

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. EAD/PM-AA/AO/53/2017-18]**

**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 BY ADJUDICATING OFFICER) RULES, 1995**

In respect of  
**Shri Prashant Desai**  
**(PAN: ACYPD1511B)**

In the matter of  
**Financial Technologies (India) Ltd.**  
**(Now known as 63 Moons Technologies Ltd.)**

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**FACTS OF THE CASE IN BRIEF**

1. Securities and Exchange Board of India (**SEBI**) conducted investigation in the scrip of Financial Technologies (India) Ltd. (hereinafter referred to as "**Company/FTIL**") for the period of April 27, 2012 to July 31, 2013 and it was observed that Shri Prashant Desai ("**The Noticee**") had sold shares of FTIL and had failed to make necessary disclosures under the SEBI(Prevention of Insider Trading) Regulations, 1992 ("**PIT Regulations**").

**APPOINTMENT OF ADJUDICATING OFFICER**

2. The undersigned was appointed as Adjudicating Officer under section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules,

1995 (hereinafter referred to as the '**Adjudication Rules**') to inquire into and adjudge under section 15A(b) of the SEBI Act the alleged violations of provisions of Regulation 13(4) r/w 13(5) of PIT Regulations by the Noticee.

### **SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING**

3. A Show Cause Notice dated December 15, 2017 (hereinafter referred to as "**SCN**") was issued to the Noticee under Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be initiated and penalty be not imposed under section 15A(b) of the SEBI Act, 1992 for the alleged violations specified in the SCN.
4. Vide letter dated January 8, 2018 the Noticee submitted that he was not the "officer" at the time of sale of shares i.e. May 14, 2012 as he had joined FTIL only on December 10, 2012.
5. An opportunity of personal hearing was granted to the Noticee on August 21, 2018 in accordance with Rule 4(3) of the AO Rules. However, the Noticee did not appear for personal hearing.

### **CONSIDERATION OF ISSUES AND FINDINGS**

6. I have carefully perused the SCN and the documents available on record. The issues that arise for consideration in the present case are :
  - I. Whether the Noticee was covered under the ambit of "Officer" as specified in Reg. 13(4) of the PIT Regulations?
  - II. Whether the Noticee failed to make any disclosure as envisaged in Reg. 13(4) of the PIT Regulations? and
  - III. Does the violation, if any, attract monetary penalty under section 15A(b) of SEBI Act?

7. Before moving forward, it is pertinent to refer to the relevant provisions of PIT Regulations which reads as under:-

***PIT REGULATIONS***

***Continual Disclosure***

***13(4)*** Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

**FINDINGS:**

8. It is observed from the SCN and the Investigation Report (hereinafter referred to as “IR”) that the Noticee has allegedly sold shares worth Rs. 10,43,955 on May 14, 2010 which required a disclosure under Reg. 13(4) of the PIT Regulations.
9. However, it is also observed that the Noticee was acting as “President – Investor Relations” of FTIL from December 10, 2012 to March 13, 2014. This also is corroborative of the submission of the Noticee that he was not in employment of FTIL at the time of sale of shares on May 14, 2010.
10. It can thus be concluded the Noticee was not covered under the ambit of Reg. 13(4) prior to the said date and hence, the Noticee was not liable to make any disclosure for the said transaction.
11. Since the Noticee was not required to make any disclosure under Reg. 13(4), there is no need to consider issue No. 2 and 3.

## **ORDER**

12. For the aforesaid reasons, the allegations levelled in the Show Cause Notice EAD/ADJ/PM/AA/OW/31699/2017 dated December 15, 2017 alleging violations of provisions of Regulation 13(4) r/w 13(5) of PIT Regulations, 1992 by the Noticee i.e. Shri Prashant Desai cannot be sustained and the SCN is disposed of.

13. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to Noticee and also to the Securities and Exchange Board of India.

**Date: December 18, 2018**  
**Place: Mumbai**

**Prasanta Mahapatra**  
**Adjudicating Officer**