BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AK/BK/2026-27/32819]

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

In respect of:

Praveg Limited

(formerly known as Praveg Communications (India) Limited)

In the matter of Praveg Limited

(formerly known as Praveg Communications (India) Limited)

BRIEF BACKGROUND

1. Sword and Shield Pharma Limited (hereinafter referred to as **"SSPL" / "transferee company"**) filed a draft scheme with BSE, providing for amalgamation of unlisted entity, i.e. Praveg Communications Limited **("Transferor")**, with the listed entity SSPL and consequent change in the name of the listed entity to Praveg Communications (India) Limited, which is presently known as Praveg Limited (hereinafter referred to as **"Praveg"/ "Noticee"/ "the Company"**).
2. In consideration of the amalgamation of the Transferor into the listed entity SSPL, SSPL issued shares to the shareholders of the Transferor in the ratio of 1:75, i.e. for every single share held in the Transferor, 75 shares of SSPL were allotted to the shareholders of the Transferor. Consequently, the pre and post-scheme shareholding pattern of the listed entity was as given below:

Pre scheme:

Category	Number of Shareholders	Number of Shares	Percentage (%)
Promoter	2	3,40,000	6.60
Public	1031	48,10,600	93.40
Total	1033	51,50,600	100

Post scheme:

Category	Number of Shareholders	Number of Shares	Percentage (%)
Promoter	1	1,36,73,500	73.97
Public	1031	48,10,600	26.03
Total	1043	1,84,84,100	100

3. On the proposed scheme, BSE issued observation letter dated May 05, 2018 after incorporating SEBI's comments. Pursuant to the Hon'ble National Company Law Tribunal, Ahmedabad Bench **("NCLT")** notice dated March 06, 2019 received by BSE Limited seeking representation of the Exchange, if any, regarding the proposed scheme of amalgamation before the NCLT, BSE vide letter dated May 03, 2019 sought certain clarifications from the Noticee and submitted its observations, vide letter dated May 29, 2019, to NCLT and Regional Director, MCA.

4. Subsequently, Securities and Exchange Board of India (hereinafter referred to as **"SEBI**") received a condonation application dated September 16, 2020 from the Noticee, in relation to a scheme of arrangement filed by the Noticee which came into effect pursuant to approval of the NCLT in January 2020.

5. Upon perusal of the said application, violations of Clause I.A.3(a), Clause I.A.8(b), Clause I.A.10 of Annexure I to SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (hereinafter referred to as **'SEBI Circular'**) r/w Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"LODR Regulations"**) and Clauses 2(i) and 2(iii) of the BSE Listing Agreement, applicable SEBI Circulars and the Bombay Stock Exchange (BSE) Listing Agreement were, prima facie, found. Thereafter, SEBI rejected the condonation application of the Noticee vide letter dated November 25, 2020.

APPOINTMENT OF ADJUDICATING OFFICER

6. Hence, in exercise of the powers conferred u/s 15-I of SEBI Act, 1992 (hereinafter referred to as **"SEBI Act"**) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"SEBI Adjudication Rules"**) r/w Section 19 of the SEBI Act and u/s 23-I of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as "**SC(R) Act**") and Rule 3 of Securities Contracts (Regulation) (Procedure for holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as **"SC(R) Rules"),** SEBI approved

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initiation of Adjudication and appointed the undersigned as Adjudicating Officer ('AO') vide order dated July 11, 2025 to inquire into and adjudge u/s 15HB of the SEBI Act, Section 23H and Section 23E r/w Section 21 of SC(R) Act , the alleged violations by the Noticee.The said proceedings of appointment were communicated to the undersigned vide Communique dated July 14, 2025.

SHOW CAUSE NOTICE, REPLY and HEARING

7. Show Cause Notice, reference number SEBI/HO/EAD/EAD1/P/OW/2025/13940/1 dated August 19, 2025 **("SCN")** was issued to the Noticee in terms of Rule 4 of SEBI Adjudication Rules r/w Section 15-I of SEBI Act and Rule 4 of SC(R) Rules r/w Section 23-I of SC(R) Act to show cause as to why inquiry should not be held and penalty be not imposed under 15HB of the SEBI Act, Section 23H and Section 23E r/w Section 21 of SC(R) Act, for the violations stated in the SCN.

