

SECURITIES AND EXCHANGE BOARD OF INDIA

MISCELLANEOUS ORDER

UNDER SECTION 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

IN COMPLIANCE WITH THE ORDER DATED AUGUST 23, 2023, OF THE HON'BLE SECURITIES APPELLATE TRIBUNAL IN THE MATTER OF MAURIA UDYOG LTD., 7NR RETAIL LTD., DARJEELING ROPEWAY COMPANY LTD., GBL INDUSTRIES LTD. AND VISHAL FABRICS LTD.

IN RESPECT OF

SR. NO.	APPLICANT	PAN
1.	ROBERT RESOURCES LIMITED	AAACR2073D

Background

1. SEBI passed an Interim Order cum Show Cause Notice dated June 19, 2023 ("**Interim Order**"), against 226 Noticees, including Robert Resources Limited ("**Noticee 4 of the Interim Order / Applicant**"), for their alleged role in the manipulation of the price of five scrips viz. Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd. Vide the Interim Order, the following directions were issued *qua* the Applicant:
 - (a) Restrained the Applicant from buying, selling or dealing in the securities market or associating itself with the securities market, either directly or indirectly, in any manner whatsoever until further orders;

- (b) Impounding of the amount of unlawful gains of Rs. 1,26,00,94,597 generated in the 5 scrips, jointly and severally, from the Applicant and other Noticees;
- (c) The Applicant along with various other Noticees was directed to credit/deposit the aforesaid amount of wrongful gains into an interest bearing Escrow Account or Savings a/c with a lien marked in favour of SEBI, created specifically for the purpose in a Nationalized Bank, within 15 days from the Interim Order. The monies kept therein were not to be released without permission from SEBI.
- (d) The banks where the Noticees, including the Applicant, were holding bank accounts, jointly or severally, were directed to ensure that till further directions, except for compliance of directions as stated above, no debits were to be made in the bank accounts of the Noticees without the permission of SEBI. Further, the depositories were also directed that no debit were to be made, without the permission of SEBI, in respect of the demat accounts held by the said Noticees.
2. The Applicant filed an appeal against the Interim Order before the Hon'ble Securities Appellate Tribunal ("**SAT**"). The Hon'ble SAT disposed of the said appeal vide an Order dated August 23, 2023 ("**SAT Order**") and directed as under:
- "We accordingly dispose of the appeals directing the appellant to file a reply / objection to the show cause notice as well as, if advised, file an application for vacation / modification of the ex parte ad interim order. If such an application is filed the WTM will fix a date for hearing and would pass appropriate orders on the said application for vacation / modification of the ex parte ad interim order within two weeks after giving an opportunity of hearing."*
3. Accordingly, the Authorised Representative (AR) of the Applicant vide letter dated October 17, 2023 filed its reply / objections to the Interim Order as well as application for vacation / modification of the directions in the Interim Order. Subsequently, in compliance with the directions of the Hon'ble SAT, Applicant

was provided an opportunity of personal hearing on October 25, 2023. On the afore-said date, AR of the Applicant appeared and made submissions on the lines of the written reply filed with SEBI. Subsequently, vide email dated October 30, 2023, the AR filed additional submissions requesting vacation of the directions in the Interim Order qua the Applicant.

Consideration

4. I note from the Applicant's submissions that it has challenged the findings in the Interim Order and has made submissions on merit. Further, it has requested for vacation of the interim directions qua the Applicant.
5. I note that the *prima facie* findings against the Applicant made in the Interim Order are very serious in nature. Further, the role allegedly played by the Applicant in the whole scheme of manipulation in five scrips is intertwined with the roles allegedly played by many of the 225 other entities named in the Interim Order and any conclusive inference in respect of the allegations against them can be drawn only after a holistic consideration of all the issues involved and replies of all entities, after granting them suitable opportunity of hearing. In this regard, it is noted that in order to grant an opportunity of personal hearing to the Noticees before passing a final order in the matter, the process of scheduling personal hearing and issuance of hearing notices to the Noticees named in the Interim Order has already been initiated. In view of the above, I am of the opinion that it would be appropriate to consider the Applicant's objections / replies to the Interim Order on merit at the time of passing the final order in respect of all the Noticees together.
6. As regards the Applicant's request for vacation of the interim directions issued against it, I note that the Applicant is yet to comply with the interim direction pertaining to impounding of the amount of unlawful gains of Rs. 1,26,00,94,597 generated in five scrips, jointly and severally, with other Noticees. Similarly, the Applicant has also failed to comply with the direction in the Interim Order regarding providing full inventory of all its assets to SEBI.
7. I have considered the Applicant's request for revocation of directions issued in the Interim Order. However, taking into consideration all the observations

mentioned above, I do not find it appropriate to modify any of the directions of the Interim Order qua the Applicant at this stage.

Directions

8. In view of the above, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B read with Section 19 of the SEBI Act, hereby dispose of the application of the Applicant without any directions.
9. A copy of this Order shall be forwarded to the Applicant.

DATE: October 31, 2023

PLACE: MUMBAI

ASHWANI BHATIA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA