BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO.: Order/AK/GN/2026-27/32511]

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;

Madhav Copper Limited

PAN: AAICM2859A

Background

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) carried out an examination in the scrip of Madhav Copper Limited (hereinafter referred to as **Noticee/ Company)** to ascertain violation(s), if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **LODR Regulations**). Pursuant to the examination, certain violations of the provisions of LODR Regulations were, prima facie, found.

Appointment of Adjudicating Officer

2. SEBI, vide communique dated February 18, 2025, appointed the undersigned as the Adjudicating Officer 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 **'Adjudication Rules'**) r/w Section 19 of the SEBI Act to inquire into and adjudge u/s 15A(b) of SEBI Act, the alleged violations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice (hereinafter being referred to as the "SCN") dated February 27, 2025 was issued to Noticee in terms Rule 4(1) of Adjudication Rules to show cause as to why an inquiry should not be initiated against it and why penalty, if any, should not be imposed upon it u/s 15A(b) of SEBI Act for the alleged violations.

4. The following allegations were made against the Noticee in the SCN;

4.1. Delayed disclosure of search conducted by GST authorities on July 07, 2021 therefore it was alleged that Noticee violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

4.2. Delayed disclosure of provisional attachment of Noticee's land, building, machinery, inventory and bank account by GST department therefore it was alleged that Noticee violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

4.3. Failure to provide any explanation for delay in disclosure of the above event therefore it was alleged that Noticee violated Regulation 30(6) of LODR Regulations.

4.4. Non-disclosure of action which was initiated u/s 69 and 83 of the CGST/GGST Act, 2017 by GST authorities therefore it was alleged that Noticee violated Regulation 30(7) of LODR Regulations.

4.5. Non- disclosure of cancellation of GST registration by GST authorities therefore it was alleged that Noticee violated Clause 12 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

5. The SCN was sent to Noticee through Speed Post AD and email dated February 27, 2025. Vide email dated March 11, 2025, Noticee submitted its reply to the SCN, the same is summarized below-

5.1. *Violation 1 – Delayed disclosure of search conducted by GST authorities and Violation 2 – Delay disclosure of provisional attachment of Noticee's land, building, Machinery, inventory and bank account by GST Department*

5.1.1. *Noticee submitted that it had made the disclosure with a delay of 15 days. There was no malicious intent behind the delay in making the required disclosures as per the applicable regulations.*

5.1.2. *At no point, the company had intent to withhold any information in regard with the search conducted by the GST department. They took their obligation seriously and made the disclosures against the clarification sought by the exchange.*

5.1.3. *There was an unintentional delay and there was not a guilty intention on the part of the management to earn the profit by manipulation the price of the shares of the company by delaying the disclosures of material event.*

5.2. *Violation 3 – Failure to provide any explanation for delay in disclosure of the above event.*

5.2.1. Noticee acknowledge this lapse and have implemented measures to ensure improved coordination and timely response in the future.

5.3. *Violation 4 - Non- disclosure of action which was initiated u/s 69 and 83 of the CGST/SGST Act, 2017 by GST Authorities.*

5.3.1. Noticee submitted that the non-disclosure of the aforesaid action was entirely unintentional.

5.4. *Violation 5 - Non-disclosure of cancellation of GST registration by authorities.*

5.4.1. Noticee acknowledged that the non-disclosure of cancellation of GST registration was an inadvertent mistake. There was no intention to withhold negative events and the failure to disclose the cancellation of GST registration number was unintentional.

5.5. *Noticee further informed that they wish to avail the settlement mechanism and will file the settlement application in due course of time.*

6. Vide email dated April 25, 2025, Noticee submitted that they have filed a settlement application. In view of the same, the matter was kept in abeyance till the disposal of the settlement application.