8. The SCN was duly served upon the Noticee vide SPAD and digitally signed e-mail dated August 19, 2025.

9. The Noticee submitted its reply to the SCN, vide letter dated September 22, 2025. Thereafter, the Noticee submitted an application for Settlement to SEBI, vide letter dated September 25, 2025. The said application was rejected and the same was communicated to the Noticee, vide letter dated July 10, 2026.

10. Vide letter dated August 04, 2026, hearing notice was issued to the Noticee to provide an opportunity of personal hearing in the interest of natural justice. The Noticee was advised to appear before the undersigned on August 17, 2026. Pursuant thereto, the Noticee made further submissions, vide letter dated August 17, 2026.

11. The Noticee availed the opportunity of hearing through online mode on the scheduled date i.e. on August 17, 2026 through its Authorised Representative ('AR') Mr. Kamal Agarwal. The AR reiterated the submissions made through the aforesaid replies.

12. The submissions made by the Noticee through its replies dated September 22, 2025 and August 17, 2026 are summarized below:

12.1The alleged non-compliances relate to the explanatory statement and notices issued in April 2019 for the NCLT-convened meetings, and to the Scheme as filed in 2018–2019.

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By SEBI's own showing in paragraph 3 of the SCN, adjudication proceedings were approved on December 30, 2020. Yet, the Adjudicating Officer came to be appointed only on July 11, 2025, and the SCN was issued on August 19, 2025 – more than six years after the alleged defaults, and more than four and a half years after SEBI itself approved initiation of adjudication. The Noticee also quoted and relied upon the following:

a) *Government of India v. Citedal Fine Pharmaceuticals, (1989) 3 SCC 483*
b) *Mr. Rakesh Kathotia & Ors. v. SEBI (SAT, Appeal No. 7 of 2016, decided on May 27, 2019)*
c) *Ashok Shivlal Rupani v. SEBI (SAT, Appeal No. 417 of 2018, decided on August 22, 2019)*
d) *SEBI v. Sunil Krishna Khaitan, (2023) 2 SCC 643 (Civil Appeal No. 8249 of 2013, decided on July 11, 2022)*

12.2 *The prejudice to the Noticee is manifest: the entire subject matter of the SCN was examined, remedied and closed in 2021 with the concurrence of SEBI, BSE and the Hon'ble NCLT; the securities in question have been listed and traded since November 1, 2021; personnel have changed; and the Noticee is now called upon, in 2025, to answer for alleged procedural lapses of 2019 which stand cured for over four years. On this ground alone, the SCN deserves to be discharged.*

12.3 *Each of the three substantive allegations in the SCN is lifted from BSE's letter dated May 29, 2019 addressed to the Hon'ble NCLT and the Regional Director, MCA. Those very observations were before the Hon'ble NCLT in the sanction proceedings: the order dated December 13, 2019 expressly records the Regional Director's reference to BSE's letters dated May 3, 2019 and May 29, 2019 and the petitioner companies' confirmation of compliance; the Scheme was thereafter sanctioned by final order dated January 9, 2020.*

12.4 *Subsequently, when BSE filed its application dated February 22, 2021 before the Hon'ble NCLT in relation to these very issues, the Hon'ble Tribunal, by order dated September 20, 2021, after reviewing the resolution passed by the requisite majority of public shareholders at the EOGM held on July 23, 2021 and the disclosures made, recorded that the objections of BSE to the Scheme have been complied with, and disposed of the application as infructuous. A scheme sanctioned under Sections 230–232 of the Companies Act, 2013 operates in rem and binds all stakeholders. Having*

regard to Regulation 11 of the LODR Regulations – which is the very hinge provision invoked in the SCN – the question whether the Scheme, as presented to the Tribunal, violated or overrode securities laws was squarely in issue before, and answered by, the Hon'ble NCLT. The present adjudication is, in substance, an impermissible collateral attack on those judicial determinations.

12.5 The remedial mechanism adopted in 2021 – full disclosures in terms of the SEBI Circular dated March 10, 2017 read with the Master Circular dated December 22, 2020, followed by approval of the majority of public shareholders and directions of the Hon'ble NCLT – was suggested by SEBI itself, as recorded in BSE's letter dated June 4, 2021. The Noticee implemented that mechanism to the letter, whereupon BSE granted listing approval on November 1, 2021. Adjudication in 2025 of lapses that SEBI itself treated as capable of cure, and which were cured, advances no regulatory objective and amounts to punishing the Noticee twice over – once by the 19-month deprivation of listing (and the attendant lock-in of over 1.33 crore shares of public shareholders) and again by penalty.

12.6 The Noticee acted throughout under professional advice and in the bona fide belief that its disclosures were compliant; it responded to every query of BSE promptly; it approached SEBI for condonation at BSE's instance; and it implemented SEBI's suggested remedial mechanism in full. There was no defiance of law, no contumacious conduct and no dishonesty – the breaches alleged are, at their highest, technical and venial.

12.7 The alleged lapses had no market-wide impact, did not affect the integrity of the securities market, and stand cured since 2021 with the imprimatur of the Hon'ble NCLT, SEBI and BSE. Imposing a penalty in 2026 would be penal formalism divorced from any regulatory purpose, contrary to the doctrine of proportionality consistently applied by the Hon'ble Supreme Court and the Hon'ble Securities Appellate Tribunal.

CONSIDERATION OF ISSUES AND FINDINGS

13. Considering the allegations made out in the SCN and the submissions made by the Noticee, I find that the following issues require consideration in the present case:

Issue I: Whether the Noticee has violated Clauses I.A.3(a), I.A.8(b), and I.A.10 of Annexure I to SEBI Circular r/w Regulation 11 of LODR Regulations and Clauses 2(i) and 2(iii) of the BSE Listing Agreement.

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Issue II: If yes, whether the violations on the part of the Noticee attract monetary penalty u/s 15HB of the SEBI Act and Section 23H and Section 23E r/w Section 21 of SC(R) Act ?

Issue III: If yes, what quantum of monetary penalty can be imposed upon the Noticee?

14. Before proceeding further, it will be appropriate to refer to the relevant provisions.

LODR Regulations, 2015

Scheme of Arrangement.

11. *The listed entity shall ensure that any scheme of arrangement /amalgamation /merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s):*

Provided that this regulation shall not be applicable for the units issued by Mutual Fund which are listed on a recognised stock exchange(s).

SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017

Circular on Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

ANNEXURE – I

I. Requirements before the Scheme of arrangement is submitted for sanction by the National Company Law Tribunal (NCLT)

A. Requirements to be fulfilled by Listed Entity

3. Conditions for schemes of arrangement involving unlisted entities

In case of schemes of arrangement between listed and unlisted entities, the following conditions shall be satisfied:

(a)The listed entity shall include the applicable information pertaining to the unlisted entity/ies involved in the scheme in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the ICDR Regulations, in the explanatory statement or notice or proposal accompanying resolution to be passed sent to the shareholders while seeking approval of the scheme.

The accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process. Such disclosures shall also be submitted to the Stock Exchanges for uploading on their websites.

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8. Explanatory Statement or notice or proposal accompanying resolution sent to shareholders for seeking approval of scheme

(b)The listed entity shall ensure that in the explanatory statement or notice or proposal accompanying resolution to be passed, it shall disclose the pre and post-arrangement or amalgamation, expected capital structure and shareholding pattern, and the "fairness opinion" obtained from a merchant banker on valuation of assets / shares done by the independent chartered accountant for the listed entity and unlisted entity.

10. Subsequent to filing the draft scheme with SEBI, no changes to the draft scheme, except those mandated by the regulators / authorities / tribunal shall be made without specific written consent of SEBI.

15. I have perused the allegations levelled in the SCN, the replies filed by the Noticee, the documents relied upon by it and other material available on record. Before proceeding to examine the allegations, I consider it appropriate to first deal with the preliminary objections raised by the Noticee.

