



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER No.: Order/SM/SM/2026-27/32385**

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

In respect of

Pawan Kumar Malsaria
(PAN.: AAECD6486C)

In the matter of Golden Tobacco Limited

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') conducted investigation to ascertain whether the books of accounts of GTL were manipulated for the financial years FY 2009-10 to FY 2020-21 (hereinafter referred to as 'Investigation Period' or 'IP') and to ascertain whether there was any violation of the provisions of SEBI Act, 1992, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("PFUTP Regulations"), LODR Regulations, 2015 during the period between April 01, 2009 to March 31, 2021.
2. Pursuant to its examination, SEBI initiated Adjudication Proceedings under Section 15 I of the SEBI Act, 1992 (hereinafter also referred as 'SEBI Act') in respect of Pawan Kumar Malsaria (hereinafter also referred as ('Noticee'/'Entity')), in the subject matter, under the following provisions and alleged violations of Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate the alleged violations by the Noticee, therefore,

in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15I (1) of the SEBI Act and Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as the 'SEBI Rules') the Competent Authority appointed Shri. Vijayant Kumar Verma, General Manager, SEBI, as Adjudicating Officer vide order dated September 30, 2022, to inquire into and adjudge under Section 15HB of the SEBI Act, 1992 for the aforesaid alleged violations by the Noticee. Pursuant to transfer of Shri. Vijayant Kumar Verma, Shri Amar Navlani, General Manager, SEBI was appointed as the Adjudicating Officer vide order dated August 30, 2023. Pursuant to transfer of Shri Amar Navlani, the undersigned was appointed as the Adjudicating Officer vide Order dated September 12, 2025.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice No. SEBI/EAD-9/VKS/PSS/60732/2022 dated December 05, 2022 (hereinafter also referred to as 'SCN' / 'SCN dated December 05, 2022 in short) was served upon the Noticee under Rule 4 of SEBI Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against it and why penalty be not imposed under Section 15HB of SEBI Act, 1992 for the alleged violations, as stated. The SCN was duly served upon the Noticee through Speed Post Acknowledgment Due (SPAD).
5. In this regard, following was inter alia observed and alleged in respect of the Noticee:

" ...

1. From the investigation conducted by SEBI, the following are observed :
Investments/Advances to Subsidiaries
2. On perusal of the financials of FY 2020-21, it was observed that investments/ advances were outstanding in the following subsidiaries as under:

S. No.	Name of the Entity	Amt. of investment outstanding as on FY 20-21	Advance outstanding As on FY (20-21)
1.	Western Express Industries Ltd.(WEIL)	231.20	937.53
2.	Golden Investment (Sikkim) P. Ltd.(GISL)	0.60	(31.04)
3.	Golden Realty Infrastructure Ltd (GRIL)	5.00	16001.73

4.	GTC INC B.V. (being wound up)	10.89	39.42
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3. The total outstanding investments/advances with subsidiaries for FY 2020-21 was Rs.17,195.3 lakhs. Considering the fact that the advances outstanding in Golden Realty & Infrastructure Ltd (GRIL) was 94.5% of the total outstanding advances with subsidiaries (Rs.945.91 lakhs - 5.5% of total), investments in Golden Realty & Infrastructure Ltd (GRIL) was taken up for further analysis.

Investments in Golden Realty & Infrastructure Ltd (GRIL)

4. As of FY 2020-21, GTL has given funds to GRIL as loans/ advances and investments, majorly during the period FY 2009-10 to FY 2014-15. The year wise data is as under:

Table 5 (Rs. In Lakhs)

Financial year	Loan/ Advance given
FY 2009-10	9,954.92
FY 2010-11	7,567.83
FY 2011-12	NIL
FY 2012-13	909.06
FY 2013-14	2,420.76
FY 2014-15	319.54
Total	21,172.11

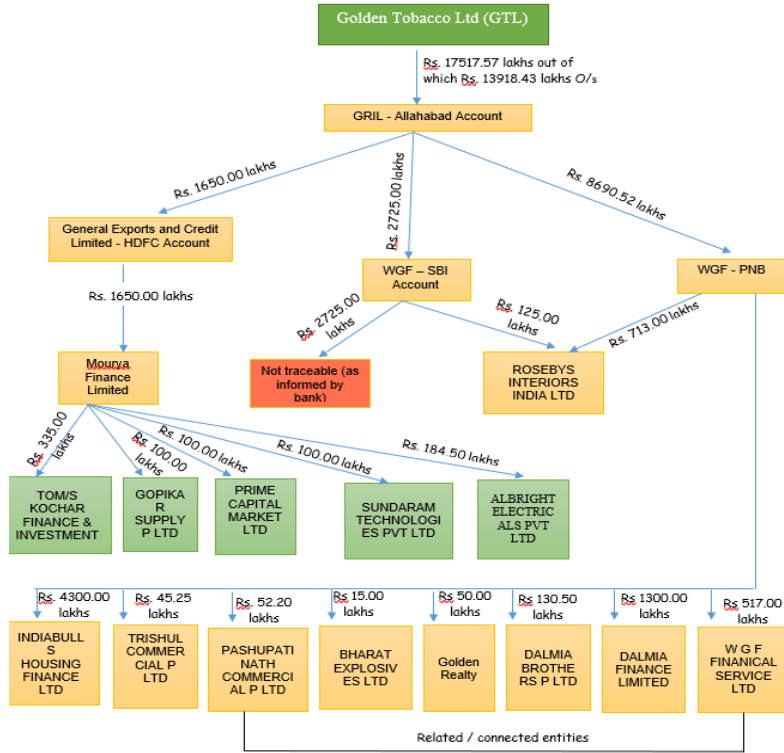
5. Vide email dated January 31, 2022, bank statements of GRIL were sought, advising them, to highlight the transactions wherein the above-mentioned advances received from the holding company GTL were utilized. Further, vide email dated April 04, 2022, bank ledger of GRIL for the period FY 2009-10 to FY 2020-21 was sought. GRIL provided bank ledger of Allahabad bank (now Indian Bank) and PNB in books of account of GRIL. The relevant bank statements are enclosed herewith as **Annexure 2**. The receipts and payments in the said ledgers were analysed and are tabled below:

Table 6 Rs. in Lakhs

Particulars	Allahabad Bank		PNB	
	Payment	Receipt	Payment	Receipt
Aniruddha Builders & Developers	60.00	60.00	-	-
Bansal Estate Pvt.Ltd.	-	-	200.00	-
Bhandari & Associates	0.16	-	-	-
Bharatpur Nutritional Products Ltd.	-	-	22.58	1,220.00
Blueberry Tradelinks	10.00	10.00	-	-
Cash	-	-	0.85	0.45
Cross Investment Pvt. Ltd.	-	-	2,634.00	2,203.35
Dalmia Finance Ltd.	-	-	2,341.00	2,341.00
General Exports Ltd	1,650.00	-	-	-
Golden Tobacco Limited	3,599.14	17,517.57	5,484.75	2,634.56
India Bull Financial Services Ltd	-	-	20,584.40	20,762.95
Kamdhenu Realities	10.00	10.00	-	-
Lodha & Co. Bombay	0.83	-	-	-
Market Analysts & Product Promoters	0.16	-	-	-
Mazda Agencies	20.00	20.00	-	-
On Behalf Of Golden Tobacco Limited	-	-	9.00	164.75
Pawan Malsaria	0.00	-	-	-
Pka Advocates	-	-	6.93	-
Ramesh Gupta	-	-	1.80	-
Reena Jain	-	-	4.50	-
Simplex Land&Housing	20.00	20.00	-	-
Soarsee Properties Pvt.Ltd.	40.00	40.00	-	-
Sudhir Gensets Ltd.	-	-	2,075.00	2,300.00
Tds Payable - Interest	-	-	540.24	-
Western Express Industries Ltd.	125.42	1.05	-	33.00
WGF Financial Services Ltd.	11,415.50	350.00	14,991.95	17,887.65
Grand Total	16,981.21	18,731.36	50,456.97	49,547.70

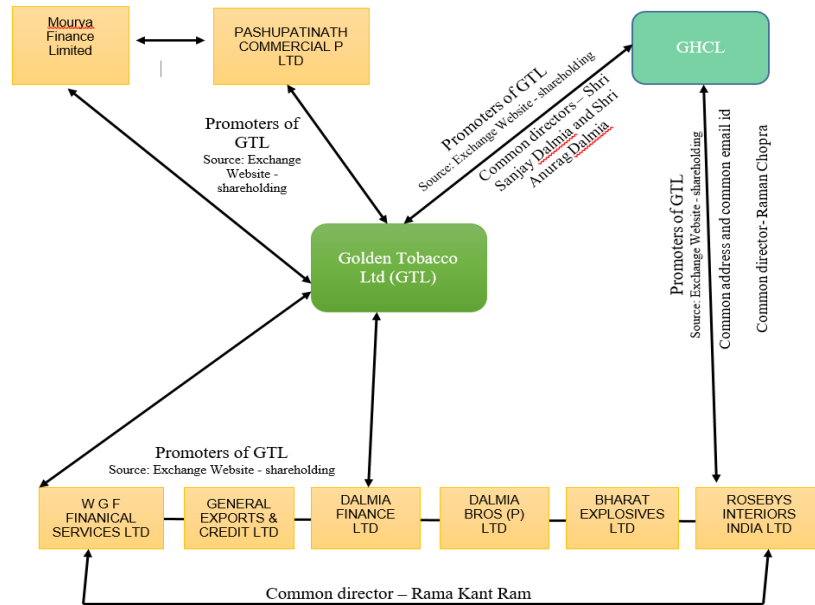
6. On analysis of Allahabad bank ledger, it is observed that GTL had advanced an amount of Rs.17,517.57 Lakhs in the said account, out of which Rs.3,599.14 Lakhs was returned back to GTL. Further, payment of Rs.11,415.50 Lakhs was made to WGF Financial Services Ltd and the same was tallied with bank statement. The payment was made on various dates attached as **Annexure 3**.
7. Further, an amount of Rs. 1,650.00 lakhs was transferred to General Exports Ltd. The counterparty details of the said payments to WGF and General Exports Ltd are enclosed herewith as Annexure 2. The flow of funds through these entities is depicted in following charts:

Figure 2



8. Connections between GTL and conduit entities :-

Figure 3



Analysis of GRIL's Financials

9. On perusal of the financials of GRIL, it is observed that the company had never commenced its business and has no commercial substance as substantiated with the financials as under:

Table 7

(Rs. In Lakhs)

Particulars	20-21	19-20	18-19	17-18	16-17
Revenue	-	-	-	-	-

EBIDTA	-0.92	-0.89	-0.63	-2.41	
PAT	-0.92	-0.89	-0.63	-2.41	-6.64
Cash flow	-0.02	-	-91.41	-1.76	0.12
Cash flow from operating activities	-0.02	-	3,878.52	-1.76	0.12
Net Cash from/ (used in) Investing Activities	-	-	-	-	-
Net cash from/ (used in) Financing Activities	-	-	-3,969.93	-	-

Analysis of WGF's financials:

10. WGF Financial services Limited (WGF) was incorporated in the year 2008, registered with ROC- Delhi. It is engaged in the business of providing financial services. The financials of WGF are enclosed herewith as **Annexure 4**. The summary is as follows:

Table 8 WGF – Statement of Profit & Loss (Rs. in Lakhs)

PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Income from dividend	2.18	2.16	2.17	3.45	3.44	3.45
Interest on deposit	0.19	1.52	5.81	2.87	5.52	29.29
Profit on purchase/ sale of commodities	-	-	-	-	-	15.90
Gross Sales	2.36	3.68	8.11	7.76	1,002.73	2,834.46
Admin	3.94	3.24	-	-	-	-
Loss on Pur/Sale of Commodities	-	-	25.00	-	7.45	-
Loss on Investment	-	32.98	11.25	20.42	2.65	-
Dep	0.15	0.15	0.15	0.15	0.15	0.15
Debtors	-	32.20	-	-	-	-
Loss from Agriculture	0.08	0.49	1.91	0.69	0.16	-
Bad Debts	-	-	-	-	938.81	2,776.92
Other Expenses	-	-	15.26	22.35	77.15	52.82
Depreciation	-	-	-	-	-	-
Expense	4.17	69.06	53.58	43.61	1,026.38	2,829.89
Profit/(Loss)	-1.81	-15.38	-45.47	-35.85	-23.64	4.57

PARTICULARS	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue from Sale of Products	-	-	-	-	-
Revenue from Sale of Services	44.91	47.61	56.66	-	-
Other Operating Revenues	-	-	-	-	-
Gross Sales	44.91	47.61	56.66	-	-
Cost of Materials Consumed	-	-	-	-	-
Purchases of Stock in Trade	-	-	-	-	-
Changes in Inventories of Finished Goods, Work In Progress and Stock In Trade	-	-	-	-	-
Employee Benefit Expense	-	-	-	-	-
Other Expenses	4,964.88	486.80	57.18	33.40	61.58
Finance Costs	-	-	-	-	-
Depreciation	0.15	0.13	-	-	-
Extraordinary Items	-	-	-1421.13	-	-
Profit/(Loss)	-1,190.89	-55.66	-1,421.72	14.88	-39.72

11. On analysis of financials of WGF from FY 2009-10 to FY 2019-20, it is observed that majority of its income is from dividend/deposit and it is a loss making company. Further, during FY 2013-14 and FY 2014-15, the sudden increase in gross sales, as highlighted in the above table 8 is due to profit on sale of land forming part of other income. Similarly, In FY 2015-16, the sudden increase in other expenses as in table 8 is due to bad debts written off amounting to Rs. 4,766.00 lakhs.

Table 9 WGF - Balance Sheet (Rs. in lakhs)

PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	164.41	164.41	164.41	164.41	164.41	164.41
Loan funds	161.95	164.14	-	-	-	-
Reserves and surplus	-	-	-119.92	-155.77	179.41	174.84

Fixed Assets	80.33	80.18	113.01	4,589.29	3,984.21	4,130.50
Investment	179.40	146.41	161.22	193.80	267.65	317.70
Debtors	32.20	-	-	-	-	-
Cash and Bank Balances	39.07	381.24	3.14	16.69	3.33	5.57
Loan & Advances	2,640.36	7,717.27	20,357.75	4,589.29	3,984.21	4,130.50
Current Liabilities (Borrowings)	2,704.08	8,071.02	20,560.86	4,836.68	4,343.35	4,233.61

PARTICULARS	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Share Capital	164.41	164.41	164.41	164.41	164.41
Reserves & Surplus	-1,365.73	-1,421.39	-1,421.72	-1406.84	-1446.55
Long-term Borrowings	7,316.42	7,486.86	7,490.05	7,483.05	7,852.23
Trade Payables	14.66	14.78	33.54	33.54	33.54
Other Current Liabilities	27.82	4.55	1.33	4.44	4.40
Tangible Assets	8.05	56.84	56.84	56.84	56.84
Non Current Investment	319.02	463.34	457.25	457.24	757.74
Cash & Cash Equivalents	119.32	10.01	5.07	5.49	16.97
Short-term Loans & Advances	5,711.18	5,719.01	5,748.44	5,759.02	5,776.46
Other Current Assets	-	-	-	-	-

Agreement between GRIL and WGF financial services Limited

12. GRIL had entered into a development agreement dated August 13, 2010, with WGF whereby WGF, acting on behalf of the companies [(1) M/s. WGF Financial Services Limited, (2) M/s. Cross Investment Private Limited, (3) M/s Dalmia Finance Limited and (4) M/s Ilac Investment who are joint owners of the land admeasuring 19.26 acres.], irrevocably granted to GRIL, the exclusive right and authority for construction and development of the project (collectively called development rights). The said agreement is enclosed herewith as **Annexure 5**.
13. The total consideration for the said development rights agreed by in the agreement was Rs. 350 crores out of which Rs 97.5 crore was already paid by GRIL to WGF. There is no penalty clause stipulated in the said agreement on failure of the parties to perform the contract.
14. As detailed above, GTL had transferred funds to GRIL disclosing that the same was for land development which was further transferred to WGF for a project which was not approved by Delhi Development Authority (DDA). These funds have been further diverted to various entities. Thus, it is concluded that, in the garb of investments to its subsidiary i.e. GRIL, GTL has diverted funds, in turn resulting in misrepresentation in the books of GRIL as well as consolidated books of GTL.

Misrepresentation by GTL in its annual report regarding the purpose of utilization of funds by its subsidiary

15. Golden Tobacco Limited has made the following disclosures w.r.t advances given to GRIL in its annual reports (enclosed herewith as **Annexure 6**):

Table 10

FY	Page no. of annual report	Disclosure
2009-10	35	During the year the Company has assigned advance of Rs.53,50,00,000 to M/s Golden Realty & Infrastructure Limited, a subsidiary company and also given advance of Rs.46,05,39,481 for acquiring the development rights
2010-11	34	The Company has given advances aggregating to Rs. 1,72,55,00,000 (Previous Year Rs. 96,25,00,000) to Golden Realty & Infrastructure Ltd. a subsidiary of the company to acquire certain development rights in the land situated in Delhi for joint development.
2011-12	44	The Company has given advances aggregating to Rs. 1,63,93,41,602 (Previous Year Rs. 1,75,22,75,686) to Golden Realty & Infrastructure Ltd. a subsidiary of the company to acquire certain development rights in the land situated in Delhi for joint development.