7. Vide email dated April 08, 2026 Noticee informed that they are unable to accept the settlement terms including the indicative settlement amount. Therefore, the adjudication proceedings were resumed. In the interest of natural justice, an opportunity of personal hearing was provided to Noticee on May 13, 2026 vide hearing notice dated April 30, 2026. Vide letter dated May 07, 2026 Noticee sought 15 days more time for making additional submission. In view of the same, vide email dated May 07, 2026 time till May 26, 2026 was provided to the Noticee for submission of reply. Vide letter dated May 18, 2026 Noticee made its additional submission, the same is summarised below-

Violation 1 and 2

7.1. *With regard to violation 1 and 2 Noticee submitted that Regulation 30(3) r/w Para B of Part A of Schedule Ill requires disclosure of litigation/regulatory action based on materiality. Noticee submitted that the GST search was provisional and allegations therein were yet to be adjudicated. Therefore, the disclosure was made on 22 July 2021 in response to the NSE's clarification request about the price movement in the equity* *shares of the Noticee. This was a bona fide, contemporaneous disclosure. As per the Regulation 30, where an event is external and complex i.e GST Search and Provisional attachment, allows reasonable time to verify facts and then to make the required disclosures about such events. The Regulation 30(6) requires disclosure "as soon as reasonably possible." The Noticee made the said disclose on 22 July 2021 after verifying facts with GST authorities and CRISIL.*

7.2. *Further as aforesaid, the covid lockdown, reduced business and non-availability of staff also resulted in delayed disclosure.*

7.3. *Therefore, the search conducted by GST Authorities and provisional attachment of Noticee's land, building, machinery, inventory and bank account by GST Department was pending for adjudication under investigation and was going on. Thus, the investigation by GST Authorities was at premature stage and incomplete. The company's board approved materiality policy and set thresholds. The company relied on CRISIL's report and internal verification before public disclosure. Therefore, it made the disclosure on 22 July 2021 only in response to the NSE's clarification request about the price movement in the equity shares of the Noticee.*

7.4. *Thus Noticee submitted that at all times acted bona fide, in compliance with its board-approved materiality policy, and without intent to conceal information from investors.*

Violation 3

7.5. *Noticee submitted that disclosure was made upon exchange query, which itself constituted explanation for the delay. The delay was due to ongoing verification with statutory authorities. The investigation by GST Authorities was at premature stage and incomplete. The company's board approved materiality policy and set thresholds. The company relied on CRISIL''s report and internal verification before public disclosure. The confidentiality concerns prevented premature disclosure.*

7.6. *Noticee submitted that the Hon'ble SAT in Urja Global Ltd. v. SEBI (2022) held that where disclosure is made upon exchange query, the explanation for delay is implicit in the circumstances.*

7.7. *Noticee also submitted that Hon'ble SAT in its Order dated 31 May 2023 in Suumaya Industries Ltd. v. 58581 (2023) held that mere delay in disclosure, absent mala fide intent or market manipulation, does not automatically warrant maximum penalty under Section 15A(b). Hon'ble Supreme Court in Reliance Industries Ltd. v. SEBI (2025) emphasized* *that the disclosure obligations must be interpreted in light of ongoing negotiations or investigations, and premature disclosure may itself mislead investors.*

Violation 4

7.8. *Noticee submitted that the updates were provided when material developments crystallized i.e. Feb 2022 Clarification, June 2022 Rating Downgrade, April 2023 Restoration of GST Registration, etc. Noticee submitted that the updates were provided through annual reports and rating disclosures.*

7.9. *Noticee referred to the order of Hon'ble SAT in the matter of Dish TV India Ltd. v. SEBI (2022) , Suumaya Industries Ltd. v. SEBI (2023) and Hon'ble Supreme Court order in the matter of Reliance Industries Ltd. v. SEBI.*

7.10. *Noticee submitted that since the GST matter was pending without final adjudication, no material development occurred warranting fresh disclosure. The Noticee's board approved policy sets thresholds of 10% turnover/net worth. The company acted in good faith, relying on CRISIL's contemporaneous report.*

7.11. *The disclosures of rating action and later restoration of GST registration were made. The company did not "disguise" updates and CRISIL's report legitimately referenced the GST matter. The allegation of "disguising" disclosures is unfounded.*

Violation 5

7.12. *Noticee submitted that the cancellation of GST registration was contested and later revoked on 25 April 2023. Hence, the disclosure of revocation was made promptly on 26 April 2023.*

7.13. *Noticee submitted that Hon'ble SAT in Vivimed Labs Ltd. v. SEB/ (2022) held that where adverse regulatory orders are stayed or revoked, disclosure of final outcome suffices.*

7.14. *Noticee submitted that the disclosures of rating action and later restoration of GST registration were made. The company did not "disguise" updates — CRISIL's report legitimately referenced the GST matter. Cancellation was temporary and under appeal. Hence, the disclosure was made upon restoration on 26 April 2023. The omission was inadvertent, not deliberate.*

8. Vide email dated May 22, 2026 another opportunity of hearing was provided to Noticee on June 04, 2026. Authorized Representative (AR) of the Noticee attended the hearing on scheduled day and reiterated the submissions made vide email March 11, 2025 and May 18, 2026.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

9. I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

ISSUE I: Whether Noticee has violated the provisions as alleged in the SCN?

ISSUE II- Does the violation, if any, attract monetary penalty u/s 15A(b) of the SEBI Act, 1992?

ISSUE III- If so, how much penalty should be imposed taking into consideration the factors mentioned in Section 15J of the SEBI Act?

10. Before proceeding further, it will be appropriate to refer the provisions alleged to be violated by the Noticee-

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Regulation 30 - Disclosure of events or information.

(3) The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:

(a)the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b)the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; [or]

[(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1)two percent of turnover, as per the last audited consolidated financial statements of the listed entity;

(2)two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;

(3)five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;]

[(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.]

(ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

[Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).]

(6) The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

(i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

(iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

[Provided that if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the SEBI (Prohibition of Insider

Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity:]

Provided [further] that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.]

[Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.]

(7) The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

<u>Para B of Part A of Schedule III</u>

8. [Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.]

12.Granting, withdrawal , surrender , cancellation or suspension of key licenses or regulatory approvals.

<u>FINDINGS</u>

11. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticee, I record my findings hereunder:

ISSUE I: Whether Noticee has violated the provisions as mentioned in SCN?

12. **Alleged violation 1 - Delayed disclosure of search conducted by GST authorities**

12.1. During examination it was observed that there was delayed disclosure of search conducted by GST authorities on July 07, 2021 by Noticee therefore, it was alleged that Noticee violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

12.2. I note that in reply to the SCN, Noticee admitted that there was unintentional delay, however in the additional submission Noticee submitted that GST search was provisional and allegation therein were yet to be adjudicated. Therefore, the disclosure was made on July 22, 2021 in response to NSE's clarification request about the price movement in the equity shares of the Noticee.

12.3. I note that as per Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation within twenty-four hours from the occurrence of the event or information. Litigation(s)/dispute(s)/regulatory action(s) with impact is a material event.

12.4. I note that during examination, it was found that GST Authorities had conducted a search on the premises of Noticee on July 07, 2021.

12.5. In this regard, the Noticee in its disclosure dated July 22, 2021 mentioned that the GST department alleged that Noticee has claimed fake bills which amount to more than turnover of the company in F.Y. 21 and the GST department has provisionally attached Noticee's land, building, machinery, inventory and bank account.

12.6. I note that in reply to the SCN, Noticee submitted that GST search was provisional and allegation therein were yet to be adjudicated.

12.7. In this regard, I note that regulations 30(3) of LODR Regulations requires disclosure of "*i. Litigation(s) / dispute(s) / regulatory action(s) with impact*" specified in Clause 8 Para B of Part A of Schedule III, based on application of the guidelines for materiality.

12.8. Further, Regulation 30 (4) (i) of the LODR Regulations provides for certain criteria for determination of materiality of events/ information & regulation 30 (4) (ii) requires that the listed entity shall frame a policy for determination of materiality, based on criteria specified in regulation 30(4), duly approved by its board of directors, which shall be disclosed on its website.

