BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. MC/CB/2019-20/3772-3773]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995.

In respect of –

1. **Rajasthan Global Securities Limited** (PAN: AAACR4122R) having address at – 208 & 210, Jain Bhawan, 18/12 W.E.A., Karol Bagh, New Delhi – 110 005. E-mail – rgsl1995@gmail.com
2. **LRSD Global Holdings Private Limited** (PAN: AAACL6993Q) having address at – No. 402, Jain Bhawan, 18/12 W.E.A., Karol Bagh, New Delhi – 110 005.

In the matter of *Goldstone Infratech Limited*

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, the "**SEBI**") conducted examination in the scrip of Goldstone Infratech Limited (hereinafter be referred to as, the "***Company***"), a company listed on the BSE Limited (hereinafter be referred to as, the "***BSE***") for the period September 01, 2014 to February 28, 2015 (hereinafter be referred to as, the "***Examination Period***"). Examination *prima facie* revealed violation of Regulation 13(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter be referred to as, the "**PIT Regulations**") and Regulation 29(1) read with 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter be referred to as, the "**SAST Regulations**") by M/s Rajasthan Global Securities Limited (hereinafter be referred to as, the "***Noticee 1***") and Regulation 13(3) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations by LRSD Global Holdings Private Limited (hereinafter be referred to as, the "***Noticee 2***"). Noticee 1 and Noticee 2 shall hereinafter be collectively referred to as, the "***Noticees***".

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed Mr. Suresh Gupta, Chief General Manager as Adjudicating Officer under Section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as, the "**SEBI Act**") read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter be referred to as, the "**Adjudication Rules**") vide order dated January 25, 2017 to inquire into and adjudge under Section 15A (b) of the SEBI Act against the Noticee the alleged aforesaid violations. Subsequently, the undersigned was appointed as the Adjudicating Officer on April 26, 2018 which was communicated *vide* order dated May 23, 2018.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD/SG/DP/4856/2018 dated February 12, 2018 (hereinafter be referred to as, the "**SCN**") was served upon the Noticees under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against them under Section 15A (b) of the SEBI Act for the alleged violations of Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations by Noticee 1 and Regulation 13(3) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations by Noticee 2.

4. The allegations levelled against the Noticee in the SCN are summarized as below:
    a) Noticee 1 acquired 24,10,208 shares of the Company on October 01, 2014 from the Noticee 2. As a result, the shareholding of Noticee 1 in the Company increased to 6.89% of the total share capital of the Company.
    b) As a result of the aforesaid transaction, the shareholding of Noticee 2 reduced from 6.69% to zero on October 01, 2014.
    c) The aforesaid change in shareholding of Noticee 1 and Noticee 2 required disclosures to be made under Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations by the Noticee 1 and under Regulation 13(3) read with 13(5) and Regulation 29(2) read with 29(3) of the SAST Regulations by the Noticee 2.
    d) However, *vi*de e-mails dated May 08, 2015, May 14, 2015 and September 06, 2017, the Company, BSE and NSE respectively informed SEBI that no

disclosures relating to change in their shareholding in the Company were received from the Noticees.

e) It was alleged that the aforesaid non-disclosure regarding change in their shareholding by the Noticees was in violation of Regulation 13(1), Regulation 13(3) read with 13(5) of the PIT Regulations and Regulation 29(1) read with 29(3) and Regulation 29(2) read with 29(3) of the SAST Regulations, text of which is mentioned as below:

SEBI (Prohibition of Insider Trading) Regulations, 1992

13. (1) Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of :—

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

…

(3) Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company 49[in Form C] the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

(5) The disclosure mention in sub-regulations (3), (4) and (4A) shall be made within two working days of:

(a) the receipts of intimation of allotment of shares, or

(b) the acquisition or sale of shares or voting rights ,as the case may be.

SAST Regulations:

29. Disclosure of acquisition and disposal

(1) Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or

more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified.

(2) Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this subregulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

5. It was stated in the SCN that the aforesaid alleged violations, if established, would make the Noticees liable for monetary penalty under Section 15A (b) of the SEBI Act.

6. In response to the SCN, Noticee 1 filed a reply dated March 06, 2018. The submissions of Noticee 1 are summarized as below:

a) Noticee 2, which was a 99.99% holding company of the Noticee 1 got merged with Noticee 1 through a Scheme of Amalgamation duly approved and sanctioned by the Hon'b;e High Court of Delhi order dated August 01, 2014. Pursuant to the abovesaid Scheme of Amalgamation, Noticee 2 dissolved from the date of filing of the order with the Registrar of Companies on September 20, 2013 w.e.f. the Appointed Date i.e. on April 01, 2013.

b) As on date, Noticee 2 is not in existence and Noticee 1 and Noticee 2 are a single entity and therefore, it is making submissions which should suffice for both the entities.

c) By virtue of aforesaid Scheme of Amalgamation, all the shares of the Company held by Noticee 2 were transferred to Noticee 1, which increased latter's shareholding to 6.68% of the total share capital of the Company.

d) Noticee 1 and Noticee 2 shared wholly owned subsidiary-holding company relationship, on movement of shares from demat account of Noticee 2 to the demat account of Noticee 1. There was no actual change in control or change of beneficial ownership in the shares of the Company but merely the change in the name of holder and its demat account number.

e) Noticee 1 did not file disclosures under Regulation 13(1) of the PIT Regulations and Regulation 29(1) of the SAST Regulations under the honest belief that there was no change in the actual beneficial holder of the shares of the Company.

f) Noticee 1, in the month of December 2014 – January 2015 purchased additional shares and disclosed the said purchase along with the disclosure of change of name of holder pursuant to merger to the stock exchanges. Thus, out of bona-fide and in good trust, the Noticee filed due disclosure under Regulation 29(1) of the SAST Regulations to the Company and both stock exchanges on January 14, 2015.

g) The shareholding of Noticee 1 in the Company was already on record and in public domain by virtue of disclosures filed by Noticee 2 under Regulation 7(1) of the SAST Regulations on June 24, 2011 with the Company and the stock exchanges.

h) On the date when shares were shifted from demat account of Noticee 2 to the demat account of Noticee 1, Noticee 2 was not in existence and hence, no disclosures were required to be filed by it. Since Noticee 2 was not in existence as on the date of approval of adjudication proceedings, no proceedings can be initiated against the Noticee 2.

i) Disclosure requirements under Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations are not substantially different. Hence, facts of the matter do not warrant imposition of dual penalty. It placed reliance on the order of the Hon'ble Securities Appellate Tribunal (hereinafter be referred to as, the "***Hon'ble SAT***") in the matter of ***Vitro***

Commodities Private Limited v. ***SEBI*** (Appeal No. 118 of 2013 decided on September 04, 2013).

j) Therefore, the SCN may be dispensed with, without imposition of any monetary penalty. It also requested for grant of opportunity of personal hearing in the instant matter.

7. Consequent to appointment of undersigned as Adjudicating Officer, an opportunity of personal hearing, in the interests of natural justice, was provided to the Noticees on August 03, 2018 *vide* Notice of Hearing dated July 18, 2018.

8. The Noticee 1, *vide* letter dated July 31, 2018 informed the undersigned that it had already filed a Settlement Application dated April 10, 2018 to amicably settle the alleged defaults and requested to keep the adjudication proceedings in abeyance till disposal of settlement application.

9. Subsequently, the settlement application of the Noticee 1 filed under the instant adjudication proceedings was rejected, fact of which was communicated to the Noticee 1 *vide* SEBI letter dated May 13, 2019. Therefore, another opportunity of personal hearing was provided to the Noticee on June 20, 2019 *vide* Notice of Hearing dated June 06, 2019.

10. Noticee 1, *vide* e-mail dated June 06, 2019 confirmed its attendance at the personal hearing, with a request to avail the opportunity of hearing through video conferencing from the Northern Regional Office of SEBI at New Delhi. The request of the Noticee was accepted *vide* e-mail dated June 12, 2019.

11. The hearing scheduled on June 20, 2019 was attended by Ms. Deepika Vijay Sawhney and Mr. Akashdeep Chopra (hereinafter, collectively be referred to as, the "***Authorised Representatives***"). During the course of hearing, the Authorized Representatives of the Noticee reiterated written submissions dated March 06, 2018 submitted by the Noticee and requested to submit additional written submissions by June 25, 2019.

12. Additional written submissions dated June 25, 2019 were submitted by the Noticees, summary of which is produced as under:

a) Pursuant to the approval of Scheme of Amalgamation by High Court of Delhi on August 01, 2014, Noticee 2 dissolved and all the shares of Company which were held by Noticee 2 were transmitted to the account of Noticee 1 by operation of law due to which, shareholding of Noticee 1 increased from 0.20% to 6.89% on October 01, 2014. The aforesaid transmission was by operation of law and was not a voluntary act of acquisition by Noticee 1. The aforesaid transmission was by operation of law and was an off-market transaction, there was no impact on other public shareholders, no detriment /loss has been caused to the investors.

b) In light of the fact that LRSD and the RGSPL shared wholly owned subsidiary-holding company relationship, in the movement of shares from Demat account of LRSD to the Demat account of RGSPL, there was no actual change in control or change of beneficial ownership in the shares of the Target company but merely the change in the name of the holder and demat account number. The same can also be substantiated from the fact that LRSD and the RGSPL were under the same management and control as both the companies had common directors and common shareholders.

c) Placing reliance on the adjudication orders in the matter of ***Jay Ushin Limited*** (Adjudication Order: EAD-2/SS/SK/2018-19/781) and ***Comfort Fincap Ltd*** (Adjudication Order: EAD-2/SS/GSS/2018-19/918-924), it submitted that there was no requirement of making any disclosure under Regulation 29(1) of SAST Regulations and Regulation 13(1) of PIT Regulations.

d) Both, Noticee 1 and Noticee 2, are unlisted entities and the information pertaining to merger of the two unlisted entities need not be disclosed to any stock exchange as per law.

e) The movement of shares from the account of Noticee 2 to Noticee 1 was pursuant to the Scheme of Amalgamation by operation of law. That such off-market transfer of shares cannot be said to have any impact upon interests of other public shareholders as there was no change in beneficial ownership and it was merely an inter-se transfer between two unlisted entities under the same management and control.

f) Noticee 1, while making disclosure on January 14, 2015 for additional acquisitions made in December 2014 – January 2015, covered and demonstrated the fact about merger of Noticee 2 & Noticee 1 and that 2410208 shares which were held by Noticee 2 now stood in name of Noticee 1 pursuant

to the merger, thus there was no concealment of the information and Noticee 1 ensured that the fact is disclosed to the public at large. Noticee placed reliance on the Adjudication Order in the matter of ***Akar Tools Limited*** (Adjudication Order: EAD-2/SS/AKS/16/26/2018-19) to state that this matter does not warrant imposition of monetary penalty on account of absence of mala fide.

g) It also placed reliance on the order of Hon'ble SAT in the matter of ***Piramal Enterprises Limited*** (Appeal No. 466 of 2016) to state that if there is an infraction of a rule, remedial measures should be taken in the first instance and not punitive measures.

13. Since inquiry / hearing in the instant matter is concluded, taking into account the allegations levelled in the SCN, submissions of the Noticees towards the SCN and material available on record, I now proceed to decide the case on merit.

CONSIDERATION OF ISSUES AND FINDINGS

14. The issues that arise for consideration in the instant matter are:

Issue No. I Whether the Noticees failed to make mandated disclosures under the PIT Regulations and SAST Regulations as alleged in the SCN?

Issue No. II If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A (b) of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

Issue No. I Whether the Noticees failed to make mandated disclosures under the PIT Regulations and SAST Regulations as alleged in the SCN?

15. The details relating to change in the shareholding of the Noticees as alleged in the SCN are not in dispute in the reply received from the Noticee. Thus, the shareholding of Noticee 1 increased and Noticee 2 decreased by 6.69% in the Company on October 01, 2014.

16. Regulation 13(1) of the PIT Regulations requires any person who holds more than 5% shares in a company to disclose to the company in Form A, number of shares or voting rights held by him on becoming such holder within 2 working days of receipt of

intimation of allotment of shares or the acquisition of shares or voting rights. Similarly, Regulation 29(1) read with 29(3) of the SAST Regulations requires an acquirer, who acquires shares or voting rights in a target company aggregating to five per cent or more of shares of such target company to disclose their aggregate shareholding and voting rights in such target company to every stock exchange where the shares of the target company are listed and to the target company within 2 days of such acquisition.