16. The Noticee has contended that the alleged non-compliances pertain to the scheme filed during 2018–2019 and the explanatory statement/ notices issued by the Noticee relating to the alleged non-compliances were issued in April 2019, whereas the present SCN was issued only on August 19, 2025. It has further been submitted that initiation of adjudication proceedings had been approved on December 30, 2020, while the Adjudicating Officer came to be appointed only on July 11, 2025. In this regard, the Noticee has relied upon judgment/orders in the matter of *Government of India v. Citedal Fine Pharmaceuticals, Rakesh Kathotia & Ors. v. SEBI, Ashok Shivlal Rupani v. SEBI and SEBI v. Sunil Krishna Khaitan.*

17. In this regard, it would be relevant to state that whether a delay in a particular case is justified or not depends on the facts and circumstances of each case and the Noticee in the instant matter has not submitted as to how the alleged delay has caused any prejudice to it. I also note that the SEBI Act and the SC(R) Act do not prescribe any specific period of limitation for initiation of adjudication proceedings or the appointment of AO. In this respect, reference may be made to the following orders passed by Hon'ble SAT:

    i. ***Hemant Sheth and Ors. vs. SEBI*** *(order dated January 07, 2022) wherein the Hon'ble SAT held that:*

"9. Insofar as the delay is concerned we find that after the observation made by the WTM in its order of May 10, 2013 SEBI took action and appointed the AO dated July 4, 2013. No doubt the show cause notice was issued in January 2016 but the delay in the issuance of the show cause notice in the instant case will not vitiate the proceedings initiated against the appellants in the peculiar facts and circumstances of the case. Consequently, we are not inclined to quash the proceedings only on the ground of inordinate delay as asserted by the learned counsel for the appellant."

ii. ***Metex Marketing Pvt. Ltd. vs. SEBI*** *(order dated June 4, 2019) wherein Hon'ble SAT held that: "This Tribunal has consistently held that in the absence of any specific provision in the SEBI Act or in the Takeover Regulations, the fact that there was a delay on the part of SEBI in initiating proceedings for violation of any provision of the Act cannot be a ground to quash the penalty imposed for such violation vitiate the proceedings initiated against the appellants in the peculiar facts and circumstances of the case. Consequently, we are not inclined to quash the proceedings only on the ground of inordinate delay as asserted by the learned counsel for the appellant."*

iii. ***Pooja Vinay Jain Vs. SEBI*** *(order dated March 17, 2020) wherein Hon'ble SAT held as follows: "In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same..."*

18. Further, as SEBI Act and the regulations framed thereunder have got a larger public purpose in the form of investor protection and the regulation and development of the securities market, the purposes would be defeated if the SCN is quashed against the Noticee just because of delay in initiating action or appointment of AO. I note that in the case of *Bharat J Patel & Others vs. SEBI*, decided vide order dated September 8, 2020, the Hon'ble SAT had emphatically iterated that "*whether delay has caused prejudice to the parties would depend on the facts of each case.*"

19. In the present case, while the original disclosures forming the subject matter of the SCN pertain to 2018–2019, the issue of compliance with the SEBI Circular

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continued thereafter. I note from the Noticee's own submissions that BSE had filed an application before the NCLT on February 22, 2021 alleging non-compliance with the SEBI Circular. Thereafter, the Noticee undertook further disclosures and obtained approval of the public shareholders in July 2021. The compliance was thereafter placed before the NCLT and BSE ultimately granted listing approval on November 01, 2021.

20. I further note that the Noticee has filed its replies to the SCN and has placed reliance upon contemporaneous records and documents relating to the scheme and the proceedings before BSE and the NCLT. Thus, apart from a general assertion regarding change of personnel, the Noticee has not demonstrated any specific prejudice affecting its ability to effectively defend the allegations. Accordingly, having regard to the facts and circumstances of the present case, I am not inclined to accept the contention that the proceedings are liable to be dropped solely on account of delay in the appointment of AO.

