

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

Serial No.	Settlement Application No.	Name of applicant	PAN
1	6348/2021	Bharat Nidhi Limited	AAACB0195J
2	6353/2021	Mr. Vineet Jain	AEHPJ3012L
3	6332/2021	Ashoka Marketing Limited	AACCA7616H
4	6338/2021	Arth Udyog Limited	AAACA1256B
5	6342/2021	Matrix Merchandise Limited	AABCM8300M
6	6344/2021	Mahavir Finance Limited	AACCM0931B
7	6341/2021	TM Investment Limited	AABCT0548G
8	6345/2021	Sanmati Properties Limited	AAACS2745K

In the matter of Bharat Nidhi Limited

1. Bharat Nidhi Limited ("Applicant no. 1"), had filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("**Settlement Regulations**") proposing to settle, through a Settlement Order, without admitting or denying the findings of fact and conclusions of law, the pending enforcement proceedings under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 11(2) (j) of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") read with Section 12A(1)(a) and Section 23E of the Securities Contracts (Regulations) Act, 1956 ("**SCR Act**") and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 read with Securities Contracts (Regulation) (Procedure For Holding Inquiry And Imposing Penalties) Rules, 2005 initiated vide Show Cause Notice (in short "**SCN**") bearing no. SEBI/HO/IVD/ID1/OW/P/2020/18105/ dated October 28, 2020.
2. Mr. Vineet Jain (Applicant no. 2), Ashoka Marketing Limited (Applicant no. 3), Arth Udyog Limited (Applicant no. 4), Matrix Merchandise Limited (Applicant no. 5), Mahavir Finance Limited (Applicant no. 6), TM Investment Limited (Applicant no. 7), and Sanmati Properties Limited (Applicant no. 8) also filed settlement applications proposing to settle, through a Settlement Order, without admitting or denying the findings of fact and conclusions of law, the enforcement proceedings initiated under Sections 11(1), 11(4), 11(4A),

11B(1) and 11B(2) of the SEBI Act and Sections 15A(b), 15HA and 15HB of the SEBI Act 1992 read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 vide SCN bearing no. SEBI/HO/IVD/ID1/OW/P/2020/18105/ dated October 28, 2020.

3. SEBI had conducted an investigation in the matter for the period between January 01, 2013 and December 31, 2019, to ascertain whether there had been any misrepresentation of shareholding of promoters as public shareholding and the possible non-compliance with the minimum public shareholding norms. Based on the findings of the investigation, enforcement proceedings were initiated as given in paragraph 1 and 2. The said SCN alleged the following:

a. Applicant at serial no.1 had violated:

- i. Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") read with SEBI Circular no. CIR/CFD/CMD/13/2015 dated November 30, 2015 read with Regulation 2(za) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") and clause 35 of the equity listing agreement, and
- ii. Rule 19A(1) of Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of LODR Regulations read with provision of clause 2(II) of SEBI Circular no CIR/CFD/DIL/10/2010 dated December 16, 2010 read with SEBI Circular no CIR/CFD/CMD/14/2015 dated November 30, 2015, and
- iii. Section 12A(a) and (b) of SEBI Act read with Regulations 3(b), (c) and 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**").

b. Applicants at serial number 2 to 8 had violated:

- i. Regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SAST Regulations**") and Regulation 7(1)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**"), and
- ii. Provision of clause 2(II) of SEBI Circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010 read with SEBI Circular no. CIR/CFD/CMD/14/2015 dated November 30, 2015, and

- iii. Section 12A(a) and (b) of the SEBI Act, 1992 read with Regulation 3(b), (c) and 4(1) of PFUTP Regulations.
4. Pursuant to the receipt of the settlement applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on December 02, 2021 and deliberated on the terms of settlement. Thereafter, the applicants proposed the Revised Settlement Terms to settle the proceedings initiated against them. The applications along with the revised settlement terms were considered by the High Powered Advisory Committee (HPAC) in its meetings held on December 29, 2021, January 13, 2022 and March 17, 2022. Considering that the applicants are parties in pending Writ Petitions before the Delhi High Court, HPAC recommended that deliberations in respect of the said settlement applications may be deferred till the applicants seek specific permission of the Court for consideration of these Settlement Applications. In compliance with the aforesaid observations, the applicants made formal submissions regarding the settlement applications before the Delhi High Court. Pursuant to the same, the Delhi High Court passed separate Orders dated May 23, 2022 and May 27, 2022 stating *inter alia*, that SEBI shall be free to deal with the settlement applications filed by the applicants, on its own merits, in accordance with law. Thereafter, the settlement applications were placed before the HPAC again on June 09, 2022.
5. The HPAC in its meeting held on June 09, 2022, considered the settlement terms proposed by the applicants and recommended the case for settlement on the following settlement terms:

Name of Applicant	Settlement Terms formulated as per SEBI (Settlement Proceedings) Regulations, 2018
Bharat Nidhi Limited	Rs.2,43,10,000/- (Rupees Two Crore Forty Three Lakh Ten Thousand Only) as settlement amount along with voluntary undertaking: (i) to provide another exit offer to its public shareholders for a period of three months after Settlement Order at the same exit price as was offered in the offer given by it in 2019, subject to any enhancement of such exit price if so directed by the High Court of Delhi and (ii) to refrain from accessing the capital markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order and refrain from accessing the capital markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order Bharat Nidhi Ltd.

Mr. Vineet Jain	Rs.1,12,01,300/- (Rupees One Crore Twelve Lakh One Thousand Three Hundred Only) as settlement amount in respect of Mr. Vineet Jain
Ashoka Marketing Limited	Rs.2,37,40,200/- (Rupees Two Crore Thirty Seven Lakh Forty Thousand Two Hundred Only) as settlement amount along with voluntary undertaking to refrain from accessing the capital markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order in respect of Ashoka Marketing Limited
Arth Udyog Limited	Rs.2,24,21,300/- (Rupees Two Crore Twenty Four Lakh Twenty One Thousand Three Hundred Only) as settlement amount along with voluntary undertaking to refrain from accessing the capital markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order in respect of Arth Udyog Limited
Matrix Merchandise Limited	Rs.2,24,21,300/- (Rupees Two Crore Twenty Four Lakh Twenty One Thousand Three Hundred Only) as settlement amount in respect of Matrix Merchandise Limited
Mahavir Finance Limited	Rs.2,24,21,300/- (Rupees Two Crore Twenty Four Lakh Twenty One Thousand Three Hundred Only) as settlement amount in respect of Mahavir Finance Limited
TM Investment Limited	Rs.2,24,21,300/- (Rupees Two Crore Twenty Four Lakh Twenty One Thousand Three Hundred Only) as settlement amount in respect of TM Investment Limited
Sanmati Properties Limited	Rs.2,24,21,300/- (Rupees Two Crore Twenty Four Lakh Twenty One Thousand Three Hundred Only) as settlement amount in respect of Sanmati Properties Limited

6. Upon acceptance of the aforesaid recommendations by the Panel of Whole Time Members in terms of Regulation 15(2) of the Settlement Regulations, Notices of Demand were issued to the applicants on July 20, 2022.
7. The applicants informed about the remittance of the respective settlement amounts between August 10 to August 16, 2022 and SEBI has confirmed the credit of the same. The applicants also provided an undertaking to comply with the non-monetary terms forming part of the settlement terms as mentioned at paragraph 5.
8. In view of the above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and under Section 23JA of the SCR Act and in terms of Regulation 23 read with Regulation 28 of the Settlement

Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged defaults as mentioned at paragraph 1 and 2 are settled *qua* the applicants on the following terms:

- i. this Order disposes of the enforcement proceedings initiated by SEBI for the defaults as mentioned earlier in respect of the applicants;
 - ii. SEBI shall not initiate any other enforcement action against the applicants for the said defaults; and
 - iii. Bharat Nidhi Limited shall submit a report of compliance with the terms of its undertaking given at paragraph 5, within 15 days of the passing of this settlement order, failing which the settlement order shall cease to operate *qua* all the applicants.
9. The passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including continuing proceedings against the applicants, if SEBI finds that:
- a) any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
 - b) the applicants have breached any of the clauses/ conditions of Undertakings/Waivers filed during the present settlement proceedings; and
 - c) there was a discrepancy while arriving at the settlement terms.
10. This Settlement Order is passed on this 12th day of September, 2022 and shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the applicants and also be published on the website of SEBI.

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER

Sd/-

ASHWANI BHATIA
WHOLE TIME MEMBER