12.9. In this regard, I note that the '*Policy for determination of materiality of events and information for disclosure to the Stock Exchanges*' of the Noticee which is hosted on its website, provides the following:

The following events or information shall be disclosed to the Stock Exchanges as soon as possible but not later than 24 hours of the occurrence of the event or information if the impact of such event or information on the Company exceeds 10%

of its turnover or 10% of its net worth, whichever is higher, such turnover/ net worth to be based on the latest audited financial statements of the Company:

viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.

ix. Fraud/defaults etc. by directors (other than key managerial personnel) or

xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

12.10. With respect to the determination of the materiality of the above event, I note from the CRISIL rating report disclosed by the company on July 22, 2021 that there was an alleged evasion of Rs. 137 crore GST by Noticee and as per the annual report of the company for F.Y. 2020-21, the total revenue of the Noticee is around 383 crores and net worth (i.e. shareholder funds) is around Rs 46 crores.

12.11. Therefore, the above event related to alleged evasion of Rs. 137 crore was material event in terms of policy of determining materiality of events of the company since the impact of such event or information on the Company exceeds 10% of its turnover or 10% of its net worth, whichever is higher. Hence the contention of the Noticee that GST search was provisional and allegation therein were yet to be adjudicated is not tenable as the regulatory action of GST authorities is a material information.

12.12. Further, I also note that, there has been a significant price movement in the equity shares of the Noticee between July 07, 2021 (date of GST search) and July 22, 2021 (date of disclosure). The closing price of the equity shares of the company on July 07, 2021 was Rs. 83.45 which has dropped to Rs. 51.45 on July 22, 2021. Further, after the disclosure was made by the Noticee on July 22, 2021, there has been a decline in the price. The price of the equity shares of the company dropped to Rs. 39.10 on July 29, 2021.

12.13. From the above, I note that the above event had a significant market reaction/ price moment when the disclosure was made. Therefore, the above event also falls under the criteria for determination of materiality as specified in Regulation 30(4)(i)(b) i.e. *the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date.*

12.14. I also note that in reply to the SCN, Noticee admitted that the disclosures were made with a delay of 15 days.

12.15. In view of the above, I note that the search conducted by GST authorities was a material event Regulation 30 of LODR Regulations and the Noticee was required to disclose the same within 24 hours. However, the disclosure which was to be made within 24 hours was made with a delay of 15 days and hence, Noticee has violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

13. **<u>Alleged violation 2 – Delayed disclosure of provisional attachment of Noticee's land, building, machinery, inventory and bank account by GST department.</u>**

13.1. During examination it was observed that there was delayed disclosure of provisional attachment of Noticee's land, building, machinery, inventory and bank account by GST department. Therefore, it was alleged that Noticee violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

13.2. I note that in reply to the SCN, Noticee admitted that there was unintentional delay.

13.3. I note that as per Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation within twenty-four hours from the occurrence of the event or information. Litigation(s)/dispute(s)/regulatory action(s) with impact is a material event.

13.4. In addition to GST search, I note that the event related to closure of operation/ action taken by GST department is a regulatory action and the same was also required to be disclosed under Clause 8 of Para B of Part A of Schedule III of LODR Regulations. However, the Noticee failed to disclose the same within 24 hours of the event and the same was disclosed with a delay of 15 days, and the same has been accepted by the Noticee, hence it is established that Noticee has violated Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

14. **Alleged Violation 3 - Failure to provide any explanation for delay in disclosure of the above event.**

14.1. During examination it was observed that Noticee failed to provide any explanation for delay in disclosure of the above event. Therefore, it was alleged that Noticee violated Regulation 30(6) of LODR Regulations.

14.2. I note that in reply to the SCN Noticee admitted the aforesaid violation and also submitted that the delay was due to ongoing verification with statutory authorities.

