WTM/AS/CFID/CFID-SEC4/32684/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER

Under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992

In respect of

Sl. No.	Name of Noticees	PAN
1.	Debock Industries Limited	AACCD9561G
2.	Mr. Mukesh Manveer Singh	AMHPM1429Q
3.	Mr. Sunil Kalot	BLHPK0027J
4.	Ms. Priyanka Sharma	AZQPS4804F
5.	Mr. Kailash Brahmabhatt	AMOPB1710E
6.	Mr. Arvind Rao	ADXPR6146A
7.	Ms. Sanjeeda Dagar	CWKPD5224K
8.	Mr. Sonu Sharma	DWJPS1274J
9.	Mr. Akash Kumar	GVXPK8436G
10.	Ms. Nishu Goyal	AYIPG1638G
11.	Ms. Vandana Patidar	CGVPP3860J
12.	Mr. Raju Ajmera	ADHPA6565A
13.	Mr. Abhishek Khandelwal	EFZPKI858E
14.	Ms. Najiya Bano	DVRPB5191L
15.	Mr. Bharu Ram	CLVPB7183D
16.	Mr. Rahul Khurana	CDFPK5751A
17.	Ms. Sheetal Jain	CBJPJ4067L
18.	Mr. Ajay Dahiya	AIPPD4125L
19.	Mr. Harish Kumar Sharma	KJFPS7132P
20.	Mr. Rajesh Kumar Vishwas	AJWPV5773C
21.	Ms. Chetna	BTQPC9526H
22.	Mr. Kadir Kha	NZVPK9595R
23.	Mr. Mahaveer Prasad Panchal	ACGPP2166G

24.	Mr. B Pavan Kumar Sharma	BVFPS7821C
25.	Avance Ventures Private Limited	AAYCA5648R
26.	Impex Agrotech Limited (formerly known as Impex Agrotech Private Limited	AAGCI3688D
27.	Mr. Gaurav Jain	AJPPJ8602D
28.	Naturo IndiaBull Limited	AAECI2494R
29.	Ms. Jyoti Choudhary	BEFPC4533L

(The entities mentioned above are individually referred to by their respective names or Noticee No. and collectively referred to as "Noticees", unless the context specifies otherwise)

In the matter of Debock Industries Limited

Background

1. The present proceedings emanate from a Show Cause Notice dated September 15, 2025 (hereinafter referred to as '**SCN**'), issued pursuant to a detailed investigation carried out by Securities and Exchange Board of India (hereinafter referred to as 'SEBI') against Debock Industries Limited (hereinafter referred to as '**Company/Debock'**) and other Noticees.

2. Before issuance of the SCN, based on a preliminary examination conducted by SEBI, in the affairs of Debock, an interim order dated August 23, 2024 was passed against Noticee No. 1, 2, 3 and 4, wherein the following *prima facie* observations were made:

   2.1. **Migration to the Main Board through Fictitious Preferential Issues**: The Company appeared to have met the eligibility criteria for migration to the main board of NSE through fictitious preferential issue of warrants and their subsequent conversion to equity shares.

   2.2. **Inflation of sales and purchases**: The Company inflated its sales by approximately 72% in FY22 and 77% in FY23, alongside inflating its purchases by approximately 94% during both these financial years. These actions were carried out through circuitous transactions to present a positive picture relating to activities of the Company to investors.

2.3. **Submission of false bank statements**: The Company submitted fabricated bank statements to SEBI to conceal the fictitious preferential issues and the inflated sales and purchases.

2.4. **Diversion of Rights Issue Proceeds**: Following its migration to the main board of NSE, the Company raised ₹49.50 crore through a rights issue in June 2023. These funds were diverted to the promoters and related entities rather than being used for legitimate business purposes.

2.5. **Auditor's Qualifications on Subsequent Preferential Issues**: The audit qualifications regarding the subsequent preferential issue of warrants on November 30, 2023 and their conversion on February 7, 2024, raised serious concerns that Company was repeatedly engaging in fraudulent practices.

3. The interim directions issued vide the said interim order were confirmed vide Confirmatory order dated December 11, 2024**.** The matter was taken up for detailed investigation and an Investigating Authority ("IA") was appointed to further look into the matter. The focus of examination was to examine possible violation of the provisions of the Securities and Exchange Board of India Act, 1992 ('**SEBI Act'**), SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 ('**PFUTP Regulations**') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**'). Pursuant to the detailed investigation, the present SCN was issued to the Noticees.

4. In view of the observations contained in the SCN (discussed in detail in the ensuing section of the Order), the following allegations were made against the Noticees.

4.1. it is alleged that Debock violated Regulations 3(a), (b), (c), (d), 4(1), 4(2) (c), (f), (h) & (k) of the PFUTP Regulations read with Sections 11 (2) (ia), 12A(a),

(b) & (c) of SEBI Act, Regulations 4(1), 4(2)(e), 17(1)(b), 23(1), (2) & (4), 32(1), (2) & (4), 33(1)(a) & (c) (read with Ind AS 1 and Ind AS 7) and Regulation 48 of LODR Regulations.

4.2. It is alleged that Mr. Mukesh Manveer being the Managing Director of Debock, violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (f), (h), (k) of PFUTP Regulations read with Sections 11(2) (ia), and 12A(a), (b), (c) read with Section 27 (1) of SEBI Act, Regulations 4(1), 4(2)(e) & (f), 17(1) (b) & 17(8) read with Part B of Schedule II (for the FY 2022-23 and 2023-24), 23(1), (2) , (4), 32(1), (2) , (4), 33(1)(a), (c) (read with Ind AS 1 and Ind AS 7) and Regulation 48 of LODR Regulations read with Section 27 (1) of SEBI Act.

4.3. It is alleged that Mr. Sunil Kalot violated Regulations 3(a), (b), (c) (d), 4(1), 4(2) (c), (f), (h) & (k) of PFUTP Regulations read with Section 12A(a), (b) and (c) of the SEBI Act.

4.4. It is alleged that Ms. Priyanka Sharma violated Regulations 3(a), (b), (c), (d) & 4(1), 4(2) (c), (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

4.5. It is alleged that Ms. Vandana Patidar and Ms. Nishu Goyal violated Regulations 3(b), (c), (d) & 4(1), 4(2) (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) read with 27 (2) of SEBI Act and Regulation 17 (8) read with Part B of Schedule II of LODR Regulations.

4.6. it is alleged that being the members of Audit Committee, Mr. Kailash Brahmabhatt, Mr. Arvind Rao, Mr. Sonu Sharma and Ms. Sanjeeda Dagar violated Regulations 3(b), (c), (d) & 4(1), 4(2) (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) read with 27 (2) of SEBI Act and Regulation 4(2)(f) and 18 (3) read with Part C of Schedule II of LODR Regulations.

4.7. It is alleged that Mr. Akash Kumar aided and abetted the company and Mukesh Manveer Singh to carry out the scheme and thereby allegedly violated regulations 3(b), (c), (d) & 4(1), 4(2)(f) & (k) of PFUTP Regulations and Sections 12A(a), (b) & (c) read with 27 (1) of SEBI Act, Regulations 4(1), 4(2)(e), 17(1)(b), 23(1), (2) & (4), 32(1), (2) & (4), 33(1)(a) & (c) and 48 of LODR Regulations read with Section 27 (1) of SEBI Act.

4.8. It is alleged that Noticee No. 12–24 aided and abetted Debock and Mukesh Manveer Singh in their fraudulent scheme and violated regulations 3(b), (c), (d) & 4(1), 4(2)(a), (h), of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

4.9. Noticee No. 12, 14, 15, 16, 18-24 for not providing the information sought by the investigating Authority during the investigation allegedly violated Section 11(2)(i)(a), 11C (2) and (3) of SEBI Act.

4.10. It is alleged that Noticee No. 26 violated regulations 3(b), (c), (d) & 4(1), 4(2)(f) and (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

4.11. it is alleged that that Mr. Gaurav Jain, Naturo Indiabull Ltd. and Ms. Jyoti Chaudhary violated regulations 3(b), (c), (d) & 4(1) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act. Additionally, Mr. Gaurav Jain allegedly violated Regulation 4(2)(h) of PFUTP Regulations.

5. In view of the allegations mentioned above, Noticee Nos. 1–29 were called upon to show cause as to why suitable directions under Section 11(4) and 11B read with 11(1) of the SEBI Act, including directions to restrain from accessing the securities market and/or buy, sell or deal in securities market and directions for disgorgement of the ill-gotten gains identified in the SCN or any other directions as deemed fit, should not be issued against them for the alleged violations referred to hereinabove.

6. Noticee no. 1, 2, 5–11 were also called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties)

Rules, 1995 (“Penalty Rules”), and why penalty should not be imposed in terms of Section 11B (2) and 11(4A) read with 15HA and 15HB of SEBI Act.

7. Noticee No. 3, 4, 12–29 were called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4(1) of the Penalty Rules and why penalty should not be imposed in terms of Section 11B(2) and 11(4A) read with 15HA of SEBI Act.

8. Further, Noticee No. 12,14,15–16,18–24 were called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4(1) of the Penalty Rules, and why penalty should not be imposed in terms of Section 11B(2) and 11(4A) read with 15A(a) of the SEBI Act for the alleged violations of Section 11(2)(ia), 11C(2) and 11C(3) of the SEBI Act.

Service of the SCN and Personal hearing:

9. The digitally signed SCN was sent to the Noticees through email(s) and was also dispatched through speed post. In response to the same, majority of the Noticees filed their response(s) through emails/letters. It was gathered that physical copy of the SCN could not be delivered to few of the Noticees. However, the SCN was served upon the said Noticees except Noticee No. 13 through email dated September 30, 2026. Subsequently, the SCN was served upon Noticee No. 13 through email on January 30, 2026. Considering that the SCN was digitally signed, in terms of the Penalty Rules, the SCN was duly served upon all the Noticees either through email and/or speed post.

10. Hearing in the matter was scheduled on April 01, 2026 and April 06, 2026 for all the Noticees. On April 01, 2026, the hearing in the matter was scheduled for Noticee No. 1 to 15. Out of the said 15 Noticees, Noticee Nos. 1,2,3,4,8,10,13 and 14 either appeared (in person/using virtual mode) or through their Authorized Representatives (ARs). On April 06, 2026, hearing for Noticee Nos. 16 to 29 was scheduled and Noticee Nos. 16,17,18, 19,23 and 27 appeared (in person/using virtual mode). Despite service of the SCN and the hearing notices, the remaining

Noticees neither appeared on their scheduled date of hearing nor sought any adjournment. Accordingly, hearing in the matter was concluded *qua* all the Noticees.

Submission of replies:

Noticee No. 1 [Debock Industries Limited] and Noticee No. 2 [Mr. Mukesh Manveer Singh]

11. Noticee No. 1 and 2 filed their submissions vide email dated October 07, 2025 and the same were received in a print copy on October 10, 2025. Further, before their scheduled hearing, submissions were made by them vide letter dated March 30, 2026. During the hearing, the ARs of the Noticees No. 1 and 2 appeared in person along with Mr. Mukesh Manveer Singh (Noticee No. 2). The ARs made submissions in line with the written replies filed earlier by these Noticees in the matter. It was also submitted that their reply dated March 30, 2026, may be considered as their final reply subsuming the replies filed earlier. Further, vide letter dated August 05, 2026, certain additional submissions were made. The written submissions made vide letter dated March 30, 2026 and August 05, 2026 are summarized as below:

    11.1. A brief profile of the Company, its activities and some of the corporate actions undertaken by the Company for the period from FY2022 to FY2024 were highlighted.

    11.2. Noticee No.2 does not possess the relevant qualification and knowledge and so he delegated the responsibilities of the company to his staff/employees/co-workers. He was advised to list the Company on the Innovators Growth Platform (IGP) of NSE and for the same, all formalities were done by Company Secretaries (CS) and Chartered Accountants (CA) at the relevant time.

11.3. On April 01, 2018, Company had appointed Mr. Abhishek Khandelwal as Senior Accountant, who was responsible for looking after the finances of the Company. Mr. Shravan Sharma who was working as an “Accountant” was handling all day to day accounting activities. Mr. Abhishek Khandelwal had an uninterrupted access to all the bank accounts of Company as well as of Noticee No. 2 and his family’s personal bank accounts. Mr. Shravan Sharma was responsible for depositing and withdrawing cheques/money from the bank accounts.

11.4. On July 14, 2021, Company had appointed CS cum Compliance officer viz., Mr. Ankit Sharma, who was responsible for all the legal and statutory compliance(s). Mr. Ankit Sharma was appointed on the recommendation of Mr. Abhishek Khandelwal and he resigned on July 31, 2023.

11.5. Mr. Abhishek Khandelwal and Mr. Ankit Sharma were the trusted employees of Noticee No. 2 and by working diligently, they won the trust and confidence of Noticee No.2. Mr. Abhishek Khandelwal had knowledge about signatures of Noticee No.2 and his wife, Smt. Priyanka Sharma (Noticee No.4), who is a housewife and as per the customary practices, was not involved in the business affairs and also did not operate bank accounts on her own. Noticee No. 2 used to handle business affairs and operate bank accounts on her behalf.

11.6. On demise of the father of Noticee No. 2 in 2020 and his mother becoming serious, Noticee No. 2 was spending time and taking care of his mother at his native place. Consequently, he had handed over the entire affairs of the Company and delegated all the responsibility of the Company to the Company's trusted employees and major responsibilities/activities were handled by Mr. Abhishek Khandelwal and Mr. Ankit Sharma. Occasionally, they used to take his signatures on some documents stating that the documents relate to company’s day to day work and compliances relating to stock exchange, etc. Since, he trusted the employees, he never inquired about what documents he was signing. In the year 2022, Noticee No.2’s elder brother suddenly passed away, who was handling responsibilities of one of their factory, and after his death, all the family/factory's responsibilities fell upon him.

11.7. From 2023, he started participating in the day to day activities of the Company and observed some unusual financial transactions in his wife's bank account and the Company's Bank account. It was learnt that Mr. Abhishek Khandelwal and Mr. Shravan Kumar had connived with the Branch Manager of Adarsh Co-operative Bank and got issued a duplicate cheque book of Company. Mr. Abhishek and Shravan also stole cheque books of Company's ICICI Bank Account. Mr. Abhishek had also replaced mobile number/email id with his own mobile number. Mr. Abhishek also forged the bank statements of the Company and withdrew amount from Ms. Priyanka Sharma's account without her consent/knowledge. They used to siphon off money in their personal bank account maintained with Punjab National Bank and HDFC.

11.8. Further, Mr. Abhishek Khandelwal and his wife Ms. Najya Bano had utilised these siphoned off funds for allotting shares of the Company against their own name in the Preferential Issue. They had allotted themselves around 40 Lakh and 37 Lakh warrants respectively, by using Company's funds which they had fraudulently transferred to their personal bank accounts. The Company filed a First Information Report (FIR) which was disclosed on the NSE website. Police have also filed Charge sheet in the matter.

11.9. Upon resignation of Mr. Ankit Sharma, Company appointed a new CS as a Compliance Officer, who had no knowledge about the forged bank statements. The then CS inadvertently provided the same forged bank statements when sought by SEBI. Noticee No.2 also did not verify before submitting the self-attested bank statements to SEBI.

11.10. On the allegation of diversion of proceeds of the rights issue, it is submitted that a Memorandum of Understanding (MoU) dated 01 July 2023 had been executed with Debock's related party, Impex Agrotech Limited (Impex), as Impex required money to support its business operations, growth initiatives and financial obligations. Therefore, a loan of ₹ 40,36,53,000 was given to Impex for a period of three years. Since Impex is a related party, the said utilisation of proceeds of rights issue is done as per the prospectus of company, mainly under the General Corporate purposes, as per the advice given to the Company and Noticee No.2. Out of ₹49.50 Crores, SEBI has admitted that ₹4.10 Crores has already been received by / come back to Debock. Due to fraudulent transactions made by Mr. Abhishek Khandelwal, ₹14 Crores out of the Rights Issue proceeds, is lying in the account of Noticee No.4. Pertinently, upon receipt of the SCN, the Company has already started the process of bringing back the balance Rights Issue proceeds from Impex.

11.11. On the allegation that Noticee No. 2 made an unlawful gain of ₹12,67,59,052, it is submitted without admitting that the acquisition cost should have been calculated as under.

Table No. 1.

Particulars	No. of shares	Average Price-cost (Amt. in Rs.)	Total Value (Amt. in Rs.)
No of shares held at the time of IPO	48,07,624	26.93	12,94,69,314
Allotment of Shares – 1st pref.	44,92,000 + 60,08,000	0	0
Allotment of shares – 2nd pref.	-	0	0
Bonus Shares	1,05,00,000	0	0
Total shares	**2,58,07,624**	0	0
Average cost of shares		5.0167 (12,94,69,314 / 2,58,07,524)	

11.12. On the transfer of shares through off-market transactions, it is submitted that Noticee No. 2 had transferred 47,48,024 shares out of his original shares i.e. 48,07,624 which were allotted to him at the time of IPO. The said transfer of shares to Mr. Gaurav Jain was done by way of executing Gift Deeds (Copies provided) dated April 20, 2022 and September 19, 2022. The said transfer was done without any consideration. Therefore, it is incorrect to state that Noticee

No.2 has made any gain(s) of ₹ 34,08,37,558 from the off-market transfers in question

11.13. Without admitting, it has been submitted that taking into account the acquisition price per share as per the calculation above, the total acquisition cost comes out to be ₹ 8,43,41,382.5 and the total gains to be ₹ 4,24,17,669.5 as detailed below.

Table No. 2.

Calculation of gains made by Mr. Mukesh Manveer Singh Particulars	No. of shares	Total Value (Rs.)
On market (A)	1,20,64,100	12,67,59,052/-
Off market via Gift Deed (B)	47,48,024	--
Total	1,68,12,124	12,67,59,052/-
Cost of shares sold (C)	8,43,41,382.5/-	
Total Gains of Mr. Mukesh Manveer Singh (A+B-C)	**4,24,17,669.5/-**	

Table No. 3.

Calculation of gains made by Mr. Mukesh Manveer Singh Particulars	No. of shares	Total Value (Rs.)
On market (A)	1,20,64,100	12,67,59,052/-
Off market via Gift Deed (B)	47,48,024	--
Total	1,68,12,124	12,67,59,052/-
Cost of shares sold (C)	8,43,41,382.5/-	
Total Gains of Mr. Mukesh Manveer Singh (A+B-C)	**4,24,17,669.5/-**	

11.14. Thus, the total gains made are ₹ 4,24,17,669. However, it cannot be in any manner said to be ill-gotten or unlawful gain.

11.15. As mitigating factors, it is submitted that no complaint or grievance from investors has been received by the Company and Noticee No. 1 and 2 have an unblemished track record as no action has ever been taken against them.

11.16. Noticee No. 1 and 2 are already debarred from the market since 2024 owing to the interim order.

11.17. Vide the letter dated August 5, 2026, Noticee No. 1 and 2, forwarded a copy of newspaper report, regarding the arrest of Mr. Abhishek in connection with another misappropriation of ₹1.03 Crores. They also submitted copy of the

FIR filed in this matter. While refereeing to their earlier reply, it has been submitted that Mr. Abhishek is a habitual offender and has been involved in similar fraudulent transactions.

Submissions by Noticee No. 3 [Mr. Sunil Kalot]

12. Noticee No. 3 filed his reply vide email dated October 07, 2025 and the same was received in print copy on October 10, 2025. Another reply was filed vide letter dated March 31, 2026. During the hearing, the AR of Noticee No. 3 appeared and made submissions in line with the written reply. It was also submitted that his March 31, 2026 reply may be considered as the consolidated reply subsuming the reply filed earlier. The written submissions made vide letter dated March 31, 2026 are summarized as below.

12.1. Noticee No. 3 has been erroneously mentioned as a promoter in the SCN. Currently, he is not holding any position in the Company and the Company had initiated the process before the stock exchange for removal of his name as the promoter.

12.2. Neither he applied for any preferential/right issue nor received any shares. He did not participate in any of the transactions relating to these corporate actions.

12.3. He is in the business of borrowing and lending money. During the year 2021 to 2024, few employees of the Company and connected persons such as Sheetal Jain, Ajay Dahiya, Rahul Khurana, Raju Ajmera, Najiya Bano and Abhishek Khandelwal had availed loan from him. Copies of loan agreements have been provided.

12.4. Mr. Abhishek Khandelwal had also sought financial assistance from him. It was informed to him that Mr. Abhishek and his wife, Ms. Najia Bano would subscribe to the preferential issue and the loan availed from him would be secured against the said preferential shares. Accordingly, loan of ₹6, 75,00,000 was given to Mr. Abhishek against mortgage of 48,60,000 shares of Debock and loan of ₹ 5,61,75,000 to Ms. Nazia Bano against 44,94,000 shares of Debock. Loan agreements were executed and were also provided to the Broker, Hem Securities where Mr. Abhishek's and Ms. Nazia Bano's accounts were maintained. However, Mr. Abhishek had revoked the said instructions and cancelled the transfer of shares. When enquired with Mr. Abhishek, it was informed that, instead of shares, he will give money as per present value of shares. Mr. Abhishek and Ms. Nazia also issued cheques dated 12.04.2023 of Adarsh Co-operative Bank Limited which were dishonoured by remark 'Account Closed'.

12.5. Legal Action has been initiated against Mr. Abhishek and FIR has been filed (Copy provided). After investigation of said matter, police filed its final report before the Magistrate and closed the complaint by stating that the dispute is civil in nature.

12.6. Pursuant thereto, civil suit(s) bearing no. 107 of 2023 and 108 of 2023 against Abhishek Khandelwal and Nazia Bano were filed. Subsequently, the said dispute was amicably settled between both parties by consent terms dated 13.06.2023(Copy provided).

12.7. Ajay Dahiya, Sheetal Jain, Rahul Khurana, Raju Ajmera and others had also defaulted in repaying loan amount. Therefore, recovery suits were filed against various borrowers for recovery of loan amount(s). As per the consent terms executed amongst parties, the matters got disposed of. A copy of consent terms 12.04.2023 and roznama of suit has been provided.

12.8. Under these circumstances, the following shares were received by him from various entities against loans and under the consent terms.

Table No. 4.

Sr. No.	Transferee	Number of Shares
1.	Sheetal Jain	24,00,000
2.	Ajay Dahiya	30,00,000
3.	Rahul Khurana	29,00,000
4.	Raju Ajmera	7,48,000
5.	Najiya Bano	74,00,000
6.	Abhishek Khandelwal	80,00,000
	Total	2,48,48,000 (sic)

12.9. Without prejudice, it is submitted that SEBI has not considered the market price of shares at the time of transfer of shares and not considered the fact that said acquisition is made against the loan amount given to Transferees. The average buy price per share is ₹ 12.1115. The details are as under.

Table No. 5.

Date	Transferee	No. of Shares	Market price	Total value
01.05.2023	Sheetal Jain	4,64,000	16.25	75,40,000
04.05.2023	Ajay Dahiya	10,00,000	16.10	1,61,00,000
04.05.2023	Rahul Khurana	9,60,000	16.10	1,54,56,000
25.05.2023	Sheetal Jain	18,64,000	17.50	3,26,20,000
25.05.2023	Sheetal Jain	72,000	17.50	12,60,000
25.05.2023	Ajay Dahiya	24,00,000	17.50	4,20,00,000
25.05.2023	Rahul Khurana	19,40,000	17.50	3,39,50,000
12.06.2023	Raju Ajmera	7,48,000	15.70	1,17,43,600
16.06.2023	Najiya Bano	74,00,000	16.05	1,18,77,000
16.06.2023	Abhishek Khandelwal	40,00,000	16.05	6,42,00,000
17.06.2023	Abhishek Khandelwal	40,00,000	16.05	6,42,00,000
	Total	2,48,48,000		30,09,46,600

12.10. Further, he got 4,88,025 shares at the time of IPO. Thus, the total cost of acquisition is as under.

Table No. 6.

Particulars	No. Shares	Avg. Price	Total Value
At a time of IPO	4,88,025	26.93	1,31,42,513
Bonus Shares	825	--	--
Purchased off-market	2,48,48,000	12.1115	30,09,46,600
Total	2,53,36,850		31,40,89,113
Total Avg. cost of acquisition			**12.36**

12.11. Without prejudice, considering the aforesaid cost of acquisition, the total alleged gains should be ₹7,57,07,467 instead of ₹37,66,55,212 as alleged in the SCN.

Table No. 7.

Particulars	No. of Shares	Total
Total Shares Sold-on market	2,53,36,850	38,97,96,580
Cost of Shares	2,53,36,850	31,40,89,113
Total alleged gains		**7,57,07,467**

Submissions by Noticee No. 4 [Ms. Priyanka Sharma]

13. Noticee No. 4 made submissions vide email/letter dated October 07, 2025 and March 29, 2026. During the hearing, the ARs of the Noticee No. 4 appeared and made submissions in line with the written reply dated March 29, 2026. Most of the submissions made by her are similar to the reply of Noticee No. 1 and 2. Rest of the specific submissions are summarized as under:

13.1. She is a housewife and has nothing to do with the Company. It is learnt from her husband that she was allotted some shares at the time of IPO and currently holding 0.01% of shares. In their community, women do not get involved in the business affairs and do not operate the bank accounts. Accordingly, her husband (Noticee No.2) used to operate the business affairs and her accounts.

13.2. She has no knowledge about any of the corporate actions taken by the Company and has nothing to do with it.

13.3. As learnt from her husband, Mr. Abhishek had replaced her mobile number and email id of the bank, withdrew money by forgery and deposited the amount in his personal accounts.

13.4. By doing fraudulent transactions, Mr. Abhishek took allotment of 1,50,000 shares of Debock in his and his wife, Nazia Bano's name. A FIR has been filed against them and Chargesheet has been filed by the police in the matter.

13.5. She has not received any money from Debock and ₹14 Crores received from Impex has been transferred back to Impex. The said transaction was executed by her husband and she has nothing to do with it.

Submissions by Noticee No. 8 [Mr. Sonu Sharma]

14. Noticee No. 8, vide his email dated October 08, 2025 and reply dated April 07, 2026, submitted the following:

14.1. He was associated with IT Indiabulls Private Limited, whose Director is Mr. Gaurav Jain. He worked in its Ahmedabad Office and his sole responsibility was to register the plots in Dholera SIR Project. Whenever any registration was due, the Company (IT Indiabulls Private Limited) (sic) used to send necessary instructions and documents based on which the registration was completed.

14.2. Since the company was operated from Jaipur, he was made to sign some documents and copies of his PAN and Aadhar were obtained. At that time, he was certain that IT Indiabulls Private Limited and DSML were working together.

14.3. A photograph of the Ahmedabad office has been provided which shows the logo of DSML was displayed at the Office of IT Indiabulls Private Limited.

14.4. It is submitted that any misuse of any document signed by him has been done without his knowledge or permission.

14.5. He started working at the Ahmedabad Office in December 2019 but on March 7, 2020, he was completely bedridden due to accident that happened near Ajmer while travelling from Ahmedabad to Jaipur. Copy of the ongoing court case under the Motor Vehicle Act has been provided. Subsequently, the office was closed due to Covid-19.

14.6. After March 2020, he had no connection with the said Company and neither had any financial transaction nor received any salary.

14.7. A copy of Board Resolution of IT Indiabulls Private Limited has been provided which clarifies that his role was merely executory, in accordance with the company's instructions.

14.8. Based on the aforementioned circumstances, it is stated that he had not participated in any alleged fraudulent activities, such as tampering with bank statements, preferential allotment, or misappropriation of funds. His name has been mentioned solely due to the past employment.

Submissions by Noticee No. 10 [Ms. Nishu Goyal]

15. Noticee No. 10 vide her letter/email dated October 05, 2025, email dated October 14, 2025, email dated November 04, 2025 and email dated April 10, 2026 has submitted the following.

15.1. Before her brief association with Debock Industries, she worked as a receptionist and administrative assistant (Offer letter provided) at DENFIN India Limited (Group Company of Mr. Mukesh Manveer Singh) with a monthly salary of ₹ 18,000, where her duties were strictly clerical, such as answering phones and maintaining office records. She resigned from DENFIN due to marriage.

15.2. In August 2017, Mukesh Manveer Singh offered her an administrative role at Debock Industries with a salary of ₹ 22,000. It was informed that her name would be used for certain procedural and documentation purposes before the Registrar of Companies, and she was assured that no managerial, financial, or compliance-related responsibilities would be assigned and her involvement would be limited to basic clerical and computer-related work. However, she was required to send ₹10,000 in cash every month so the company could use her name as "Chief Financial Officer" purely on paper for regulatory compliance

15.3. It was explicitly told that this arrangement was only for documentation convenience, based on the assurance she accepted this formal offer (Copy attached). Without her understanding of its legal implications, she was designated as CFO of Debock.

15.4. During her short association, she was presented with some documents for signature and she signed them trusting the assurance that the documents are routine office documents. No explanation was given to her and she had no understanding of the Company Laws and SEBI Regulations. No opportunity to consult for any advice was given. She did not prepare, review, approve or certify any financial documents.

15.5. From 2019 to June 2020, she continued to be shown on company records but she rarely visited the office and continued to receive a nominal salary. Mr. Mukesh Manveer Singh frequently sent documents for her signature and she signed them in good faith and under his repeated assurances. She was not allowed to review or keep copies of the records.

15.6. From July 2020 onwards, her salary was completely stopped, yet the company continued using her name and signatures on official filings without her active involvement or consent.

15.7. On July 9, 2023, she physically rejoined the office for routine clerical work at a salary of ₹ 30,000 upon the request of Mr. Mukesh Manveer Singh after being told that her help was needed to fix general documentation gaps. At that time her role was strictly limited to office documentation, document management and communication related tasks.

15.8. In August 2024, when certain allegations relating to financial and operational irregularities came to light in the Company, SEBI and the NSE issued notices seeking clarifications. She was wrongfully made a party to these proceedings but all the decisions were taken by Mr. Mukesh. She has always maintained the stand that she was not involved in any financial, operations or governance related activities of the Company.

15.9. She formally resigned as CFO on September 7, 2024. She continued minor casual clerical work until July 4, 2025. Only when Enforcement Directorate (ED) raided her house, she realized how badly her identity had been misused.

15.10. While formally denying all the allegations, it is submitted that no benefit, financial or otherwise has been derived by her. She has fully cooperated with SEBI and NSE and has provided all the relevant documents.

Submissions by Noticee No. 11 [Ms. Vandana Patidar]

16. Noticee No. 11 vide her email dated October 07, 2025 has submitted that she had worked in the Company for only four months and was given the position of CEO with a monthly salary of ₹ 50,000. She had no involvement with or claim on the company's finances. She only knew Mr. Mukesh and Mr. Abhishek, Ms. Nazia Bano, Mr. Ankit, and Shravya from the finance department. She did not receive any money other than the Salary. As far as she is aware, the financial transactions were

handled by the Account Officer and other than that, she has no knowledge of any financial matters or transactions of the company.

Submissions by Noticee 12 [Mr. Raju Ajmera], 15 [Mr. Bharu Ram], 20 [Mr. Rajesh Kumar Vishwas], 21 [Ms. Chetna], 22 [Mr. Kadir Kha]

17. Noticee No. 12, 15, 20, 21, 22 vide their emails dated October 06/07 2025 filed identical submissions. It is submitted that these Noticees used to work in the company earlier. At that time, Abhishek, Ankit, Nazia Bano were also working there and gave them the Company's shares. The said Noticees were informed that when such shares would be sold, they would receive money as bonus. On this pretext, their accounts were opened. After one year, Mr. Mukesh called them and informed that they have taken the shares illegally and asked to return the shares, otherwise, the company would take action and they would also be lodged in Jail like Abhishek and Nazia Bano. On October 18, 2024, they signed an agreement on stamp paper of ₹100. On November 28, 2024, payment was made and pursuant thereto, Company again sent them another notice dated December 11, 2024 asking them to make payment to the Company on which they obtained a decree from Court. The copies of documents obtained from Court referring to the actions taken by the Company against Abhishek khandelwal, Nazia Bano and Shravan Sharma has been provided along with the copy of settlement between them and the Company.

Submissions by Noticee No. 13 [Mr. Abhishek Khandelwal]

18. Noticee No. 13, vide email/letter dated March 29, 2026, has submitted the following.

18.1. That he is a victim in the entire transaction. The Noticee was merely a low paid employee in the Company and was working in the accounts team.

18.2. The KMPs of the Company used his name and other employees to allot certain shares as per their own whims and fancies. Upon the expiry of the lock-in period, such KMPs viz. Mr. Mukesh, Mr. Sunil Kalot, Ms. Priyanka Sharma and others transferred these shares into the name of Mr. Sunil Kalot.

18.3. Mr. Mukesh, Mr. Sunil Kalot, Ms. Priyanka Sharma have been acting in furtherance of their *modus operandi* to allot the shares in name of the employees and coerce them to sign blank documents and stamps in their favour. Thereafter, the employees are coerced to repatriate the shares into their names failing which false criminal proceedings are initiated against the employees.

18.4. The Noticee was rather the whistle-blower / complainant in reference to the illegal acts of these persons. The Noticee had filed several complaints in reference to illegal activities in Debock and thereafter, these persons went after him and kept on harassing him by filing frivolous criminal complaints/FIRs on the basis of false accounting statements and banking records.

Submissions by Noticee No. 14 [Ms. Najiya Bano]

19. Noticee No. 14 on receipt of the SCN vide her email dated October 29, 2025 sought 20 days' time to file the response. A reminder was sent to her vide email dated November 25, 2025 to file the reply. In response to which it was submitted that she would try to submit her response on the same day but no response was received from her. Pursuant to the hearing, vide letter/email dated March 29, 2026 she filed her reply and submitted the following.

19.1. She had no knowledge regarding such allotment as it was not applied by her. She was working in the sister concern of Debock in 2017 and the management of Debock was having the record pertaining to her.

19.2. She came to know about such allotment at later point of time. The shares were repatriated in the account of Mr. Sunil Kalot upon the completion of lock-in period.

19.3. She married Mr. Abhishek Khandelwal on march 09, 2022 and in 2023, Mr. Sunil Kalot and his allies initiated the false proceedings against the Noticee and her Husband so as to coerce them to transfer the shares back to him and also for restraining Mr. Abhishek Khandelwal from complaining about the illegal acts of management of Debock. Mr. Sunil Kalot and Mr. Mukesh with others carried out the necessary procedure for transferring the shares back to their name.

19.4. The Noticee was unable to access her Email ID and got to know about the proceedings only through her husband.

Submissions by Noticee No. 16 [Mr. Rahul Khurana]

20. Noticee No. 16 vide his email/letter dated November 04, 2025 and April 28, 2026 has submitted the following.

20.1. He was involved in several event management assignments with Mr. Mukesh. His initial association with him was purely professional. Due to continued association and trust, Mr. Mukesh approached and appointed him as CFO of Naturo Indiabulls Limited(sic) despite lacking any formal education or expertise in capital markets, finance, or company law. His qualification is 12th pass and he was not issued any formal offer or appointment letter. He did not consent to be the CFO.

20.2. On learning that his name is reflected as CFO, he immediately made verbal requests to Mr. Mukesh to remove his name. But no corrective action was taken. Due to his professional commitments in his own company, he was unable to give immediate or full attention to this issue at the time. He did not receive any salary or benefit. Any income during that time was because of his independent event management work.

20.3. All major financial, operational, and strategic decisions were solely taken by Mr. Mukesh. He was not involved in decisions regarding rights issues, fund transfers, supplier/vendor transactions, or accounting.

20.4. His Digital Signature Certificate was held and used by him (Mr. Mukesh), and he was asked to sign documents without any explanation about contents, purpose, or legal implications.

20.5. He was also allotted shares without consideration. Some transactions were routed through his bank account which was not operated by him. He is neither aware nor possess any information about these shares and transaction. (Bank statement provided)

20.6. That on the request and advice of Mr. Mukesh, he opened a Demat Account with Hems Securities Limited. He was unaware of any share allotments or transactions carried out through the said account. All such activities were done without his consent, knowledge, or authorization.

20.7. Subsequently, Mr. Mukesh stated that certain shares were mistakenly transferred to his account and requested him to provide signed cheques. Trusting him, he handed over the signed cheques, and Mr. Mukesh himself deposited the money into his account and subsequently transferred it to his company account.

20.8. Pursuant thereto, he started receiving legal notices. It was assured by Mr. Mukesh that all these matters would be handled but nothing happened.

20.9. He has not personally used, benefited from, or authorized any of the share transactions or funds associated with the said account.

20.10. Mr. Mukesh executed forged “Gift Deeds” in his name, without his knowledge or consent, to minimize his tax liability. His signatures on those documents do not match with his real signature. He was neither present nor authorized anyone to sign. Documentary evidence establishes the financial trail, proceeds connected to these deeds were handled and utilized exclusively by Mr. Mukesh and at no point did amounts accrue to him or his account.

20.11. It is a settled principle of law that liability under the regulatory framework of SEBI is not vicarious and an individual cannot be held legally responsible merely because of the position or title they hold in a company. The foundation of any finding of liability under SEBI laws rests not on formal designation but on actual involvement, knowledge, participation, or control over the transactions or conduct that is alleged to be in violation. There must be clear and cogent evidence demonstrating that the person concerned was actively engaged in the affairs of the company at the relevant point in time. It must be shown that the individual either directly participated in the impugned transactions, had knowledge of the alleged scheme, or exercised actual managerial or financial control over the operations. Mere presence on the board of directors or holding an official title such as CFO does not, by itself, establish culpability.

20.12. CFO without control or involvement in day-to-day operations must be treated differently from those who were the actual decision-makers. In the present case, it is submitted that the Noticee did not participate in any operational or financial decision of the company. He was neither aware of nor involved in the alleged diversion of funds or the rights issue transactions. He did not have control over bank accounts, board resolutions, or any internal commercial or financial processes. His appointment as CFO was purely nominal, induced through personal assurances by the key controlling individual, Mr. Mukesh Manveer Singh, who exercised exclusive control over every significant aspect of the company’s functioning. All decisions relating to financial transactions, external dealings and regulatory interactions were taken by him and his associates.

Submissions by Noticee No. 17 [Ms. Sheetal Jain]

21. Noticee No. 17 vide her email/letter dated October 05, 2025 has submitted the following.

21.1. She is a housewife and not highly educated and has two children. She has not worked anywhere before and has nothing to do with Debock. She has never been to their office.

21.2. The allegations in her name are false and it was done through forgery by using her documents at the behest of Mr. Mukesh.

21.3. Her husband, Mr. Gaurav Jain, used to work with Mr. Mukesh and he was told by Mr. Mukesh that he needed a trustworthy person for an equity share transfer of his company. On that belief, her husband handed over the documents to them. Mr. Mukesh executed a loan agreement between her husband and a man named Mr. Sunil Kalot, who was involved in giving shares in exchange for a loan.

21.4. On September 4, 2021, 1450000 shares were transferred to her, but no money was transferred into her account. According to the agreement, she was supposed to transfer these shares to Mr. Sunil, and none of the amounts mentioned in the agreement were ever deposited into her account. The agreement was created solely to appear legally valid and to facilitate the transfer of shares when needed.

21.5. Later, bonus shares were issued against these shares, bringing the total to 2,900,000 shares by April 2023, and another agreement was made regarding these shares. Out of these, 2,400,000 shares were transferred to Sunil, and the remaining 500,000 shares were sold directly from her account, generating an amount of ₹8,012,000, which came into her account. On the very same day, she transferred that money back into the account of Debock

Industries Limited. She neither utilized those shares nor did she profit by even a single rupee from them. However, a tax liability has been created against her, and Mukesh Manveer Singh has refused to take responsibility for it. Pursuant to SEBI's Notice, Manveer Singh gave a new turn to this share story. In a settlement agreement, he showed it in the name of an employee from his office to portray that everything was done fraudulently, and then he routed entries through her account, showing the value of these shares as ₹40,000,000.

Submissions by Noticee No. 19 [Mr. Harish Kumar Sharma]

22. Noticee No. 19 vide email dated October 05, 2025 submitted the following.

22.1. He met Mr. Mukesh, while looking for a job. Since he had no bank account, it was informed that his documents (PAN card and Aadhaar card) would be collected to comply with Company norms. His account was opened and apart from signature, nothing was done by him.

22.2. Subsequently, a firm in his name without his knowledge was created by him (Mr. Mukesh). He did not carry any transactions through the firm and did not use it for personal work. No money was received by him or sent by him in the name of firm.

22.3. Mr. Mukesh defrauded him under the pretext of offering a job at the company. He did not perform the work and did not ever go to the office.

22.4. He had no partnership or responsibility in any work of this company (Debock) and did not have any involvement in its financial or administrative matters. Manveer Singh made him sign cheques, which were then used in Debock to carry out his operations, thereby committing fraud against him.

22.5. Mr. Mukesh used him for the shares of Debock, which he learnt through the present SCN.

22.6. He merely provided the documents and his account was opened. In that account, neither his email was registered nor his address was taken, and the chequebook never arrived at his original address, due to which he was unaware of the transactions taking place.

22.7. Later, Mr. Mukesh told him that fraud had occurred in the company and some shares had been transferred into his name. He claimed he would fix it and protect him from the liability. Mr. Mukesh made him sign a fake settlement agreement and got some documents prepared by the court, about which he was not informed. He had no knowledge of these shares or money.

22.8. He only found out that shares had been transferred into his name and a large sum of money had been deposited into his account after receiving the SCN.

22.9. The SCN also mentions that a summons was previously sent to him for questioning and in this regard, it is clarified that he did not receive the summons at his address, which is why he was unaware of it. Had he received the summons, he would have appeared immediately to provide all information.

Submissions by Noticee No. 23 [Mr. Mahaveer Prasad Panchal]

23. Pursuant to the hearing, Noticee No. 23 vide email dated April 20, 2025 filed his submissions *inter alia* stating the following.

23.1. He was given an opportunity by Mr. Mukesh, to work in his factory on a partnership basis, where tipper trollies were manufactured.

23.2. He has experience in manufacturing machinery. Previously, he had his own machinery business, but due to financial losses, it could not be sustained. Subsequently, he installed the machines in the factory of Mr. Mukesh who used to assist from time to time in the manufacturing and machinery work. Mr.

Mukesh invested in the company, which was utilized for purchasing and repairing machinery parts.

23.3. Being a partner, he was paid ₹50,000 per month and he did not receive any other type of profit or money. His responsibility was strictly limited to office work and supervising the machinery in the factory and had no participation in the financial or administrative matters of the company.

23.4. Mr. Mukesh made him sign 4 blank cheques under the pretext of purchasing machinery goods for the Impex company, which he then misused in the Debock company to execute his own agendas, thereby committing fraud against him.

23.5. He was promised shares of Impex, for which he provided his Demat account. However, Mr. Mukesh used it for shares of Debock, which he came to know about only through the SCN.

23.6. One day, Mr. Mukesh stated that a separate bank account is needed to be opened in his name for the machinery funds. He submitted the documents and the account was opened. In that account, neither his email ID was registered, nor his correct address was taken, and the chequebook never arrived at his original address. Consequently, he was never aware of the transactions taking place. A massive fraud was committed using his name, and the complete control and usage of the account remained with Mr. Mukesh and he had zero knowledge of any transactions.

23.7. Later, Mr. Mukesh mentioned that fraud had taken place in the company and some shares had been transferred to his name. He assured that he would rectify it and save him from any liability and made him sign a fake settlement agreement and got some documents prepared by the court, about which he was not properly informed. He had no knowledge regarding such shares or money.

23.8. Only after receipt of the SCN, he realized that shares had been transferred to his name and a huge amount of money had been deposited into his account.

23.9. He did not receive the summons at his address, which is why he had no prior information. Had he received the summons, he would have appeared immediately and provided all information.

Submissions by Noticee No. 27 [Mr. Gaurav Jain]

24. Noticee No. 27 vide letter dated October 07, 2025, emails dated October 11, 2025, November 05, 2025 and April 15, 2026 submitted the following:

24.1. He was appointed as a Director and Promoter of Naturo IndiaBull Private Limited (later Naturo Agrotech India Limited). The appointment was done by Mr. Mukesh. He had no prior experience or expertise in capital markets, finance, or company law, being merely a 12^{th} pass individual with no professional or technical background in corporate or financial matters.

24.2. While designated as Managing Director of Naturo IndiaBull, the entire operational, financial, and strategic decision-making power was exclusively retained and exercised by Mr. Mukesh.

24.3. He was not involved in or consulted for any decision relating to rights issues, preferential allotments, fund movements, supplier/customer transactions, or accounting.

24.4. All company bank accounts, dealings with merchant bankers, auditors, regulators, and vendors were handled by Mr Mukesh.

24.5. He was directed to sign documents, often under pressure and without being explained their contents, purpose, or legal implications.

24.6. Regarding the alleged circular transactions involving "Sands Entertainment", a proprietorship firm in his name, it is submitted that while the firm was nominally registered in his name and he was shown as the signatory to its bank account, the entire creation, operation, and control of Sands Entertainment was exclusively in the hands of Mr. Mukesh. All decisions relating to the opening of the firm, banking operations transactions, and fund movements were taken by Mr. Mukesh without his knowledge, understanding, or participation. He merely signed documents and forms as instructed, without being made aware of the nature or purpose of the transactions. No monetary benefit or consideration accrue to him from the activities of Sands Entertainment.

24.7. Regarding the allegation that the proceeds of right issue of Debock were diverted through Naturo Indiabull Limited, it is submitted that he did not conceive, plan, or execute the rights issue or any related transaction. He did not authorize, approve, or direct any transfer of funds to or from Naturo IndiaBull Limited in connection with the rights issue. The gift of shares from Mr. Mukesh was directly linked to his assurance of compensating Mr. Gaurav for the loss he suffered in the property transaction, and not in furtherance of any illegal activity.

24.8. He never received or controlled any proceeds from these shares nor participate in their sale or liquidation.

24.9. Mr. Mukesh executed two gift deeds dated April 20, 2022 and September 19, 2022 in his name without his consent for evading tax liability. The signatures appearing on these gift deeds are forged. At the time of execution, he had no knowledge of the execution of these Gift Deeds and he did not receive any benefit, consideration, or advantage pursuant to them.

24.10. The financial trail clearly establishes that the amounts did not accrue to his account or for his benefit.

24.11. He has not engaged in any share trading, securities investment or any other capital market transaction. All demat accounts in his name were opened, maintained, and operated entirely at the instance and under the direction and control of Mr. Mukesh and his associates.

24.12. He had no knowledge of SEBI Regulations, Stock exchange procedures, compliance requirements, etc.

24.13. He formally resigned from the directorship of Naturo Agrotech India Limited in September 2025 and other entities linked to Mr. Mukesh (DIR 11 form provided).

24.14. He made identical legal submissions in line with the submissions of Noticee No. 16 referred above in para 20.11 and 20.12.

Consideration and Findings

25. At the outset, on a careful perusal of the contents of the SCN, the material available on record, the replies filed by the Noticees, and the submissions advanced during the personal hearings, I find that none of the Noticees have effectively dealt with or rebutted the documentary evidence or the factual findings recorded in the SCN, nor have they demonstrated, on the basis of any cogent material, that the conclusions drawn therein are erroneous or unsustainable. One common theme that emerges in the replies/submissions of almost all the Noticees is unsubstantiated denials of the allegations and blame-shifting. It is noted that the allegations levelled in the SCN are based upon documentary evidence and material gathered during the investigation. An interim Order dated August 23, 2024 followed with a Confirmatory Order dated December 11, 2024 was passed against the Noticee No. 1, 2,3 and 4. However, the replies, instead of meeting the allegations on their merits, substantially consist of rival narratives advanced by two groups of Noticees. While one group (Noticee No. 1-4) seeks to attribute the entire responsibility for the alleged violations to some of the Noticees mainly Noticee No. 13 and 14, most of

the other Noticees including Noticee No. 13 and 14, in turn, are attempting to portray themselves as the victim of a scheme allegedly conceived and orchestrated primarily by Mr. Mukesh Manveer Singh (Noticee No. 2).

26. The Company, Mr. Mukesh Manveer Singh along with Noticee No. 3 and 4 have also placed reliance upon the registration of criminal complaints/FIRs in support of their respective versions. In my considered view, the existence or pendency of such criminal proceedings, and the allegations made therein, fall beyond the scope of the present proceedings. The issues arising in those proceedings are distinct and are required to be adjudicated by the competent forum in accordance with law. Consequently, the rival allegations exchanged between such Noticees as referred above and the pending criminal proceedings cannot be determinative of the issues arising for consideration in the present proceedings.

27. The scope of the present proceedings is confined to examining whether, on the basis of the material available on record, the documentary evidence relied upon in the SCN, and the applicable statutory and regulatory framework, the Noticees have discharged their legal obligations and whether the alleged violations stand established. In the absence of any meaningful or specific rebuttal to the documentary evidence and the factual findings contained in the SCN, and since the rival versions advanced by the Noticees merely seek to apportion blame amongst themselves without dislodging the evidentiary foundation of the allegations, I am constrained to adjudicate the matter on the basis of the material available on record and the legal obligations cast upon the Noticees. The *inter se* disputes amongst the Noticees cannot, by themselves, constitute a defence to the regulatory violations alleged in the SCN, nor can they detract from the evidentiary value of the material forming the basis thereof.

28. Having said that, I proceed to consider the charges levelled against the Noticees in light of the applicable legal framework and deal with the specific submissions, if any, made by the Noticees in that regard.

29. The SCN has *inter alia* alleged the following against the Company:

Inflation of financials of the company through fictitious purchases and sales

29.1. After examining the ledgers and bank account statements of the company, it is noted that a significant portion of the purchases and sales reported in the published financial statements of the company were fictitious. It was noted that there was significant increase in sales and purchases from FY 2021-22 and FY 2022-23 as compared to FY 2020-21 and that the said increase in sales had coincided with the migration of the company from SME platform (NSE Emerge) to Mainboard in March 2022. The annual consolidated sales (turnover) and purchases of Debock during 2020-21 to 2023-24 as per the financial statements are summarized as follows:

Table No. 8. (₹ in Crores)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Sales (turnover)	30.78	97.37	146.4	98.26
Total Purchases	24.69	92.79	117.08	82.15

29.2. Further, significant portion of the reported purchases and sales of the company were with entities connected to the Promoters/Directors of Debock and/or its Group Company. It is observed that over 72% of sales and 94.34% of purchases of Debock during the FY 2021-22 were with such entities connected to its promoters or directors. Similarly, 77.88% of sales and 94.03% of purchases of Debock during the FY 2022-23 and 94.81% of sales and 93.13% of purchases during FY 2023-24 were with such connected/related entities. A summary of such transactions is as follows:

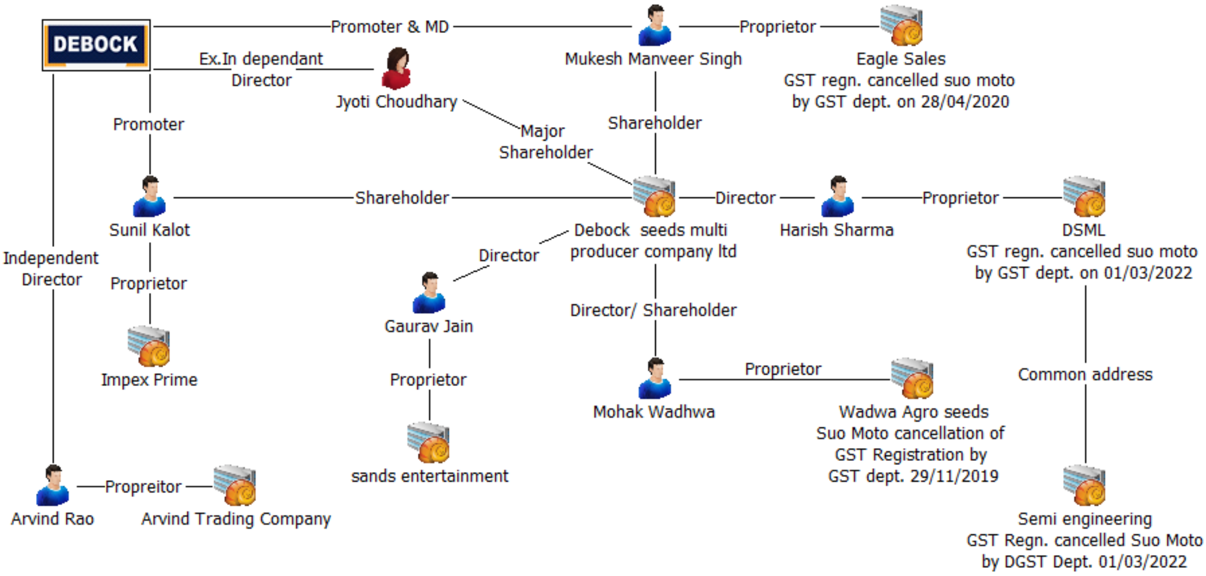
Table No. 9. (₹ in Crores)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Comments
Sales				
Wadwa Agro Seeds	19.66	63.61	20.46	Linked/connected party (Proprietorship firm of Mohak Wadhwa)
DSML	9.11	50.41	15.19	Linked/connected party (Proprietorship firm of Harish Sharma)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Comments
Eagle Sales	20.92	-	-	Disclosed Related Party (Proprietorship firm of Mukesh Manveer Singh)
Arvind Trading Company	20.41	-	-	Undisclosed related party(proprietorship firm of Mr. Arvind Rao)
Torrex Ventures Limited	-	-	23.28	Disclosed related party
Impex Agrotech Limited	-	-	14.48	Disclosed related party
Debock Ventures Limited			19.76	Disclosed related party
Total Sales from above parties	**70.10**	**114.02**	**93.17**	**-**
Total Sales of Debock	97.37	146.4	98.26	
% of Revenue from disclosed/ undisclosed / linked / related parties to the total sales of Debock	**72%**	**77.88%**	**94.81%**	**-**
Purchases				
Impex Prime Engineering Works	36.83	51.72	3.89	Related party(Proprietorship firm of Mr. Sunil Kalot)
Semi Engineering	50.71	58.37	31.87	Linked/connected entity(having Common Address with DSML)
Sands Entertainment			40.75	Linked/connected entity(Proprietorship firm of Gaurav Jain)
Total purchases from above parties	**87.54**	**110.09**	76.51	**-**
Total Purchases of Debock	92.79	117.08	82.15	
% of Purchase from related / linked parties to the total purchases	**94.34%**	**94.03%**	**93.13%**	**-**

29.3. The connections observed with related/linked entities from whom goods were purchased and sold are summarized in the chart below.