17. Similarly, Regulation 13(3) read with 13(5) of the PIT Regulations requires any person who holds more than 5% shares or voting rights in any listed company to disclose to the company the number of shares or voting rights held and change in shareholding if there is a change in such holdings from the last disclosure and such change exceeds 2% of the total shareholding or voting rights in the Company within 2 days of such change. Regulation 29(2) read with 29(3) of the SAST Regulation also requires any person holding shares or voting rights entitling him to five percent or more of the shares or voting rights in a target company to disclose the number of shares or voting rights held and change in shareholding, if there has been change in such holdings from the last disclosure made and such change exceeds two percent of total shareholding or voting rights in a target company within 2 days of such change.

18. I note that the aforesaid regulations do not make any differentiation in obligation to disclose based on the method of acquisition, i.e. whether it is through transfer or transmission. The Noticee has submitted that the shareholding of Noticee 2 in the Company was transmitted to Noticee 1 on account of latter's amalgamation with Noticee 1 and therefore, such transmission was by operation of law and was not a voluntary act of acquisition of shareholding by Noticee 1. It also submitted that Noticee 2 was a wholly owned subsidiary of Noticee 1 and therefore, there was no actual change in control or beneficial ownership in the shares of the Company and therefore, such transmission did not require any disclosure to be made. While it is a fact that there was no change in control, there was a change in shareholding, which was beyond the threshold prescribed in the Regulations.

19. Hon'ble SAT, in the matter of, ***Akriti Global Traders Limited*** v. ***Securities and Exchange Board of India*** (Appeal No. 78 of 2014 decided on September 30, 2014) has held, "*Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there*

is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares were purchased from open market or shares were received on account of amalgamation or by way of bonus shares, if, as a result of such acquisition/receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations."

20. Hon'ble SAT, in the matter of ***Jesingbhai Badarmal Parikh*** v. ***Securities and Exchange Board of India*** (Appeal No. 331 of 2017 decided on January 11, 2018) has held, "*First argument of the appellant that the shares of the company acquired on account of merger do not trigger disclosure obligations prescribed under the Takeover Regulations, 2011 and PIT Regulations, is without any merit, because, this Tribunal in the case of Akriti Global Traders Ltd. vs. SEBI (Appeal No. 78 of 2014 decided on 30/9/2014) has held that the disclosure obligations get triggered even when the shares are acquired due to allotment of shares on amalgamation of the companies.*"

21. In light of the above, I am of the view that the Noticees were required to make relevant disclosures under Regulation 13 of the PIT Regulations and Regulation 29 of the SAST Regulations, upon change in shareholding resulting from the amalgamation of Noticee 2 into Noticee 1.

22. As confirmed by the Company, BSE and NSE respectively *vi*de e-mails dated May 08, 2015, May 14, 2015 and September 06, 2017, such disclosure was not made.

23. Noticee 1 has submitted that on the dates when the shareholding of Noticee 2 was transferred to Noticee 1, Noticee 2 was not in existence and hence, no disclosures were required to be filed by it and that no action could be initiated against it. However, on perusal of Clause 3.2.(iv) of the Scheme of Amalgamation approved by the High Court of Delhi on August 01, 2014, I note that all the debts, liabilities, duties and obligations etc. of Noticee 2 became the debts, liabilities, duties and obligations etc. of the Noticee 1 and hence, Noticee 1 was under a legal obligations to file disclosures on behalf of Noticee 2 on the effect of transfer.

24. Noticee 1 has also submitted that the Noticees were unlisted entities and information pertaining to their merger was not required to be disclosed to the stock exchanges under law. In this regard, I am of the view that the submission of the Noticee 1 is beyond the scope of current adjudication proceedings and hence, not required to be dealt with.

25. In view of the aforesaid, it is established that the Noticee 1 failed to make disclosures as required under Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations and Noticee 2 failed to make disclosures as required under Regulation 13(3) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations.

