

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS 15TH DAY OF OCTOBER, 2025

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.232 of 2024

Aliens Developers Private Limited
SY No 384 & 385, Tellapur Village
Ramachandrapuram Mandal
Sangareddy District, Hyderabad,
Hyderabad TG- 502032.

...Appellant

(By Mr. Rohan Savant, Advocate with Ms. Lakshmi Nair,
Advocate i/b. Bathiya Legal for the Appellant.)

- 1) BSE LIMITED
25th Floor, P J Tower,
Dalal Street, Mumbai
Maharashtra- 400001

...Respondent No.1

(By Mr. Tomu Francis, Advocate with Mr. Tarun Toprani,
Advocate i/b. Khaitan & Company for the Respondent No.1.)

- 2) Securities and Exchange Board of India
SEBI Bhavan-II, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

...Respondent No.2

(By Ms. Khushbu Chhhajed, Advocate with Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal, Advocates for the Respondent No.2)

THIS APPEAL IS FILED UNDER REGULATION 23L OF SCRA TO SET ASIDE ORDER DATED MARCH 22, 2024 (Ex-A) PASSED BY BSE.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON JULY 9, 2025, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P.S. Dinesh Kumar, Presiding Officer

This appeal is filed challenging BSE¹'s communication dated March 22, 2024 (Annexure A), rejecting appellant's application for waiver of penalty.

2. Brief facts of the case are, the appellant is a company engaged in real estate business. For the purpose of financing its project 'Aliens Space Station' at Hyderabad, appellant issued Non-Convertible Debentures (NCDs) on March 12, 2018. On December 14, 2023, the appellant submitted an application to the BSE seeking its approval for making material modifications to the NCDs² and to receive no objection certificates from all parties. BSE, vide its reply³ listed out certain SOP⁴ fines previously levied which amounted to Rs.1.98 Crores. Appellant

¹ Bombay Stock Exchange.

² Non- Convertible Debentures

³Reply dated December 18, 2023

⁴ Standard Operating Procedure

submitted a request for waiver of penalties and BSE, revised the fines to Rs.1.62 Crores. Subsequently, appellant submitted another waiver application to waive the penalty and the same has been rejected. Hence this appeal.

3. We have heard Mr. Rohan Sawant, learned Advocate for the appellant and Shri Mr. Tomu Francis, learned Advocate for respondent No.1 and Ms. Khushbu Chhhajed, learned Advocate for the respondent No.2.

4. Learned Advocate for the appellant submitted that the appellant could not comply with SEBI LODR Regulations⁵ because:

- i. The project could not take off on time due to housing crises and global slowdown during the year 2008;
- ii. There was a political turmoil during 2011-2012, between Andhra Pradesh and Telangana for separation, thereby causing unrest in real estate sector;
- iii. There were numerous external, technical and financial challenges hampering the progress of the project;
- iv. Sixty percent of project cost was used for sub structure. Hence no structure visible to the customers, due to which customers lost faith in the project;
- v. Due to Covid-19 pandemic, Edelweiss (Debenture Holder) was unable to release second tranche of Rs.75 Crores, due to which handing over the flats to the customers was delayed.

⁵ Listing Obligations and Disclosure Requirements Regulations, 2015

5. He further submitted that majority of fines are during Covid-19 period. Appellant was facing hardship in running the business due to manpower crunch, therefore certain compliances could not be made in time. Non-compliance of the LODR Regulations was not intentional and the sole debenture holder was well aware about the working of the Company.

6. He further submitted that the penalty levied by the BSE is exorbitant. He prayed that keeping in view the COVID-19 pandemic and the directions of the Hon'ble Supreme Court extending the limitation the impugned order may be set aside. He relied upon *Kesar Petroproducts Limited v BSE*⁶ in support of his case.

7. Learned Advocate further submitted that SEBI had also levied penalty on the appellant for violation of Regulation 52, 52(2), 52(4) and 54(2) of the LODR Regulations. Therefore, imposition of fine by the BSE amounts to double jeopardy.