Flow Chart No. 1



Transactions recorded in *non-existent* bank accounts:

29.4. On analysis of ledgers of linked entities and related parties in the books of Debock for the period from April 01,2022 to March 31,2023, it was observed that most of the payments and receipts were recorded in the bank account [Equitas Small finance bank (Equitas) Account no – 200000806982]. The same are summarized in the following table.

Table No. 10. (in Crores)

Particulars	FY 2021-22			FY 2022-23			FY 2023-24		
	Amount of transaction	Receipts/ payments from equitas bank	% of receipts payments recorded in Equitas bank	Amount of transaction	Receipts/ payments from Equitas bank	% of receipts payments from Equitas bank	Amount of transaction	Receipts/ payments from Equitas bank	% of receipts payments from Equitas bank
Sales									
Wadwa Agro Seeds	19.66	19.66	100%	63.61	43.74	68.76%	20.46	3.58	17.49%
DSML	9.11	7.65	83.97%	50.41	43.74	86.77%	0	0	0%
Eagle Sales	20.92	22.63	108.17%#	0	0	0%	0	0	0%
Arvind Trading Company	20.41	18.17	89.02%	0	0	0%	0	0	0%
Total sales to linked entities	70.1	68.11	97.16%	114.02	87.48	76.72%	20.46	3.58	17.49%
Total Sales	97.37			146.4			98.26		
% of fictitious receipts recorded in Equitas Bank as % of Total Sales	69.95%			59.75%			3.64%		
Purchases									
Impex Prime Engineering Works	36.83	38.04	103.29%#	51.72	51.72	100%	0	0	0%
Semi Engineering	50.71	50.19	98.97%#	58.37	55.36	94.84%	31.87	3.73	11.70%
Total purchases from linked entities	87.54	88.23	100.79%#	110.09	107.08	97.27%	31.87	3.73	11.70%
Total purchases	92.79			117.08			82.15		

Particulars	FY 2021-22				FY 2022-23			FY 2023-24		
	Amount of transaction	Receipts/ payments from equitas bank	% of receipts payments recorded in Equitas bank		Amount of transaction	Receipts/ payments from Equitas bank	% of receipts payments from Equitas bank	Amount of transaction	Receipts/ payments from Equitas bank	% of receipts payments from Equitas bank
% of fictitious payments recorded in Equitas Bank as % of Total purchases	95.09%				91.46%			4.54%		

29.5. The details regarding the underlying bank accounts for the month of April 2022 were sought from the company. In response, company submitted the bank statements and also physical copies of the bank statements, and other related documents certified under the Signature of Mr. Mukesh Manveer Singh and the company stamp. To independently ascertain the trail of funds, bank statement for the said Equitas bank account was sought, and it was noted that the said bank account was closed on November 09, 2020 and the closure proceeds (₹497.50) were credited to IT Indiabull Private Limited (subsequently renamed as Naturo Indiabull Limited). Thus, the company recorded its sales and purchases in an bank account which was closed earlier.

Transactions Recorded as receipt and payment in the ledger but not found in the respective bank account:

29.6. The SCN has observed that during the FY 2023-24, the following amounts were recorded as payments and receipts in the ledger of the mentioned parties in the Bank account.

Table No. 11. (₹ in Crores)

Purchases			Sales		
Name of the party	**Amount**	**Bank account as per ledger**	**Name of the party**	**Amount**	**Bank account as per ledger**
Semi Engineering	18.70	ICICI/777705956180 Axis/921020030160622	Wadhwa Agro	11.46	ICICI/777705956180
Impex Prime Engineering Works	3.25	ICICI/ 777705956180	DSML	10.40	ICICI/777705956180
Total	**21.95**		**Total**	**21.86**	

29.7. However, when the corresponding bank statements were directly obtained from the banks, it was observed that the corresponding entries were not there in the respective bank statements.

Circuitous transactions found in the bank accounts:

29.8. The SCN has also observed that from FY 2021-22 onwards, Debock had recorded its sales and purchases transactions in its bank accounts with Adarsh Co-operative Bank and ICICI Bank. It was observed that there was circulation of funds between major suppliers and customers of Debock on the same day. The SCN has provided many such patterns of Circular transactions. The year-wise break up of such transactions is summarized in the following table:

Table No. 12. (Amount in ₹ Crores)

Name of bank	**Bank Account No.**	**FY 2023-24**		**FY 2022-23**		**FY 2021-22**	
		Sales	**Purchases**	**Sales**	**Purchases**	**Sales**	**Purchases**
ICICI Bank	777705956180	16.83	16.87	-	-	-	-
Adarsh Co-operative Bank	046014100000560	6.07	5.77	3.53	3.57	-	-
Total		**22.90**	**22.64**	**3.53**	**3.57**	**-**	**-**

Circular transactions observed in ***ICICI Bank (FY 2023-24)***

29.9. The amount of ₹16.87 Crore paid to Sands Entertainment for purchase was received back by Debock through Debock Ventures Limited and Impex as sales:

Table No. 13. (Amount in ₹ Crores)

Payment from Debock's ICICI Bank account	Amount	Receipt in Debock's ICICI Bank account	Amount.
Sands Entertainment (Sands)	16.87	Debock Ventures Limited	8.66
		Impex Agro	8.17
Total	**16.87**		**16.83**

29.10. Some of the purchase /sales transactions entered into by Debock followed a simple *one to one* circuitous transaction involving three entities viz., Debock, Sands and Debock Ventures, while many such transactions followed a complex route through multiple connected/ promoter entities with money crossing through Sands Entertainment multiple times. Many such transactions have been referred in the SCN, some sample illustration(s) are reproduced below.

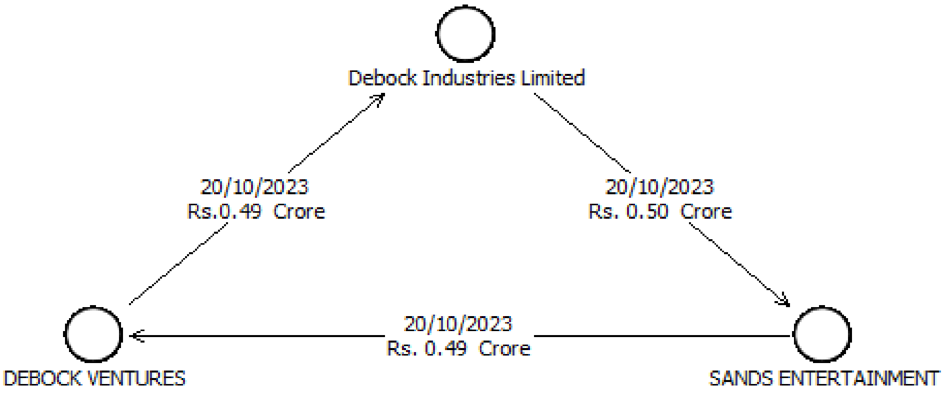
29.10.1. The fund movement of ₹0.50 Crore originated from Debock and ended with Debock in a circuitous manner.

Table No. 14. (Amount in ₹ Crores)

Date	From entity	From Bank	From Bank account No	To entity	To Bank	To Bank account No	Amount
20/10/2023	Debock Industries Limited	ICICI	777705956180	Sands Entertainment	ICICI	361605000551	0.50
20/10/2023	Sands Entertainment	ICICI	361605000551	Debock Ventures	ICICI	675905501030	0.49
20/10/2023	DEBOCK VENTURES	ICICI	675905501030	Debock Industries Limited	ICICI	777705956180	0.49

29.10.2. A flowchart of the transactions is given below:

Flow Chart No. 2



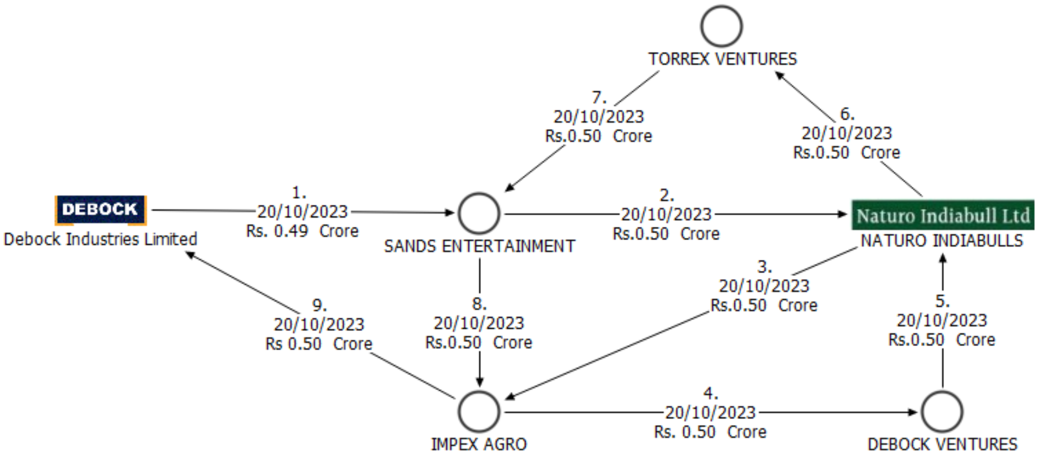
29.10.3. Similar Circuitous transactions involving these three entities were observed on various occasions. Summary of the same is as per the below Table:

Table No. 15. (Amount in ₹ Crores)

Date	**Circuitous transaction involving**	**Total amount**	**No of circles**
20/10/2023	Debock-Sands-Debock Ventures-Debock	0.49	1 (shown in the Table and Flow Chart above)
20/10/2023		0.50	1
23/10/2023		3.98	4
06/11/2023		1.01	2
07/11/2023		0.45	1
20/12/2023		2.22	2
Total		**8.65**	**11**

29.10.4. Some of the purchase /sales transactions entered into by Debock followed a complex route through multiple connected/ promoter entities with money crossing through Sands Entertainment multiple times. One of the illustration of such circuitous transactions is given below. It is observed that the fund movement of ₹0.50 Crore were one to one fund transactions that originated from Debock and ended with Debock in a circuitous manner.

Flow Chart No. 3



Circular transactions observed ***in Adarsh Bank (FY 2023-24) - Account no. 046014100000560***

29.11. The SCN observed that on multiple occasions similar circuitous transactions were observed in the Adarsh Co-operative Bank Account also. Such circuitous transactions involving multiple entities wherein, one to one fund transactions that originated from Debock and ended with Debock were observed The SCN has observed many such transactions. For brevity, a few of the transactions are reproduced below.

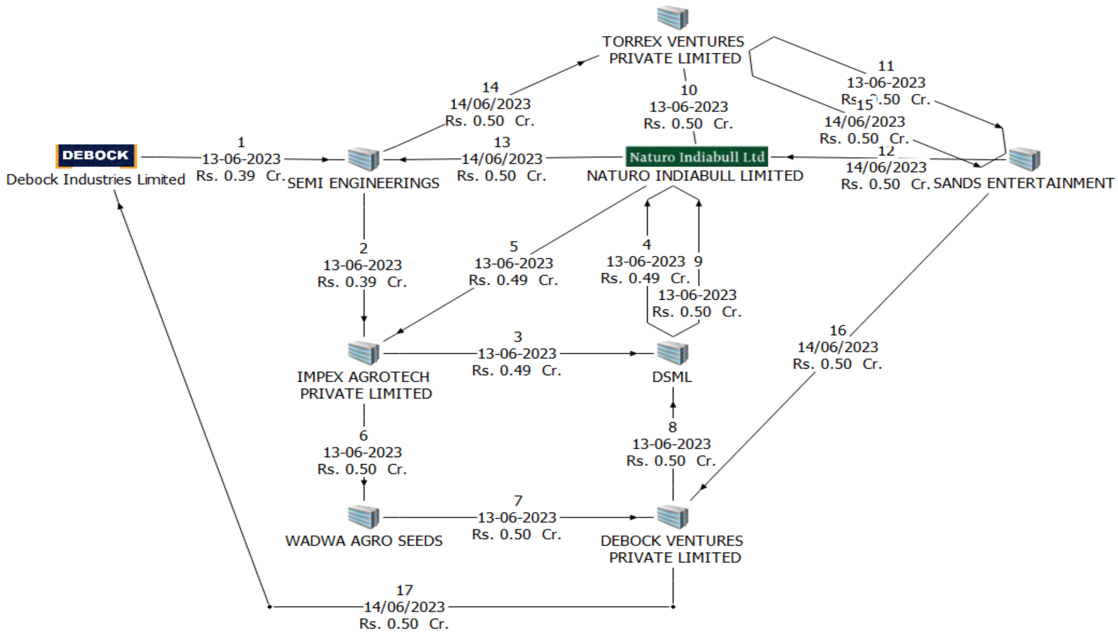
29.11.1. Payments of ₹ 2.46 crore by Debock to Sands Entertainment and ₹ 3.31 crore by Debock to Semi Engineering were received back by Debock through various layers through circuitous transactions.

Table No. 16. (Amount in ₹ Crores)

Purchases (Payment)	**Amount**	**Sales (Receipt)**	**Amount**
Sands Entertainment	2.46	Torrex Ventures Limited	2.29
Semi Engineering	3.31	Debock Ventures Limited	2.31
		DSML	0.98
		Wadwa Agro	0.49
Total	**5.77**		**6.07**

29.11.2. On June 13, 2023 an amount of ₹ 0.50 Crore was circulated through a network of connected entities that created fictitious purchases and sales in the books of Debock.

Flow Chart No. 4



*Circular transactions observed in Adarsh Bank in **FY 2022-23- Account no. 046014100000560***

29.12. During the FY 2022-23, it was noted that Debock made payments to various entities as per table below which were returned to Debock in the guise of sales after routing the amount through multiple layers of entities. NK Traders and RLK Traders were proprietary firms registered in the name of the employees of Debock viz., Abhishek Khandelwal and his wife Najia Bano respectively. Naturo Indiabull Ltd. is a company in which Mr. Gaurav Jain was the Managing Director at the relevant point of time.

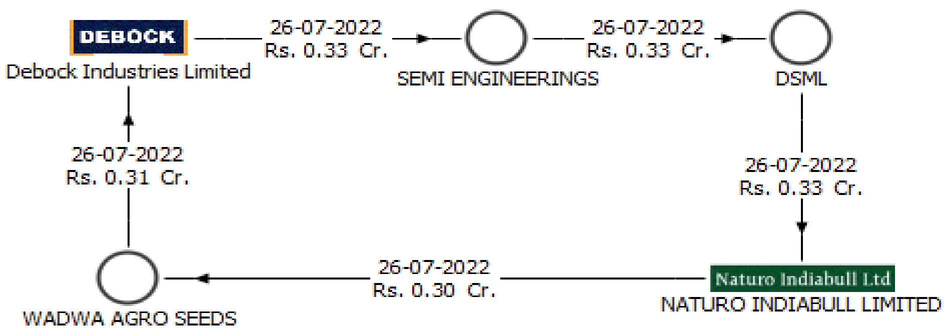
Table No. 17. (Amount in ₹ Crores)

Purchases (Payment)	Amount	Sales (Receipt)	Amount
Semi Engineering	1.82	Wadwa Agro seeds	1.06
Naturo IndiaBull Limited	0.98	Semi Engineering	0.25
RLK Traders	0.77	Naturo IndiaBull Limited	0.49
		NK traders	1.73
Total	**3.57**		**3.53**

29.13. Various circuitous patterns followed in the purchases and sales during 2022-23 are depicted through charts indicating the flow of funds as follows:

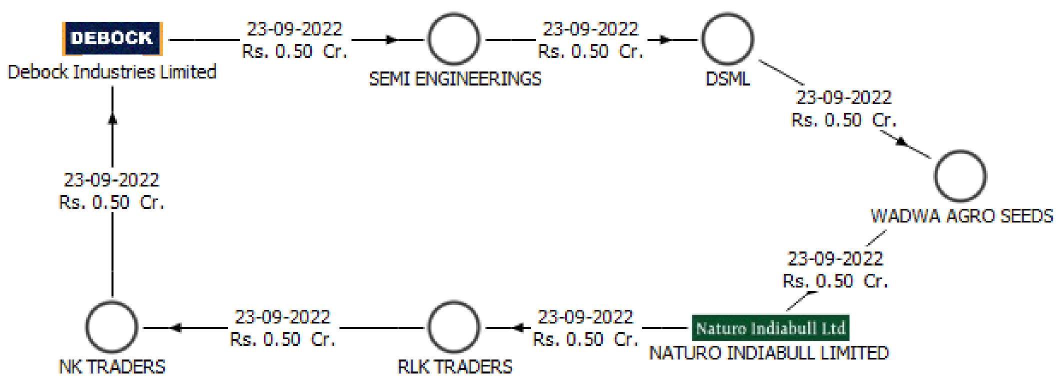
29.13.1. An amount of ₹ 0.33 crore was transferred to SEMI Engineerings on July 26, 2022 and ₹ 0.31 Crores was returned to Debock on the same date in the following manner.

Flow Chart No. 5



29.13.2. Similarly, Circuitous purchases/ sales involving 5-6 entities were observed in September 2022 as pictorially summarized below.

Flow Chart No. 6



29.13.3. A summary of the circuitous transactions executed by Debock during FY 2021-22 to 2023-24 is provided in the Table below:

Table No. 18. (Amount in ₹ Crores)

Particulars	**FY 2023-24**		**FY 2022-23**	
	Sales	**Purchases**	**Sales**	**Purchases**
Transactions identified as circuitous transactions	22.90	22.64	3.53	3.57

Qualified Opinion by Statutory Auditor

29.14. In the audit report for quarter ended March 2024, the statutory auditor i.e. Mittal & Associates, had also included *emphasis of matter* paragraph raising doubts on the physical movement of goods, inconsistencies in levying GST/TDS/TCS and transfer of sale receipts from sale of goods to third parties immediately.

29.15. Further, the GST authorities had *suo motu* cancelled the GST Registrations of most of these entities involved in these transactions with Debock as detailed below.

Table No. 19.

Name of the entity	GSTN No.	Date of suo motu cancellation of GSTN by GST authorities
M/s Wadwa Agro Seeds	08ACDPW4679A1ZD	November 29, 2019
M/s DSML	08KJFPS7132P1Z9	Effective from March 1, 2022.
M/s Eagle Sales	08AMHPM1429Q2ZI	April 28, 2020.
M/s Semi Engineering	08ISIPS4427R1ZM	Effective from March 1, 2022.
Arvind Trading Company	08ADXPR6146a1Z6	Effective from May 30, 2019

29.16. A summary of the total fictitious purchases and sales by Debock as detailed in the previous paras and its percentage contribution to total purchases and sales in each financial year is placed bellow:

Table No. 20. (Amount in ₹ Crores)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Sales	Purchases	Sales	Purchases	Sales	Purchases
Total value of sales/ purchases reported in financial statements	**98.26**	**82.15**	**146.4**	**117.08**	**97.37**	**92.79**

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Sales	**Purchases**	**Sales**	**Purchases**	**Sales**	**Purchases**
Recorded in *non-existent* bank account	3.58	3.73	87.48	107.08	68.11	88.23
Recorded as receipt and payment in the ledger but not found in the respective bank accounts	21.86	21.95	NA	NA	NA	NA
Transactions identified as circuitous transactions	22.90	22.64	3.53	3.57	-	-
Total fictitious transactions	**48.34**	**48.32**	**91.01**	**110.65**	**68.11**	**88.23**
% of fictitious transactions to total	**49.19%**	**58.82%**	**62.17%**	**94.51%**	**69.95%**	**95.09%**

29 In defense of the allegations, *none* of the Noticees including the Company have made any meaningful submissions. The inflation of sales and purchases is apparent from the ledger and bank statements (both existent and non-existent). It is obvious that significant portion of the reported sales and purchases have been with the entities connected with the Promoters/Directors of Debock and/or its Group Company. A substantial portion of the purchase and sales transactions recorded in the books of Debock were either shown in a non-existing bank account or there were no such transactions in the respective bank accounts. The sham transactions were disguised as purchase and sales. It is rather appalling that the Company submitted forged bank statements to SEBI. The Company has willfully failed, neglected, or otherwise omitted to submit any written submission, defense, or rebuttal in this regard. The only defense put forth by the Managing Director of the Company, Mr. Mukesh Manveer Singh is that it was done *by / at the behest of* few of its employee, who were delegated the responsibilities by the Company. No justification or even attempts have been made to clarify the inflation of the financials or to answer the serious allegation made against the Company. It could also be that the inflation is so obvious that no justification would be sufficient. Even the Statutory Auditor i.e. Mittal & Associates, had included *emphasis of matters*

paragraph in its opinion and had raised doubts on the physical movement of goods, inconsistencies in levying GST/TDS/TCS and transfer of sale receipts from sale of goods to third parties immediately. Incidentally, the GST Registration Numbers of many of such entities, through which Debock had the dealings, were cancelled *suo motu* by the GST authorities.

30 One of the connected entities, through which substantial portion of sales and purchases were recorded and through which round tripping was done, is 'Sands Entertainment', the proprietorship firm of Mr. Gaurav Jain. It is also observed that Mr. Gaurav Jain, shared a large number of common directorships with Mr. Mukesh Manveer Singh in companies such as Torrex Ventures Limited, Debock Ventures Limited, Impex, etc. and had also acted as representative of Debock in the FIR filed by Debock against some of its employees. In this regard, it is submitted by Mr. Gaurav Jain that even though the firm was nominally registered in his name and he was shown as the signatory to its bank account, the entire creation, operation, and control of Sands Entertainment was exclusively in the hands of Mr. Mukesh Manveer Singh. Without going into the specific aspect of who controlled the firm, so far as the Company/Debock is concerned, Sands Entertainment was a connected entity and the financials of the Company/Debock were inflated is paramount.

31 Thus, based on the observations made above, the aim of the Company was seemingly obvious i.e. to inflate their financials by adopting various modes viz. entering into sales and purchases with connected entities, fictitious purchases and sales and round tripping of funds. Therefore, the allegation that the financials of the Company were inflated stands established.

Transactions with firm owned by the Independent Director

32 Debock was alleged to have transacted with the entity viz. M/s Arvind Trading Company ("ATC"), a proprietorship concern of Mr. Arvind Rao, who is also an independent director of Debock since August 8, 2017. As per the latest annual

report of the company for FY 2023-24, available on the NSE website, he was in the board of Company as a Non-Executive Independent director. The Company did not disclose its transactions with ATC as Related Party Transactions (RPTs) in the published financial statements of the company for the FY 2021-22.

33 It is noteworthy that Debock had sold goods worth ₹20.41 Crores to ATC during FY 2021-22 out of its total turnover of ₹30.77 Crores. Considering that the said sales to ATC were 66.33% of its annual consolidated turnover, the same was a material transaction in terms of the proviso to regulation 23(1) of LODR Regulations. It is alleged that Debock did not follow the process of audit committee approvals and other statutory compliances required in terms of Regulation 23 of LODR Regulations.

34 Thus, as alleged, these transaction should have been disclosed as a material related party transaction and should have followed the statutory requirements for approval of related party transactions including audit committee approvals and shareholder approvals in terms of Regulation 23(2) and 23 (4) read with Regulation 23 (1) of LODR Regulations.

35 Also, in terms of Regulation 16(1)(b)(vi)(E) of the LODR Regulations, an independent director shall not be a material supplier, service provider or customer or a lessor or lessee of the listed entity. ATC (proprietorship concern of Mr. Arvind Rao) was a material supplier to the company during the FY 2021-22. The board of Debock during the relevant time comprised six members with Mr. Mukesh Manveer Singh as the Executive Chairperson. In such a scenario, at least half of directors on the Company's board should have been independent directors as per Regulation 17(1)(b) of LODR Regulations. The board of Debock comprised three independent directors including Mr. Arvind Rao during the relevant FY. Considering that Mr. Arvind Rao was not qualified to be an independent director, effectively there were only two independent directors in the board of Debock. Hence, the board constitution of Debock was not in compliance with Regulation

17(1)(b) (Composition of Board of Directors) of LODR Regulations for the FY 2021-22.

36 No justification or defence has been put forth by the Company in this regard. Therefore, in the absence of any defense or contradictory evidence refuting the allegations contained therein, the documentary evidence on record stands uncontroverted. Accordingly, the violation of Regulation 23(2) and 23 (4) read with Regulation 23 (1) and Regulation 17(1)(b) of the LODR Regulations stands established against the Company.

