

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER NO. SO/SM/HG/2022-23/6908]

UNDER SECTION 15JB OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 23JA OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH REGULATION 23(1) OF THE SEBI (SETTLEMENT PROCEEDINGS) REGULATIONS, 2018

In respect of:

Settlement application no. 6908/2022 submitted by:

Name of Entity	PAN/ CIN
Jumbo Finance Limited	AAACJ0882E/ L65990MH1984PLC032766

In the matter of Jumbo Finance Limited

1. Securities and Exchange Board of India (herein after referred to as '**SEBI**'), conducted an examination in the matter of Jumbo Finance Limited (hereinafter referred to as '**Noticee/ Company/ Applicant /Jumbo/ by name**') to ascertain compliance of securities laws by Noticee including SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as '**LODR Regulations**') and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as '**ICDR Regulations 2009**') in respect of equity shares issued by Jumbo on a preferential basis. Pursuant to the examination, SEBI observed the following violations alleged to have been committed by Noticee:

- a) Regulations 108(2), 74(1), 74(2) of ICDR Regulations 2009 and Regulation 73(1)(e) of Chapter VII of ICDR Regulations 2009
- b) Clause 24(a) of Listing Agreement read with Section 21 of Securities Contract Regulation Act, 1956 (hereinafter referred to as '**SCRA**') read with Regulation 28(1) of LODR Regulations.

2. SEBI vide its order dated March 04, 2022, appointed the undersigned as the Adjudicating Officer (hereinafter referred to as '**AO**') under Section 19 of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') read with Section 15I(1) of SEBI Act and Section 23I(1) of SCRA and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules**') and Rule 3 of Securities Contracts Regulation (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as '**SCRA Adjudication Rules**') (both rules collectively being referred to as "**Adjudication Rules**") to inquire into and adjudge under-
 - a) Section 15HB of SEBI Act, the alleged violation of Regulations 108(2), 74(1), 74(2) of ICDR Regulations 2009 and Regulation 73(1)(e) of Chapter VII of ICDR Regulations 2009;
 - b) Section 23E of SCRA, the alleged violation of Clause 24(a) of Listing Agreement read with Section 21 of SCRA read with Regulation 28(1) of LODR Regulations;
by Noticee.
3. In this regard, a Show Cause Notice dated April 13, 2022 (hereinafter referred to as '**SCN**') was issued to Noticee under Rule 4(1) of SEBI Adjudication Rules and Rule 4 (1) of SCRA Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticee and penalty, if any, not be imposed upon Noticee for the aforesaid violations alleged to have been committed by Noticee.
4. The observation/allegations levelled against Noticee in the SCN are as under:
 - a) It was observed that listing application was not filed by Noticee within 20 days of allotment of shares. Therefore, Noticee has allegedly violated Regulation 108(2) of ICDR Regulations 2009.
 - b) It was observed that allotment of shares was not made by Noticee within 15 days' of shareholders' approval/ statutory approvals, it is alleged that Noticee has violated Regulation 74(1) of ICDR Regulations 2009.
 - c) It was observed that out of 45,06,847 equity shares allotted, 5,03,409 equity shares were allotted to those allottees in excess of the approval granted by

the shareholders through special resolution and prior approval granted by the Exchange and 36,34,951 equity shares were allotted to those allottees for which Noticee had not taken shareholders' approval as well as Exchange's in-principle approval. It is, therefore, alleged that Noticee has violated Regulation 74(2) of ICDR Regulations 2009, Regulation 73(1)(e) of Chapter VII of ICDR Regulations 2009 and Clause 24(a) of Listing Agreement read with Section 21 of SCRA read with Regulation 28(1) of LODR Regulations.

5. I note from the records that pending adjudication proceedings, Noticee proposed to settle the instant proceedings initiated against it, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement application dated May 30, 2022 (application no. 6908/2022) with SEBI in terms of Regulations 3(1) and 3(2) of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**").
6. After attending meeting with the Internal Committee of SEBI on September 20, 2022, in terms of the Settlement Regulations, Noticee proposed revised settlement terms vide letter dated October 04, 2022. The High Powered Advisory Committee ('HPAC') in its meeting held on December 06, 2022 considered the revised settlement terms proposed and agreed with the recommendations of the Internal Committee and recommended that the request of the applicant for settlement may be accepted upon payment of Rs. 44,20,000/- (Rupees Forty-Four Lakh Twenty Thousand only) by the applicant.
7. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on December 26, 2022 and the same was communicated by SEBI to Noticee on December 29, 2022. Accordingly, as communicated by Noticee to SEBI, the settlement amount of Rs. 44,20,000/- (Rupees Forty-Four Lakh Twenty Thousand only) from Noticee viz. Jumbo Finance Limited was remitted to SEBI on January 21, 2023 and was duly received by SEBI.
8. Therefore, in view of the receipt of above settlement amount by SEBI, the instant adjudication proceedings initiated against Applicant by way of issuance of SCN

vide reference no. SEBI/EAD/SM/OW/16342/2022 in respect of Jumbo Finance Limited dated April 13, 2022 are disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23JA of SCRA read with Regulation 23(1) of the Settlement Regulations.

9. This order shall come into force with immediate effect. Further, in terms of Regulation 28 of the Settlement Regulations, this order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:

i. Any representation made by Applicant in the settlement proceedings are subsequently discovered to be untrue; or

ii. Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.

10. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is being sent to the Noticee viz. Jumbo Finance Limited and the order is also published on the website of SEBI.

Date: January 25, 2023

Place: Mumbai

SOMA MAJUMDER

Adjudicating Officer