14.3. I note that proviso to Regulation 30(6) of the LODR Regulations requires the listed to entity to provide explanation for delay in disclosure of events if the same is not disclosed within the timeline provide in the regulation. However, I note that the Noticee has failed to provide any explanation for delay in disclosure of the above event as required under proviso to Regulation 30(6) of LODR Regulations.

14.4. I also note that in reply to the SCN, Noticee admitted that it had failed to provide any explanation for delay in disclosure of the search conducted by the GST authorities and the provisional attachment of Noticee's land, building, machinery, inventory and bank account by GST department.

14.5. I also note that Noticee submitted that delay was due to ongoing verification with statutory authorities. In this regard, as discussed at paragraph 12 and 13 above that the search by GST department and the action thereof is the material event and as per regulation 30(6) of the LODR regulation, if the material event is not disclosed within the timeline provided than the entity has to provide explanation for delay in disclosure. However, in the instant matter no explanation was provided by the Noticee. Therefore, it is established that the Noticee has violated Regulation 30(6) of LODR Regulations.

15. **Alleged Violation 4 – Non-disclosure of action which was initiated u/s 69 and 83 of the CGST/GGST Act, 2017 by GST authorities.**

15.1. During examination it was observed that there was non-disclosure of action which was initiated u/s 69 and 83 of the CGST/GGST Act, 2017 by GST authorities. Therefore, it was alleged that Noticee violated Regulation 30(7) of LODR Regulations.

15.2. I note that in reply to the SCN Noticee admitted the aforesaid violation and also submitted that the updates were provided through annual reports and rating disclosures.

15.3. I note that regulation 30(7) of the LODR Regulations, requires that the listed entity shall, with respect to disclosures referred to regulation 30, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

15.4. In this regard, I note that the Noticee has in its reply to the inspection findings submitted that it had clarified on updates on GST search matter vide its letter dated February 28, 2022. I note that the same was pursuant to a clarification sought by the exchange regarding movement in price of the script and the Noticee had not made the disclosure on its own. On perusal of the disclosure dated February 28, 2022, I note that the Noticee has only mentioned that the search case is still with SGST department and the outcome of the event is pending with SGST department. However, it did not mention anything about material developments with respect to the event.

15.5. Further, the Noticee made another disclosure on June 08, 2022 regarding downgrade in rating. I note that Noticee in its reply submitted that this disclosure was for providing an update on GST search but the Noticee's letter to the exchange did not mention anything about GST search. The mention of GST search has been made by CRISIL in its reasoning for downgrade of rating which has been attached to the disclosure. Therefore, I note that the Noticee's intention was to provide disclosure on change in ratings and not about the ongoing GST search.

15.6. Further, on perusal of the CRISIL report attached with the disclosure, I note that the report only mentions that the GST search is ongoing, which is not an update. Disclosure of any revision in rating is a separate requirement under Regulation 30 of LODR Regulations.

15.7. Further, the Noticee in its disclosure related to credit rating did not even mention anything about the GST search. The GST search has been mentioned by CRISIL (i.e. credit rating agency) in its reasoning for downgrade of credit rating.

Therefore, I note that the Noticee is trying to disguise the disclosure related to downgrade in credit rating as a disclosure of GST search and its update.

15.8. Additionally, I note that the following disclosures have been made in the Annual Report of the company.

Annual Report for F.Y. 2021-2022

The following information has been reported by Secretarial Auditor in their report.

We hereby report that proceedings have been initiated by State GST Department against the Company due to alleged wrongful GST credit issues as claimed by the GST Department.

Annual Report F.Y. 2022-23

Proceedings have been initiated by State GST Department against the Company alleging wrongful GST credit issues as claimed by the GST Department.

15.9. From the above, I note that the Noticee has not provided any update in F.Y. 2021-22 in its annual report. Only a reference has been made by secretarial auditor in their report which is a part of the Annual Report. Further, in annual report for F.Y. 2022-23, the Noticee has only mentioned that proceedings have been initiated by GST department but has not provided any updated on any further actions, events etc. with respect to the same. Therefore, I note that the Noticee has failed to make disclosures updating material developments on a regular basis.