Preferential Issue of Warrants- 1 (FY 2021-22):

37 It is observed that the company migrated to the main board from NSE (Emerge) in March 2022. Prior to the same, the company made preferential issue of convertible warrants during September 2021. 3,00,00,000 convertible warrants were issued at ₹12.5 per warrant. The warrants were converted to equity shares in 2 tranches of 1,50,00,000 each on February 10, 2022 and April 25, 2022. Total Application Money for issuance of warrants was ₹9.375 Crores and amount Payable on conversion of warrants to equity in each tranche was ₹14.0625 Crore. The total amounts involved in these transactions are as follows:

Table No. 21. (Amount in ₹ Crores)

Sr. No.	Name of the Allottee	Category	No. of warrants allotted (13/09/2021)	1st Conversion 10/02/2022 (no. of shares)	2nd conversion 25/04/2022 (no. of shares)
1.	Mr. Mukesh Manveer Singh	Promoter	1,05,00,000	44,92,000	60,08,000
2.	Mr. Raju Ajmera	Promoter	35,00,000	21,26,000	13,74,000
3.	Mr. Abhishek Khandelwal	Non-promoter	40,00,000	24,30,000	15,70,000
4.	Ms. Najiya Bano	Non-promoter	37,00,000	22,47,000	14,53,000
5.	Mr. Bharu Ram	Non-promoter	37,00,000	22,43,000	14,57,000
6.	Mr. Rahul Khurana	Non-promoter	14,50,000	4,80,000	9,70,000
7.	Ms. Sheetal Jain	Non-promoter	14,50,000	4,82,000	9,68,000
8.	Mr. Ajay Dahiya	Non-promoter	17,00,000	5,00,000	12,00,000

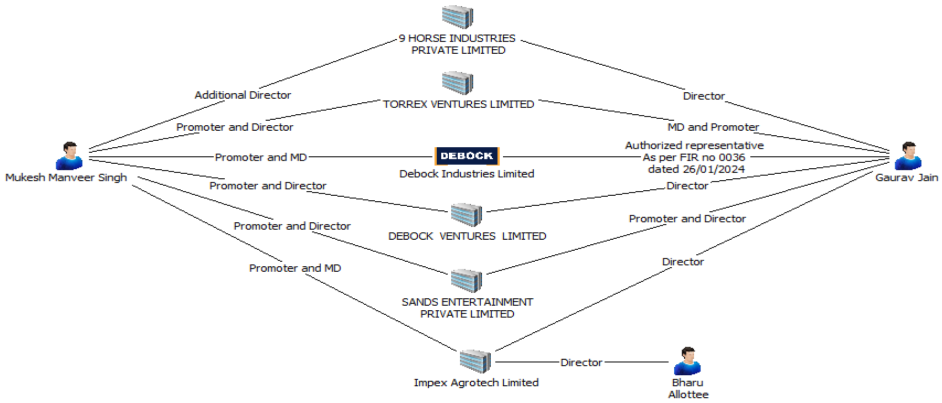
Sr. No.	Name of the Allottee	Category	No. of warrants allotted (13/09/2021)	1st Conversion 10/02/2022 (no. of shares)	2nd conversion 25/04/2022 (no. of shares)
	Total number of securities		3,00,00,000		
	Total Amount		₹9.37 crores	₹ 28.20 crores*	
			₹ 37.57 crores		

**As submitted by the company vide email dated June 14, 2024. However, the transactions are not reflected in bank statement*

38 It was also observed that the allottees were connected to the Company as per the details mentioned below:

i. Mr. Mukesh Manveer Singh and Mr. Raju Ajmera are the promoters of Debock. Mr. Abhishek Khandelwal was the accountant in Debock. His wife Ms. Najia Bano was also an employee in Debock. Mr. Gaurav Jain is the Managing Director and promoter of a BSE listed SME Company Naturo Indiabulls Limited. He is a business partner of Mr. Mukesh Manveer Singh and both of them share directorship and shareholding in a number of companies as seen from the chart below:

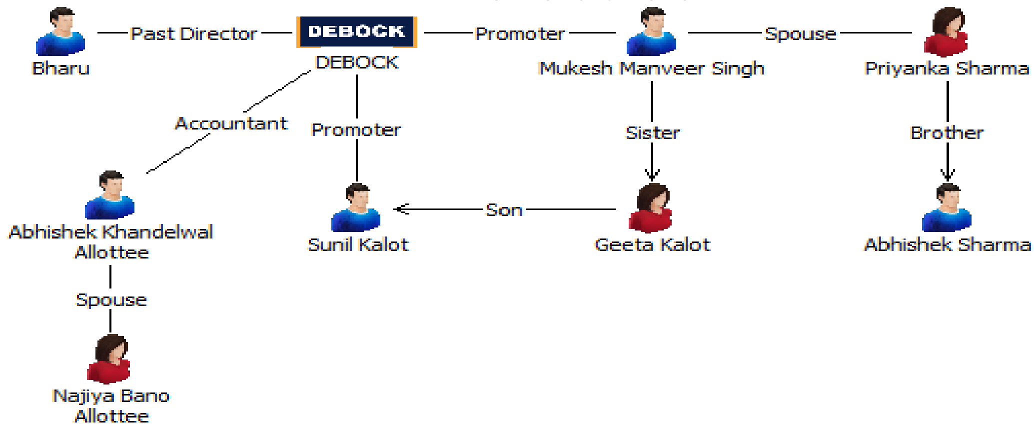
Flow Chart No. 7



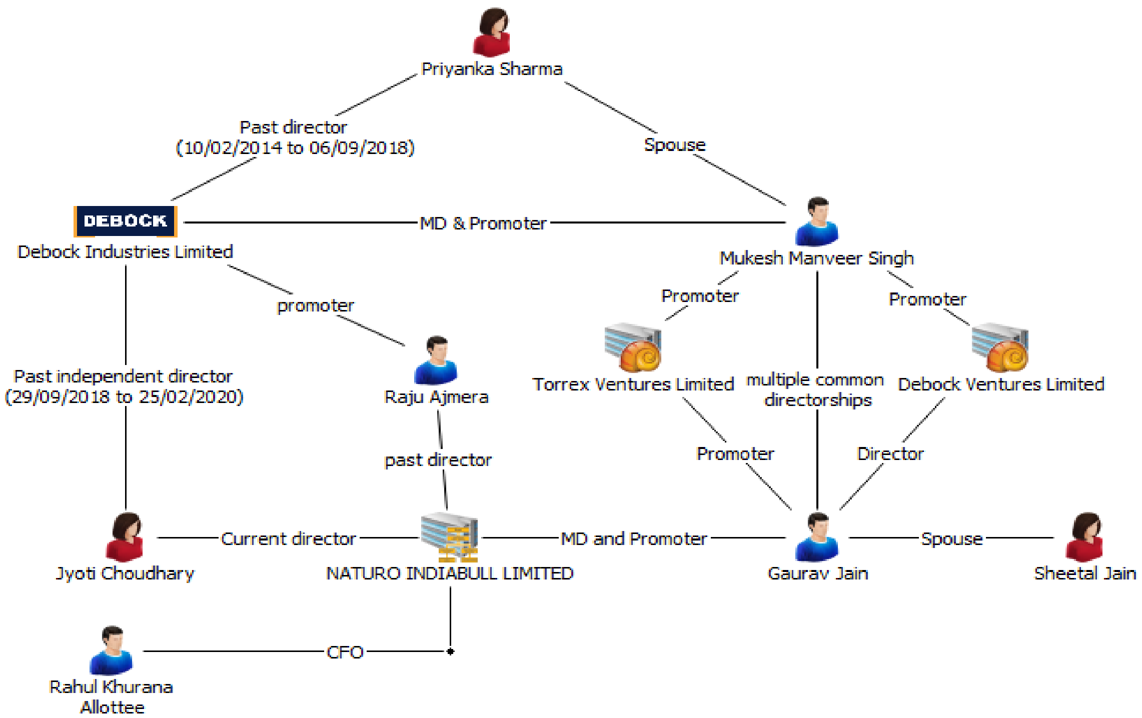
ii. Mr. Bharu Ram was a past director in Debock and was also a director in Impex, where Mr. Mukesh Manveer Singh and Mr. Guarav Jain were also directors. Mr. Rahul Khurana, an allottee in the preferential issue of warrants, was the CFO of Naturo Indiabulls Limited where Mr. Gaurav Jain was the MD. Mr. Sunil Kalot, is the nephew (sister's son) of Mr. Mukesh Manveer Singh. Ms. Priyanka Sharma is the wife of Mr. Mukesh Manveer Singh. Mr. Mukesh Manveer Singh, in his statement recorded on January 2, 2025 submitted that Mr. Ajay Dahiya, an allottee, was an acquaintance of Debock's accountant, Mr. Abhishek Khandelwal.

iii. A diagrammatic representation of the aforementioned relationships is given below.

Flow Chart No. 8



Flow Chart No. 9

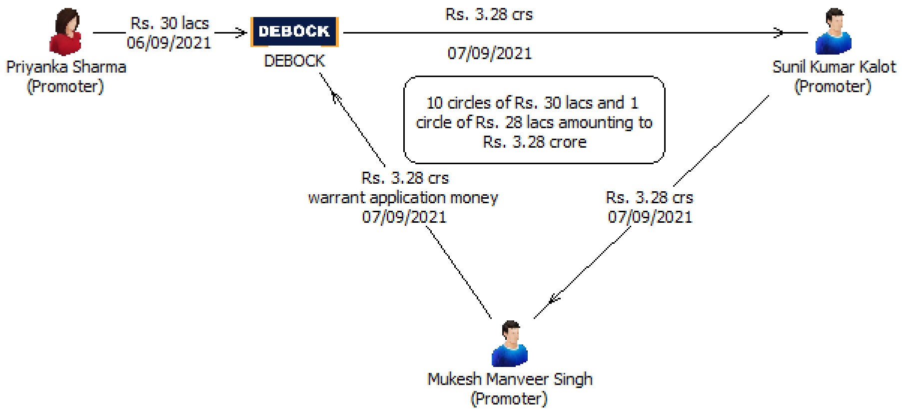


39 On examination of the statements of bank accounts into which the proceeds of allotment were credited and the bank accounts of the allottees (statements obtained from the banks), it was observed that the transactions of receipt of funds from allottees, as claimed by the company, were not reflected in the said bank statements showing that the company had submitted forged Bank statements. On perusal of the bank statement of allottees maintained with Adarsh Co-operative bank, pattern indicating circuitous payment amongst the Company, Mr. Sunil Kalot, Mr. Mukesh Manveer Singh and Ms. Priyanka Sharma was observed. As alleged, the following paragraphs explain the *modus operandi* further:

i. For instance, the funds towards consideration for allotment of warrants were transferred from Mr. Mukesh to Debock's Adarsh Co-operative bank account. It is observed that an amount of ₹30 lakhs was transferred from Ms. Priyanka Sharma to Debock a day prior to the receipt of funds from the allottees i.e. on September 6, 2021. These funds were transferred by Debock to Mr. Sunil Kalot (promoter) on the next day i.e. September 7, 2021. Mr. Sunil Kalot transferred the funds to Mr. Mukesh Manveer Singh who paid the amount to Debock as consideration for allotment of warrants. Further, the same amount was circulated again and again between the company, Mr.Sunil Kalot and Mr. Mukesh Manveer Singh to show the payment of total consideration of a ₹ 3.28 crores, without any actual availability of such funds.

ii. Summary of the circuitous transactions, as above, that resulted in fictitiously creating an appearance of payment of application money by Mr. Mukesh Manveer Singh, is depicted in the chart below:

Flow Chart No. 10



iii. Further, such circuitous transactions were repeated for other allottees wherein funds transferred from Debock to Mr. Sunil Kalot were used. The details are summarized below.

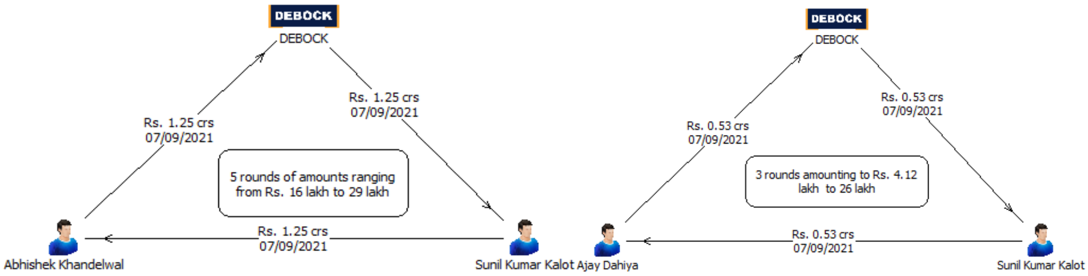
Table No. 22.

Name of the applicant	**Total Amount circulated (₹ crores)**	**No. of circuitous transactions involving Company and Sunil Kalot**
Mukesh Manveer Singh	3.28	11
Abhishek Khandelwal	1.25	5
Najiya Bano	1.16	5
Bharu Ram	1.16	5
Sheetal Jain	0.46	2
Rahul Khurana	0.46	2
Ajay Dahiya	0.53	3
Raju Ajmera	0*	
Total money circulated at the time of issuance of warrants	**₹ 8.30 crores**	

**Contrary to the claims of the company, ₹ 1.09 crores w.r.t. allottee Mr. Raju Ajmera was not received in the Company's bank account.*

iv. The SCN has given charts indicating flow of funds among the company, allottees and the promoter(s), some of them are placed below.

Flow Chart No. 11



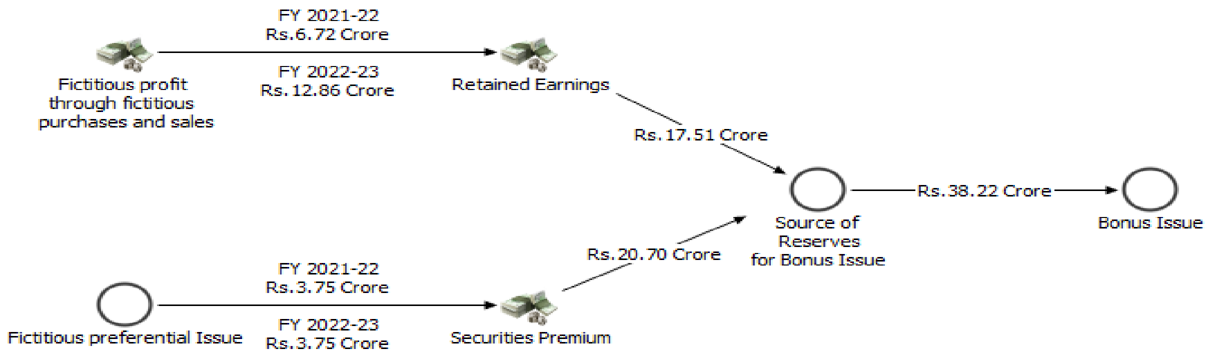
v. The conversions of warrants took place in two tranches on February 10, 2022 and April 25, 2022, respectively, and were done against receipt of a total of ₹28.20 crore in the company's Axis Bank Account No. 921020030160622 as claimed by the Company. However, the bank statement directly obtained from Axis Bank did not show any of such receipts. The Company also submitted purported bank accounts of the respective allottees from whom it had received the funds. However, on examination of the bank statement of the allottees obtained from the respective banks, it was seen that no such transaction(s) existed in the said bank accounts.

vi. Based on the above observations, the SCN alleged that Company had come up with preferential issue of warrants in FY 2021-22 which was fictitious. The allottees were connected with the company and a fictitious appearance of receipt of application money of ₹ 8.30 crores was created by multiple circuitous transactions. The amount of ₹30 lacs initially received by the company from Ms. Priyanka Sharma was circulated ten times and ₹28 lakhs was circulated once to create an impression of payment of ₹3.28 crores. Such circuitous transactions were repeated for other allottees also to create an impression of payment of application money by the allottees. The company even submitted its forged bank statements and forged bank statements of the allottees to substantiate its submission of the receipt of the conversion money and its utilization.

Bonus Issue:

40 The company had come out with bonus issue of 3.82 crore shares on November 01, 2022 at the ratio 1:1. The bonus shares were issued from reserves generated out of inflated profit from fictitious sales and purchases and the share premium generated fictitiously from the first preferential issuance in FY 2021-22. The source of reserve for the Bonus shares (₹38.22 Crores) was securities premium account (₹ 20.70 Crores) and retained earnings (₹17.51 Crores). Out of the ₹20.70 Crore of the securities premium amount, at least ₹7.5 Crores was through fictitious preferential allotment. Further, out of ₹19.58 Crores generated through fictitious inflation of sales and purchases, ₹17.51 Crores were used for the bonus issuance as part of retained earnings. Thus, at least ₹25.01 Crore (₹17.51 Crores + ₹7.5 Crores) out of ₹38.22 Crore of free reserves used towards bonus issue was fictitiously generated. The details are depicted graphically in the following chart:

Flow Chart No. 12



41 It is observed that the allottees received bonus shares in proportion to the fictitious preferential allotment and the shares already held by them. The allottees, further transferred the shares held by them along with the bonus shares to Mr. Sunil Kalot, who sold all the shares obtained from the allottees in the market. The total number of shares held by the allottees before the Bonus issuance, the bonus shares issued and the shares transferred to Mr. Sunil Kalot are given below.

Table No. 23.

Sr. No.	Name of the Allottee	Total No. Shares prior to Bonus issue	Bonus shares issued	Prior shares + Bonus shares	Shares transferred to Sunil Kalot/ sold in share market
1.	Mr. Mukesh Manveer Singh	1,05,00,000	1,05,00,000	21000000	-
2.	Mr. Raju Ajmera	35,00,000	35,00,000	7000000	748000
3.	Mr. Abhishek Khandelwal	40,00,000	40,00,000	8000000	8000000
4.	Ms. Najiya Bano	37,00,000	37,00,000	7400000	7400000
5.	Mr. Bharu Ram	37,00,000	37,00,000	7400000	-
6.	Mr. Rahul Khurana	14,50,000	14,50,000	2900000	2900000
7.	Ms. Sheetal Jain	14,50,000	14,50,000	2900000	2400000
8.	Mr. Ajay Dahiya	17,00,000	17,00,000	3400000	3400000

Preferential Issue of Warrants -2 (FY 2023-24)

42 The Company once again came up with preferential issue of 5,35,71,428 convertible warrants in FY 2023-24, which were issued on November 30, 2023 at ₹14 per warrant. The warrants were converted to 5,35,71,428 equity shares on February 7, 2024, amounting to a total proceeds of ₹74.99 Crores.

i. The details of the allottees and the number of warrants/shares allotted along with the amount involved in these transactions are as follows:

Table No. 24.

S.N.	Name of the Allottee	Category	No. of warrants allotted	Conversion (no. of shares)	Amount (₹)
1.	Harish Kumar Sharma	Non - Promoter	73,23,125	73,23,125	10,25,23,750
2.	Rajesh Kumar Vishwas	Non - Promoter	73,23,125	73,23,125	10,25,23,750
3.	Chetna	Non - Promoter	73,23,125	73,23,125	10,25,23,750
4.	Kadir Kha	Non - Promoter	1,13,91,528	1,13,91,528	15,94,81,392
5.	Mahaveer Prasad Panchal	Non - Promoter	97,64,166	97,64,166	13,66,98,324

S.N.	Name of the Allottee	Category	No. of warrants allotted	Conversion (no. of shares)	Amount (₹)
6.	B Pavan Kumar Sharma	Non - Promoter	71,91,637	71,91,637	10,06,82,918
7.	Avance Ventures Private Limited	Non - Promoter	32,54,722	32,54,722	4,55,66,108
	TOTAL		**5,35,71,428**	**5,35,71,428**	**74,99,99,992**

ii. The SCN has observed that most of the allottees in the said preferential allotment were also connected with Debock in the following manner.

Table No. 25.

2nd Preferential allotment		
1.	Rajesh Kumar Vishwas	Friend of Gaurav Jain
2.	Chetna	Chetna used to work as sweeper in the office of Debock
3.	Kadir Kha	Old contractor of Debock
4.	Harish Kumar Sharma	Helped Debock to set up factory at Bhakrota
5.	Avance Ventures Private Limited	Consultant for stock market related matters of Debock

43 On analysis of the bank account into which the proceeds of allotment were credited and utilized, the following was noted.

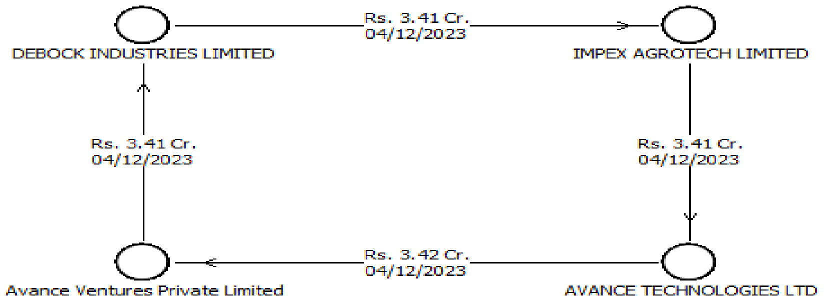
i. The company had stated that the application money for the preferential allotment (i.e. 25% of total consideration) and the amount on conversion of warrants (i.e., 75% of total consideration) was received on November 2, 2023 and November 30, 2023, respectively in its ICICI bank account no – 21020030160622. The company also provided a *certified* copy of ICICI Bank statement highlighting the said transactions.

ii. However, on perusal of the bank statements *directly* obtained from ICICI Bank, it was observed that the transactions of receipt of funds from allottees at Sr. no 1-6 (Table No. 24) were not reflected in the said bank statements. Thus, the *certified* copies of bank statements submitted by Debock were forged and the same was also confirmed by ICICI Bank. Thus, no money was effectively received by the company from the second preferential issue as well.

iii. Avance Ventures Private Limited (AVPL), in response to SEBI *inter alia* submitted that it had transferred funds amounting to ₹1.18 Crore on November 03, 2023 and ₹ 3.41 Cr. on December 04, 2023 to ICICI A/c no 777705956180 of Debock from bank A/c no 923020023901247 of AVPL maintained with Axis Bank Limited.

iv. On perusal of the aforesaid bank statements, it was observed that out of ₹1.18 Crore as claimed by AVPL, only an amount of ₹ 68 lacs was transferred to Debock on November 03, 2023. The remaining funds could not be traced. An amount of ₹ 3.41 Crore on December 04, 2023 was transferred to Debock by AVPL. On examining the source of these funds, it was observed that the amount transferred by AVPL to Debock for preferential allotment on December 04, 2023 was funded by Debock itself through Impex and Avance Technologies Limited as depicted below:

Flow Chart No. 13



v. Debock, in its response to SEBI during investigation had submitted that it had utilized the proceeds for payment to Debock Ventures Limited, Torrex Ventures Limited and Impex. The material in support submitted by the company was the same forged bank account statements that it had submitted towards receipt of application / conversion monies towards the 2nd preferential issue.

vi. However, as observed from the bank statements directly obtained from the banks, the application /conversion monies were not received by the company towards this preferential issue. Thus, neither transactions regarding receipt of money from allottees nor the utilization of issue proceeds existed in these bank statements.

vii. Thus, it was alleged that the financial statements of the company for the relevant period were misstated due to the fictitious preferential issue and the fictitious utilization of the proceeds of the preferential issue.

Rights issue and Transactions with Impex Agrotech Ltd.

44 The Company came out with a right issue and filed the draft letter of offer dated February 13, 2023 with NSE. The rights issue was completed in July 2023 and funds amounting to ₹ 49.50 crore were raised. As per the objects of the issue mentioned in the draft offer letter, the net proceeds from the issue were proposed to be utilized for:

i. Meeting incremental working capital requirements
ii. General corporate purposes

45 As per the RPT disclosures to exchanges for the period April 01,2023 to September 30, 2023, the company loaned an amount of ₹ 49 Crore to Impex, which as observed in the SCN cannot be considered as 'meeting incremental working capital requirements' or 'General corporate purposes' of Debock. In view of the same, it was alleged that Debock had failed to utilize the funds raised through the Rights issue for the stated objects and consequently, failed to comply with Regulation 32 (1), (2) and (4) of LODR Regulations. Further, since Impex is a related party, the statutory requirements with respect to material related party transactions ought to have been complied with by Debock. Thus, it is alleged that in violation of Regulation 23 (2) and (4) read with 23 (1) of LODR Regulations, no audit committee approvals or shareholders' approvals were obtained; no special resolutions were proposed or passed with respect to the aforementioned related party transaction either.

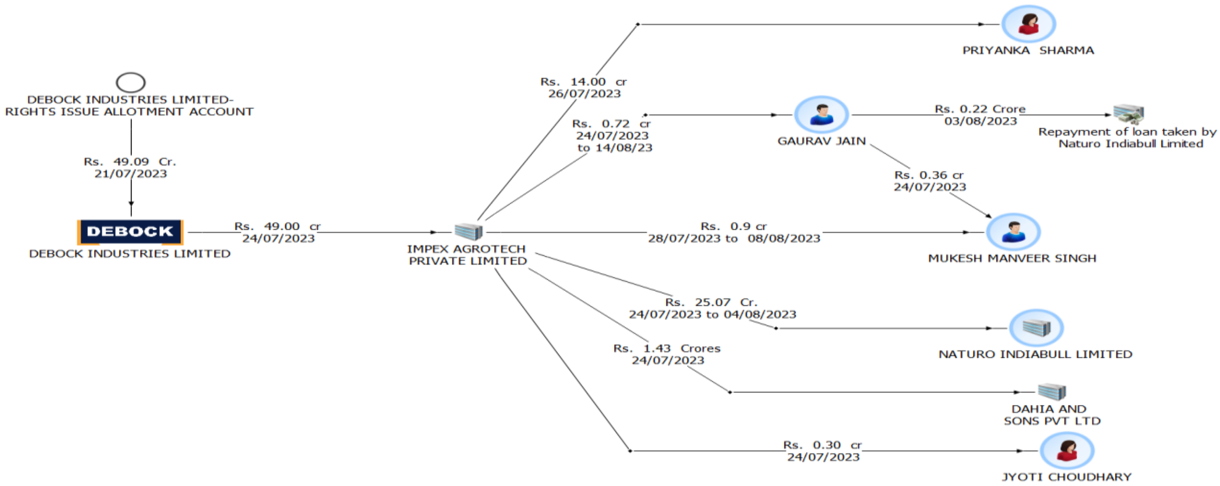
Consideration on allegations related to diversion of proceeds of Rights Issue

46 In response to the allegations, other than finding fault with Mr. Abhishek Khandelwal, Noticee No. 1 and 2 have submitted that the Company had executed a Memorandum of Understanding (MoU) dated July 1, 2023 with its related party, Impex. It is submitted that Impex had required money to support its business operations, growth initiatives and financial obligations. Thus, loan of ₹ 40,36,53,000 was given to Impex for a period of three years. Since Impex is a related party, the said utilisation of proceeds of rights issue was done as per the prospectus of company, mainly under the General Corporate purposes, as per the advice given to the Company and Noticee No.2. It is submitted that out of ₹49.50 Crores, SEBI has acknowledged that ₹4.10 Crores has already been received back by Debock. As submitted, The Company has already started the process of bringing back the remaining funds from Impex. Similar observations were also made by the secretarial auditor, Ms. VV Verma & Company in its audit Report forming part of the annual report for FY 23-24.