21. The Noticee has also contended that the subject matter of the SCN stands judicially concluded. In this regard, it has submitted that the three substantive allegations in the SCN emanate from the observations contained in BSE's letter dated May 29, 2019 addressed to the Hon'ble NCLT and the Regional Director, Ministry of Corporate Affairs (MCA). I note from the material available on record that BSE, vide its letter dated June 04, 2021, referred to the proposal made by the Noticee *"proposing a way to comply with the Circular dated March 10, 2017"*. BSE further recorded that the proposal was shared with SEBI and informed the Noticee to *"disclose the relevant information to the shareholders including the disclosure requirements under SEBI Circular dated March 10, 2017 read with SEBI Master Circular dated December 22, 2020 and seek approval of majority of its public shareholders as required under the aforementioned circular"*.

22. The Noticee had placed Resolution number 5 before its shareholders at the 26th Annual General Meeting (AGM) held on July 23, 2021, concerning the disclosures required under the aforesaid SEBI Circular r/w BSE's letter dated June 04, 2021. The voting results show that the said resolution was approved by the requisite majority of shareholders. The compliance was thereafter placed before the NCLT. The NCLT, vide order dated September 20, 2021, as relied upon by the Noticee,

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recorded that the objections raised by BSE *"have been complied with"* and accordingly disposed of the matter.

23. In my view, the compliance undertaken thereafter and the approval by the shareholders have to be distinguished from the question as to whether the applicable regulatory requirements had been complied with at the relevant time. The order of NCLT records that the objections raised by BSE had been complied with; however, it does not record that the original disclosures were compliant with the applicable SEBI Circular or that the deficiencies identified by BSE had not occurred. Similarly, the subsequent listing approval granted by BSE was after the aforesaid corrective steps had been undertaken by the Noticee. In this regard, I am of the view that such subsequent rectification by the Noticee does not, by itself, negate a non-compliance which had already occurred at the relevant time. Accordingly, the contention that the present proceedings seek to reopen an issue already concluded by the NCLT is not acceptable. However, the corrective measures undertaken by the Noticee can be considered while determining the quantum of penalty, if any.

24. Having dealt with the preliminary contentions, I shall now proceed to address the key issues that arise for consideration, in light of the facts of the case and the submissions made by the Noticee.

Issue I: Whether the Noticee has violated Clauses I.A.3(a), I.A.8(b), and I.A.10 of Annexure I to SEBI Circular r/w Regulation 11 of LODR Regulations and Clauses 2(i) and 2(iii) of the BSE Listing Agreement?

A. Non-disclosure of information pertaining to the unlisted entity in the format specified for an abridged prospectus

25. It was found that SSPL failed to disclose the details of the unlisted company involved in the scheme in the format prescribed for an abridged prospectus under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 **("ICDR Regulations")** in the explanatory statement sent to its shareholders. Accordingly, violation of Clause I.A.3(a) of Annexure I to SEBI Circular r/w Regulation 11 of the LODR Regulations by the Noticee was alleged.

26. I note from the record that BSE, vide its communication dated May 29, 2019, had specifically observed that SSPL had not disclosed the details of the unlisted

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company in the format prescribed for an abridged prospectus in the explanatory statement sent to shareholders. In this regard, I note that Regulation 11 of the LODR Regulations requires a listed entity to ensure that any scheme of arrangement /amalgamation /merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s). In furtherance of the regulatory framework governing such schemes, clause I.A.3(a) of Annexure I to SEBI Circular *inter alia* requires the listed entity to include all applicable information pertaining to the unlisted entity involved in the scheme in the prescribed format in the explanatory statement or notice sent to the shareholders while seeking their approval.

27. The Noticee, in its reply, has denied any wilful non-compliance and submitted that it had acted in good faith, with transparency and in consonance with the regulatory guidance provided by BSE and SEBI. It has further submitted that wherever a technical shortcoming was observed, corrective action was undertaken under the guidance of BSE and with the approval of its shareholders and NCLT. The Noticee has also submitted that there was no mala fide intent or deliberate suppression of information and that, to the extent any technical deficiency was found in the abridged prospectus or the explanatory statement, the same was subsequently rectified by way of disclosures, shareholder approval and subsequent regulatory acceptance.

28. I have considered the aforesaid submissions. I note that BSE, vide letter dated June 04, 2021, required the Noticee to disclose the relevant information to its shareholders, including the disclosures required under the SEBI Circular dated March 10, 2017, and seek approval of the majority of its public shareholders. Pursuant thereto, Resolution number 5 was placed before the shareholders at the 26th AGM of the Noticee. In this regard, the said resolution, as reproduced by the Noticee in its reply, itself refers to the additional disclosures and information required under the aforesaid Circular as *"not earlier included in the Explanatory Statement"* attached to the meeting held on April 10, 2019. The Resolution thereafter sought approval of such additional disclosures and ratification of the earlier resolution approving the scheme.

29. The purpose of such requirement is to ensure that shareholders of the listed entity are placed in possession of the prescribed information concerning the unlisted entity before taking a decision on the proposed scheme. The materiality of the disclosure in the present case is heightened by the fact that, consequent upon the scheme, the public shareholding in the listed entity declined from 93.40% to 26.03%.

30. In view of the above, while I take note of the Noticee's submission that the deficiency was technical and without mala fide intent, and was subsequently rectified, the same does not alter the fact that the prescribed information was not included in the explanatory statement at the relevant time as required.

In view of the above, I find that the Noticee has violated the provisions of Clause I.A.3(a) of Annexure I to the SEBI Circular r/w Regulation 11 of LODR Regulations.

B. Non-disclosure of pre and post amalgamation expected capital structure and shareholding pattern in the explanatory statement

31. It has been alleged that the Noticee did not disclose pre and post amalgamation expected capital structure and shareholding pattern in the explanatory statement sent to the shareholders. Accordingly, violation of Clause I.A.8(b) of Annexure I to SEBI Circular r/w Regulation 11 of the LODR Regulations has been alleged against the Noticee.

32. Clause I.A.8(b) of Annexure I to the SEBI Circular *inter alia* states that a listed entity shall ensure that in the explanatory statement or notice or proposal accompanying resolution to be passed, it shall disclose the pre and post-arrangement or amalgamation expected capital structure and shareholding pattern, and the fairness opinion obtained from a merchant banker on valuation of assets / shares.

33. In this regard, I note that the Noticee has not specifically disputed the non-disclosure of the pre and post amalgamation expected capital structure and shareholding pattern in the explanatory statement at the relevant time. The Noticee has, however, submitted that the alleged non-compliances were procedural in nature.

34. I have considered the aforesaid submission. I note from the material available on record that the pre and post amalgamation expected capital structure and

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shareholding pattern were not disclosed in the explanatory statement or notice sent to the shareholders at the relevant time. Clause I.A.8(b) of Annexure I to the SEBI Circular specifically requires such information to be disclosed in the explanatory statement or notice or proposal accompanying the resolution sent to the shareholders for seeking approval of the scheme. Thus, the requirement under the said clause was required to be complied with at the stage when the scheme was placed before the shareholders for their consideration.

35. In my view, the aforesaid requirement assumes significance in the present case since, pursuant to the scheme, the public shareholding in the listed entity declined substantially from 93.40% to 26.03%. Therefore, the pre and post-amalgamation shareholding pattern, constituted material information for the shareholders while considering the scheme. Where the regulatory framework expressly requires such information to be disclosed in the explanatory statement or notice sent to the shareholders, compliance with the said requirement has to be examined with reference to whether the prescribed disclosure was made in the manner required thereunder.

In view of the above, I find that the Noticee has violated the provisions of Clause I.A.8(b) of Annexure I to the SEBI Circular r/w Regulation 11 of LODR Regulations.

C. Failure to incorporate a statement in the scheme submitted to the NCLT

36. It was found that BSE, vide its letter dated May 29, 2019, informed NCLT that SSPL had not complied with the undertaking dated February 26, 2019 regarding the e-voting facility to its public shareholders. BSE further observed that SSPL had failed to provide clarification as to why the following statement, which formed part of the revised scheme submitted to BSE at the time of seeking its NOC vide letter dated May 05, 2018, was not incorporated in the draft scheme submitted before the NCLT: *"Further, according to para 9(b) of the SEBI Circular dated March 10, 2017, the scheme of arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number cast by the public shareholders against it."*