8. Shri Tomu Francis, learned Advocate for the BSE submitted:

- That, the appellant cannot rely upon the COVID-19 pandemic as a blanket justification for its prolonged and repeated non-compliance with the LODR Regulations. During the COVID-19 period, SEBI had issued circular dated April 29, 2021, granting temporary relaxations and extension of timelines for compliance with disclosure obligations under the LODR Regulations. As per that

⁶ SAT Appeal No.352 of 2020

Circular, the time for submission of half yearly financial results under Regulation 52(1) was extended till June 30, 2021.

- That, no material is placed on record by the appellant to show that it was not possible for him to comply owing to operational constraints. Therefore, the plea of pandemic-related hardship is wholly unsupported.
- That, the BSE had extended full benefit of regulatory relaxations to the appellant at the relevant time. While computing the period of non-compliance and determining the quantum of fine under Regulations 52(1) and 52(4), due credit was given under the circular dated April 29, 2021. Therefore, the appellant's continued default beyond the extended timelines under the pretext of COVID-19 are not justified.
- That, the reliance placed by the appellant on the decision of the Hon'ble Supreme Court⁷, for waiving the penalty during March 15, 2020 to February 28, 2022 is not applicable in this case as the said judgment only extended the period of limitation for filing suits etc., before Courts and Tribunals owing to the COVID-19.
- That, the application for waiving off the entire fine amount, sought by appellant suffers from gross delay of three years. As per the Exemption Policy, any application

⁷ Suo Moto Writ Petition (C) No. 3 of 2020

seeking waiver or reduction of fine is required to be filed within 15 days from the date of communication of the fines by the stock exchange. The appellant has disregarded the procedural requirement for 3 years and approached the BSE for the purpose of processing its application for modification in the NCDs.

- That, the appellant does not fall within the purview of the Exemption Policy. BSE has no discretion to grant waiver of fines outside the limited and enumerated grounds expressly provided under the Exemption Policy.
- That, the imposition of fine by BSE under SEBI Circular dated July 29, 2022 is entirely distinct and the plea of double jeopardy is untenable. As per Regulation 98 of LODR Regulations, BSE's power to impose fine is distinct and independent from the SEBI's power to impose penalties under SEBI Act, 1992.

9. He submitted that in certain cases, the Tribunal has granted relief on account of COVID-19 pandemic, however such relief has not been extended to companies which continued the violation. In support of his submissions, the respondent relied on ***Kesar Petroproducts Limited v BSE Limited***⁸, ***G.M. Breweries v NSE***⁹, ***Jainex Aamcol Limited v. BSE***¹⁰,

⁸ Appeal No.432 of 2022

⁹ Appeal No.690 of 2021

¹⁰ Appeal No.876 of 2022

Shekhawati Poly-Yarns Limited and Ors. v NSE¹¹, Shree Pushkar Chemicals and Fertilisers Limited v NSE¹².

10. He further submitted that, the appellant, vide letter dated January 17, 2024, furnished an unconditional and irrevocable Bank Guarantee in favour of BSE to the extent of the total outstanding fines. Based on the Bank Guarantee, BSE in good faith has processed the application and approved two applications for listing new securities.

11. After obtaining the regulatory approvals on the strength of the undertaking, the appellant has filed this appeal. The said attempt by appellant amounts to a clear abuse of the process of law and touches upon the sanctity of representation made before a regulatory authority.

12. Appellant's conduct in the instant proceedings reflects a deliberate and strategic attempt to misuse regulatory mechanisms by furnishing an irrevocable bank guarantee to induce grant of approvals, and then, by seeking to prevent invocation of the same undertaking on wholly untenable grounds. Such conduct is liable to be deprecated.

13. Ms. Khushbu Chhhajed, learned Advocate for respondent No.2 submitted that the fines levied by BSE and the penalty imposed by SEBI are in exercise of the respective powers bestowed upon them and they are independent in nature.

¹¹ Appeal No.432 of 2021

¹² Appeal No.597 of 2022

14. She submitted that the period of violation is different in both the cases. BSE had levied fines for non-compliances for the period December 2020 to September 2023, whereas the SEBI has imposed fines for the period between January 2021 and December 31, 2022.

15. She submitted that there is no cause of action as regards to SEBI and no relief is sought against the SEBI.

16. We have carefully considered the rival contention and perused the records.

17. Undisputed facts of the case are, when appellant approached the BSE on December 14, 2023, seeking approval to make material modifications in the terms of the NCDs, BSE vide email dated December 22, 2023 listed out the SOP fines levied on the appellant which had remained unpaid.