47 In this regard, on perusal of the SCN and the aforesaid MoU, I note that as per the MoU, an annual interest of 6% was to be charged on the outstanding principal amount from April 01, 2024. However, no such document has been furnished which may suggest if any such interest payment was ever made. It is also admitted by the Noticees 1 and 2 themselves that the principal amount of loan is still not recovered. The Company made an unsubstantiated statement that efforts are being made to recover the pending loan amount. This is without even going into the issue whether such loan to a related party itself is a general corporate purpose or not. Further, it was noted that Impex did not have any revenue from operations in FY 2021-22. Suddenly, in FY 2022-23, there was increase in revenue from operations to ₹ 11.67 Crore. The trade receivable of Impex was from Semi Engineering and trade payables were to Debock. Thus, Impex was trading only with Debock and its related companies. Even the majority of the transactions involving Impex, were merely circular transactions.

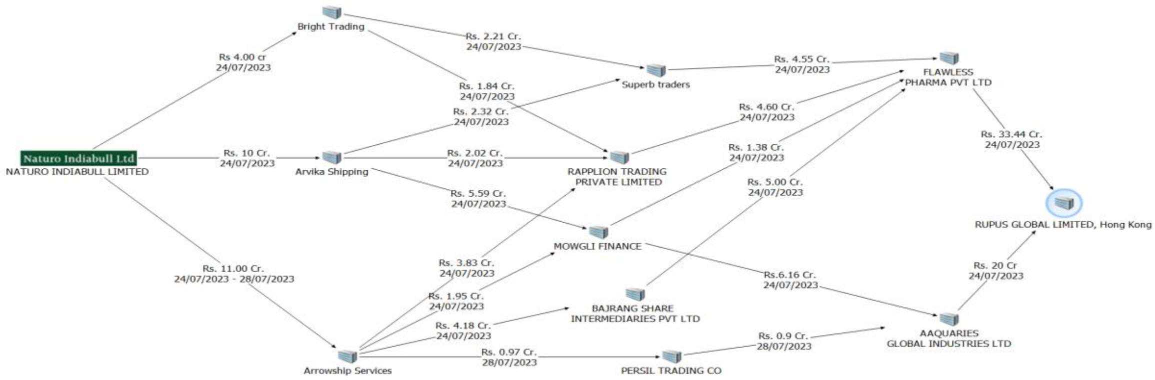
48 The SCN has also analyzed the fund trail of the rights issue proceeds received by the Company. It is noted that an amount of ₹ 49.09 Crores mobilized from its rights issue account was transferred to Debock's other ICICI Bank Account on July 21, 2023. On July 24, 2023, within a span of 3 days, Debock transferred ₹ 49.00 crores to Impex. On analysis of bank statement of Impex, it was observed that, Impex had transferred the amount to following entities as per the below flow chart.

Flow Chart No. 14



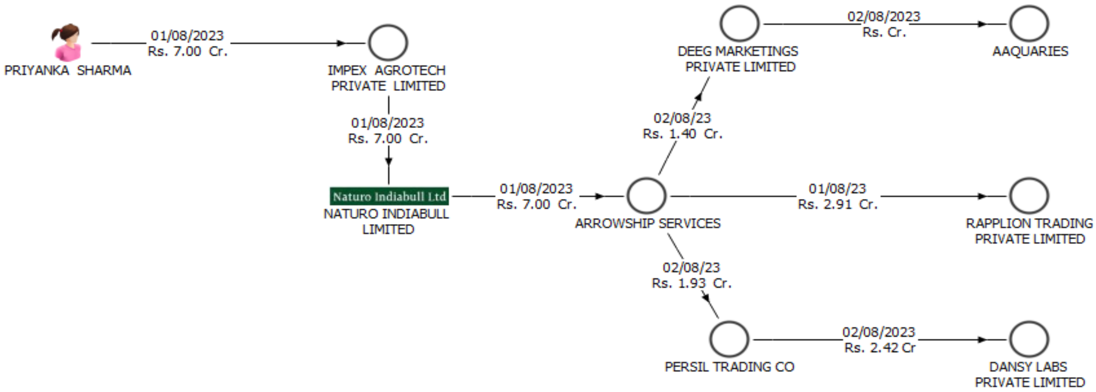
49 Thus, the funds transferred by Debock to Impex, ostensibly as financial assistance as per the MoU, were immediately transferred from Impex to either the promoter of Debock or persons directly/indirectly connected to promoters. Further, the amount of ₹ 25.07 crores received by Naturo Indiabull Ltd. from Impex was transferred to Rupus Global Limited, Hong Kong through various entities detailed in the below flow chart:

Flow Chart No. 15



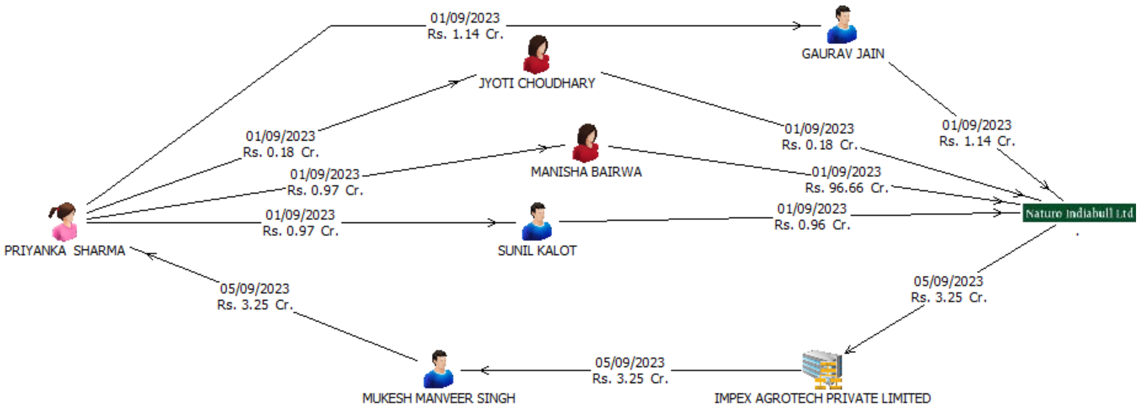
50 Further, it is observed that Ms. Priyanka Sharma, Noticee No. 4, had also received ₹14 Crores from Impex and created multiple FDs on the day of receipt itself. On August 1, 2023, she closed two FDs and resultantly, ₹7 Crore were realized in her bank account which were transferred to Impex on the same day, which further transferred the funds on the same day to Naturo Indiabull Ltd. Naturo Indiabull Ltd. further diverted the funds to various entities. A chart depicting these transactions is placed below.

Flow Chart No. 16



51 Furthermore, Ms. Priyanka Sharma partly closed the remaining FDs on September 1, 2023 and transferred a total of ₹3.26 Crore to certain entities viz., Gaurav Jain, Jyoti Chaudhary, Sunil Kalot and Manish Bairwa who then transferred the exact amount to Naturo Indiabull Ltd. on the same day. Naturo Indiabull transferred ₹3.25 Crore to Mr. Mukesh Manveer Singh who transferred the same back to Ms. Priyanka Sharma on the same day. Ms. Priyanka Sharma used these funds to once again open FDs in her name with ICICI Bank. The transactions are summarized in the chart below.

Flow Chart No. 17



52 Thus, while retaining at least ₹ 7 Crore of funds which she received from Impex, Ms. Priyanka Sharma, transferred the remaining ₹7 Crore to Impex, which were moved out through various layers involving Naturo Indiabull Ltd., Rapplon Trading Private Limited, etc. apparently to overseas entities.

53 On examining the financials of Naturo IndiaBull Limited, it was observed that the money transferred by Naturo to Arrowship Services, Arvika Shipping and Bright Trading Company was recorded as loans and advances. However, these entities were not the suppliers or customers of Naturo. Thus, seemingly, the amounts were not transferred by Naturo in its normal course of business. It is also noted that the statutory auditors of Naturo Indiabull Ltd for the FY 2022-23 and 23-24 also qualified their opinion.

54 Regulation 32(1) of the LODR Regulations provides that the listed entity shall submit to the stock exchange the statement(s) *inter alia* indicating deviations if any, in the use of proceeds from the objects stated in the offer document, on a quarterly basis, for public issue, rights issue, preferential issue etc. Regulation 32(2) of LODR Regulation provides that the statement(s) specified in sub-regulation (1), shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. Further, Regulation 30(4) provides that the listed entity shall furnish an explanation for the variation specified in sub-regulation (1), in the directors' report in the annual report.

55 As discussed, having noted the various transactions undertaken by Debock with regard to the proceeds of the rights issues and the uninspiring submissions submitted by the Company, it is abundantly clear that Debock had failed to utilize the funds raised through the rights issue for the stated objects and consequently, failed to comply with Regulation 32 (1), (2) and (4) of LODR Regulations.

56 Regulation 23(1) of the LODR Regulations *inter alia* provides for formulation of a policy by the listed entity on materiality of related party transactions and on dealing with related party transactions. In terms of Regulation 23(2) of the LODR Regulations, prior approval of the audit committee is required for related part transactions and in terms of Regulation 23(4), all material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) shall require prior approval of the shareholders through resolution. In the present case, considering that Impex is a related party, the statutory requirements like prior approval of audit committee/shareholders with respect to material related party transactions was not obtained by Debock. Thus, the violation of Regulation 23 (2) and (4) read with 23 (1) of LODR Regulations are established against Debock.

Consideration on allegations pertaining to Preferential allotment(s) and Bonus issuance by Company

57 For the allegations pertaining to the preferential and Bonus issues, it is noted that the Company along with Mr. Mukesh Manveer Singh in its defense, did not provide any significant submission except for an unsubstantiated story that it was all the doing of some of its employees. The same version of the story was submitted by Noticee No. 3 and 4. It is submitted that Mr. Abhishek Khandelwal and his wife Ms. Najya Bano allotted shares to themselves and siphoned off the money. It is also submitted that one previous Company Secretary of the Company, Mr. Ankit Sharma, along with Mr. Abhishek Khandelwal forged the bank statements and pursuant to the resignation of Mr. Ankit Sharma, the new compliance officer, who had no knowledge about the forged bank statements of the Company inadvertently

provided the same forged bank statements to SEBI. It is also submitted that Noticee No.2 did not verify it before self-attesting and submitting to SEBI.

58 From the observations recorded in the SCN and discussed earlier, it is beyond doubt that both the preferential allotment of warrants and its conversion to shares were fictitious in nature. It has also been observed that funds were round-tripped to create an impression of payment of application money by the allottees (the role of preferential allottees would be dealt later in the Order). The application money and the conversion of warrants / allotment of equity shares (both tranches) was done without the Company having actually received the conversion money. In its submissions, the company did not even attempt to allay the allegations made in the SCN except the shifting of blame onto others. Thus, in absence of any material to hold otherwise, and the obvious and blatant nature of the alleged conduct, the allegations made in the SCN stand established against the Company.

Observations on the Conduct of the Company

59 Having recorded the above observations, I note that the conduct of the Company, reflects a calculated and deliberate scheme designed to create a false and misleading appearance regarding its financial position and corporate affairs. The uncontroverted evidences available on record demonstrate that the Company resorted to inflating its sales and purchases through fictitious transactions, thereby presenting a rosy picture of its operational performance and financial health. Audaciously, the Company even submitted fabricated bank statements to SEBI with apparent assumption that its conduct would go unchecked. Such fabricated financial and bank statements were not isolated irregularities, but constituted the very foundation upon which the Company proceeded to undertake a series of corporate actions, including preferential allotments, bonus issues and rights issues, all of which were founded upon false premises and devoid of any legitimacy. These corporate actions, rather than serving any genuine business purpose, formed integral components of a larger fraudulent scheme intended to artificially enhance investor confidence, generate unwarranted market interest and

facilitate the offloading of shares by persons in control of the Company. The same is evidenced from the steady decrease in promoter shareholding from March 2021 onwards. The promoter shareholding came down from 64.79% in March 2021 to just 9.91% March 2024. Further, the number of public shareholders increased from 171 to 53,389 during the same time as detailed below. Parallelly, the share price increased from ₹ 7.85 on April 19,2021 to ₹146.90 in March 2022, coinciding with the migration of the company on the Main Board.

Table No. 26.

Particulars	Mar-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Promoters	64.79%	64.79%	59.75%	49.26%	43.75%	36.66%
Public	35.21%	35.21%	40.25%	50.74%	56.26%	63.34%
No. of Shareholders	171	167	151	191	1,921	6,126

Particulars	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Promoters	36.66%	36.66%	48.77%	34.15%	34.15%	9.41%
Public	63.29%	63.34%	51.23%	65.85%	65.85%	90.56%
No. of Shareholders	11,824	13,289	14,087	21,462	29,496	53,389

60 The steadily diminishing promoter shareholding during the relevant period assumes considerable significance in this regard, as it demonstrates that while the investing public was induced into purchasing the Company's securities on the basis of manipulated financial disclosures and sham corporate actions, the promoters were systematically reducing their own exposure, thereby transferring the economic consequences of the fraud to unsuspecting public shareholders.

61 The fraudulent conduct of the Company was not confined merely to market manipulation. The record further establishes diversion and siphoning of the Company's funds, thereby demonstrating that monies raised from investors (the actual money received) and corporate action were not deployed for legitimate business purposes but were instead misappropriated for purposes unknown to the interests of the Company and its shareholders. Thus, the fraud operated at multiple levels, by creating a device, scheme or artifice regarding the Company's financial soundness and demonstrating a rosy picture and inducing investors to

deal in its securities on the basis of such scheme and then diverting the funds to for illegitimate purposes unconnected with the Company affairs. The ultimate victims of this elaborate scheme were the public shareholders, who invested in the securities of the Company believing the disclosures and corporate action and announcements disseminated by a listed entity which was under a statutory obligation to maintain the highest standards of transparency, fairness and integrity.

62 The conduct assumes even greater gravity in view of the fact that the Company repeatedly furnished false and fabricated statements before SEBI, thereby attempting to obstruct and frustrate the regulatory process itself. Deliberate submission of fabricated information to SEBI strikes at the very foundation of regulatory oversight. Such conduct demonstrates not only an absence of *bona fide* but also a conscious intention to perpetuate the fraud by concealing the true state of affairs from SEBI.

63 I also agree with the observations made in the SCN that the inflation of financials was *inter alia* done to allow the company to migrate to the main board of NSE from SME. The Noticees have not made any submissions to dispel this allegation. I note that in terms of the NSE's migration policy from SME Platform to NSE Main Board dated January 21, 2021, one of the eligibility criteria was that the paid-up equity capital of the entity on SME platform should not be less than ₹10 crores and its capitalization should not have been less than ₹25 Crores. Now, to meet the eligibility for Migration from SME to Main Board for obvious reasons, the company came up and devised this scheme of preferential allotment in the year FY 2020-21. As discussed above, the company had issued such 3,00,00,000 warrants convertible to equity shares. Pursuant to the conversion of warrants, the equity share capital of the company increased from ₹ 8.22 Crores(less than the minimum paid-up equity capital required) in FY 2020-21 to ₹ 23.22 crore in FY 2021-22 which allowed the company to be eligible for migration from the SME segment to the main board of NSE and the company eventually migrated on March 31, 2022. Apart from achieving the objective of migration to main board, the

issuance of warrants and their conversion to equity shares, resulted in creation of fictitious reserves in the books of the Company which were subsequently used to issue bonus shares. The financial statements of the company were overstated to the extent of the proceeds of the preferential issue of warrants and the subsequent conversion. Further, from the inflated sales and purchases and the fictitious preferential allotment, the Company created its reserve for the issuance of Bonus shares ₹38.22 Crores out of which at least ₹25.01 Crore was fictitiously generated.

64 Significantly, the Company has not even furnished any credible explanation or contemporaneous material capable of justifying the fictitious transactions, fabricated financial statements, sham corporate actions or diversion of funds. Instead of addressing the substantive allegations with cogent evidence, it has merely sought to advance generalized assertions and narratives which neither explain the incriminating material nor dislodge the findings emerging from the SCN.

65 Thus, to summarize, the following is established against the Company.

i. Company had inflated its purchases and sales during FY 2021-22 to 2023-24 through circuitous transactions to give a rosy picture to the investors:

Table No. 27.

FY	% of inflated purchases/ sales to total purchases/sales	
	Sales	**Purchases**
2021-22	69.95%	95.09%
2022-23	62.17%	94.51%
2023-24	40.38%	58.82%

ii. The company undertook two preferential issues that were fictitious and securities were allocated to the allottees without actual receipt of any /adequate consideration. The fraudulent allotment of shares on conversion of warrants to equity shares led to inflation of share capital on the liabilities side and capital advances on asset side for FY 2021-22 and FY 2022-23. The promoters of Debock were the direct beneficiary(ies) of such preferential issues, as they were the ultimate recipients of shares issued without any actual consideration and could sell the same in the market to the unsuspecting investors to pocket huge profits. The preferential issue had resulted in the inflation of balance sheet on the liability side and capital advances on asset side for FY 2023-24 as well. A summary of the inflation is given in table below.

Table No. 28. (Amount in ₹Crore)

Particulars	**Issue Size**	**Consideration not received**	**Inflation in the books**		
			Share Capital (liability)	**Capital Assets (Assets)**	**Impacted FY**
Preferential Issue 1	36.48	36.48	36.48	36.48	2021-22, 2022-23
Preferential Issue 2	75.00	75.00	75.00	75.00	2023-24

iii. The company submitted forged bank statements of different banks to SEBI to cover up the fictitious preferential issue and inflation of purchases and sales.

iv. The company made a bonus issue of shares making use of the fictitious reserves & surplus created through securities premium generated through fictitious preferential issue of warrants and fictitious profit fraudulently generated through circuitous purchases and sales.

v. The eligibility for migration to the main board was met through fictitious preferential issue of warrants and their conversion to equity.

vi. Pursuant to the migration to mainboard, the company had raised funds through rights issue amounting to ₹49.50 crores in the month of June 2023 which have been diverted to the promoters and related entities without following statutory approval processes.

66 Having established the above, I now refer to the Judgement pronounced by Hon'ble Supreme Court of India on May 29, 2026, in the matter of *Reliance Industries limited & Ors. Vs SEBI*[1]*.* In the said Judgement, Hon'ble Court after reconciling with its earlier Judgments on the essential ingredients of 'Fraud' under

[1] CIVIL APPEAL NO. _4015 OF 2020

the PFUTP Regulations has outlined the following scenarios for a more purposive approach. The relevant extracts of the said Judgement are reproduced below:

220. We have taken this forward by discussing the definition of fraud under Regulation 2(1)(c) of the PFUTP Regulations and making the following courses of action necessary in certain situations. The definition of fraud under the PFUTP Regulations uses the word 'act' and not 'entry'. Though the definition is wide, it does not mean every expression, omission or concealment under the sky. This is because the expression 'inducement' as used in the provision is sine qua non to bring a transaction within the ambit of a fraudulent activity. In our opinion, it cannot be the intention of the PFUTP Regulations to give unfettered powers to decide the question of fraud. We find it apposite to purposively interpret Regulation 2(1)(c). In our considered view, both intention and act cannot be made into irrelevant factors for deciding fraud. Therefore, we may outline the following scenarios:

i) In situations where injury due to wrongful act is established, i.e, inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert ordinary losses at the former's expense, there would be no requirement on the respondent authority to prove deceitful intention. In other words, where injury is impossible to be proved, the requirement of wrongful intention becomes mandatory.

ii) Secondly, in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then proving the injury would not be required.

67 Essentially, the Hon'ble Court has held that in situations where injury due to wrongful act is established, i.e., inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert losses at the former's expense, there would be no requirement to prove deceitful intention to establish fraud. Further, in situations where *mala fide* or deceitful intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then proving the injury would not be required.

68 Applying the principles laid down therein, the present case leaves little room for doubt that the Company's actions were not isolated regulatory lapses or instances of poor corporate governance but constituted an integrated fraudulent scheme deliberately conceived and executed to mislead the investors, manipulating market perception and enabling wrongful gains at the cost of the investing public. Therefore, I find that the SCN has been able to justify the tests laid down by Hon'ble Supreme Court viz. the injury due to wrongful acts of the Company i.e. inducement to deal in securities and also the attending circumstances surrounding the case and the conduct of the Company is so blatant that it demonstrates wrongful intent to defraud and manipulate the securities market. By creating fictitious financial statements, undertaking sham corporate actions and inducing investors to deal in the securities and facilitating the exit of promoters at the expense of public shareholders, the Company engaged in acts and practices operating as fraud upon investors, and indulged in deceptive conduct in connection with dealings in securities. Therefore, the violation of Regulations 3(a), (b), (c), (d), 4(1), 4(2) (c), (f), (h) and (k) of the PFUTP Regulations read with Section 12A(a), (b) and (c) of SEBI Act stands established against the Company.

69 Debock has also been alleged with violations of Regulation 33(1)(a), (c) and 48 of LODR Regulations read with Ind AS 1 and Ind AS 7. I note that Regulation 33(1) of LODR Regulations provides that while preparing financial results, the listed entity shall comply with the following (*a)The financial results shall be prepared on the basis of accrual accounting policy and shall be in accordance with uniform accounting practices adopted for all the periods. (c) The standalone financial results and consolidated financial results shall be prepared as per Generally Accepted Accounting Principles in India…"* Regulation 48 of LODR Regulations *provides that the listed entity shall comply with all the applicable and notified Accounting Standards from time to time.* The objective of the Accounting Standard, *Ind AS 1, is to prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.*

It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. Whereas the objective of *the* Accounting Standard, *Ind AS 7, is to require the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows which classifies cash flows during the period from operating, investing and financing activities.*

70 For the reasons and discussion recorded in the preceding paragraphs, there is no denying that the company was involved in creation of fictitious cash flows with respect to purchases and sales, receipt and utilization of proceeds of preferential issues, bonus issue and rights issue and resultant manipulation of the financial statements of the company. Thus, considering the plain language of the provisions, the violation of Regulation 33(1)(a), (c) and 48 of LODR Regulations read with Ind AS 1 and Ind AS 7 is established against the Company.

Role of Other Noticees.

71 Having considered the role of the Company and establishing the violations against it, I now refer to the role of individual Noticees.

Mukesh Manveer Singh

72 The SCN has alleged that Mr. Mukesh Manveer being the Managing Director of the company, has violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (f), (h), (k) of PFUTP Regulations, Sections 11(2) (ia) and 12A(a), (b), (c) read with Section 27 (1) of SEBI Act, 1992. Further, it is alleged that he violated Regulations 4(1), 4(2)(e) & (f), 17(1) (b) & 17(8) read with Part B of Schedule II (for the FY 2022-23 and 2023-24), 23(1), (2), (4), 32(1), (2), (4), 33(1)(a), (c) read with Ind AS 1 and Ind AS 7 and Regulation 48 of LODR Regulations read with Section 27 (1) of SEBI Act. The aforesaid violations have already been established against the Company.

73 As has already been recorded in the discussion in relation to the Company, Notice No.2 had filed a common reply along with the Company and had merely submitted that initially (prior to 2023) he was not handling the affairs of the Company. Rather, it was Ankit Sharma, who was responsible for all the statutory and legal compliance(s). Further, Mr. Ankit Sharma and Mr. Abhishek Khandelwal were the trusted employees of the Company and had won his trust and confidence. Mr. Abhishek Khandelwal had knowledge about his signatures and operated the business affairs and bank accounts of the Company on his behalf. Mr. Abhishek Khandelwal used to take his signatures on some documents claiming them to be related to company's day-to-day work and compliances relating to stock exchange, etc. Around 2023, he started looking into the day-to day activities of the Company and observed unusual financial transactions in his wife's and Company's Bank account. Noticee No. 2 learnt that Mr. Abhishek Khandelwal and one Mr. Shravan Kumar had connived with the Bank Branch Manager and got the duplicate cheque book(s) issued and also stole cheque books of ICICI Bank belonging to the Company. They replaced the mobile number and email id connected to Noticee No. 2's bank account and forged the bank statements of the Company and withdrew an amount of ₹1,49,00,587 from his wife's (Noticee No. 4) account and siphoned off the money in their personal bank accounts.

74 Noticee No. 2 further submitted that Mr. Abhishek Khandelwal and his wife, Ms. Najya Bano had utilised these siphoned off funds for allotting shares of the Company against their own name in the Preferential Issue. The Company filed a First Information Report (FIR) against them and police also filed a Chargesheet in the matter. Mr. Ankit Sharma resigned from his position on July 31, 2023. Thereafter, Company had appointed a new CS as a Compliance Officer, who had no knowledge about the forged bank statements of the Company. The then Company Secretary inadvertently provided the same bank statements (which were forged by Abhishek Khandelwal and Ankit Sharma) when sought by SEBI. Also when SEBI sought self-attested bank statements from the Company, Noticee No.2 did not verify it before self-attesting it.

75 I have perused the submissions filed by the Noticee No. 2 and note that other than the blame-shifting narrative, no submissions have been filed on the merits of the matter. The records show that Mr. Mukesh was the Chairman and the Managing Director of the Company during the investigation period. Thus, the core issue to be determined in the matter is whether Mr. Mukesh as the CMD of the Company is responsible for the affairs of the Company.

76 I note that Noticee's contention that he was not responsible for the affairs of the Company is untenable both in law and on facts. A Company, being a juristic person cannot act on its own and it acts through its directors and other key managerial persons who manage its day-to-day functions. Mr. Mukesh is the Promoter, Chairman and MD of the company. Section 2(54) of the Companies Act defines a "Managing Director" as *a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called*. The statutory scheme therefore itself recognises that a Managing Director occupies a position of substantive managerial authority and cannot ordinarily seek to disassociate himself from the affairs of the company. This position assumes even greater significance in the context of securities laws. Section 27(1) of the SEBI Act, *inter alia,* provides that where a contravention of the provisions of the SEBI Act or any rule or regulation is committed by a company, every person who, at the time of such contravention, was in charge of and was responsible to the company for the conduct of its business, as well as the company, shall be deemed to be guilty of such contravention.

77 In the present case, the material on record not only suggests that the Noticee No. 2 was the Managing Director of the Company, it also demonstrates his control over the affairs of the Company and, more importantly, establishes that he was the ultimate beneficiary of the transactions forming part of the fraudulent scheme. His role cannot be characterised as that of a mute spectator who was unaware of

the Company's affairs. The contention that the bank cheque book copies were stolen and his credentials were misused does not appeal to reason as he was the one who promoted and controlled the company and it is almost impossible that substantial transactions being carried out through the company's/his/ his wife's accounts were not known to him. Notwithstanding the above, the above submission cannot absolve Noticee No. 2 from his responsibilities and liabilities as he was the managing director of Debock.

