intimation was made to BSE. However, details of redemption were not provided in intimation.

**intimation was made to BSE with delay as per the timelines prescribed in Regulation 51 of LODR Regulations

9.2.4. In this regard, as regards the redemption record date June 26, 2024, I note that the Noticee has submitted that, “...*The Company had made disclosure dated June 29, 2024, for outcome of the Board meeting for partial redemption of NCDs...*” In this regard, I note that from the material available on record that the details of redemption were not mentioned in the said disclosure dated June 29, 2024.

Further in this regard, I note that the Noticee has submitted, “...*The Company has uploaded the XBRL file on the BSE Listing Centre under the section 'Redemption Payment Status' for the Centralized Database within the prescribed timeline of 24 hours (copy of which is provided under page 4 of Annexure 5) showing the face value redemption...*” In this regard, on perusal of the BSE website it is observed that there is only one disclosure made on June 29, 2024 under “Corporate Announcements” in respect of which one pdf file and one XBRL file is reflected. I note that the contents of the XBRL file available with respect to the disclosure dated June 29, 2024 and the XBRL file submitted by the Noticee during the instant proceedings, are different. Accordingly, I note that the Noticee has not demonstrated with relevant details and documents if the XBRL file referred to by the Noticee was available on the BSE website for access to investors. Therefore, I note that Noticee’s submissions are devoid of merit and hence not acceptable.

9.2.5. I further note that the Noticee’s submissions are in nature of admission, in so far as the Noticee has submitted that, “... *the specific details relating to the quantum of face value redeemed (i.e., from INR 57,142.86 to INR 51,428.57) were inadvertently not included in the filings. The omission was unintentional...*”

9.2.6. As regards the redemption done on July 16, 2024, I note that the Noticee has submitted that, “...*The Company had made disclosure dated July 16, 2024, for outcome of the Board meeting for partial redemption of NCDs...*” In this regard, I note from the material available that the details of partial redemption were not mentioned in the disclosure dated July 16, 2024.

I further note from the material available on record that the details of partial redemption done on July 16, 2024 were mentioned in SIPPL’s disclosure dated July 24, 2024. In this regard, I note that the said disclosure was made to BSE with delay, which as per the timelines prescribed in

Regulation 51 of LODR Regulations was required to be made within 24 hours from the date of occurrence of the event.

9.2.7. In view thereof, I find that the allegation that SIPPL had both failed to inform the stock exchange about the details of partial redemption as well as there was delay of more than 24 hours in intimating the stock exchange about partial redemption carried on July 16, 2024, stands established. Therefore, I hold that the Noticee had violated the provisions of Regulation 51 read with Part B of Schedule III of SEBI LODR Regulations.

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

10. As it has been established in the foregoing paragraphs that Noticee had violated the provisions of SEBI NCS Regulation and SEBI LODR Regulations, as dealt with and brought out in the foregoing. Accordingly, the Noticee is liable for monetary penalty in terms of Section 15HB of the SEBI Act, 1992.
11. In this regard, it is noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established.....*"
12. Therefore, for the established violations, as brought out in the foregoing paragraphs, I find that Noticee is liable for monetary penalty under Section 15HB of SEBI Act which provides as following:

" ...

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be

¹⁰⁴[liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]

...”

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

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

“ ...

¹⁰⁹[Factors to be taken into account while adjudging quantum of penalty.]

15J. While adjudging quantum of penalty under ¹¹⁰[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.

¹¹¹[Explanation.—For the removal of doubts, it is clarified that the power ¹¹²[...] 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.]

...”

14. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or consequent loss caused to an investor or group of investors as a result of the violations committed by the Noticee. Further, there is nothing on record to show that the violations committed by the Noticee are repetitive in nature. However, I cannot ignore the fact that the Noticee had failed to comply with the extant applicable provisions of securities law, as dealt with and brought out in the foregoing which SEBI is duty bound to enforce compliance of. Such failure and non-compliances accordingly needs to be dealt with suitable penalty.

E. ORDER

15. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w Rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty, as per Table below, on the Noticee, for the aforementioned violations, as discussed in this order. In my view, the said penalty will be commensurate with the violations committed by the Noticee in this case.

Name of the Noticee	Penalty under Section	Penalty (in Rs.)
Shreshta Infra Projects Private Limited	Section 15HB of the SEBI Act	2,00,000/- (Rupees Two Lakhs only)

16. The Noticee shall remit /pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

17. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.
18. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

DATE: May 28, 2025
PLACE: MUMBAI

AMAR NAVLANI
ADJUDICATING OFFICER