37. In response to the above allegation, the Noticee submitted that the scheme was originally submitted before the NCLT on November 02, 2018 and was thereafter

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amended pursuant to the NCLT's order dated December 13, 2019 only to conform with the observations of the Registrar of Companies/ Regional Director and with Accounting Standard–14, without any change to the commercial terms, the share exchange ratio or the structure of the scheme as originally proposed. The Noticee has further submitted that the alleged non-compliance was procedural in nature and was subsequently rectified under the guidance of SEBI through BSE. In this regard, the Noticee has relied upon the subsequent disclosures made to the public shareholders, approval by the requisite majority at the 26th AGM held on July 23, 2021, the subsequent orders of NCLT and the listing approval granted by BSE on November 01, 2021. The Noticee has also contended that the observations contained in BSE's letter dated May 29, 2019 were before the NCLT during the sanction proceedings and that the scheme was thereafter sanctioned.

38. I note that as per Clause I.A.10 of Annexure I to the SEBI Circular r/w Regulation 11 of LODR Regulations, subsequent to filing the draft scheme with SEBI, no changes to the draft scheme, except those mandated by the regulators/ authorities/ tribunal, shall be made without specific written consent of SEBI.

39. In this regard, the amendment relied upon by the Noticee pursuant to the order of NCLT dated December 13, 2019 is not the change with which the present allegation is concerned. The present allegation relates to the non-inclusion, in the scheme filed before NCLT on November 02, 2018, of the aforesaid statement which formed part of the revised scheme submitted to BSE. The said omission preceded the amendment carried out pursuant to the NCLT order dated December 13, 2019. Therefore, the subsequent amendment relied upon by the Noticee does not address the specific omission as alleged in the SCN.

40. I further note that the statement which was not incorporated in the scheme filed before the NCLT stipulated that the scheme would be acted upon only if the votes cast by the public shareholders in favour of the proposal were more than the votes cast against it, in terms of para 9(b) of the SEBI Circular dated March 10, 2017. The material on record shows that while the said statement formed part of the revised scheme submitted to BSE, it did not form part of the scheme subsequently filed before NCLT. Further, no material has been placed before me to show that the

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omission of the said statement was pursuant to any direction of a regulator, authority or tribunal.

41. I also note that BSE, vide its letter dated May 29, 2019, specifically took note of the difference between the scheme filed before the NCLT and the revised scheme submitted to the Exchange and directed the Noticee to amend the scheme filed before the NCLT and comply with the provisions of the aforesaid SEBI Circular. The subsequent sanction of the scheme by the NCLT and the subsequent compliance relied upon by the Noticee do not alter the fact that, at the relevant time, the scheme filed before the NCLT did not contain the aforesaid statement which formed part of the revised scheme submitted to BSE.

42. Therefore, I find that the Noticee failed to incorporate in the scheme submitted to the NCLT the aforesaid statement which formed part of the revised scheme submitted to BSE, and the said omission has not been shown to have been mandated by any regulator, authority or tribunal.

In view of the above, I find that the Noticee has violated Clause I.A.10 of Annexure I to the SEBI Circular dated March 10, 2017 r/w Regulation 11 of the LODR Regulations.

43. I note that the SCN has also alleged violation of Clauses 2(i) and 2(iii) of the BSE Listing Agreement consequential to the aforesaid violations. Considering that the substantive violations of the applicable provisions of the SEBI Circular r/w Regulation 11 of the LODR Regulations have already been dealt hereinabove, I do not consider it necessary to record a separate finding in respect of the same.

Issue II: If yes, whether the violations on the part of the Noticee attracts monetary penalty u/s 15HB of the SEBI Act and Section 23H and Section 23E r/w Section 21 of SC(R) Act?

44. In view of the violations as established above, I find it a fit case for imposition of penalty u/s 15 HB of the SEBI Act and u/s 23 H of the SC(R) Act for the violation of Clause I.A.3(a), Clause I.A.8(b), Clause I.A.10 of Annexure I to SEBI Circular r/w Regulation 11 of LODR Regulations, as established at paragraphs 30, 35 and 42, respectively.

भारतीय प्रतिभूति और विनिमय बोर्ड, अधिनियम १९९२ के अधीन न्यायनिर्णायक अधिकारी
Adjudicating Officer under Securities and Exchange Board of India Act, 1992

The text of the aforesaid provisions reads as given below:

SEBI Act

Penalty for contravention where no separate penalty has been provided.

15HB*. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

SC(R) Act

Penalty for contravention where no separate penalty has been provided.

23H*. Whoever fails to comply with any provision of this Act, the rules or articles or bye-laws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

Issue III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

45. While determining the quantum of penalty u/s 15HB of the SEBI Act and 23H of the SC(R) Act, it is important to consider the factors stipulated u/s 15J of SEBI Act and u/s 23J of the SC(R) Act, which reads as under: -

15J - Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under section 15-I, 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."

23J - Factors to be taken into account while adjudging quantum of penalty

While adjudging the quantum of penalty under section 12A or section 23-I, the Securities and Exchange Board of India or the adjudicating officer shall have due regard to the following factors, namely: —

भारतीय प्रतिभूति और विनिमय बोर्ड, अधिनियम १९९२ के अधीन निर्धारित अधिनिर्णय प्राधिकारी
Adjudicating Officer under Securities and Exchange Board of India Act, 1992

(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

46. In the instant case, I note that the material available on record does not quantify the amount of disproportionate gain or unfair advantage or the amount of loss caused to an investor or group of investors as a result of the violations committed by the Noticee. With respect to the repetitive nature of the default, I find that there is nothing on record to indicate any past violations committed by the Noticee.

47. I have taken into consideration the submission of the Noticee that the non-compliances were subsequently rectified, the requisite disclosures were placed before the shareholders and ratified by the requisite majority at the 26th AGM held on July 23, 2021, the compliance was taken on record by NCLT and BSE subsequently granted listing approval on November 01, 2021. I further note the contention of the Noticee regarding the time elapsed in initiation of the present adjudication proceedings. However, the same does not affect the findings on the violations recorded hereinabove. Considering the facts and circumstances of the present case, the aforesaid subsequent steps taken by the Noticee are also taken into account while determining the quantum of penalty.

48. While I take note of the above submissions of the Noticee, at the same time, compliance with the applicable securities laws, including regulations and circulars is essential for ensuring orderly functioning of the securities market and protection of the interest of the investors. As established hereinabove, the Noticee failed to comply with the applicable regulatory requirement at the relevant time. The aforesaid violations, therefore, warrant imposition of an appropriate penalty.

ORDER

49. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and the factors u/s 15J of the SEBI Act and 23J of the SC(R) Act, and in exercise of the powers conferred upon me u/s 15-I of the SEBI Act r/w Rule 5 of the SEBI Adjudication Rules and u/s

भारतीय प्रतिभूति और विनिमय बोर्ड, अधिनियम १९९२ के अधीन न्यायनिर्णायक अधिकारी
Adjudicating Officer under Securities and Exchange Board of India Act, 1992

23I of the SC(R) Act r/w Rule 5 of SC(R) Rules, I hereby impose the following penalties u/s 15 HB of the SEBI Act and 23H of the SC(R) Act on the Noticee:

Name of entity	Provisions	Penalty
Praveg Limited (formerly known as Praveg Communications (India) Limited, PAN: AADCS5070N	Section 15HB of SEBI Act	Rs. 1,00,000 (Rupees One Lakh Only)
	Section 23H of SC(R) Act	Rs. 1,00,000 (Rupees One Lakh Only)

In my view, the said penalty is commensurate with the violations committed by the Noticee in this case.

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

ENFORCEMENT → Orders → Orders of AO → PAY NOW

In case of any difficulties in payment of penalties, Noticee may contact the support team at portalhelp@sebi.gov.in.

51. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act and 23JB of SC(R) Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

52. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules and SC(R) Rules, a copy of this order is being sent to the Noticee and also to SEBI.

Amit Kapoor

Digitally signed by Amit Kapoor
Date: 2026.11.02 11:33:19 +05'30'

DATE: November 02, 2026
PLACE: MUMBAI

AMIT KAPOOR
ADJUDICATING OFFICER