18. Appellant's case is that appellant could not comply with the regulatory compliances due to Covid Pandemic. It applied for waiver of penalties. BSE has reduced the penalty from Rs.1.98 Crores to Rs.1.62 Crores. Appellant has prayed for a full waiver.

19. BSE has imposed fines for non-submission of financial results, non-compliance of asset cover reporting, not reporting intimation regarding payment of interest, delay in submitting investor grievance, not reporting the intimation of board meetings to the stock exchange and not reporting intimation of payment of interests at the end of each quarter. BSE, has annexed a statement extracted below.

Reg	Net penalty days	Fine per day	Quarter	Due date	Filing date	GST	Total fine
52(1)	904	Rs.5000	March 21	30.6.2021	20.12.23	Rs.8,13,600	Rs.53,33,600
	500	Rs.5000	Sept 21	15.11.2021	29.03.23	Rs.4, 50,000	Rs.29,50,000
	409	Rs.5000	Dec 21	14.02.2022	29.03.23	Rs.3,68,100	Rs.24,13,100
	23	Rs.5000	Sept 23	16.11.2023	08.12.23	Rs.20,700	Rs.1,35,700
							Rs.1,08,32,400
54(2)	903	Rs.1000	Mar 21	30.06.2021	19.12.23	Rs.1,62,540	Rs.10,65,540
	765	Rs.1000	Sep 21	15.11.2021	19.12.23	Rs.1,37,700	Rs.9,02,700
	674	Rs.1000	Dec 21	14.02.2022	19.12.23	Rs.1,21,320	Rs.7,95,320
							Rs.27,63,560
57(1)	628	Rs.2000	Mar 22	01.04.2022	19.12.23	Rs.2,26,080	Rs.14,82,080
52(4)	500	Rs.1000	Sept 21	15.11.2021	29.03.23	Rs.90,000	Rs.5,90,000
	409	Rs.1000	Dec 21	14.02.2022	29.03.23	Rs.73,620	Rs.4, 82,620
							Rs.10,72,620
13(3)	45	Rs.1000	Dec 20	21.01.2021	06.03.21	Rs.8100	Rs.53,100
50(1)	-	Rs.5000	Sept 23	-	-	Rs.900	Rs.5900
57(5)	-	Rs.1000	Mar 22	-	-	Rs.180	Rs.1180
						Total	Rs.1,62,10,840

The default/non-compliance period is between December 2020 to September 2023 as per the following chart.

20. BSE's contention is that it has imposed penalty based on SEBI's Circular dated July 29, 2022 and it has no discretion in giving any concession.

21. It is very relevant to note appellant's conduct. Admitted fact is that the appellant failed to comply with statutory requirements. For the first time on December 14, 2023 appellant approached the BSE seeking its approval for making material modifications to the NCDs. When the default in compliance and the fine imposed was communicated, appellant

furnished a bank guarantee to the BSE covering the fine amount assuring to make the payment. After receipt of approval from the BSE, the appellant has turned around and filed this appeal. This amounts to misrepresentation to the stock exchange and such conduct by a listed company is liable to be deprecated. The fines imposed are based on the number of days of delay in complying with regulatory requirements. The delay in compliance in this case is between 45 to 904 days. The BSE has considered the first waiver application and has reduced the fines to Rs.1.62 Crores.

22. Appellant has sought to seek concession under the order passed by the Hon'ble Supreme Court of India in the suo motto proceedings. That was a case of extending the limitation. Certain concessions were given by the SEBI also. However, the point involved in this case is that the appellant gave a bank guarantee accepting the fines without any demur but changed its stand once the approval was given by the BSE. The appellant has also urged the ground of double jeopardy on the premise that SEBI has also imposed penalty. We may record that regulatory compliances qua BSE and SEBI operate in different spheres therefore the said ground is meritless.

23. Perversity, if any while in exercising its discretion by the BSE much less any infirmity in law is pointed out to entertain this appeal.

24. In the result, this appeal fails and it is accordingly dismissed.

25. Pending interlocutory application(s), if any, stand disposed of.

26. No Costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

15.10.2025
RHN