15.10. I also note that in reply to the SCN, Noticee submitted that the non-disclosure of action initiated u/s 69 and 83 of the CGST/SGST Act 2017 was entirely unintentional.

15.11. Based on above, I note that the Noticee failed to provide update regarding material event with respect to the GST search and has violated Regulation 30(7) of the LODR Regulations.

16. **Alleged Violation 5 - Non- disclosure of cancellation of GST registration by GST authorities**

16.1. During examination it was observed that Noticee did not disclose cancellation of GST registration by GST authorities and thereby allegedly violated Clause 12 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

16.2. I note that in reply to the SCN Noticee acknowledged the non-disclosure of cancellation of GST Registration. Noticee also submitted that cancellation was temporary and under appeal.

16.3. I note that as per Clause 12 of Para B of Part A of Schedule III Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals shall be disclosed.

16.4. I note that the Noticee made a disclosure on April 26, 2023 informing that it had received an order from Deputy Commissioner of Sales Tax for revocation of cancellation of GST registration on April 25, 2023. Therefore, GST registration is restored and thus, company can start commercial activity w.e.f. order received.

16.5. However, I note that no disclosure relating to cancellation of GST registration has been made by the Noticee in the first place. The disclosure of event related to cancellation of GST registration was required to be made under Clause 12 of Para B of Part A of Schedule III of LODR Regulations and hence Noticee has violated Clause 12 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

ISSUE II: Does the violation, if any, on part of the Noticee attract penalty u/s 15 A(b) of SEBI Act?

17. It has been established above that Noticee has violated the following provisions-

- Clause 8 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.
- Regulation 30(6) of LODR Regulations.
- Regulation 30(7) of LODR Regulations.
- Clause 12 of Para B of Part A of Schedule III r/w Regulation 30(3), 30(4) & 30(6) of LODR Regulations.

18. Thus, the undersigned is of the view that it is a fit case for imposition of penalty u/s 15A(b) of the SEBI Act, which reads as given below:

15A- Penalty for failure to furnish information, return, etc.

If any person, who is required under this Act or any rules or regulations made thereunder,—

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

19. While determining the quantum of penalty u/s 15 A(b) of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI 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."

20. In the present matter, I note that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the defaults by Noticee. Further, from the material available on record, it may not be possible to ascertain the exact monetary loss to the investors/ clients on account of default by the Noticee. Further, as per the available records, no past action has been taken by SEBI against the Noticee. Noticee was under a statutory obligation to abide by the provisions of the SEBI Act, Rules and Regulations and Circulars/directions issued thereunder etc. which it failed to do. Therefore, violations, as established above, by the Noticee attracts suitable penalty.

<u>ORDER</u>

21. Having considered the facts and circumstances of the case, the material available on record, the submissions made by the Noticee, the factors mentioned in Section 15J of the SEBI Act, and also taking into account judgment of the Hon'ble Supreme Court in *SEBI vs. Bhavesh Pabari (2019) 5 SCC 90* and in exercise of power

conferred upon the undersigned u/s 15-I of the SEBI Act r/w rule 5 of the Adjudication Rules, 1995, the following penalty is imposed u/s 15A(b) of the SEBI Act on the Noticee:

Name of entity (PAN)	Provisions of SEBI Act	Penalty
Madhav Copper Limited **(AAICM2859A)**	15A(b)	Rs. 10,00,000 (Rupees Ten Lakhs Only)

I am of the view that the said penalty is commensurate with the violations by the Noticee.

22. 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.

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

24. 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 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

25. In terms of the provisions of rule 6 of the Adjudication Rules, 1995, a copy of this order is being sent to the Noticee and also to SEBI.

Amit Kapoor
Digitally signed by Amit Kapoor
Date: 2026.07.28 12:32:45 +05'30'

PLACE: MUMBAI
DATE: July 28, 2026

AMIT KAPOOR
ADJUDICATING OFFICER