Issue No. II **If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15A (b) of the SEBI Act?**

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Issue No. III **If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?**

26. Since failure of the Noticees in making disclosures under Regulation 13(1) & 13(3) read with 13(5) of the PIT Regulations and Regulation 29(1), Regulation 29(2) read with 29(3) of the SAST Regulations is established, I am of the view that it warrants imposition of monetary penalty under Section 15A(b) of the SEBI Act upon the Noticees, text of which is reproduced as under:

> ***SEBI Act***
>
> "*15A. 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 therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*"

27. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, the following factors stipulated in Section 15J of the SEBI Act, have to be given due regard:

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.

28. The Noticees have submitted that the non-disclosure of change of shareholding in the Company was under the belief that the aforesaid transfer of securities did not require any disclosures to be made under PIT Regulations and/or SAST Regulations. The Noticees have also submitted that Noticee 1 had filed a disclosure, relating to acquisition of shareholding in Company during December 2014-January 2015 on January 14, 2015 and this disclosure contained disclosure of holding of Noticee 1 in the Company. At this juncture, I find it relevant to quote the observation of the Hon'ble SAT in the matter of ***Ambaji Papers Private Limited & Ors.*** v. ***Adjudicating Officer, Securities and Exchange Board of India*** (Appeal No. 201 of 2013 dated January 15, 2014) wherein, it held, "*To this extent, the appellants, though inadvertently and without any intention, have defaulted in complying with the regulations regarding disclosures in question in our considered view and in the facts and circumstances of the present cases. The infraction, although venial in nature, is an infraction nonetheless. This Tribunal has held time and again that the penalty levied on any wrong-doer ought to be commensurate with the gravity of the deviation effected."*

29. The Noticees have relied upon the order of Hon'ble SAT in the matter of ***Piramal Enterprises Limited*** v. ***Securities and Exchange Board of India*** (Appeal No. 466 of 2016 decided on May 15, 2019) to contend that penalty be not imposed upon them for a technical violation. However, I note that the disclosure violation is not merely a technical violation, but an actual violation resulting from failure to disclose change in shareholding. On perusal of the order of Hon'ble SAT in this matter, I observe that the impugned violation in ***Piramal Enterprises*** was of violation of Model Code of Conduct provided under the PIT Regulations and hence, its ratio is not applicable on the facts of the instant adjudication proceedings.

30. The Noticees have relied upon the order of Hon'ble SAT in the matter of ***Vitro Commodities*** to contend that facts of the instant matter do not warrant imposition of dual penalty under PIT Regulations and SAST Regulations. To this extent, the

submission of the Noticee is accepted. I also note that Noticee 2 having merged into Noticee 1, the liability of penalty falls upon Noticee 1 in terms of Clause 3.2.(iv) of the Scheme of Amalgamation approved by the High Court of Delhi, and that the aforesaid violations emanate from a single transaction of 24,10,208 shares of the Company carried out on October 01, 2014 between Noticee 1 and Noticee 2 subsequent to the merger.

31. While it is established that the Noticees did not make disclosure under Regulation 13(1) & 13(3) read with 13(5) of the PIT Regulations and Regulation 29(1), 29(2) read with 29(3) of the SAST Regulations, I note that the necessary information became available in public domain at the end of financial quarter, October – December, 2014 and on January 14, 2015 when Noticee 1 filed a disclosure relating to acquisition of further shareholding in the Company. I also note that no quantifiable figures are available on record to assess disproportionate gain made or loss caused to investors by the aforesaid violation. From the material available on record, repetitive nature of default by the Noticee could also not be ascertained.

32. Therefore, taking into account the facts and circumstances of this matter, and the mitigating factors, I am of the view that a penalty of ₹2,00,000/- will be commensurate with the violations committed by the Noticees.

ORDER

33. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose a penalty of ₹2,00,000/- (Rupess Two Lakh only) upon Noticee 1 under Section 15A(b) of the SEBI Act for violation of Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations by Noticee 1 and for violation of Regulation 13(3) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations by Noticee 2.

34. The Noticee 1 shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through online payment facility available

on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

34. The Noticee 1 shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – I of SEBI. The Noticee shall provide the following details while forwarding DD/ payment information:
    a) Name and PAN of the Noticee
    b) Name of the case / matter
    c) Purpose of Payment – Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

35. Copies of this Adjudication Order are being sent to the Noticee and also to SEBI in terms of Rule 6 of the Adjudication Rules.

Date : July 29, 2019 **(Maninder Cheema)**
Place : Mumbai **Adjudicating Officer**