78 Noticee no. 2 has also argued that he relied on the advice of other professionals and followed their instructions. in this regard, I note that as the promoter and MD of Debock, he was at the center of all the events/developments and being in that position, he was expected to be aware of all the affairs of the Company. Taking note of the egregious nature and frequency of the fictitious transactions which have been established in the earlier part of the order, one cannot afford any credence to a submission that Noticee No. 2, despite being the promoter and MD of the Company, had no idea about what was happening in the company and what the employees and professionals, hired by him, were doing. He cannot abdicate his responsibilities and aver that he was not involved in the affairs of the Company and shift the blame onto others. The fact that he along with the company has filed FIR against Mr. Abhishek Khandelwal and his wife is an issue independent to these proceedings and does not change the outcome of the findings.

79 In blatant disregard to the securities laws, Noticee No. 2 furnished forged bank statements to SEBI and submitted that he and the Company's new Compliance officer were not aware of the said forgery. This submission appears to be clearly an afterthought and cannot be given any credence. The role of Company in the fraudulent scheme has already been discussed at length in the preceding section. Considering all the facts and circumstances in totality, and for the reasons recorded above, the violations of Regulation 3(a), (b), (c), (d) and 4(1), 4(2) (f), (h), (k) of PFUTP Regulations and Sections 12A(a), (b), (c) are established against Noticee No. 2. I also note that Section 11(2)(ia) of the SEBI Act *inter alia* provides for general powers to SEBI to call for information and records from any person

which, in the opinion of SEBI, shall be relevant to any investigation in respect of any transaction in securities. As noted above, during the investigation, the Company submitted forged bank statements to SEBI. Accordingly, the violation of Section 11(2)(ia) also stands established against the Company as well against Mr. Mukesh Manveer Singh.

80 Further, it is alleged in the SCN that Noticee No 2 violated Regulations 4(1), 4(2)(e) & (f), 17(1) (b) & 17(8) read with Part B of Schedule II (for the FY 2022-23 and 2023-24), 23(1), (2) , (4), 32(1), (2) , (4), 33(1)(a) , (c) read with Ind AS 1 and Ind AS 7 and Regulation 48 of LODR Regulations read with Section 27 (1) of SEBI Act, 1992. The said provisions *inter alia* provide for principles governing disclosures and obligations of the listed entity, constitution of the board of Directors, related party transactions by the Company, statement of deviation(s) or variation, obligations related to financial results and compliance with accounting standards. In this context, drawing reference to the discussion w.r.t. these violations *qua* the Company, I note that the listed entity being a juristic person cannot act on its own and it acts through its directors and other key managerial persons who manage its day-to-day functions. Mr. Mukesh Manveer Singh is the MD and the person-in-charge of the Company and therefore, in terms of the provisions of section 27 of the SEBI Act, he is liable for the aforesaid violations of LODR Regulations and Ind-AS.

81 As regards the alleged unlawful gains, Noticee No. 2 has submitted that SEBI has wrongly calculated the acquisition cost of the shares held by him. In this regard, I note that in the Interim Order, the average acquisition per share for Noticee No. 2 was calculated as ₹ 5.4611. However, after the said Interim Order, Noticee No. 2 made submissions that he had received 60,08,000 shares in second preferential allotment instead of 39,07,900 as mentioned in the Interim Order. Therefore, the average cost of shares should be ₹ 5.0167. I note that the said submission has already been addressed in the SCN and on perusal of the SCN, it is clear that for the purpose of calculation of unlawful gains, the average acquisition cost per share

is taken as ₹ 5.0167 only. To illustrate, the average cost of acquisition is calculated as per below.

Table No. 29.

Particulars	**No. of shares**	**Average Price-cost**	**Total Value**
No of shares held at the time of IPO	48,07,624	26.93	12,94,69,314
Allotment of Shares – 1st conversion	44,92,000	0	0
Allotment of shares – 2nd conversion	60,08,000	0	0
Bonus Shares	1,05,00,000	0	0
Total shares	**2,58,07,624**	0	0
Average cost per share		5.0167, i.e. (12,94,69,314 / 2,58,07,624)	

82 The SCN has also observed that Mr. Mukesh gifted 47,48,024 shares of Debock to Mr. Gaurav Jain who, after keeping the shares received as gift for some time, sold the same in the market and made profits. It is alleged that Mr. Mukesh had obtained the shares gifted to Mr. Gaurav Jain without paying any consideration and Mr. Gaurav Jain sold the shares in the market, and thus, Mr. Mukesh and Mr. Gaurav Jain jointly benefitted to the tune of ₹ 17,39,79,366 /- with respect to the aforementioned gift transaction and the subsequent sales in the market. Based on the above, the gains made by Mr. Mukesh and Mr. Gaurav Jain have been tabulated as follows:

Table No. 30.

Particulars	**No. of shares**	**Total Value (₹)**
Sold on market (A)	1,20,64,100	12,67,59,052
Realized value jointly with Gaurav Jain against the gifted shares (B)	47,68,295	17,39,79,366
Total	1,68,32,395	30,07,38,418
Total Acquisition Cost(C)		8,43,41,382
Gains of Mr. Mukesh Manveer Singh(A-C)		**4,24,17,670**

Particulars	No. of shares	Total Value (₹)
Gains of Mr. Mukesh Manveer Singh with Mr. Gaurav Jain (B)		**17,39,79,366**
Total Gains of Mr. Mukesh Manveer Singh with Mr. Gaurav Jain		**21,63,97,036**

83 In this regard, Noticee No. 2 has submitted that since the shares were gifted to Mr. Gaurav Jain without consideration and by way of executing Gift Deeds (Copies provided) dated April 20, 2022 and September 19, 2022, such shares and its subsequent sale amounting to ₹17,39,79,366 should not be considered for the calculation of ill-gotten gains. Thus, the total gains should be ₹ 4,24,17,669.5 as detailed below.

Table No. 31.

Calculation of gains made by Mr. Mukesh Manveer Singh Particulars	No. of shares	Total Value (Rs.)
On market (A)	1,20,64,100	12,67,59,052/-
Off market via Gift Deed (B)	47,48,024	--
Total	1,68,12,124	12,67,59,052/-
Cost of shares sold (C)	8,43,41,382.5/-	
Total Gains of Mr. Mukesh Manveer Singh (A+B-C)	**4,24,17,669.5/-**	

84 On the other hand, Mr. Gaurav Jain has submitted that Mr. Mukesh executed the gift deeds without his consent for evading tax liability. The signatures appearing on these gift deeds are forged. At the time of execution, he had no knowledge of these Gift Deeds and he did not receive any benefit, consideration, or advantage pursuant to them. It is submitted by Mr. Gaurav Jain that the financial trail establish that the amounts did not accrue to his account or for his benefit.

85 It is undisputed that shares were transferred to Mr. Gaurav Jain and were later sold. Mr. Gaurav Jain has denied having anything to do with the shares, their transfer and subsequent sale. It is submitted that these transactions were not initiated or instructed by him. In so far as the role of Mr. Gaurav Jain is concerned, it has been extensively dealt in the later part of the Order that he was directly or through entities in which he was a director, was involved in inflating the financials

of the Company, in fraudulent preferential allotment and in diversion of proceeds of the rights issues. I note that while the SCN has identified, total gift of 47,68,295 shares and their subsequent sale value of ₹17,39,79,366. Mr. Gaurav Jain has submitted that 20,00,000 shares with transaction value of ₹6,11,00,000 were sold. Mr. Gaurav Jain has also provided his purported bank statement which shows that after receipt of the money from the stock broker, the amount was transferred to various entities either on the same date or the next day. It is unclear as to whom these entities belong to and who is the ultimate beneficiary of the proceeds of the sale from the shares. After receipt of the SCN, Mr. Gaurav Jain has also filed an FIR dated November 02, 2025 against Mr. Mukesh, highlighting his narrative.

86 Having noted the above, the fact that shares were gifted by Mr. Mukesh to Mr. Gaurav without any consideration and without any natural love and affection and that too of an unconscionable amount worth ₹ ₹17,39,79,366, does not inspire confidence. At the same time, the shares were sold from Mr. Gaurav Jain's account and it is uncertain as to who was the actual beneficiary of the proceeds. Also, Mr. Gaurav Jain has brought to the fore that he had filed an FIR in the matter but the same falls beyond the scope of the present proceedings. In these peculiar facts and circumstances, I am constrained to consider the matter as per the allegations contained in the SCN and material available on record.

87 From the discussion so far, one thing is clear that money was diverted from Debock as Mr. Mukesh received the shares without paying any consideration to the Company (Debock), and this diversion is required to be accounted for. I find that both Mr. Mukesh and Mr. Gaurav have been unable to clarify the whole transaction regarding the initial gift of shares from Mr. Mukesh to Mr. Gaurav and subsequent sale by Mr. Gaurav and then the onward transfer of the proceeds from his account. Accordingly, as alleged in the SCN, for the sale proceeds of ₹ 17,39,79,366, Mr. Mukesh and Mr. Gaurav Jain have to be held jointly and severally liable and the contention of Mr. Mukesh to disregard the said amount from his liability is rejected.

Role of Sunil Kalot (Noticee No. 3)

88 The SCN has observed that Mr. Sunil Kalot, being one of the promoters of the company during the relevant time, aided and abetted Debock and Mr. Mukesh in the issuance of preferential issue by fictitiously creating an impression of payments of application money by the preferential allottees through circuitous transactions which resulted in inflation of the company's assets and liabilities and misrepresentation in the published financial statements. The shares fictitiously issued and allotted in the preferential allotments without any consideration, were transferred off-market to Mr. Sunil Kalot. Mr. Kalot sold these shares along with the shares previously held by him in the market making an unlawful profit of ₹37,66,55,212. Thus, it is alleged that Mr. Sunil Kalot has violated Regulations 3(a), (b), (c) (d), 4(1), 4(2) (c), (f), (h) & (k) of the PFUTP Regulations read with Section 12A(a), (b) and (c) of the SEBI Act.

89 At the outset, I note that Noticee No. 3 has submitted that he has been erroneously mentioned as a promoter in the SCN and that he had initiated the process before the stock exchange for removal of his name as the promoter and is currently not holding any position in the Company. In this regard, I note that the Company earlier known as (DSML i.e. Debock Sales and Marketing Limited) had filed its final prospectus on May 11, 2018 with RoC for listing on the Emerge Platform of NSE. In the said prospectus, name of Mr. Kalot was mentioned in the promoter group of the Company. In the latest shareholding pattern available on NSE Website, Mr. Sunil Kalot was named as a promoter of the Company. Mr. Kalot has not submitted before me any application filed with NSE for reclassification and he is still shown as a promoter in the latest shareholding pattern available on record. During the investigation nothing was revealed to suggest that he had reclassified himself as a non-promoter. Thus, his argument that the SCN has erroneously mentioned him as a promoter cannot be accepted.

90 In connection with the preferential issue, it is submitted that he is in the business of borrowing and lending money and during the year 2021 to 2024, few employees

of the Company and connected persons had availed loan from him and on their inability to pay the loan amount, shares were transferred to him by these allottees. He also filed an FIR against Mr. Abhishek Khandelwal and his wife, for not paying the loan amount against shares. In this regard, as discussed above, the FIR and inter-se dispute between Mr. Kalot and Mr. Abhishek is beyond the scope of the present proceedings and I shall be guided by the material available on record before me to adjudicate upon the issues. Having said that, I find it relevant to note here that the SCN has recorded that the application money and money on conversion of warrants was not reflected in the bank statements of Debock.

91 The record shows that a day prior to the receipt of funds from the preferential allottees, an amount of ₹30 lakhs was transferred from Ms. Priyanka Sharma to Debock and later these funds were transferred by Debock to Mr. Sunil Kalot on the next day, who transferred the funds to Mr. Mukesh, who ultimately paid the consideration amount for allotment of warrants. This completed the payment of ₹30 lakhs towards application money. The same amount was circulated again and again between the company, Mr. Sunil Kalot and Mr. Mukesh Manveer Singh to fictitiously show the payment of total consideration of a ₹ 3.28 crores, without any actual availability of such funds. Similarly, such circuitous transactions were repeated for other allottees to fictitiously create an impression of payment of application money by the allottees. The funds received by Debock from the applicants were essentially funds earlier taken out of Debock and routed through Mr. Sunil Kalot to the applicants

92 To justify transfer of money to various allottees, Mr. Kalot has submitted various ‘loan agreements’ with the preferential allottees viz. Mr. Rahul Khurana, Mr. Ajay Dahiya, Mr. Abhishek Khandelwal and Ms. Najiya Bano. These loan agreements relied upon by the Noticee do not inspire confidence and cannot be accepted as a *bona fide* explanation since the multiple circuitous transactions (described above) involving the Company, Mr. Kalot, Ms. Priyanka and Mr. Mukesh are not explained by the existence of purported loan transactions between Mr. Kalot on one side and the allottees on the other. Further, the contemporaneous material,

including the written submissions filed by the purported recipients indicates that the recipients have denied having executed or signed any such agreements, thereby materially undermining the very foundation of the Noticee's explanation. Furthermore, the purported loan agreements bear strikingly similar and substantially identical language and appear to have been stamped and notarized on the very same day, without the signatures of any witnesses. Such absence of witnesses, uniformity in the form, timing and manner of execution, particularly when considered in the surrounding circumstances, raises serious doubts as to their genuineness and also as to whether they were created *post facto* to give a color of legitimacy to the transactions that had already taken place.

93 The timing of the alleged loan agreements also assumes significance in the context. Notably, the funds were transferred on the very same day as the execution of these agreements. The amounts involved were also substantial and were given without any surety or collateral and without any involvement of natural love and affection. Further, it has not been explained why money was transferred from Debock's account in the first place. The proximity and sequence of these transactions cannot be viewed in isolation or explained merely by terming them as loan agreements. Moreover, certain stipulations contained therein are unusually onerous like the stipulation that the borrower undertakes to never complain to bank, police or other authority and that his signatures are correct and he will not change it.

94 Thus, when one cumulatively considers the contemporaneous flow of funds, the denial of execution by the purported recipients, the striking similarity and common date of the agreements, absence of witness signatures and the onerous terms, the purported loan agreements appear to be an afterthought intended to camouflage the true nature and purpose of the transfers. Accordingly, I find that Mr. Kalot has failed to discharge the burden of providing a credible and plausible explanation for his alleged involvement including the fund transfers. The purported loan agreements cannot be relied upon to displace the inference arising from the surrounding facts and circumstances.

95 Without prejudice to the other submissions, it has also been submitted that SEBI has not considered the market price of shares at the time of transfer of shares and not considered the fact that said acquisition is made against the loan amount given to transferees. The average buy price per share is ₹ 12.1115. Considering the aforesaid cost of acquisition, it has been submitted that the total alleged gains should be ₹7,57,07,467 instead of ₹37,66,55,212 as alleged in the SCN. The particulars, as submitted, are mentioned above at Table No. 6 and 7.

Table No. 32.

Particulars	No. of Shares	Total
Total Shares Sold-on market	2,53,36,850	38,97,96,580
Cost of Shares	2,53,36,850	31,40,89,113
Total alleged gains		**7,57,07,467**

96 In connection with the said contention, I note that the SCN has considered, nil acquisition price for the off market shares of 2,48,48,000 as compared to ₹12.1115 stated by Mr. Kalot. For determining the acquisition cost of the said shares for Mr. kalot, it is required to ascertain the consideration paid by him to the allottees. The submission by Mr. Kalot that he had received these shares in lieu of the loan advanced to the allottees and the fact that he had produced loan agreement has already been discussed above. For the reasons recorded in paragraphs 92-94 above, the purported loan agreement(s) cannot be considered as genuine and valid and are therefore liable to be disregarded. Thus, in absence of any valid loan agreement between Mr. Kalot and the preferential allotters who transferred their shares to him it is concluded that effectively no money was paid by Mr. Kalot for obtaining the shares from the allottees through off-market. As has already been recorded, even the payment of application money was circuitously transferred through Company, Noticee No. 2, Noticee No. 4 and Mr. Kalot. Thus, the Company did not receive the application money or the money on conversion of warrants. Therefore, it would not be correct to ascribe any acquisition cost to the

shares which were basically acquired by Mr. Kalot without payment of any consideration. Thus, I find that as far as Mr. Kalot is concerned, the acquisition cost is rightly calculated as *nil* for the said shares. Accordingly, his contention in this regard is devoid of any merit.

97 Taking into account the aforesaid, the total average acquisition cost is as below.

Table No. 33.

Particulars	**No. of shares**	**Average Price- cost (Amt. in ₹)**	**Total Value (₹)**
No of shares held at the time of IPO	4,88,025	26.93	1,31,42,513
Allotment of Shares – 1st pref.	0	0	0
Allotment of shares – 2nd pref.	0	0	0
Bonus Shares	825	0	0
Purchased from off-market from the preferential allottees	2,48,48,000	0	0
Total shares	**2,53,36,850**		
Average acquisition cost of shares per share		0.5187 (1,31,42,513/2,53,36,850)	

98 Mr. Sunil Kalot sold 2,53,35,200 shares at a total value of ₹38,97,96,580/- in the market. Thus, the profit received by Mr. Sunil Kalot in the transaction is calculated as follows:

Table No. 34.

Particulars	**No. of shares**	**Total (₹)**
Total sale value of shares - On market sale of shares (A)	2,53,35,200	38,97,96,580
Total Acquisition Cost of shares (B)		1,31,41,368 (2,53,35,200*0.5187)
Total Gains of Mr. Sunil Kalot (B-A)		**37,66,55,212**

99 Thus, Mr. Kalot along with Mr. Mukesh was instrumental and played a key part in the fraudulent preferential allotment by fictitiously creating an impression of payments of application money by the preferential allottees through circuitous transactions which resulted in inflation of the company’s assets and liabilities and misrepresentation in the published financial statements. He was one of the main

beneficiaries of the scheme and as a result, ill-gotten gains of ₹ 37,66,55,212 was made by him. Therefore, the violation of Regulations 3(a), (b), (c) (d), 4(1), 4(2) (c), (f), (h) & (k) of the PFUTP Regulations read with Section 12A(a), (b) and (c) of the SEBI Act are established against him.

Role of Ms. Priyanka Sharma

100 Ms. Priyanka Sharma is alleged to have aided and abetted Debock and Mr. Mukesh in the scheme for fraudulent preferential issue by fictitiously creating an impression of payments of application money by the preferential allottees through circuitous transactions, which resulted in inflation of the company's assets and liabilities and misrepresentation of the published financial statements of the company. She was also one of the recipients of funds diverted from rights issue and out of proceeds of ₹ 49 crores, an amount of ₹ 14 crores was transferred to her, some of which was retained by her. Thus, it is alleged that Ms. Priyanka Sharma has violated Regulations 3(a), (b), (c), (d) & 4(1), 4(2) (c), (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

101 In her defence, she has made the submissions which are similar to Noticee No. 1 and 2. In addition, it is submitted that she is a housewife and has nothing to do with the Company. She learnt from her husband that she was allotted some shares at the time of IPO and currently holding 0.01% of shares. As submitted, in their community, women do not get involved in the business affairs and do not operate the bank accounts. Accordingly, her husband (Noticee No.2) used to operate the business affairs and her accounts. She has no knowledge about any of the corporate actions taken by the Company and has nothing to do with it.

102 The above submissions of Noticee No. 4 can be segregated into two parts. On one hand, she has submitted that she had no role in the affairs of the Company and it was her husband Mr. Mukesh, who used to operate her account(s). On the other hand, has reiterated her husband's submissions that all the alleged acts were done by Mr. Abhishek Khandelwal with his wife. I note that both the versions

of the submissions are merely narratives and unsubstantiated stories. The submission of Mr. Mukesh putting all the blame on Mr. Abhishek Khandelwal has already been discussed above. The said findings shall apply mutatis mutandis in respect of Noticee No. 4 as well.

103 It is an undisputed fact (evidenced by the bank statements) that the funds to the tune of ₹ 30 lakhs for the allotment of preferential warrants originated from the account of Ms. Priyanka Sharma and were transferred to Debock, which through multiple rounds of circuitous transactions ultimately reached Debock again. These transactions were colored as application money for the allotment of warrants. The financial trail demonstrates that funds were made available by her in connection with the transactions constituting the fraudulent scheme, thereby establishing her active and material role in its execution. Thus, she was the principal financier and a key enabler of the entire scheme involving the fraudulent preferential allotment of warrants. In these circumstances, her present attempt to shift the entire responsibility upon her husband and alternatively upon Mr. Abhishek Khandelwal, without placing any cogent material to substantiate such a claim, appears to be nothing but an afterthought intended to distance herself from the consequences of her own acts and omissions. Significantly, she has failed to provide any credible explanation for the source, purpose and timing of the funds deployed by her, or to demonstrate that the transactions were undertaken without her knowledge or consent. Her conduct, viewed in the entirety of the financial trail and surrounding circumstances, therefore indicates that she was a knowing and active participant in the scheme, rather than an innocent conduit whose role can be attributed to her husband or any other person.

104 With regard to the allegation concerning retention/diversion of ₹7 Crore out of the ₹14 crore received from Impex, the Noticee has sought to contend, on the basis of a bank statement, that the said amount was subsequently repaid to Impex. At this stage, without delving into the correctness or otherwise of the said statement, particularly in view of the manner in which the financial transactions involving the Company and Mr Mukesh have otherwise transpired, it is material to note that the

relevant bank account reflects a series of corresponding credit and debit entries and transactions involving movement of funds through different accounts. The pattern of transactions indicates a circuitous movement of funds rather than a straightforward receipt and repayment, and is consistent with the *modus operandi* observed in the other transactions forming part of the present proceedings. Thus, even assuming, without accepting, that the entire amount was ultimately returned to Impex, such subsequent repayment by itself does not efface the Noticee's role in the initial diversion and movement of funds. For the purpose of determining the violations alleged in the present proceedings, the material on record sufficiently establishes that the Noticee was instrumental in facilitating the diversion and routing of funds. The subsequent movement or eventual return of the funds cannot retrospectively neutralise the acts already undertaken or absolve the Noticee of her role in facilitating the transactions constituting the alleged violations.

105 For the aforesaid reasons, it is established that Noticee No. 4 aided and assisted Debock and Mr. Mukesh Manveer Singh in the scheme for fraudulent preferential issue and rights issue by creating an impression of payments of application money by the preferential allottees through circuitous transactions and by acting as a conduit for the diversion of the rights issue proceeds. Therefore, the allegations of violation of Regulations 3(a), (b), (c), (d) & 4(1), 4(2) (c), (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act are established against the Ms. Priyanka Sharma.

Role of Noticee No. 5- 9 (Mr. Kailash Brahmabhatt, Mr. Arvind Rao, Mr. Sonu Sharma and Ms. Sanjeeda Dagar and Mr. Akash Kumar)

106 The SCN has observed that during the investigation period, Mr. Kailash Brahmabhatt, Mr. Arvind Rao, Mr. Sonu Sharma and Ms. Sanjeeda Dagar were the members of Audit Committee of Debock. Mr. Akash Kumar was an Executive Director of the Company for a certain time during the investigation period. Their designations and tenure in the Company are as under:

Table No. 35.

Sr. No.	Name of entity	Designation	FY 2021-22	FY 2022-23	FY 2023-24
1.	Mr. Kailash Brahmabhatt	Independent Director	√	√	√
2.	Mr. Arvind Rao	Independent Director	√	√	√
3.	Ms. Sanjeeda Dagar	Independent Director	√	√	√
4.	Mr. Sonu Sharma	Non-Executive, Non-Independent Director	√	√	√$
5.	Mr. Akash Kumar	Executive, Non-Independent Director	√	√#	

Resigned on August 23, 2022

$ Became executive director during the FY 2023-24

107 The SCN has mentioned the details of the meetings of Board of Directors that took place during FY 2021-22 to FY 2023-24 and attendees thereof. The same were disclosed in the respective financial statements of the Company and which are as follows:

Table No. 36.

Name of entity	Designation	FY 2021-22		FY 2022-23		FY 2023-24	
		Held	Attended	Held	Attended	Held	Attended
Mr. Kailash Brahmabhatt	Independent Director & Member of Audit Committee	8	8	16	16	13	13
Mr. Arvind Rao	Independent Director & Member of Audit Committee	8	8	16	16	13	13
Mr. Mukesh Manveer Singh	Chairman & Managing Director	8	8	16	16	13	13
Ms. Sanjeeda Dagar	Independent Director & Audit Committee Member	8	8	16	16	13	13
Mr. Sonu Sharma	Non-Executive Director &	8	8	16	16	13	13

Name of entity	Designation	FY 2021-22		FY 2022-23		FY 2023-24	
		Held	Attended	Held	Attended	Held	Attended
	Member of Audit Committee						
Mr. Akash Kumar #	Executive Director	8	8	16	3	-	-

108 The SCN has mentioned the details of audit committee meetings that took place during FY 2021-22 to FY 2023-24 and their attendees thereof, which are as follows:

Table No. 37.

Name of entity	Status	FY 2021-22		FY 2022-23		FY 2023-24	
		Held	Attended	Held	Attended	Held	Attended
Mr. Kailash Brahmabhatt	Chairman	4	4	4	4	4	4
Mr. Arvind Rao	Member	4	4	4	4	4	4
Mr. Mukesh Manveer Singh #	Member	4	3	-	-	-	-
Ms. Sanjeeda Dagar	Member	4	4	4	4		
Mr. Sonu Sharma	Member	4	4	4	4	4	4

#Resigned w.e.f. 31.12.2021

109 In view of the above, it is alleged that Mr. Kailash Brahmabhatt, Mr. Arvind Rao, Mr. Sonu Sharma and Ms. Sanjeeda Dagar violated Regulations 3(b), (c), (d) & 4(1), 4(2) (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) read with 27 (2) of SEBI Act, and Regulation 4(2)(f) and 18 (3) read with Part C of Schedule II of LODR Regulations. Further, for his alleged role of aiding and abetting the company and Mr. Mukesh Manveer Singh in the fraudulent acts, Mr. Akash Kumar is alleged to have violated regulations 3(b), (c), (d) & 4(1), 4(2)(f) & (k) of PFUTP Regulations, and Sections 12A(a), (b) & (c) read with 27 (1) of SEBI Act. Further, he was allegedly not in compliance with Regulations 4(1), 4(2)(e), 17(1)(b), 23(1), (2) & (4), 32(1), (2) & (4), 33(1)(a) & (c) and 48 of LODR Regulations read with Section 27 (1) of SEBI Act.