2012-13	43	The Company has given advances aggregating to Rs. 1,68,33,47,606 (Previous Year Rs. 1,63,93,41,602) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development Agreements in this regard and Rs. 21,80,00,000 received back by the aforesaid subsidiary during the year on cancellation of Development Agreement in case of one of the plot .
2013-14	41	The Company gave advances aggregating to Rs. 1,83,07,23,882 (Previous Year Rs. 1,68,33,47,606) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized to acquire certain development right in the two plots of land situated in Delhi for Joint Development pursuant to Development Agreements in this regard.
2014-15	65	The Company gave advances aggregating to Rs. 1,83,18,77,637 (Previous Year Rs. 1,83,07,23,882) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard.
2015-16	6,75	As you are aware that the Company had given advances to Golden Realty and Infrastructure Limited, a wholly owned subsidiary to acquire certain development rights in a land situated in New Delhi for Joint Development pursuant to development agreement aggregating to Rs.164,84,77,637 (as on March 31, 2016) (previous year Rs. 183,18,77,637). <u>In view of policy of Delhi Development Authority (DDA) as well litigation, development could not take place and party to the Joint development Agreement has started refunding the amount to the Company.</u>
2016-17	70	The Company had given advances aggregating to Rs. 1,63,89,77,637 (Previous Year Rs. 1,64,84,77,637) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized the same to acquire certain development rights in a plot of land situated in Delhi for Joint Development pursuant to Development Agreement in this regard.
2017-18	83	The Company had given advances aggregating to Rs. 16,393.10 Lakhs (as at March 31, 2017 Rs. 16,389.78 Lakhs; as at April 1, 2016 Rs.16,484.78 Lakhs) to Golden Realty and Infrastructure Limited (a subsidiary of the Company) which in turn has utilized the same to acquire certain development rights in a plot of land situated in Chattarpur - New Delhi for Joint Development pursuant to Development Agreement in this regard.
2018-19	88	The Company had given advances aggregating to Rs. 16001.73 Lakhs (as at March 31, 2018 Rs. 16,393.10 Lakhs) to Golden Realty and Infrastructure Limited (a wholly owned subsidiary of the Company) which in turn has utilized the same to acquire certain development rights in a plot of land situated in Chattarpur - New Delhi for Joint Development pursuant to Development Agreement in this regard.
2019-20	99	The Company had given advances aggregating to Rs. 16001.73 Lakhs (as at March 31, 2019 Rs. 16,001.73 Lakhs) to Golden Realty and Infrastructure Limited (a wholly owned subsidiary of the Company) which in turn has utilized the same to acquire certain development rights in a plot of land situated in Chattarpur - New Delhi for Joint Development pursuant to Development Agreement in this regard. The said Subsidiary expects to commence construction activities on the aforesaid land in due course after receiving necessary approvals applied for and therefore, in the opinion of the management, the aforesaid advances are fully realizable in due course of time.
2020-21	86	The Company had given advances aggregating to Rs. 16,001.73 Lakhs (as at March 31, 2020 Rs. 16,001.73 Lakhs) to Golden Realty and Infrastructure Limited (a wholly owned subsidiary of the Company) which in turn has utilized the amount to acquire certain development rights in a plot of land situated in Chattarpur - New Delhi for Joint Development pursuant to Development Agreement. The said Subsidiary expects to commence construction activities on the aforesaid land in due course after receiving necessary approvals applied for and therefore, in the opinion of the management, the aforesaid advances are fully realizable in due course of time.

16. GTL has shown GRIL as its Wholly Owned Subsidiary and merged GRIL's accounts in its Books of Account.
17. GTL has advanced Rs. 17,517.57 lakhs to GRIL in the guise of land development rights which were never approved by the Delhi Development Authority (DDA). The funds lent to GRIL were transferred to WGF (Rs. 11,415.52 Lakhs) and General Exports and Credit Limited (Rs. 1,650 Lakhs), from there the funds were further transferred to promoter related entities namely Rosebys Interiors India Limited (Rs. 838

- Lakhs), Pashupatinath Commercial Pvt Ltd (Rs. 52.20 Lakhs), Bharat Explosives Ltd (Rs. 15 Lakhs), Golden Realty (Rs. 50 Lakhs), Dalmia Brothers Pvt Ltd (Rs. 130.50 Lakhs), Dalmia Finance Limited (Rs. 1300 Lakhs), WGF Financial Service Ltd (Rs. 517 Lakhs) and Mourya Finance Limited (Rs. 1650 Lakhs).
18. It is observed that the advances given by GTL constitute 72.01% of the assets during 2009-10 (Rs. 17,517.57 lakhs given to the total assets i.e.24,324.15 lakhs) and the outstanding shown on FY 2020-21 constitutes 93.65 % of the assets shown in the Balance sheet as on March 31, 2021. (Rs. 13,918.43 lakhs given to the total assets i.e.14,860.68 lakhs).
 19. Thus, the funds were transferred from GTL to the promoters in guise of loans extended to GRIL which were never recovered nor any interest was paid to GTL. This, therefore, shows that the funds which were outstanding in the books of GTL were actually used for the ultimate benefit of promoter entities and are not recoverable by the Company.
 20. Hence, it is alleged that both GTL and GRIL have misrepresented the financials since the funds given by GTL is only existent in the books of GTL, GRIL and WGF when it has actually been transferred from WGF and GRIL to various entities as illustrated above. This misrepresentation of accounts/ financial statements have been prejudicial in the interest of investors for a long period i.e. From 2009-10 to 2020-21 and does not represent a true and fair view of the actual financial position of the company.
 21. Also, except for FY 2015-16, no related party disclosures have been done in the Annual Report and shown as outstanding in the books of GTL till FY 2020-21. Also, no interest is being charged or received under the disguise of the subsidiary being an infrastructure company and claiming exemption under Section 186 of Companies Act, 2013. Hence, by inflating the assets which have already been transferred to promoter entities, the company has misrepresented the financials of the company and kept investors in dark without them having a true and fair picture of the financial affairs of the company.
- Role of the Noticee Mr. Pawan Kumar Malsaria (CFO)**
22. The Listing Agreement and the LODR Regulations, 2015 mandate that while placing the financial results before their Board, the CEO, as well as the CFO, need to certify that the financial results do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading. Thus the CEO and CFO need to inter-alia certify that the financial statements do not contain any misleading statements, present a true and fair view of the company's affairs as well as are in compliance with existing accounting standards, applicable laws and regulations. Further, they need to inter-alia certify that there were no transactions of the listed entity during the said FY which were fraudulent in nature.
 23. Mr. Pawan Kumar Malsaria had certified the financials from FY 2015-16 to FY 2020-21. During statement recording (**Annexure 7**), following submissions were made by the Noticee :
 - a) In January 1998, he joined as programmer and looked after ERP implementation and generation of reports. Then, he was promoted to Manager (system). In 2013-14, he was promoted to DGM (Accounts). In 2016, he was made the CFO.
 - b) His educational qualification is MSc. (Maths).
 - c) He used to maintain accounts under the guidance of his supervisor Mr. A K Joshi till 2019 and later Mr. Jaskaran Khurana.
 - d) When he joined in 1998, Mr. Rama Kant Ram (common director in group companies) was employee of GTL
 24. Hence, by issuing a certificate inter-alia certifying that the financials of GTL, present a true and fair view of affairs of the Company and do not contain any misleading statement, Mr. Pawan Kumar Malsaria is alleged to have violated Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015.

