QJA/SS/CFID/CFID-TPD/32509/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

Under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2), 15A(b), 15HA of the Securities and Exchange Board of India Act, 1992, Section 23A(a) of the Securities Contracts Regulation Act, 1956 read with Rule 5(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules 1995, and Rule 5(1) of the Securities Contracts Regulations (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 in the matter of Nalwa Sons Investments Limited.

In respect of:

Noticee No	Name of the Noticee	PAN of the Noticee
1	Nalwa Sons Investments Limited	AAACJ2734R
2	Mr. Mahender Kumar Goel	ADNPG0009R
3	Mr. Rakesh Kumar Garg	ABKPG0293N
4	Mr. Rajinder Prakash Jindal	AAVPJ9552B
5	Mr. Bhartendu Harit	ABBPH1847G
6	Mr. Prithvi Raj Jindal	AALPJ2120R
7	Ms. Arti Jindal	ACYPJ7504Q
8	M/s Siddeshwari Tradex Private Limited	AATCS0974M
9	M/s Sahyog Holdings Private Limited	AAUCS2300N
10	Mr. Sajjan Jindal	AADPJ5110D
11	M/s Virtuous Tradecorp Private Limited	AAECV7088E
12	Mr. Ratan Jindal	AASPJ0852D
13	M/s OPJ Trading Private Limited	AABCO9632N
14	Mr. Naveen Jindal	AALPJ2123N
15	Ms. Shallu Jindal	AFPPJ9014B

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

BACKGROUND.

1. Pursuant to an order dated December 16, 2025 passed by Hon'ble Securities Appellate Tribunal (SAT), this matter had been assigned on December 18, 2025. The said order was passed by Hon'ble SAT in the Appeal No. 291 of 2025 filed by the Noticees challenging communications dated April 29, 2025 and May 29, 2025. By the said order dated December 16, 2025, Hon'ble SAT, disposed of the said Appeal and provided as under: -

   "After arguing the matter at substantial length of time, learned Senior Advocates on both sides agreed that in peculiar facts of this case with consent of parties, SEBI shall consider and pass a reasoned order disposing of the application dated February 10, 2025 within an outer limit of eight weeks from today. ***All contentions of both parties are kept open including the question of maintainability.***

   2. This order having been passed in the peculiar facts of this case upon request made by the learned Senior Advocates on both sides, it is clarified that it will not be treated as precedent.

   3. Appeal stands disposed of accordingly."

   (emphasis supplied)

2. It was noted that the case the crux of the matter leading to examination, investigation and re- examination in this case is the realignment and reorganisation of investments held by Nalwa Sons Investments Limited (*hereafter referred to as* ***'NSIL' or 'Noticee No 1'***) in Jindal Holdings Limited (*hereinafter referred to as* '***JHL'***) and Jindal Steel and Alloys Limited (*hereinafter referred to as* ***'JSAL'***) i.e subsidiaries of NSIL (also referred to as Transferor Companies) to the three promoter group private companies, namely (i) Danta Enterprises Private Limited (hereinafter referred to as '**DEPL'**)/ DEPL merged with Siddeshwari Tradex Private Limited (STPL) on February 10, 2021), (ii) Virtuous Tradecorp Private Limited (**VTPL**) and (iii) Sahyog Tradecorp Private Limited (renamed as 'Sahyog Holdings Private Limited (**SHPL**) in the year 2014).

3. The SCN was issued based on a *prima facie* opinion that investments held by NSIL through its subsidiaries were divested into other private entities during the fiscal year 2013-14 without following the due procedures and laws governing the divestment. Consequently,

the financials of the Noticee No. 1 were not representing true and correct picture to the detriment of investors in the Company in violation of the various provisions of the SEBI Act, SCRA, PFTUP Regulations, LODR Regulations and the PIT Regulations.

4. The Noticees had filed their replies dated February 10, 2025 to the SCN on merits. Subsequently, obtaining copies of documents from records, the Noticees had filed a supplementary reply dated April 24, 2025 raising preliminary objections on maintainability of SCN and asked for a personal hearing. In view of the peculiarities and considering the change in the quasi-judicial authority, in line with principles of natural justice and as requested in the representation of the Noticees, an opportunity of personal hearing was granted to the Noticees before me on January 09, 2026 when their legal/authorized representatives (ARs) appeared and made submissions explaining the reasons for decision on preliminary issue first. The Ld. AR made submissions also countering allegations on merits but pressed for decision on the preliminary issues first. Vide their letter dated January 16, 2026, the Noticees filed their additional written submissions. It was noted that the representations and submissions in the said application was broadly on preliminary issues but based on foundational facts constituting merits of the case.

Pendency of Settlement proposal and implications of implementation of above order of Hon'ble SAT during pendency of Settlement Applications: -

5. NSIL filed a Writ Petition no. 5080 of 2024 before the Hon'ble Bombay High Court challenging the show cause notice dated August 20, 2024. It was noted from the order dated December 9, 2024 that SEBI had informed Hon'ble Bombay High Court that a settlement proposal under the Settlement Regulations was pending.

6. In view of the same, it was noted that in the eventuality of deciding the case during pendency of Settlement Application, the whole case would be disposed of but such approach would be in contravention of provisions of sub- regulation (1) of Regulation 8 of the SEBI (Settlement Proceedings) Regulations, 2018 which constraints from doing so till the disposal of the settlement applications. And, if the determination of preliminary issue as *'rite of passage first'* goes in favour of the Noticees the entire SCN would get disposed of on such determination of technical grounds alone. This would also be hit by sub-regulation (1) of Regulation 8 of the SEBI (Settlement Proceedings) Regulations,

2018. It was also noted that SAT has stated in Order dated December 16, 2025 "*All contentions of both parties are kept open including the question of maintainability.*" Accordingly, it was noted that passing of order on the application, in terms of order dated December 16, 2025, may not be in line with Settlement Regulations.

7. SEBI filed Miscellaneous Application No. 150 of 2026 in Appeal No. 291 of 2025, *inter alia*, seeking extension of time for passing order on the application of Noticees after disposal of their Settlement Applications. Accordingly, Hon'ble SAT, while disposing of the said Miscellaneous Application No. 150 of 2026, vide its Order dated February 17, 2026 granted eight (8) weeks' time, from the disposal of the Settlement Application, to pass reasoned orders. It was, subsequently, informed that the Noticees withdrew their settlement applications on June 1, 2026 as the settlement terms proposed by SEBI was not acceptable to them.

Final Hearing.

8. Since, Noticees had filed replies on merits on February 10, 2025, the matter had been lingering in litigation on one or more grounds, delay have been noted as concern by Hon'ble Bombay High Court and noted by SEBI and that more than 5 months had elapsed since the last hearing in the matter; another opportunity of hearing was granted to the Noticees on June 18, 2026 when the authorized/legal representatives from Cyril Amarchand Mangaldas, Advocates and Solicitors, i.e Mr. Vishwanathan, Mr. Indranil Deshmukh, Ms.Vasudha Goenka, Mr. Darshan Furia, Mr. Arnav Misra and Kushal Tekriwal appeared in person on behalf of all the Noticees. Certain other representatives of the Noticees also attended the hearing online through the Webex. Referring to the following dates and events as gathered from the documents provided by SEBI to them and replies dated February 10, 2025 and April 24, 2025 they made submissions: -

Date	Particulars / Relevant details
March 2014 (2014 Reorganisation)	Reorganization of the O.P. Jindal Group ("Group") was effected whereby the business of the Group was segregated into four verticals. Disclosures in relation to the same were made in the annual report/ financial statements for FY 2013-14 of Hexa Tradex Limited ("Hexa"), Nalwa Sons Investments Limited ("Nalwa"), as well as with SEBI and stock exchanges by the relevant entities.
August 12, 2014 (2014 Complaint)	SEBI received complaints from Mr. Anil Arya and Ms. Vaishalli Arya (shareholders of Nalwa) in relation to 2014 Reorganization, *inter alia*, involving Hexa and Nalwa.

Date	Particulars / Relevant details
	The 2014 Complaint was forwarded by SEBI to NSE.
February 11, 2015	NSE invited comments/ clarifications in response to the 2014 Complaint from Nalwa. SEBI itself also registered the 2014 Complaint on the SCORES platform.
March 07, 2015 (Response to 2014 complaint)	Nalwa submitted a response to the 2014 Complaint and addressed all concerns raised in relation to the 2014 Reorganization in the said complaint.
March 10, 2015 (Closure of 2014 complaint)	NSE closed the 2014 Complaint and issued a communication to the complainant stating that "*the explanation furnished clarifies the issue raised*". SEBI also closed the complaint on the SCORES Platform in terms of Para 12 of the SEBI Circular dated December 18, 2014, for redressal of grievances through SCORES
2019 (2019 complaint)	Shareholders of Hexa raised complaints with SEBI regarding the 2014 Reorganization. Hexa responded to the said complaints directly as also through stock exchanges.
2021-2022 (1st IR)	July 05, 2021: SEBI's Corporation Finance Investigation Department ("CFID") initiated an investigation in the matter of Hexa and appointed an Investigating Authority ("IA"). July 2021 - October 2022: IA conducted a detailed investigation; summons were issued and statements were recorded of various employees / directors of Hexa. An Investigation Report was placed before Executive Director ("ED") of SEBI – who is the delegatee empowered by SEBI to direct enforcement action / no action after consideration of the investigation report by the IA. Oct 12, 2022: LAD Legal Opinion on matters referred is for violations beyond 8 years, SEBI may only take up the matter if it has a market wide impact or caused losses to large number of investors or affected the integrity of the securities market. Oct 27, 2022: ED concluded that no need for initiating any enforcement action and held that: (i) 2014 Reorganization did not cause any economic loss to the shareholders of Hexa and it was in compliance with the applicable laws in force. (ii) Hexa has not misstated its financial statements. (iii) All disclosures have been made to the shareholders. (iv) It appears that IA has taken an extreme bias view. (v) The transaction is more than 8 years old; did not affect market integrity; nor had market wide impact. Accordingly, as per legal

Date	Particulars / Relevant details
	opinion of SEBI's legal affairs department it was not even a fit case to initiate investigation. Note: As per SEBI (Delegation of Statutory and Financial Powers) Order, 2019 (as applicable at the relevant time), the ED was the delegatee empowered to order an investigation into a matter, as also direct no action/ administrative action after submission of the investigation report by the IA. Accordingly, on Oct 27, 2022, the matter was closed by SEBI after a detailed investigation.
August 19, 2022 (2022 Complaint)	SEBI received a complaint from a shareholder of Nalwa. The facts and subject matter of the 2022 Complaint were similar to the 2014 Complaint.
October 31, 2022	SEBI Corporation Finance Department ("CFD") was considering Hexa's delisting application. While reviewing the file in relation to the First Investigation, the Whole Time Member ("WTM") of CFD noted the disagreement between IA and ED of CFID and recommended placing the file before the WTM of CFID. On the same day, the file was placed before the WTM of CFID, who made the following noting: *"There is another case of another group company, Nalwa Sons Investments that sold securities using same modus operandi. To my mind, this matter should have been discussed informally / put up to me as is the practice. Concerned investigation team to put up detailed note on what has been written by ED (NP). Delisting case should in the meanwhile be put on hold".* Note: When the above noting was made, the investigation into the matter of Nalwa had not even commenced.
December 01, 2022 (Department notings)	CFID notings disagreeing with ED notings: (i) Investigation was conducted in an impartial/ non-biased manner. (ii) Conclusions/ recommendations were made based on facts/ findings/ statement recordings/ submissions made by entities and evidence gathered during the investigation. (iii) LAD's legal opinion is not applicable as it is only applicable to matters referred by external agencies to SEBI. (iv) Matter has only come into SEBI's notice in 2019 through investor complaints, hence delay of 8 years is not appropriate. (v) Directors of Hexa failed to act in their fiduciary capacity on behalf of shareholders and benefitted themselves from transferring HSFCL investments at the expense of shareholders to their private entities. (vi) Actions of HSFCL were not independent of Hexa and Hexa was required to take approval of its shareholders to transfer HSFCL investments.
January 2023 - March 2023 (Second Investigation In Hexa)	Jan 18, 2023: SEBI appointed the same IA, as Investigating Authority, whom the erstwhile ED found to have an extreme bias view, for fresh investigation in the matter of Hexa.

Date	Particulars / Relevant details
	Jan-March 2023: Second investigation conducted. No documents or information were sought from the noticees during the second investigation. March 23, 2023: Second Investigation Report submitted.
May 15, 2023	SEBI appointed the same IA, as Investigating Authority for investigation in the matter of Nalwa.
March 18, 2024 (Hexa SCN)	After an inordinate and unexplained delay and laches of 10 years, SEBI issued show cause notice *inter alia* alleging that: (i) Hexa transferred its substantial undertaking without obtaining shareholders consent in violation of Section 180(1)(a) of the Companies Act, 2013; (ii) Transfer of an undertaking is a price sensitive information required to be disclosed under PIT Regulations, however, Hexa did not make necessary disclosures; (iii) 2014 Reorganization was a fraudulent scheme devised to divert and misappropriate HSFCL Investments; etc. Note: Hexa SCN does not refer to the 2014 Complaint, 2022 Complaint, SEBI's First Investigation and closure of all.
August 20, 2024 (NALWA SCN)	After an inordinate and unexplained delay and laches of 10 years, SEBI issued show cause notice *inter alia* alleging that: (i) Nalwa has transferred its substantial undertaking (i.e. 23.14%), without obtaining shareholders consent in violation of Section 180(1)(a) of the Companies Act, 2013; (ii) Transfer of an undertaking is a price sensitive information required to be disclosed under PIT Regulations, however, Nalwa did not make necessary disclosures; (iii) 2014 Reorganization was a fraudulent scheme devised to divert and misappropriate JHL & JSAL Investments; etc. Note: The subject matter that constituted the basis for the Nalwa SCN is identical to the Hexa SCN (viz. 2014 Reorganisation). Majority of the noticees are identical. Nalwa SCN does not refer to the 2014 Complaint, 2022 Complaint, SEBI's First Investigation in Hexa and closure of all.

9. Ld. Advocate for the Noticees fairly submitted that facts of this case is same as in the case of Show Cause Notice dated March 18, 2024 issued to Hexa Tradex Ltd. in respect of identical transactions. He adopted all the contentions both preliminary and on merits made same request.

10. I note that, as compared to the Hexa Tradex Limited wherein, also Order has already been passed by me earlier today (Order No. QJA/SS/CFID/CFID-SEC1/32508/2026-27 dated

July 24, 2026), hereinafter referred to as "similar order passed today"), the transaction/ reorganization involved in the instant matter include entities which are both common as well as certain additional entities from the above referred matter. Facts for determination of above two issues are similar.

11. The findings on this issue in the similar order passed today shall apply, *mutatis mutandis*, to this case as well. The basis of arriving at this conclusion is contained in the similar order passed today which shall also form part of this order. The same is not reproduced here for the sake of brevity. Hence, I hold that the allegation against Noticee nos. 1 to 15 in this matter do not stand established.

12. In the earlier order passed today, I have discussed in details the alleged transaction/ reorganization. I have also discussed the reasons for no case of violations of provisions of Section 12A of SEBI Act and PFUTP Regulations and Listing Agreement/PIT Regulations. These discussions contained in the similar order passed today shall also form part of this order. The same is not reproduced here for the sake of brevity.

13. Accordingly, having considered the matter holistically, I find that the allegations made against Noticees in the SCN are not established. Considering the above, the question of devolvement of any liability on Noticees does not arise and hence the question of determination of quantum of penalty also does not require any deliberation.

14. Accordingly, the SCN dated August 20, 2024 and Application dated February 10, 2025 are disposed of without any directions or penalty.

15. In terms of Rule 6 of Adjudication Rules, copies of this order are sent to all the Noticees and also to SEBI.

SANTOSHKUMAR SHUKLA
Digitally signed by SANTOSHKUMAR SHUKLA
Date: 2026.07.24 18:59:41 +05'30'

Date: July 24, 2026 **SANTOSH SHUKLA**
Place: Mumbai **QUASI JUDICIAL AUTHORITY**
SECURITIES AND EXCHANGE BOARD OF INDIA