110 In response to the SCN, Noticee No. 5, 6, 7 and 9 did not file any response. Noticee No. 8 submitted that he was associated with IT Indiabulls Private Limited

and his responsibility was to register the plots in Dholera SIR Project on behalf of IT Indiabulls. Whenever any registration was due, the Company (IT Indiabulls Private Limited) (sic) used to send necessary instructions and documents based on which the registration was completed. At that time, he was certain that IT Indiabulls Private Limited and DSML were working together. It is submitted that any misuse of any document signed by him has been done without his knowledge or permission. After March 2020, he had no connection with the said Company and have neither received any financial transaction or received any salary. A copy of Board Resolution of IT Indiabulls Private Limited has been provided which clarifies that his role was merely executory, in accordance with the company's instructions. Based on the aforementioned circumstances, it is stated that he had not participated in any alleged fraudulent activities, such as tampering with bank statements, preferential allotment, or misappropriation of funds. His name has been mentioned solely due to the past employment.

111 I note and as observed in the SCN that in any listed company, the Audit Committee is expected to play a vital role as far as ensuring compliance with existing accounting standards, applicable laws and regulations are concerned. Under LODR Regulations, Audit Committee is entrusted with oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. At the same time, Regulation 18(1)(c) of the LODR Regulations also provides that all members of Audit Committee shall be *financially literate* and at least one member shall have accounting or related financial management expertise. The explanation to the said regulation states that, *"financially literate" shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows"* and "*a member shall be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief*

executive officer, chief financial officer or other senior officer with financial oversight responsibilities."

112 The educational and professional background of the aforesaid members of the Audit Committee, as revealed in the investigation, is summarised below:

Table No. 38.

Name of the director	**Educational background**	**Professional background**
Ms. Sanjeeda Dagar	10th standard	Event organizer.
Mr. Sonu Sharma	10th pass	Manufacturing namkeen (snacks).
Mr. Arvind Rao	Bachelor of Arts (B.A.)	Marketing of business newspaper
Mr. Kailash Brahmabhatt	2nd year BA	Journalist with Rajasthan Patrika

113 During the investigation, the members of the audit committee, admitted in their statements that they were not active in the board or Audit Committee meetings and just signed the blank papers given to them during the meetings and did not understand much about the financial statements. Mr. Kailash Brahmabhatt, being Chairman of the audit committee, also admitted not to possess the financial knowledge to read and understand financial statements.

114 At this point, I find it pertinent to note that peculiarly in the details of Board Meetings and Audit Committee Meetings tabulated above, the attendance of each of the independent director is *100%* during the entire period during which they have been reported to be the independent directors of the company. This uncanny perfect record hint towards the possibility that these board and audit committee meetings were never formally conducted and instead were only reported on paper. Separately, the SCN does not bring forth any material to show that any of the aforesaid independent directors played any role in the purported audit committee meeting or board meetings. Further, taking note of the fact that 2 of the independent directors were merely 10th pass and the remaining 2 also did not have any financial expertise, it can only be inferred they were not qualified to be the members of the Audit Committee.

115 The above discussed facts and circumstances also assume significance as there is no independent material demonstrating that they understood, approved or facilitated the transactions forming part of the alleged fraudulent scheme. The fact that persons lacking the requisite financial understanding were made members of the Audit Committee raises a concern regarding the manner in which the Committee was constituted and whether they were intended to exercise any role in the financial decision-making process. The material on record also does not clearly establish whether the agenda papers placed before the Committee were discussed in any meaningful manner. All of them have also submitted that they used to sign blank papers and were not aware about the transactions in question

116 Considering all the facts and circumstances together and material available on record , apart from their attendance in the Audit Committee meeting(s) as reported by the Company, no specific role or involvement has been brought on record to establish that they were aware of, participated in, or facilitated the alleged scheme.. There is also no allegation that any of them received any monetary gains out of the alleged scheme. Thus, even though they are seemingly in technical violation of the provision of the law, in the absence of cogent evidence establishing their knowledge or conscious participation in the alleged scheme, I am unable to attribute the alleged violations to them merely on the basis of their position as Audit Committee members.

117 As regards Mr. Akash Kumar, who was an Executive Director of the Company during the investigation period for a certain period and resigned on August 23, 2022, I find that the material on record does not disclose any specific act or omission connecting him with the alleged fraudulent scheme. The SCN has failed to bring forth any material demonstrating that he conceived or participated in the scheme, authorised or directed the impugned transactions, signed or approved the relevant documents, communicated instructions for their execution, or otherwise knowingly facilitated the transactions. Also the record does not show

that he carried out any banking transaction on behalf of the company, or that he received any monetary gains out of the scheme. The mere fact that he occupied the position of Director cannot, in the absence of evidence establishing his knowledge and involvement in the specific acts constituting the alleged violation, be treated as sufficient to fasten liability upon him directly or vicariously. Accordingly, having regard to the material available on record, I find that the requisite nexus between Mr. Akash Kumar and the fraudulent scheme has not been established and, therefore, the allegations against them do not stand sustained.

Role of Preferential Allottees in 1st allotment (Noticee No. 12-18) and Role of Preferential Allottees in 2nd allotment (Noticee No. 19-25)

118 The SCN has observed that during the 1st preferential allotment, Noticee No. 12-18 had subscribed to the preferential issue and allowed their bank accounts to be used for the alleged circular transactions discussed earlier. Subsequently, these allottees transferred their shares through off market transfers to Mr. Sunil Kalot after the lock in period was over for no consideration. In case of Raju Ajmera (Noticee No. 12), no receipt of funds in the bank account of Debock was observed for the preferential allotment.

119 For the 2nd preferential allotment, the SCN has noted that except for Avance Ventures Private Limited (Noticee No. 25), no money was effectively received by the Company. In case of Avance Ventures Private Limited (AVPL), the company had itself substantially funded the acquisition of preferential shares through circuitous payments through layers. Only an amount of ₹68 Lakh was received from AVPL.

120 Further during the investigation, these allottees were asked specific details regarding their subscription to share warrants, source of funds and their manner of application vide various summons issued on various dates. The details of the summons, the date of reply of allottees, if any, is summarized below:

Table No. 39.

Sr. No	Name of Allottee	Summon issued on	Whether reply received
1.	Mr. Raju Ajmera	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
2.	Ms. Najiya Bano	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
3.	Mr. Bharu Ram	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
4.	Mr. Rahul Khurana	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
5.	Mr. Ajay Dahiya	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
6.	Mr. Harish Kumar Sharma	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
7.	Mr. Rajesh Kumar Vishwas	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
8.	Ms. Chetna	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
9.	Mr. Kadir Kha	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
10.	Mr. Mahaveer Prasad Panchal	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No
11.	Mr. B Pavan Kumar Sharma	1. December 23, 2024 2. January 03, 2025 3. January 15, 2025	No

121 In view of the same, Noticee No. 12–25 have been alleged to have aided and abetted Debock and Mukesh Manveer Singh in their fraudulent scheme and violated regulations 3(b), (c), (d) & 4(1), 4(2)(a), (h), of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act. Further, for not providing the information sought by the investigating Authority during the investigation, it is alleged that Noticee No. 12, 14, 15, 16, 18-24 have violated Section 11(2)(i)(a), 11C (2) and (3) of the SEBI Act.

Findings on the role of 1st Preferential allotees

122 In response to the SCN, Noticee No. 12, 13, 14, 15, 16 and 17 have filed their respective responses which are summarized in earlier paragraphs. None of the said Noticees have addressed the core facts and allegations relating to the preferential allotment. Instead, the Noticees have given varying accounts regarding the manner in which they came to be associated with the transactions, and all of them except Noticee No. 12 have stated that they have been framed by Mr. Mukesh (Noticee No. 2). Most of them have submitted that they had no role in the preferential allotment and that their accounts were used by Mr. Mukesh. Also, as stated earlier, Mr. Mukesh had also attempted to explain the transactions, and to attribute responsibility to others, including the recipient of preferential warrants/shares viz. Mr. Abhishek Khandelwal and Ms. Najiya Bano. I note that the authenticity of their respective versions needs to be verified in the attending facts and circumstances.

123 The SCN and the investigation has observed that some of the preferential allottees were associated with the Company and/or Mr. Mukesh. The background and the manner of connections of these allottees as recorded in the SCN and investigation report is as below:

Table No. 40.

Sr.No	Name of allottee	Nature of connection with Debock/ occupation
Preferential allotment 1 (dated September 13,2021)		
1.	Mr. Mukesh Manveer Singh	Promoter
2.	Mr. Raju Ajmera	Promoter
3.	Mr. Abhishek Khandelwal	Past Accountant of Debock
4.	Ms. Najiya Bano	Spouse of Abhishek Khandelwal
5.	Mr. Bharu Ram	Past Director
6.	Mr. Rahul Khurana	CFO of Naturo Indiabull Limited, wherein friend of Mr.Mukesh Manveer Singh, i.e., Mr. Gaurav Jain is MD.
7.	Ms. Sheetal Jain	Spouse of Mr. Gaurav Jain
8.	Mr. Ajay Dahiya	No connection found

124 The charge against these Noticees are of aiding and abetting in the alleged fraudulent scheme and, therefore, the material must establish that they had knowledge of the fraudulent design and consciously assisted, facilitated or otherwise participated in its execution.

125 In case of 1st preferential allotment, it has already been established that the source of funds for the allotment was traceable to Ms. Priyanka Sharma and not to the concerned allottees. It has been discussed earlier as to how ₹ 30 lakhs were transferred from Ms. Priyanka Sharma to Debock a day prior to the receipt of funds from the allottees i.e. on September 6, 2021. These funds were transferred by Debock to Mr. Sunil Kalot on the next day i.e. September 7, 2021. Mr. Sunil Kalot transferred these funds to the allottees including Mr. Mukesh who paid the amount to Debock as consideration for allotment of warrants. For instance, the said ₹ 30 lakhs were circulated again and again between the company, Mr. Sunil Kalot and Mr. Mukesh Manveer Singh to fictitiously show the payment of total consideration of ₹ 3.28 crores, without any actual availability of such funds. Similar exercise was done for other allottees and in total ₹ 8.30 Crores were circuitously shown as application money as detailed in Table No. 22. Pursuant to conversion of the warrants into shares *(in respect of which no real funds were received by the Company and only fake bank statements showing fictitious entries were submitted)* all the shares were transferred to Mr. Sunil Kalot, who subsequently sold them in the market. There is no material available on record which may demonstrate that other than Mr. Mukesh (promoter and Managing Director), any other allottee exercised control over the shares after allotment. In fact, as recorded earlier, shares were transferred by all the allottees except Mr. Mukesh to Mr. Kalot without any consideration. No other independent material has been brought on record to demonstrate that the allottees (except Mr. Mukesh) knowingly participated in or facilitated the fraudulent arrangement. Thus, neither any funds were provided by the respective Noticees of 1st preferential allotment and nor did they benefit from the sale of the said shares. Therefore, I am inclined to accept the submissions of the said Noticees (except Mr. Mukesh) that they did not receive

any benefit out of the preferential allotment and were used as name-lenders for the purpose of the scheme which has come to the fore in the present case.

126 In this context, I now advert to the specific submissions of some of the Noticees (in particular Noticee No 2 and 4) with regard to 2 entities namely, Mr. Abhishek Khandelwal and Ms. Najiya Bano, who were amongst the allottees in the aforesaid 1st preferential allotment. It has been submitted that Mr. Abhishek Khandelwal, who was working as an accountant in Debock, along with one Mr. Ankit was responsible for the entire series of infractions which have been noticed in the present case including the namesake preferential allotment. As submitted by Noticee No. 2, Mr. Khandelwal replaced mobile number and email id connected to Noticee No. 2's bank account and forged the bank statements of the Company and withdrew an amount of ₹1,49,00,587 from his wife's (Noticee No. 4) account and siphoned off the money in their personal bank accounts. It was also submitted that Mr. Abhishek Khandelwal and his wife Ms. Najya Bano had utilised these siphoned off funds for allotting shares of the Company against their own name in the Preferential Issue.

127 With regard to the above, it has already been established that the initial payment towards subscription of warrants did not come from any of the allottees and it was the ₹30 lakh transferred by Noticee No. 4 (Ms. Priyanka) to Debock, which was circuitously transferred again and again to show the receipt of initial subscription amount by Debock from the preferential allottees. Further, upon conversion also, as established, the Company did not receive any funds from the allottees and all the bank entries (showing receipt of fund) submitted by the Company/Noticee No. 2 were forged. Thus, the submission of Noticee No. 2 that the funds siphoned-off by Mr. Abhishek and Ms. Najiya were used for allotting shares of the Company against their own name in the Preferential Issue, does not match with the facts on record. Further, the material on record does not bring out anything that these 2 entities paid any consideration for the preferential allotment or derived any benefit after transfer / sale of such shares. It is also an undisputed fact that both of them were not holding position of a KMP in the Company. Notably, other than the

alleged role in 1st preferential allotment, the SCN has not alleged any role of Mr. Abhishek or Ms. Najiya in the violations committed by the Company.

128 I take note that Mr. Mukesh along with certain other Noticees have submitted that they were framed by Mr. Abhishek Khandelwal and Ms. Najiya Bano and FIR have been filed against them and proceedings against them are pending. On the other hand, Mr. Abhishek Khandelwal and Ms. Najiya Bano have submitted that they were framed by Mr. Mukesh and false proceedings have been initiated against them by Mr. Mukesh. Thus, rival submissions have been filed by two sets of Noticees and for the purpose of the present proceedings, these rival submissions provide no evidentiary value and can only be treated as unsubstantiated counter-allegations. In so far as the pendency of the FIR/proceedings by Mr. Mukesh against Mr. Abhishek Khandelwal and Ms. Najiya Bano, and the counter FIR/proceedings filed by them, is concerned, the same are beyond the scope of the present proceedings. It goes without saying that if any court of competent jurisdiction were to find them guilty for violation of any other laws, they shall be liable for the appropriate punishment under the respective laws.

129 Without prejudice to pendency of the FIR and or pendency of any proceedings against them, I note that as far as the alleged role of Mr. Abhishek Khandelwal and Ms. Najiya Bano for aiding and abetting the preferential allotment is concerned, in the above discussed facts and circumstances and the reasons recorded in previous paragraphs, I find that the charge against them is not established.

130 Noticee No. 12 (Raju Ajmera) apart from being one of the preferential allottees is also shown as the promotor of the Company. On perusal of the final offer document filed by Debock (then Debock Sales and Marketing Limited) for listing on Emerge platform of NSE, it was noted that he was holding 100 shares of face value ₹10 which were transferred to him by Mr. Mukesh Manveer Singh for cash consideration before the filling of the offer document. His shareholding subsequently increased due to the preferential allotment and the bonus issuance

by the Company. When it was enquired from the Company about the consideration received from him for the preferential allotment, it was submitted that an amount of ₹1.09 Crores were received from him for the preferential allotment. However, on verification of the Company's bank account, it was noted that contrary to the claims of the Company, no amount was received from him. Thus, as compared to the other allottees where the payment was at least shown towards preferential allotment albeit through circuitous transactions, no consideration was received from Mr. Raju Ajmera. In his response to the SCN, Noticee No. 12 has filed identical submission as that of Noticee No. 15, 20, 21 and 22 and that Mr. Abhishek, Ankit, Najiya Bano gave him the shares.

131 The material available on record does not show if he had exercised any control over the affairs of the Company being its promoter. It is also undisputed that he was not holding the position of any KMP in the Company. Therefore, apart from being shown as a promoter, the material available on record, does not reflect any role on his part in the preferential allotment. Also, there is no allegation in the SCN that he had received any financial gain pursuant to transfer of shares to Mr. Kalot or the eventual sale of those shares. Therefore, I am inclined to give him the benefit of doubt and treat him on the same pedestal as other preferential allottees of the 1st preferential allotment except Mr. Mukesh.

132 Thus, for the reasons mentioned above, the allegation against Noticee No. 12-18 of aiding and abetting Debock and Mukesh Manveer Singh in their fraudulent scheme is not established.

Findings on the role of 2nd Preferential allottees (Noticee No. 19-25)

133 In response to the SCN, Noticee No. 19 (Mr. Harish Kumar Sharma) has submitted that he had met Mr. Mukesh, while looking for a job. Since he had no bank account, it was informed to him that his documents (PAN card and Aadhaar card) would be collected to comply with Company norms. His account was opened and apart from signature, nothing was done by him. Subsequently, a firm in his

name without his knowledge was created by Mr. Mukesh. He did not carry out any transactions through the firm and did not use it for personal work. No money was received by him or sent by him in the name of firm. He submitted that he was defrauded by Mr. Mukesh.

134 Noticee No. 23 (Mr. Mahaveer Prasad Panchal) has submitted that he had experience in manufacturing machinery. Previously, he had his own machinery business, but due to financial losses, it could not be sustained. Subsequently, he installed the machines in the factory of Mr. Mukesh who used to assist from time to time in the manufacturing and machinery work. Mr. Mukesh invested in the company, which was utilized for purchasing and repairing machinery parts. Mr. Mahaveer’s responsibility was strictly limited to office work and supervising the machinery in the factory and had no participation in the financial or administrative matters of the company. He also submitted that he was defrauded by Mr. Mukesh. Mr. Mukesh made him sign papers and he had no role in the affairs of the Company.

135 Noticee No. 20, 21 and 22 vide their identical emails have submitted that they received the shares from Mr. Abhishek, Mr. Ankit and Ms. Najiya Bano. It is submitted that they would receive bonus on sale of shares and for that reason their accounts were opened. Subsequently, Mr. Mukesh called them and informed that they have taken the shares illegally and asked them to return the shares, otherwise, the company would take action and they would also be lodged in Jail like Abhishek and Najiya Bano. On October 18, 2024, they signed an agreement on stamp paper of ₹100.

136 No reply was received from Noticee No. 24.

137 From the above mentioned replies of the Noticees 19-23, no clear inference can be drawn since all of them have denied having any knowledge about the preferential allotment and have attributed the blame to either Mr. Mukesh or Mr. Abhishek / Mr. Ankit / Ms. Najiya. Notwithstanding the same, it is undisputed that

similar to the 1st preferential allotment, even in case of 2nd preferential allotment, except AVPL, none of the allottees paid any consideration for allotment of the shares which casts doubt on the genuineness of their purported subscription and indicates that the allotment in their names was not supported by their own accord. Further, the SCN does not mention what happened to the shares after their allotment to these Noticees. In particular, there is no material establishing whether the shares continued to remain in their respective accounts, or were subsequently transferred or sold, to whom they were transferred/sold, whether any consideration was received by them, or whether they derived any other benefit from the shares.

138 On the other hand, I also note from the record that other than AVPL, the Noticees No. 19-24 are individuals of meagre means. The SCN/Investigation has noted that one of the allottee, Ms. Chetna (Noticee No. 21) used to work as a sweeper in the office of Debock; no connection has been found with respect to Noticee No. 24; no financial background is available w.r.t Noticee No. 20; Noticee No 20 was a civil contractor; Noticee No. 19 (former employee of Mr. Mukesh) and Noticee No. 23 (working on machinery maintenance) who appeared in person before me had submitted that they were fraudulently made part of the scheme and allotted shares without their knowledge.

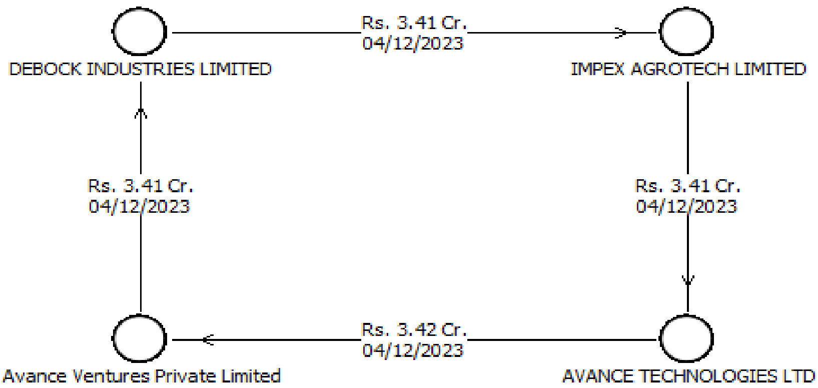
139 Thus the material on record and the replies of the allottees indicates towards utilization of the names or accounts of the allottees as part of the design through which the preferential allotment was made and used these entities as nominal or name-lending allottees. Such circumstances do not establish the element of conscious participation in the fraudulent design. Thus, cumulatively, the absence of any funding by them towards the preferential allotment or any benefit from the sale/transfer during the investigation period, and the absence of independent evidence connecting them to the fraudulent design, assumes significance.

140 Accordingly, while I find that the preferential allotment scheme(s) itself were fraudulent and that the names/accounts of the concerned allottees formed part of the mechanism through which the scheme was implemented, the evidence does

not establish that these allottees possessed any knowledge of the fraudulent design or consciously assisted in its execution. The material on record does not establish the requisite nexus between them and the fraudulent design so as to sustain the charge of aiding and abetting fraud. The allegations cannot be sustained merely on the basis of their being named as preferential allottees or their apparent role as nominal/name-lending allottees. Thus, in the peculiar facts and circumstances of the present case discussed above and for the reasons recorded, the charge of aiding and abetting the Company and Mr. Mukesh in fraudulent preferential allotment is not established against Noticee No. 19-24.

141 As regards AVPL (another allottee in the 2nd preferential allotment), during the investigation, it was submitted by AVPL that it had transferred funds amounting to ₹1.18 Crores on November 03, 2023 and ₹ 3.41 Crores on December 04, 2023 to Debock. However, on perusal of the bank statements, it was observed that out of ₹1.18 Crore as claimed by AVPL, only an amount of ₹68 lacs were transferred to Debock on November 03, 2023. Further, the ₹3.41 Crore was funded by the Company itself as depicted below.

Flow Chart No. 18



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142 Thus, in respect of AVPL, it is clear that at least ₹68 Lakhs were paid towards preferential allotment and in turn shares were received by it. Thus, It can be inferred that AVPL obtained the benefit of the allotted securities while making financial contribution of ₹ 68 Lakhs. Therefore, I am constrained to find that AVPL participated in and facilitated the fraudulent arrangement and thereby aided and

abetted the fraud in relation to the preferential allotment. Therefore, the charge against Noticee No. 25 is accordingly established.

Findings on non-compliance with summons

143 The SCN has also alleged that for not providing the information sought by the Investigating Authority (IA) during the investigation, Noticee No. 12, 14, 15, 16, 18-24 have violated Section 11(2)(ia), 11C (2) and (3) of the SEBI Act. In this regard, I note that Noticee No. 14 has submitted that she was unable to access her e-mail ID and got to know about the proceedings only through her husband. Noticee No. 19 and 23 have submitted that they did not receive the summons, and had they received the summons, they would have provided all the information. Noticee No. 16 has submitted that he could not respond to SCN/summons because of various reasons including relocation of residence, serious illness of daughter and late discovery of the SCN and that the delay was not willful or motivated. Noticee No. 15 and 18 have not filed any response at all. Whereas, Noticee No. 12, 20, 21 and 22 have filed identical response to the SCN but nothing with respect to the specific allegation in hand regarding non-compliance with summons.

144 I note that Section 11(2)(ia) of the SEBI Act inter alia provides for general powers to SEBI to call for information and records from any person which, in the opinion of SEBI, shall be relevant to any investigation in respect of any transaction in securities. Section 11C(2) of the SEBI Act casts an obligation inter alia upon every manager, managing director, officer and other employee of the company or every person associated with the securities market to preserve and to produce to the IA or any person authorized by it in this behalf, all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power. Section 11C(3) empowers the IA to require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any

person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.

145 In this regard, I note that in the specific facts and circumstances of the case discussed hereinabove, the allegation of non-compliance with summons against the aforesaid Noticees is required to be considered in the backdrop of the findings with respect to the substantive allegations against such Noticees. I have already examined in detail the alleged role of the aforesaid Noticees as preferential allottees and, on an appreciation of the material available on record, have found that the substantive allegation against them is not established. It is noted that the material does not establish that these Noticees had knowingly participated in, or derived any benefit from, the alleged fraudulent scheme. On the contrary, the circumstances emerging from the record indicate that their names appear to have been utilised in the scheme. This finding assumes significance while examining the alleged non-compliance with summons, since the lack of a response to a summons cannot, in the peculiar facts of the present case, be viewed in isolation or treated as an independent circumstance establishing their involvement in the underlying misconduct.

146 I further note that certain Noticees have specifically stated that they did not receive the summons issued to them and, significantly, appeared personally before me during the course of the proceedings. Such conduct, in my view, is inconsistent with an inference that they were consciously seeking to evade the regulatory proceedings. In respect of the remaining Noticees, who did not reply to the summons and/or appear for hearing, the material on record does not satisfactorily establish that each of the concerned Noticees had personally received the summons and, despite such receipt, deliberately chose not to comply. More importantly, having regard to the finding that no violation has been established against these Noticees and that their knowing participation in the alleged fraudulent scheme has not been established, I find it difficult to draw an adverse inference from the alleged non-response to the summons in the absence of clear

evidence of deliberate non-compliance. Accordingly, the charges under Sections 11(2) (ia), 11C(2) and 11C(3) of the SEBI Act are not established against the Noticees No. 12, 14, 15, 16 and 18-24.

Role of Ms. Nishu Goyal (Noticee No. 10) and Ms. Vandana Patidar (Noticee No. 11)

147 Ms. Nishu Goyal (Noticee No. 10) was the CFO of the company during the FY 2021-22 to 2023-24. The SCN has observed that during her tenure, the following events had occurred at the Company.

i. Fictitious preferential issues through which shares were issued without actually receiving any consideration.
ii. The company's migration from NSE Emerge to the main board of NSE with the help of the eligibility criterion met through fictitious preferential issue.
iii. Inflation of financials of the company through fictitious purchases and sales.
iv. Bonus issue by utilizing fictitiously created reserves.
v. Diversion of rights issue proceeds for the ultimate benefit of promoters.
vi. Submission of forged bank statements to SEBI in an attempt to cover up the frauds as above.
vii. Diversion of rights issue proceeds.

148 Ms. Vandana Patidar was the CEO of the Company during FY 2021-22, and resigned on October 28, 2022. As observed in the SCN, the following events had happened during her tenure as CEO:

i. The fictitious preferential issue of warrants during FY 2021-22 (through which the company met the eligibility criterion to migrate to the main board of the exchange).
ii. The financials of the company were inflated through fictitious purchases and sales with related parties.
iii. Bonus issue by utilizing fictitiously created reserves.