...".

5 Vide letter/email dated February 10, 2023 Noticee submitted its reply to the SCN. Key submissions of the Noticee's reply to the SCN are as under:

“ ...

I have received your aforesaid notice on 06.12.2022 and noted that SEBI has instituted adjudicating proceeding in the matter of Golden Tobacco Ltd. u/s 15HB of the SEBI Act for violation of provision of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. The appointment of adjudicating officer was based on the investigation conducted by the SEBI to ascertain whether the books of accounts of GTL were manipulated for the FY 2009-10 to FY 2020-21 (Investigation period) and to ascertain whether there was any violation of the provision of SEBI Act, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 during the period from April 01, 2009 to March 31, 2021. Thereafter, back ground of the company, details of management of the company, Shareholdings, Share price Movement and financial for the F. Y. 2009-10 to 2020-21, Investment/Advance to subsidiaries etc. has been mentioned in the said notice. As per the said notice, the reason for suspicion of violation of said regulation was "GTL had transferred fund to Golden Realty Infrastructure Ltd (GRIL) disclosing that the same was for land development which was further transferred to WGF Financial Services Ltd. (WGF) for a project which was not approved by Delhi Development Authority (DDA) and further diverted to other entities and Pawan Kumar Malsaria, appointed as CFO on 11.2.2016 has violated Regulation 17(8) & 32(2) (a) of SEBI (LODR) Regulation 2015 by certifying that the Financials of GTL present a true and fair view of affairs of the company and don't contain misleading statement from FY 2015-16 to FY 2020-21.

From the above, it is clear that investigation of SEBI revealed three findings:

- 1) Advance has been granted from GTL to G-RIF and from GRIL to WGF and other entities

2) Related Party Disclosure has not been done before FY 2015-16.

3) Pawan Kumar Malsaria as CFO has issued wrong certificate for the period from FY 2015-16 to FY 2020-21. With respect to point No. 1, I state that advance was granted from GTL to GRIL, a wholly owned subsidiary of GTL formed in the year 2008-09 with an objective for doing business in realty sector. GRIL was backed with financial support from its parent company namely GTL. GRIL, to carry out its business activities, received from time to time interest free advances from GTL and also arrange finance at its own from NBFC between FY's 2010 to 2012. GRIL entered into a Development Agreement with WGF Financial Services Pvt Ltd (hereinafter referred as "WGF" and started giving advances from time to time to secure the valuable development rights for development of certain properties in Delhi. Decision for entering into such transaction was purely a commercial transaction which was taken into account in prudent manner and also had been discussed by the Board members throughout. GTL had disclosed the transactions in regards to the acquiring rights for development of some properties in Delhi by GRIL in its Financials as a Standalone and also on Consolidated basis. Due to certain restrictions imposed by the Delhi Development Authority (DDA), the development work on the said properties could not be started. However, the value of the Development right as per the Government approved valuers was much more than that of the advances given by GRIL to WGF. Accordingly, such advances given by GTL or GRIL are fully secured and recoverable and are in no manner prejudicial to the interest of the Company or its shareholders.

GTL or GRIL has no control over the management of WGF. None of the directors of GTL or GRIL are in any manner associated with the WGF. The decisions taken by the Board of Directors of WGF are solely decided by their management and GTL and GRIL has no role to influence the decision taken by them in any manner.

GTL had given interest free advances to its wholly owned subsidiary, i.e. GRIL in a commercial prudent manner, considering the profit out of that transaction would have been much more than that of interest. In view of this no amount of interest was charged. These advances were given in pursuance to the real estate business by GRIL. In this respect, I state that decision to grant advances was taken by Board of Directors from commercial view and even before my appointment as CFO.

With respect to point No. 2, I have been appointed as CFO on 11.2.2016, and Related Party Transactions (including transactions with GRIL) has been shown in Financial Statement for the FY 2015-16 to FY 2020-21 so there is no violation of disclosure requirement during my period as CFO. WGF has been not shown as related party in the Financial Statement of GTL due to insignificant percentage of holding in GTL by the WGF i.e. 5.45%.

With respect to point No. 3, please note that I have been appointed as CFO on 11.2.2016 and as a CFO, I have issued a certificate under Regulation 17(8) for the FY 2015-16 to FY 20-21. I am enclosing herewith the year wise detail of advance given from GTL to GRIL which clearly exhibits that the fund has been transferred from GTL to GRIL prior to my appointment as CFO and after my appointment as CFO, the advance has been refunded from GRIL to GTL. Decision to advance given or refunded had been taken by the Board of Directors and I was working under the guidance of Managing Director and was never part of decision making.

Considering the aforesaid fact, it is clear that I have fulfilled all my obligations and there is no wrong doing on my part. Hence I request you to drop the adjudicating proceedings. If you need any further detail / explanation, please intimate us accordingly.

...."

6. Having regard to the principles of natural justice, vide Hearing Notice dated July 05, 2023, an opportunity of personal hearing was provided to the Noticee on July 21, 2023. Vide email dated July 17, 2023, Noticee sought adjournment of the said hearing. Vide email dated July 18, 2023, the hearing was re-scheduled on July 24, 2023. On the scheduled date of hearing viz., July 24, 2023, the Noticee availed the opportunity of hearing physically in person. During the hearing, the Noticee relied upon and reiterated the submissions made by Noticee vide its letter/email dated February 10, 2023.
7. Pursuant to transfer of Shri Vijayant Verma and appointment Shri Amar Navlani, vide hearing notice dated May 17, 2024, Noticee was given opportunity to file additional submission and provided opportunity of hearing on May 28, 2024. The said Hearing Notice was sent to the address available on record viz., D-2, Shital Apartments, R.C. Dutt Road, Alkapuri, Vadodara, Gujarat-390007, It is noted that the said Hearing Notice was returned undelivered.

8. Thereafter, pursuant to transfer of erstwhile AO and appointment of the undersigned as the AO, vide email dated December 16, 2025, an opportunity to file additional submission by December 18, 2025, if any, in regard to the SCN along with the relevant supporting documents was provided to the Noticee. Further, in the interest of principles of natural justice an opportunity of hearing was provided to Noticee on December 23, 2025. Vide email dated December 16, 2025, Noticee sought extension to file additional submissions and requested for personal hearing thereafter. Vide email dated December 18, 2025, Noticee was provided time till December 31, 2025 to file additional submissions and hearing was rescheduled on January 07, 2026. Vide email dated December 31, 2025, Noticee submitted its additional submissions to the SCN. Key submissions of the Noticee are as under:

“ ...

1. *I have submitted my reply on 10/2/2023. Your office is good enough that they have given me an opportunity to file an additional reply. I am very thankful for giving an opportunity to file submissions.*
2. *I would like to submit my additional submission in continuation of my earlier reply submitted on 10/2/2023. A copy of the earlier reply is enclosed for ready reference.*
3. *GTL had given interest free advances to its wholly owned subsidiary, i.e. GRIL in a commercial prudent manner, considering the profit out of that transaction would have been much more than that of interest. In view of this no amount of interest was charged. These advances were given in pursuance to the real estate business by GRIL. In this respect, I state that the decision to grant advances was taken by the Board of Directors/Management in the years 2010-2016 from a commercial view, I was not a part of Board and even before my appointment as CFO.*
4. *I have already explained that I have no role in the decisions taken by the management for entering into a such transaction during the period of 2010 to 2016. I was a just an employee to carry out my duties as I am not at all concerned during that period. I was appointed as the CFO of the company on 11.02.2016 since then onwards I carried out my duties diligently with due care by following the SEBI rules as per the instructions/decision of the management. During my CFO tenure also, I was an employee and my duty was to follow the order/instructions of the management. In fact, all the decisions were taken by the Board of Directors.*
5. *It is important to highlight that the alleged transaction from GTL to GRIL was prior to my appointment and after my appointment as the CFO, some of the advances were refunded by GRIL to GTL. Decision to advance given or refunded had been taken by the Board of Directors.*
6. *As the CFO of the company, I issued certificates from the year 2016 under the directions of the then MD, with MD not in sole capacity and for the year's transactions only, not for the alleged transactions, with bonafide intention in good faith for complying the SEBI Rules as there was no mens rea on my part. I have already submitted my letter of appointment as CFO & year wise details of transactions taken place before my appointment, I just followed instructions.*
7. *It is also important to highlight that my salary had not changed after the appointment as CFO, it remained the same even when I was only an employee.*
8. *It is a settled law that if there is no mens rea, the job done as per the instructions of the management to save the employment, then no action can be taken and the adjudication proceedings may be dropped with immediate effect, in the interest of justice. Hindustan Steel Ltd. and Gorkha Security Services v. Govt. of NCT Delhi (2014) 9 SCC 105, the Court reiterated that "penalty is not to be imposed merely because it is lawful to do so." The Bench further distinguished Shriram Mutual Fund by clarifying that it addressed statutory liability for contraventions, not quantum or proportionality. Thus, the obligation to impose penalties does not absolve SEBI from applying rational discretion.*
9. *Please note that as per the order dated 08-10-2025, stay has been granted by the SAT, against the order dated 29-08-2025 of the SEBI in the matter of Golden Tobacco Limited.*
10. *In view of the above submissions, I most humbly request your goodself to drop the adjudication proceedings as I am a law-abiding citizen and followed the instructions of the management as an employee and I have not done any wrong intentionally /knowingly. I request your goodself a personal hearing may be granted to me to place citation before passing adjudication order in the interest of*

justice.

...”

9. On the re-scheduled date of hearing viz., January 07, 2026, the Noticee himself appeared in person and opting hearing to be held through video conferencing. During the hearing, the Noticee relied upon and reiterated the submissions made by Noticee vide its email/letter dated February 02, 2023 and December 31, 2025.

D. CONSIDERATION OF ISSUES AND FINDINGS

10. The issues that arise for consideration in the instant matter are as following:

Issue No. I: Whether the Noticee had violated the provisions of SEBI (LODR) Regulations, 2015, as alleged?

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

11. I note that Noticee has made common submissions in his reply to the SCN vide common letter /email dated February 10, 2023 and December 31, 2025. In this regard, I note that save for being differently worded broadly speaking the submissions made are common. Hence the same have been dealt with conjointly and references drawn, if any, are to the text per either of the letters and submissions dealt with accordingly.

Issue No. I: Whether the Noticee had violated the provisions of SEBI (LODR) Regulations, 2015, as alleged?

11.1. Misrepresentation by GTL in its annual report regarding the purpose of utilization of funds by its subsidiary

The following was observed and alleged in this regard:

11.1.1. GTL transferred Rs. 17,517.57 lakhs to GRIL's Allahabad Bank (now Indian Bank) account during the period FY 2009-10 to FY 2014-15 in the form of loans and advances and has been showing as outstanding in its annual reports. GTL further disclosed that the advance was provided to GRIL to acquire development rights. However, it was observed that out of the said amount, only Rs.3599.14 lakhs were returned back to GTL and out of the remaining outstanding advance, Rs. 11,415.52 lakhs were transferred to WGF in two different bank accounts, which WGF further transferred to various entities. Further, an amount of Rs. 1,650 lakhs were also transferred to General Export and Credit Limited by GRIL out of the advances received from GTL by GRIL for the purpose of acquiring development rights. The entities, to whom the funds were allegedly diverted by GTL through GRIL, in the name of advances, were promoter entities.

11.1.2. It was observed that GRIL upon receiving the money mentioned above in its Allahabad Bank account transferred Rs.2725.00 lakhs to WGF's SBI Account and Rs.8690.52 lakhs to WGF's PNB Account. Further, GRIL also transferred Rs.1650.00 to General Exports and Credit Limited ("GECL") in two tranches on 08 and 09 February 2010, which it received on the said dates.

11.1.3. The promoter entities who were beneficiaries of the transfers are Rosebys Interiors India Limited (₹838 Lakhs), Pashupatinath Commercial Pvt Ltd (₹52.20 Lakhs), Bharat Explosives Ltd (₹15 Lakhs), Golden Realty (₹ 50 Lakhs), Dalmia Brothers Pvt Ltd (₹ 130.50 Lakhs), Dalmia Finance Limited (₹ 1300 Lakhs), WGF Financial Service Ltd (₹ 517 Lakhs) and Mourya Finance Limited (₹ 1650 Lakhs).

11.1.4. Therefore, it was observed by SEBI that the funds were diverted from GTL to the promoters in guise of loans extended to GRIL which were never recovered nor any interest was paid to GTL. It was further alleged that the funds which were outstanding in the books of GTL were actually used for the ultimate benefit of promoter entities and are not recoverable by the Company.

11.1.5. There was misrepresentation of the financials of GTL since the funds given by GTL is only existent in the books of GTL, GRIL and WGF when it has actually been transferred from WGF and GRIL to various entities as illustrated above. This misrepresentation of accounts/ financial statements since FY 2009-10 till FY 2020-21 was prejudicial to the interest of investors for a long period and does not represent a true and fair view of the actual financial position of the company.

11.1.6. Also, except for FY 2015-16, no related party disclosures have been done in the Annual Report and shown as outstanding in the books of GTL till FY 2020-21. Further, no interest is being charged or received under the disguise of the subsidiary being an infrastructure company and claiming exemption under Section 186 of Companies Act, 2013. Hence, it is alleged that by inflating the balance sheet by showing the advances given to GRIL as outstanding despite being transferred to promoter entities, the company has misrepresented the financials of the company and kept investors in dark without them having a true and fair picture of the financial affairs of the company.

Role of the Noticee Mr. Pawan Kumar Malsaria (CFO)

11.1.7. The Listing Agreement and the LODR Regulations, 2015 mandate that while placing the financial results before their Board, the CEO, as well as the CFO, need to certify that the financial results do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading. Thus the CEO and CFO need to *inter-alia* certify that the financial statements do

not contain any misleading statements, present a true and fair view of the company's affairs as well as are in compliance with existing accounting standards, applicable laws and regulations. Further, they need to *inter-alia* certify that there were no transactions of the listed entity during the said FY which were fraudulent in nature.

11.1.8. It was observed by SEBI that Mr. Pawan Kumar Malsaria had certified the financials from FY 2015-16 to FY 2020-21. During statement recording before the SEBI Investigating Authority, following submissions were made by the Noticee:

11.2. In January 1998, he joined as programmer and looked after ERP implementation and generation of reports. Then, he was promoted to Manager (system). In 2013-14, he was promoted to DGM (Accounts). In 2016, he was made the CFO.

11.3. His educational qualification is MSc. (Maths).

11.4. He used to maintain accounts under the guidance of his supervisor Mr. A K Joshi till 2019 and later Mr. Jaskaran Khurana.

11.5. When he joined in 1998, Mr. Rama Kant Ram (common director in group companies) was employee of GTL.

11.5.1. Hence, it was alleged in the SCN that by issuing a certificate *inter-alia* certifying that the financials of GTL, present a true and fair view of affairs of the Company and do not contain any misleading statement, Mr. Pawan Kumar Malsaria have violated Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015. The relevant provisions of SEBI Act and LODR Regulations are reproduced hereunder: -

“ ...

SEBI (LODR) Regulations, 2015

“17(8) *The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II.”*

“33. (1)

(2) The approval and authentication of the financial results shall be done by listed entity in the following manner:

(a) The quarterly financial results submitted shall be approved by the board of directors:

Provided that while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

...”

11.5.2. I note that Noticee as part of SCN has inter alia submitted that *“...I have been appointed as CFO on 11.2.2016, and Related Party Transactions (including transactions with GRIL) has been shown in Financial Statement for the FY 2015-16 to FY 2020-21 so there is no violation of disclosure requirement during my period as CFO. WGF has been not shown as related party in the Financial Statement of GTL due to insignificant percentage of holding in GTL by the WGF i.e. 5.45%... It is also important to highlight that my salary had not changed after the appointment as CFO, it remained the same even when I was only an employee...GTL had given interest free advances to its wholly owned subsidiary, i.e. GRIL in a commercial prudent manner, considering the profit out of that transaction would have been much more than that of interest. In view of this no amount of interest was charged. These advances were given in pursuance to the real estate business by GRIL. In this respect, I state that decision to grant advances was taken by Board of Directors from commercial view and even before my appointment as CFO....”*. In this regard, it is noted that the alleged violation in the instant matter is with regard to certificate issued by the Noticee inter-alia certifying that the financials of GTL, present a true and fair view of affairs of the Company and do not contain any misleading statement. In this regard, I note that Noticee’s aforesaid submission is out of context being devoid of merit and hence not acceptable.

11.5.3. I note that Noticee as part of SCN has inter alia submitted that *“...I have been appointed as CFO on 11.2.2016 and as a CFO, I have issued a certificate under Regulation 17(8) for the FY 2015-16 to FY 20-21.... which clearly exhibits that the fund has been transferred from GTL to GRIL prior*

to my appointment as CFO and after my appointment as CFO, the advance has been refunded from GRIL to GTL... I state that the decision to grant advances was taken by the Board of Directors/Management in the years 2010-2016 from a commercial view, I was not a part of Board and even before my appointment as CFO...".

11.5.4. In this regard, I note from material available on record and Noticee's submissions that the Noticee was appointed as CFO on 11.2.2016 and he was holding the position of CFO when he certified that the financial results for the FY 2015-16 to FY 20-21 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. Therefore, Noticee's submission that the fund has been transferred from GTL to GRIL prior to his appointment as CFO cannot be accepted as the allegation pertains to certifying the financial results for the FY 2015-16 to FY 20-21 when he was holding position of CFO in the company.

11.5.5. I also note that Noticee's submission are in nature of admission in so far as Noticee has submitted that *"...I have issued a certificate under Regulation 17(8) for the FY 2015-16 to FY 20-21..."*.

11.5.6. Further, Noticee's submission that *"...my salary had not changed after the appointment as CFO, it remained the same even when I was only an employee..."* is out of context with respect to the present alleged violation hence the said submission is not accepted.

11.5.7. Further, Noticee as part of reply to the SCN has inter alia submitted that *"...It is a settled law that if there is no mens rea, the job done as per the instructions of the management to save the employment, then no action can be taken and the adjudication proceedings may be dropped with immediate effect, in the interest of justice. Hindustan Steel Ltd. and Gorkha Security Services v. Govt. of NCT Delhi (2014) 9 SCC 105, the Court reiterated that "penalty is not to be imposed merely because it is lawful to do so." The Bench further distinguished Shriram Mutual*

Fund by clarifying that it addressed statutory liability for contraventions, not quantum or proportionality. Thus, the obligation to impose penalties does not absolve SEBI from applying rational discretion...”.

11.5.8. In this regard, I would like to refer to the Order of Hon’ble High Court of Bombay in the matter of SEBI v. Cabot International Capital Corporation (2004) 51 SCL 307 (BOM.) wherein it was laid down that mens rea is not essential element for imposing penalty for breach of civil obligations or liabilities. Further, the following judgments are also referred to in this regard:

- i. Hon’ble Supreme Court of India in the matter of SEBI vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) which inter-alia has held that - “In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant...”.
- ii. SAT in the matter of *Akriti Global Traders Ltd. Vs. SEBI*, decided on 30.09.2014, that “... Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay..”.

In view of the above, I am not inclined to accept aforesaid contention of the Noticee.

11.5.9. I also note that Noticee as part of reply to the SCN has inter alia submitted that “*Please note that as per the order dated 08-10-2025, stay has been granted by the SAT, against the order dated 29-08-2025 of the SEBI in the matter of Golden Tobacco Limited.*” In this regard, I note that the appeal

was preferred against the SEBI order dated 29-08-2025 on technical grounds specifically, the delay in the issuance of the SCN and the resignation of said appellant. I also note that the substantive merits of the order dated 29.08.2025 remain unchallenged and the stay is limited to only one appellant.

In view thereof, I hold that Noticee has violated Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015.

Issue No. II: If yes, whether the Noticee is liable for imposition of monetary penalty under Section 15HB of SEBI Act, 1992?

12. It has been established in the foregoing paragraphs that Noticee had violated Regulation 17(8) & 33(2)(a) of the SEBI (LODR) Regulations, 2015.
13. In this regard, it is also noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia held that:

“ ... In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established ”.

14. Therefore, for the established violation, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Section 15HB of the SEBI Act, which reads as under:

SEBI Act, 1992

“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.]”*

(Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.)

Issue No. III: If yes, what should be the monetary penalty that can be imposed upon the Noticee?

15. While determining the quantum of penalty, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:

SEBI Act, 1992

“ ...

Factors to be taken into account while adjudging quantum of penalty.

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.

...”

16. In the instant case, I note that the material available on record does not quantify any disproportionate gain or unfair advantage or loss caused to an investor or group of investors as a result of the violation committed by the Noticee. Further, there is nothing on record to show that the violation committed by the Noticee is repetitive in nature. However, I note that Noticee was required to comply with the applicable provisions of securities laws, which it had failed to comply with, as dealt with and brought out in the foregoing and which SEBI is duty bound to enforce compliance of. Such non-compliance accordingly needs to be dealt with suitable penalty.

E. ORDER

17. After taking into consideration the facts and circumstances of the case, material available on record, submissions made by the Noticee and also the factors mentioned in the preceding paragraphs, in exercise of the powers conferred upon me section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose penalty of ₹8,00,000/- (Rupees Eight Lakhs Only) under Section 15HB of the SEBI Act, 1992, upon the Noticee viz., Pawan

Kumar Malsaria. In my view, the said penalty will be commensurate with the violation committed by the Noticee in this case.

18. The Noticee shall remit /pay the said amount of 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

19. 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 under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.
20. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

PLACE: MUMBAI
DATE: April 27, 2026

SUDEEP MISHRA
ADJUDICATING OFFICER