149 Further, in terms of Regulation 17 (8) of LODR Regulations, the chief executive officer (CEO) and the chief financial officer (CFO) are required to provide the compliance certificate to the board of directors of the Company, contents of which

inter alia required them to review financial/cash flow statements and ensure that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. It is also required to be ensured these statements together present a true and fair view of the listed entity's affairs. For the FY 2021-22 to FY 2023-24, the following were the signatories to CEO/CFO Certification:

Table No. 41.

FY	CEO Certification	CFO Certification
2021-22	Ms. Vandana Patidar	Ms. Nishu Goyal
2022-23	Mr. Mukesh Manveer Singh	Ms. Nishu Goyal
2023-24	Mr. Mukesh Manveer Singh	Ms. Nishu Goyal

150 The SCN has inferred that being at the helm of the affairs of the Company, Ms. Vandana Patidar and Ms. Nishu Goyal were fully aware that the financial statements of the company were inflated and yet they certified the financials of the company as true and fair. Thus, the SCN has alleged that Ms. Vandana Patidar and Ms. Nishu Goyal had-

i. Aided and abetted Debock and Mr. Mukesh Manveer Singh to fraudulently show a rosy picture of the financials of the company through inflating the purchases and sales through fictitious transactions and fraudulent entries in ledgers.

ii. As CEO/CFO in the company, colluded with the promoters while fictitious preferential issues without consideration were done and inflated the books of the company and to fraudulently become eligible for migration to the NSE's main board from NSE Emerge.

iii. Colluded with Debock and Mr. Mukesh Manveer Singh to do Bonus issue utilizing reserved created fictitiously.

151 Thus, Ms. Vandana Patidar and Ms. Nishu Goyal have been alleged to have violated Regulations 3(b), (c), (d) & 4(1), 4(2) (f) & (k) of PFUTP Regulations read

with Sections 12A(a), (b) & (c) read with 27 (2) of SEBI Act, and Regulation 17 (8) read with Part B of Schedule II of LODR Regulations.

152 In response to the SCN, Noticee No. 10 (Nishu Goyal) has submitted that before Debock she worked as a receptionist and administrative assistant at DENFIN India Limited (Group Company of Mr. Mukesh Manveer Singh) with a monthly salary of ₹ 18,000, where her duties were strictly clerical, such as answering phones and maintaining office records. She resigned from DENFIN due to marriage. In August 2017, Mr. Mukesh offered her an administrative role at Debock and informed her that her name would be used for certain procedural and documentation purposes. It has been claimed by her that assurance was given to her that no managerial, financial, or compliance-related responsibilities would be assigned and her involvement would be limited to basic clerical and computer-related work. However, she was required to send ₹ 10,000 in cash every month so the company could use her name as "Chief Financial Officer" purely on paper for regulatory compliance. Without her understanding of its legal implications, she was designated as CFO of Debock.

153 Further, during her association, she was presented with some documents for signature and she signed it trusting the assurance that the documents are routine office documents. No explanation was given and she had no understanding of the Company Laws and SEBI Regulations. No opportunity to consult or any advice was given. She did not prepare, review, approve or certify any financial documents. From 2019 to June 2020, she continued to be shown on company records but she rarely visited the office and continued to receive a nominal salary. Mr. Mukesh frequently sent documents for her signature and she signed it in good faith and under his repeated assurances. She was not allowed to review or keep copies of the records. From July 2020 onwards, her salary was completely stopped, yet the company continued using her name and signatures on official filings without her active involvement or consent. On July 9, 2023, she physically rejoined the office for routine clerical work upon the request of Mr. Mukesh after being told that her help was needed to fix general documentation gaps. At that

time her role was strictly limited to office documentation, document management and communication related tasks.

154 She has always maintained the stand before SEBI/NSE that she was not involved in any financial, operations or governance related activities of the Company. She formally resigned as CFO on September 7, 2024. While formally denying all the allegations, it is submitted that no benefit, financial or otherwise has been derived by her. She also submitted that she has fully cooperated with SEBI and NSE and has provided all the relevant documents.

155 Ms. Vandana Patidar (Noticee No. 11) has submitted that she had worked in the Company for only four months and was given the position of CEO with a monthly salary of ₹ 50,000. She had no involvement with or claim on the company's finances. She only knew Mr. Mukesh and Mr. Abhishek, Ms. Najiya Bano, Mr. Ankit, and Ms. Shravya from the finance department. She did not receive any money other than the Salary. As far as she is aware, the financial transactions were handled by the Account Officer and other than that, she has no knowledge of any financial matters or transactions of the company.

156 The crux of the submissions made by Noticee No. 10 and 11 is that that they were not aware of the nature or implications of the documents which they were signing. Having said that it is undisputed that they were consciously designated as CFO/CEO and were aware of the positions held by them and received salary for signing the documents. Further, they signed the CEO/CFO certificates in their official capacity as required under Regulation 17(8) of the LODR Regulations. A person occupying such a responsible position and being aware of the same cannot completely disassociate from the contents and consequences of their actions by merely stating that they did not know what they were signing.

157 No independent material is available to verify the veracity of the claim of Ms. Nishu Goyal that she was brought into the company at the instance of Mr. Mukesh. The

said fact even if true, does not absolve her of the responsibility attached to the CFO office consciously assumed by her.

158 Accordingly, I find that Noticee Nos. 10 and 11 cannot be exonerated merely on the ground that they were unaware of what they were signing. Therefore, violation of Regulations 3(b), (c), (d) & 4(1), 4(2) (f) & (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) read with 27 (2) of SEBI Act and Regulation 17 (8) read with Part B of Schedule II of LODR Regulations are established against them.

159 However, the absence of evidence showing that Noticee Nos. 10 and 11 received any part of the proceeds other than the salary, or conceived the fraud, or were the beneficiaries of the fraudulent arrangement or that they had any independent motive for undertaking the underlying transactions can be considered as a mitigating factor.

Role of Impex Agrotech Limited (Noticee No. 26)

160 It is observed that Mr. Mukesh and Ms. Jyoti Choudhary (Noticee No. 29) are the majority shareholders of Impex which was used as a conduit for transfer of proceeds of rights issue from Debock to Naturo IndiaBull Limited. Impex was also used for inflation of financials of Debock through circuitous sales and purchases and circuitous transfer of funds. Debock also transferred money through Impex to AVPL for financing the consideration by AVPL for the 2nd preferential issue. Thus, it is alleged that Impex aided and abetted Debock and Mr. Mukesh to inflate the financials of Debock by entering into circuitous purchases and sales. Impex also aided in creating an impression of payment of application/allotment money with respect to preferential issue made to AVPL and to divert the proceeds of rights issue done by Debock to promoter and connected entities and finally to overseas entities through layered transaction. Thus, it is alleged that Impex has violated regulations 3(b), (c), (d) & 4(1), 4(2)(f) and (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

161 At the outset, it is noted that Impex Agrotech Limited was earlier known as Impex Agrotech private Limited and pursuant to its conversion to public limited, its CIN was changed. In so far as the allegations against it are concerned, no reply has been received from Impex in response to the SCN. It is an undisputed fact that Impex is a related party of Debock because of Mr. Mukesh being the majority shareholder of Impex. Involvement of Impex in the fraudulent acts by the Company has been extensively dealt in preceding parts of the Order. It has been discussed that Impex did not have any revenue from operations in FY 2021-22 and suddenly in FY 2022-23, there was increase in revenue from operations to ₹11.67 Crore. The trade receivable of Impex were from Semi Engineering and trade payables to Debock, implying that Impex traded only with Debock and its related companies. Even the majority of the transactions undertaken by Impex were circular transactions as detailed previously in the Order. Thus, Impex was instrumental in and acted as a vehicle for inflating the financials of Debock through circuitous sales and purchases and circuitous transfer of funds.

162 Further, during the rights issuance of Debock, out of the ₹49.09 Crores of the proceeds of rights issue, ₹49 Crores were immediately transferred to the promoter/promoter group of Debock or persons connected to promoters of Debock through Impex. Out of the said ₹ 49 Crores, ₹25.07 Crores were transferred to Naturo Indiabulls Limited which further diverted the money to various other entities including overseas entities. Thus, Impex aided and abetted Debock in diverting the proceeds of rights issue.

163 Also, during the 2nd preferential allotment, Impex was instrumental in fraudulently creating an impression of payment of application/allotment money with respect to preferential issue made to AVPL and for financing the consideration to be paid by AVPL for preferential issue.

164 For the aforesaid reasons, the violations of Regulations 3(b), (c), (d) & 4(1), 4(2)(f) and (k) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act are established against Impex.

Role of Naturo IndiaBull Ltd. (Noticee No. 28)

165 It is alleged in the SCN that Naturo IndiaBull Ltd aided and abetted Debock to divert the proceeds of Rights issues. No response to the SCN has been received from Naturo IndiaBull Ltd.

166 I note that Noticee No. 28 was the recipient of the proceeds from the rights issue from Impex, which were diverted to various entities including overseas entities through entities such as Bright Trading, Arvika Shipping and Arrowship services. The amounts diverted through Naturo was shown as advances in the books of Naturo. Incidentally, these entities were neither the suppliers of Naturo, nor did they carry out any business transaction with Naturo. On analysis of ledger of Impex in the books of Naturo, it is observed that Naturo has shown purchases from Impex in the FY 2022-23 and FY 2023-24. Further, in the month of July 2023 and August 2023, an amount of ₹ 32.07 crores were received by Impex from Naturo.

167 Thus, it is established that Naturo aided and abetted the company to divert the proceeds of Rights issues. Accordingly, violation of Regulations 3(b), (c), (d) & 4(1), of SEBI PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act is established against it.

Role of Jyoti Chaudhary (Noticee No. 29)

168 For her role in aiding and abetting Debock in diverting the proceeds of Rights and being one of the direct recipient of the diverted funds, Jyoti Chaudhary was alleged to have violated Regulations 3(b), (c), (d) & 4(1), of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act. No response to the SCN was received from her. Thus, I proceed on the basis of material available on record.

169 I note that Jyoti Chaudhary is the shareholder of Impex and promoter- Director of Naturo IndiaBulls Limited. The roles of both the entities have been discussed above and that both these entities aided and abetted Debock in the fraudulent

scheme. She was one of the recipients of the amount diverted through Impex. She received ₹0.30 Crores from Impex out of the rights issue proceeds. The material available on record also reflects that she was a past independent director of Debock. Additionally, she also received ₹0.18 Crores from Priyanka Sharma out of the proceeds of the rights issues.

170 Thus, I have no hesitation in establishing the charges of violation of Regulations 3(b), (c), (d) & 4(1) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act against Jyoti Chaudhary.

Role of Mr. Gaurav Jain (Noticee No. 27)

171 The SCN has observed that Mr. Gaurav Jain was the Managing Director and Promoter of Naturo and one of the beneficiary of sale of shares gifted to him by Mr. Mukesh and also direct recipient of the funds diverted from Debock through Impex. Thus, it is alleged that Mr. Gaurav Jain has violated regulations 3(b), (c), (d), 4(1) and 4(2)(h) of PFUTP Regulations read with Sections 12A(a), (b) & (c) of SEBI Act.

172 In response to the SCN, he has submitted the following :

a) He was appointed as a Director and Promoter of Naturo IndiaBull Private Limited (later Naturo Agrotech India Limited) by Mr. Mukesh. He had no prior experience or expertise in capital markets, finance etc., being 12th pass. While designated as MD, the entire operational, financial, and strategic decision-making power was exclusively retained and exercised by Mr. Mukesh. He was not involved in or consulted for any decision making process related to Debock. He was directed to sign documents, often under pressure and without being explained their contents, purpose, or legal implications.

b) Regarding the alleged circular transactions involving “Sands Entertainment”, a proprietorship firm in his name, it is submitted that while the firm was nominally registered in his name and he was shown as the signatory to its bank account, the entire creation, operation, and control of Sands Entertainment was exclusively in the hands of Mr. Mukesh. He merely signed documents and forms as instructed, without being made aware of the nature or purpose of the transactions. No monetary benefit or consideration accrue to him from the activities of Sands Entertainment.

c) He did not conceive, plan, or execute the rights issue or any related transaction or diversion of funds through Naturo.

d) The gift of shares from Mr. Mukesh was directly linked to his assurance of compensating him for the loss he suffered in the property transaction, and not in furtherance of any illegal activity. He never received or controlled any proceeds from these shares nor participate in their sale or liquidation.

e) He has not engaged in any share trading, securities investment or any other capital market transaction. All demat accounts in his name were opened, maintained, and operated entirely at the instance and under the direction and control of Mr. Mukesh and his associates.

f) He formally resigned from the directorship of Naturo Agrotech India Limited in September 2025 and other entities linked to Mr. Mukesh.

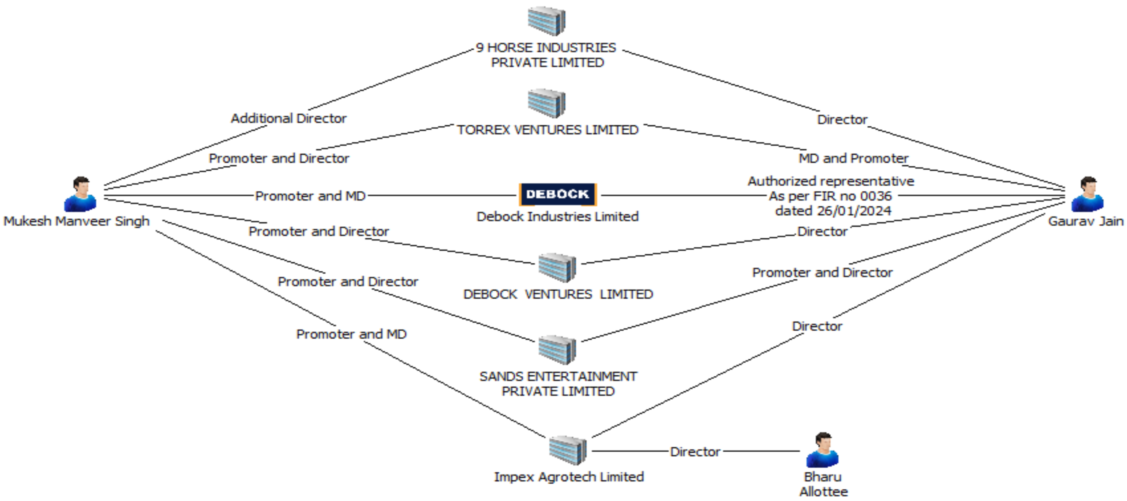
173 I note that the submissions of Mr. Gaurav Jain related to the gifting of shares and their subsequent sale has already been discussed above at Para 84-87 and it is established that he is liable for the sale proceeds of those shares along with Mr. Mukesh.

174 The essence of his submissions is that everything was done by him at the behest of Mr. Mukesh and/or by Mr. Mukesh himself and he had no role and involvement in the affairs of Debock.

175 It is also submitted that liability under the regulatory framework of SEBI is not vicarious and an individual cannot be held legally responsible merely because of the position or title they hold in a company and that there must be clear and cogent evidence demonstrating that the person concerned was actively engaged in the affairs of the company at the relevant point in time.

176 With regard to his submissions, I note that Mr. Gaurav has admitted to have been associated with Naturo and Sands Entertainment. Additionally, the SCN has observed that he is a business partner of Mr. Mukesh and both are together shareholders and directors in a number of companies as may be seen from the chart below.

Flow Chart No. 19



177 Mr. Gaurav Jain has also been found to be the authorized representative of Debock in an FIR filed by Debock against Abhishek Khandelwal and others before the Jaipur Police. He was also one of the recipients of the proceeds of rights issue diverted from Debock. These are reasons to believe that his was actively involved in the affairs of the Company. In his defense, Mr. Gaurav Jain has also provided a demand letter from Income Tax department, inferring that Mr. Mukesh used his accounts for evading tax liabilities. While acknowledging the response by Mr. Gaurav Jain, I find his submissions difficult to accept in light of the material available on record. No documentary evidence has been produced which may substantiate his version. The material available on record demonstrates his role

directly or through entities, in which he was a director, in inflating the financials of the Company, in fraudulent preferential allotment and in diversion of proceeds of the rights issues. Therefore, based on the above, the violation of regulations 3(b), (c), (d), 4(1) of the PFUTP regulations read with Sections 12A(a), (b) & (c) of SEBI Act are established against him. The SCN has also invoked Regulation 4(2)(h) against him which prohibits a person to indulge in selling, dealing or pledging of stolen, counterfeit or fraudulently issued securities. Considering that the shares gifted by Mr. Mukesh to him were obtained without any consideration, the violation of Regulation 4(2)(h) is also established against him.

Conclusion

178 To sum up the entire discussion, I note that Noticees no. 1 (Debock Industries Limited) and 2 (Mr. Mukesh Manveer Singh) have been found to be liable for the following violations:

i. Claiming non-existent purchases and sales recorded in the books of the company as genuine;

ii. Showing fictitious receipt of application monies in 1st preferential issue and 2nd preferential allotment and their utilization, as genuine;

iii. Inflating the Sales and Purchases through circuitous transactions and fraudulent entries in ledgers leading to mis-statement of financials of the FY 2021-22, 22-23 and 2023-24;

iv. Fraudulently creating free reserves out of fictitious preferential issue and fictitious purchases and sales and utilizing the same for bonus issue;

v. Submission of incorrect information by providing forged Bank Statements to fraudulently conceal fictitious preferential issues and inflation of the books through circuitous purchases and sales;

vi. Diversion of Rights Issue Proceeds to persons/entities connected to the promoter(s);

vii. Failure to disclose changes in objects of the issue in case of utilization of proceeds of rights issue to the exchanges and in the Annual Report;

viii. Creation of fictitious cash flows and failure to comply with Ind AS 1 and 7 while preparing the financial statements of Debock;

ix. Failure to prepare the financial statement in the manner specified in Regulation 33(1)(a) and 33(1)(c) of LODR Regulations;

x. Entering into material related party transaction without audit committee and shareholders' approval.

179 To summarize the scheme, Noticee no. 1 with Noticee no. 2 at the helm of its affairs, post its listing on NSE emerge, inflated its financials through fictitious sales and purchases and circular transactions. The inflation of financials allowed Noticee No. 1 to migrate to the main board of NSE. On the main board, Noticee No. 1 came up with fraudulent issuance of preferential allotments, bonus issue and rights issue, and increased its capital base. Later, around 4.21 Crores shares worth ₹ 59.30 Crores obtained through fraudulent preferential issue and bonus issue were dumped to gullible investors. In this fraudulent scheme, masterminded by Noticee No. 2 with aid and assistance of Noticee No. 3, 4 and 27, the following amount was illegally earned which is liable to be disgorged:

Table No. 42.

	Unlawful Gains (in ₹)
Mr. Sunil Kalot	37,66,55,212
Mr. Mukesh Manveer Singh	4,24,17,670
Mr. Mukesh Manveer Singh with Mr. Gaurav Jain	17,39,79,366
Total Gains	**59,30,52,248**

180 Noticee no. 1 acting through Noticee no. 2, also came up with the rights issues, the proceeds of which were diverted through the aid and assistance of Noticee No. 26–29.

181 Noticee No. 10 and 11 who were the CFO and CEO of the Company respectively, have also been held responsible on their part for the acts of the Noticee No. 1.

182 For the reasons recorded in the Order, no role of Noticee No. 5–9, certain preferential allottees (i.e., Noticee No. 12–24) has been found and therefore, the allegations against them do not sustain and are therefore being dropped without issuance of any adverse directions.

183 Having adjudged the violations levelled in the SCN and finding the Noticees liable, as noted above, I note that the present matter is a fit case for issuance of appropriate directions as well as imposition of penalty against Noticees No. 1–4, 10, 11 and 25–29.

184 As regards imposition of monetary penalty, I note that Section 15J of the SEBI Act lays down the factors which shall be given due regard while adjudging the quantum of the penalty. Section 15J reads as under:

> *"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."*

185 As noted above, Noticees no. 1 and 2 have been found to be involved in multiple violations which are grave and serious in nature. In their fraudulent scheme, Noticees no. 1 and 2 were aided by Noticee No. 3, 4 and 27. I note that other than the quantified gains mentioned above at Table 42 which are liable to be disgorged, the SCN has not observed any other identifiable figure to arrive at exact profits made by other Noticees. Considering the gravity and seriousness of the violations

on part of each of the Noticees and the corresponding facts, appropriate penalty shall be imposed in the matter.

186 As far as the role of Noticee No. 10 and 11 are concerned, although for knowingly holding the position of CFO and CEO and performing the functions as such, they have been held liable, but the SCN has not identified any other active role on their part in the fraudulent scheme, or accrual of any monetary benefit to them other than salary. Similarly, Noticee No. 29, whose role has been found in the present matter on account of being a director of Noticee No. 26 and 28, has also not been found to have made any direct monetary benefit. Therefore, I am inclined to consider their limited role as a mitigating factor for the purpose of determining the directions to be issued against them and the monetary penalty to be imposed on them.

ORDER

187 I, therefore, in order to protect the interest of investors and the integrity of the securities market, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B(1) read with Section 19 of the SEBI Act, hereby issue the following directions:

i. Noticee No. 1 (Debock Industries Limited) shall, forthwith but not later than 3 months from the date of this Order, bring back to its account, the amount of ₹ 49 crores, which has been found to be diverted out of the proceeds of the rights issue, along with interest @ 12%, to be computed from the date on which the money was diverted from it (i.e. July 24, 2023);

ii. Noticees no. 1 (Debock Industries Limited) and 2 (Mr. Mukesh Manveer Singh) are debarred from accessing the securities market and are also prohibited from buying, selling and otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of **7 years** from the date of this Order;

iii. Noticee No. 2 (Mr. Mukesh Manveer Singh) is further restrained from being associated with any listed company or a SEBI registered intermediary as a director or a key managerial person, directly or indirectly, for a period of **7 years** from the date of this Order;

iv. Noticee no. 3 (Mr. Sunil Kalot) is debarred from accessing the securities market and is also prohibited from buying, selling and otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of **5 years** from the date of this Order.

v. Noticee No. 3 (Mr. Sunil Kalot) is further restrained from being associated with any listed company or a SEBI registered intermediary as a director or a key managerial person, directly or indirectly, for a period of **5 years** from the date of this Order;

vi. Noticees no. 4 (Ms. Priyanka Sharma) and 27(Mr. Gaurav Jain) are debarred from accessing the securities market and are also prohibited from buying, selling and otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of **3 years** from the date of this Order.

vii. Noticees no. 4 (Ms. Priyanka Sharma) and 27(Mr. Gaurav Jain) are further restrained from being associated with any listed company or a SEBI registered intermediary as a director or a key managerial person, directly or indirectly, for a period of **3 years** from the date of this Order;

viii. Noticees no. 10 (Ms. Nishu Goyal), 11 (Ms. Vandana Patidar), 25 (Avance Ventures Private Limited), 26 (Impex Agrotch Limited), 28 (Naturo IndiaBull Limited) and 29 (Ms. Jyoti Choudhary) are debarred from accessing the securities market and are also prohibited from buying, selling and otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for a period of **2 years** from the date of this Order.

ix. Noticees no. 10 (Ms. Nishu Goyal), 11 (Ms. Vandana Patidar) and 29 (Ms. Jyoti Choudhary) are further restrained from being associated with any listed company or a SEBI registered intermediary as a director or a key managerial person, directly or indirectly, for a period of **2 years** from the date of this Order;

x. It is clarified that the period of debarment and restraint in respect of Noticees no. 1,2,3 and 4 as directed above shall be reckoned from the date of the Interim Order dated August 23, 2024.

188 If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out / square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

189 Noticees no. 2, 3 and 27 shall disgorge unlawful gains amounting to ₹**59,30,52,248** (in the manner as mentioned in Table below) along with simple interest @ 12% per annum from the date of sale of respective shares till the actual date of deposit. The said amount shall be remitted to the Investor Protection and Education Fund ('IPEF'), as referred in Section 11(5) of the SEBI Act within forty-five (45) days from the date of receipt of this Order and payment can be made through the designated payment link provided on the SEBI Homepage (www.sebi.gov.in) under *'Click here to make payment to SEBI IPEF'.*

Table No. 43.

Noticee's name	Amount to be disgorged	
	Individually	Jointly and severally
Mr. Sunil Kalot	**37,66,55,212**	NA
Mr. Mukesh Manveer Singh	4,24,17,670	17,39,79,366
Mr. Gaurav Jain and Mr. Mukesh Manveer Singh	NA	17,39,79,366

190 Further, in exercise of the powers conferred upon me under Sections 11(4A) and 11B(2) read with 15HA and 15HB of the SEBI Act, I hereby impose the following penalties upon the Noticees:

Table No. 44.

Name of the Noticee	Penalty Amount (in ₹) u/s 15HA of SEBI Act	Penalty Amount (in ₹) u/s 15HB of SEBI Act	Total Penalty (in ₹)
Debock Industries Limited	1,00,00,000	10,00,000	1,10,00,000
Mr. Mukesh Manveer Singh	20,00,00,000	10,00,000	20,10,00,000
Mr. Sunil Kalot	5,00,00,000	-	5,00,00,000
Ms. Priyanka Sharma	1,00,00,000	-	1,00,00,000
Ms. Nishu Goyal	5,00,000	1,00,000	6,00,000
Ms. Vandana Patidar	5,00,000	1,00,000	6,00,000
Avance Ventures Private Limited	20,00,000	-	20,00,000
Impex Agrotech Limited	1,00,00,000	-	1,00,00,000
Mr. Gaurav Jain	50,00,000	-	50,00,000
Naturo IndiaBull Limited	50,00,000	-	50,00,000
Ms. Jyoti Choudhary	5,00,000	-	5,00,000

191 The Noticees, mentioned in Table 44 shall pay the penalty within a period of forty-five (45) days from the date of receipt of this order.

192 The Noticees shall pay the monetary penalty by online payment through following path on the SEBI website: www.sebi.gov.in/ENFORCEMENT → Orders → Orders of Chairperson/ Members → Click on PAY NOW. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.

193 Noticees shall forward details of the online payment made in compliance with the directions contained in this Order to the "*Division Chief, CFID, SEBI, 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 as given in table below:

Table No. 45.

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

194 The proceedings in respect of Noticees no. 5–9 and 12–24 are hereby disposed of without issuance of any directions and imposition of any monetary penalty.

195 This Order shall come into force with immediate effect.

196 A copy of this Order shall be served on all the Noticees. A copy of this Order shall be forwarded to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents to ensure necessary compliance.

AMARJEET SINGH

Digitally signed by AMARJEET SINGH
Date: 2026.08.28 17:58:53 +05'30'

AMARJEET SINGH

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA