

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. RA/CB/286/2018]**

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**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. **Mr. Shashwat Agarwal(PAN – ABUPA2590C)** having address at L-1/4, 1<sup>st</sup> Floor, Houz Khas Enclave, New Delhi – 110 116

In the matter of *Rich Universe Network Limited*

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**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter be referred to as, the “**SEBI**”) upon suspicion of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter be referred to as, the “**PIT Regulations**”) and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter be referred to as the “**SAST Regulations**”) had conducted examination in the shares of M/s Rich Universe Network 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 from June 03, 2014 to December 31, 2014 (hereinafter be referred to as the “**Examination Period**”). Examination *prima facie* revealed commission of violation of Regulation 13 (3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulations 29(2) read with 29(3) of the SAST Regulations by Mr. Shashwat Agarwal (hereinafter be referred to as the “**Noticee**”).

**APPOINTMENT OF ADJUDICATING OFFICER**

2. SEBI initiated adjudication proceedings and appointed Ms. Anita Kenkare 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 February 26, 2016 to inquire into and adjudge under Section 15A (b) of the SEBI Act against the Noticee for the alleged violation of aforesaid provisions of PIT Regulations

and SAST Regulations. Subsequent to transfer of Ms. Anita Kenkare, the undersigned was appointed as Adjudicating Officer vide order dated October 04, 2017.

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

3. Show Cause Notice No. EAD-6/AK/RSL/11671/2016 dated April 22, 2016 (hereinafter be referred to as, the “**SCN**”) was served upon the Noticee by way of speed post 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 him under Section 15A (b) of the SEBI Act for the aforesaid alleged violations of the PIT Regulations and SAST Regulations.
4. The core allegations levelled against the Noticee in the SCN are summarized as below:
  - a. During the Examination Period, the Noticee was the Chairman and Managing Director of the Company and was also belonging to the category of Promoter and Promoter Group.
  - b. The quarterly shareholding of the Noticee during the Quarter ending June 2014 was 4,96,603 shares, which was 6.85% of the total share capital of the Company. It was observed from the transaction details that the Noticee had sold its entire holding of 4,96,603 shares on September 26, 2014 through an off-market transfer to M/s. Vogue Commercial Company Ltd.
  - c. SEBI, under examination, sought confirmation of receipt of disclosures under PIT Regulations and SAST Regulations from the Noticee. BSE vide e-mail dated April 07, 2015 confirmed that disclosures were received by BSE under Regulation 13 of the PIT Regulations and Regulation 29 of the SAST Regulations from the Noticee on October 13, 2014. Thus, it was observed that there was a delay of 6 days in making disclosures under relevant provisions of PIT Regulations and SAST Regulations.
  - d. In view of the above, it was alleged that the aforesaid delay in making disclosure by the Noticee was in violation of Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations, text of which is mentioned as below:

#### ***PIT Regulations:***

#### ***13. Disclosure of interest or holding [in listed companies by certain persons]***

- (3) Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company 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.*

- (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.*
- (4A). *Any person who is a promoter or part of promoter group 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 from the last disclosure made under Listing Agreement or under sub-regulation (2A) 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;*
- (5). *The disclosure mentioned 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**

- (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 violation, if established, would make the Noticee liable for monetary penalty under Section 15A(b) of the SEBI Act, which reads as under:

**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, 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.”*

6. In respect to the SCN, the Noticee, vide letter dated May 06, 2016, requested extension of two weeks for filing his reply. Thereafter, the Noticee submitted his reply towards the SCN vide letter dated May 20, 2016. The core submissions made by the Noticee are as follows:

- a. The Noticee had given 496603 equity shares of the Company to its stock broker, i.e. Horizon Portfolio Limited on September 26, 2014 and received back on March 30, 2015.
- b. The Noticee had submitted that there was no sale and no consideration in any form. The stock broker of the Noticee had not activated its pro-account and the shares were held in its de-mat account as shares of the Noticee only.
- c. Since there was no sale of the shares, aforesaid regulations of PIT Regulations and SAST Regulations were not applicable in the instant matter. The Noticee, therefore, had requested to drop the adjudication proceedings.

7. Thereafter, an opportunity of hearing was provided to the Noticee on March 09, 2017 vide hearing notice dated February 15, 2017. However, the Noticee had requested to

adjourn the hearing by 2-3 month vide its letter March 01, 2017. The Noticee's request for adjournment of hearing was accepted and another opportunity for personal hearing was provided on June 07, 2017 vide hearing notice dated May 05, 2017. The Noticee again sought further adjournment of said hearing for three weeks vide letter dated June 02, 2017. Thereafter, the Noticee was advised to appear for hearing on September 07, 2017 vide hearing notice dated August 08, 2017. However, the scheduled hearing on September 07, 2017 was postponed because of administrative exigencies.

8. Another opportunity of personal hearing on December 04, 2017 was provided to the Noticee vide hearing notice dated November 16, 2017. However, the Noticee had requested to adjourn the scheduled hearing by six weeks vide letter dated November 29, 2017. Thereafter, a final opportunity of hearing was provided to the Noticee on December 22, 2017 vide hearing notice dated December 05, 2017.
9. The hearing on December 22, 2017 was attended by the authorized representative ("AR") of the Noticee. During the course of hearing, the AR of the Noticee reiterated submissions mentioned in the reply dated May 20, 2016. The AR of the Noticee also submitted additional written submissions dated December 21, 2017 during the course of hearing. The core additional submissions made by the Noticee are as follows:
  - a. The Noticee denies and refutes the allegations made in the SCN. The Noticee denies and refutes that he had made transfer of 4,96,603 shares, i.e. 6.85% of the total share capital of the Company through an off-market transfer to one M/s Vogue Commercial Company Limited on September 26, 2014.
  - b. The Noticee submitted that he had transferred the aforesaid shares to M/s Horizon Portfolio Limited (member broker) in its demat account number 10062096 held with the depository participant, M/s Vogue Commercial Company Limited and not the client name, i.e. M/s Horizon Portfolio Limited (member broker). M/s Horizon Portfolio Limited is the stock broker of the Noticee.
  - c. The Noticee has not sold shares of the Company to the said member broker. The aforesaid transfer was executed to facilitate the member broker to meet future pay-in to be able to sell the shares of the Company through member broker on the platform of the Stock Exchange. No transaction was executed between the Noticee and Horizon Portfolio Limited.

- d. The said off market transfer of 4,96,603 shares, i.e. 6.85% of the total share capital of the Noticee on September 26, 2014 is completely exempted for making disclosure under the PIT Regulations and SAST Regulations.
  - e. The Noticee also submitted that he had made disclosure dated October 13, 2014, where he was not warranted to disclose, but made disclosure under wrong advice. The Noticee had also submitted that in his disclosure dated October 13, 2014, he had specifically clarified in Form D that shares had been transferred for future sale, therefore, consideration amount was not received.
  - f. The Noticee had not sold any shares during the period September 26, 2014 to March 31, 2015 and that the shares that were transferred to its broker, viz. Horizon Portfolio Limited were returned to the de-mat account of the Noticee on March 30, 2015. The Noticee had also submitted de-mat statement of its broker, viz. Horizon Portfolio Limited as well as transaction summary of trades executed by him.
  - g. The Noticee had submitted that he was not supposed to make any disclosure under Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations and therefore, he had not violated the aforesaid provisions of PIT Regulations and SAST Regulations.
10. Thereafter, to ascertain the contents of reply dated December 21, 2017 of the Noticee, information was sought from National Securities Depository Limited (hereinafter, the “**NSDL**”) and Vogue Commercial Co. Ltd., the depository participant of the Noticee vide e-mail dated December 28, 2017. Vide the aforesaid e-mail, the NSDL and Vogue Commercial Co. Ltd. were advised to furnish details of the entity to which the alleged transfer of 4,96,603 shares of Rich Universe Network Limited were transferred, nature and purpose of the aforesaid transfer and current status of ownership of the aforesaid shares of Rich Universe Network Limited and to forward Delivery Instruction Slips (hereinafter, the “**DIS**”) submitted by the Noticee in relation to the aforesaid transfer along with the de-mat statement of the Noticee.
11. Vogue Commercial Co. Ltd., vide e-mail dated December 29, 2017 informed that it has no de-mat account with the name of the Noticee. However, it informed that it has an account with the name of Horizon Portfolio Limited in which, the Noticee is an authorized signatory. Further, it is observed from the Company Master Data available

on the website of the Ministry of Corporate Affairs that the Noticee is a Director of Horizon Portfolio Limited.

12. Further, the NSDL, vide e-mail dated January 05, 2018 informed that 4,96,603 shares of Rich Universe Network Limited were debited from the BO account (DP ID: IN300011, Client ID : 10141021) of the Noticee on September 26, 2014 through an off-market transfer to the BO account with Client ID 10062096 in the name of Horizon Portfolio Limited. The NSDL also forwarded DIS in respect of the above transfer on September 26, 2014.
13. The NSDL also informed that on March 30, 2015, 4,98,922 shares of the Rich Universe Network Limited were again credited in the BO Account (Client ID : 10141021) of the Noticee through an off-market transfer from BO Account (Client ID : 10062096) belonging to Horizon Portfolio Limited. Thereafter, the aforesaid 4,98, 922 shares of the Rich Universe Network Limited were transferred from the BO Account 10141021 belonging to the Noticee to the BO account (Client ID : 10145919) belonging to Ms. Kavita Agarwal on March 30, 2015.
14. On perusal of the DIS provided by the NSDL, it was observed that 4,96,603 shares of Rich Universe Network Limited were transferred by the Noticee to Client ID 10062096 for the purpose of “off market sale” for which consideration of Rs. 1.78 crore was received.
15. An opportunity was provided to the Noticee vide e-mail dated January 08, 2018 to offer his comments about the said e-mail / clarification of NSDL dated January 05, 2018. The Noticee submitted his comments / clarifications by way of letter dated January 16, 2018 and the core submissions made by the Noticee vide letter dated January 16, 2018 are as follows:
  - a. The Noticee had not sold any shares to M/s Horizon Portfolio Limited to meet future sale, if any. Since the Noticee had not sold any shares, the Broker returned the same to the account of the Noticee (Client ID : 10141021).
  - b. The Noticee mentioned “off market sale” as reason for transfer of shares in the DIS on the instructions of the staff of its Depository Participant and that the Noticee was compelled by the staff of its Depository Participant to write consideration in respective column of the DIS.

- c. The Noticee had not executed any transaction in the scrip of the Company during September 29, 2014 – March 30, 2015.
16. The AR of the Noticee also addressed an e-mail to the undersigned to allow further personal hearing in case if any adverse inference is drawn from the aforesaid e-mail from the NSDL dated January 05, 2018. However, I note that the Noticee has been provided with sufficient opportunity for his comments over the aforesaid e-mail of NSDL and he had submitted reply / document in his support and therefore, no further hearing is necessitated in the matter. I also note that the Hon'ble Securities Appellate Tribunal in the matter of **D. A. Gadgil v. SEBI** (2003) 48 SCL 480 (SAT) had observed that *"natural justice demands that a person who is to be directly affected by an administrative action be given prior notice of what is proposed so as to enable him to make proper representation of defend his cause."* Since the Noticee has already been given prior notice / opportunity for the material relied upon, therefore, I am of the view that principles of natural justice in the instant matter have been duly complied with and there is no requirement of further opportunity of personal hearing, especially when the Noticee had offered his comments.
17. Since hearing / inquiry in this matter is concluded, therefore, after taking into account the allegations, submissions of the Noticee and evidences / material available on record, I hereby proceed to decide the case on merits.

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

18. The issues that arise for consideration in the instant matter are:
- 18.1 Whether the Noticee had failed to make disclosures or made disclosures belatedly against the timeline stipulated under Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations?
- 18.2 If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15A (b) of the SEBI Act?
- 18.3 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?



**Issue 18.1            Whether the Noticee had failed to make disclosures or made disclosures belatedly against the timeline stipulated under Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations?**

19. I note that the fact of Noticee being a Managing Director of the Company, belonging to the category, 'promoter and promoter group' and holding 4,96,603 shares, i.e. 6.85% of the total share capital of the Company for the Quarter that ended in June 2014 is not in dispute by the Noticee. I also note that the Noticee, in his submissions dated December 21, 2017 has not contested that the aforesaid 4,96,603 shares of the Company were transferred on September 26, 2014. The Noticee had submitted that the aforesaid 4,96,603 shares on September 26, 2014 were transferred to M/s Horizon Portfolio Limited, a stock broker of the Noticee in its de-mat account which was held with M/s Vogue Commercial Co. Ltd., a depository participant, to facilitate the aforesaid broker to meet future pay-in, in case of sale of shares of the Company.
20. The Noticee has further submitted that it had not sold a single share during the period September 26, 2014 to March 31, 2015 and due to wrong advice, he had made a disclosure dated October 13, 2014 to the BSE wherein, he had specifically mentioned that the shares were transferred for future sale and therefore, no consideration amount was received by him.
21. The aforesaid submissions are not acceptable as NSDL, by way of e-mail dated January 05, 2018 had provided a copy of "Annexure – L", i.e. Delivery Instructions by Clients (bearing Serial No. 660151 853572) wherein, the Noticee had clearly instructed his depository participant, Stock Holding Corporation of India (hereinafter, the "SHCIL") to transfer 4,96,603 shares of the Company to Client ID 10062096, i.e. M/s Horizon Portfolio Limited and reason / purpose of sale was shown as "off market sale", at a consideration of Rs. 1.78 crores.
22. I also note that the Noticee took a different stand while making comments towards the e-mail dated January 05, 2018 of the NSDL. The Noticee had submitted due to compulsion by the staff of his depository participant for calculation of their applicable charges for transferring the shares, he had mentioned "Rs. 1.78 crores" as consideration for "off market sale". However, in support of such submissions, the

Noticee did not provide any evidence / list of charges imposed by DP but he had evasively stated the same. I have perused the chart of fees charged by the depository participants available on the website of NSDL, wherein, the SHCIL had prescribed minimum transaction charges which are levied irrespective of the market price of the shares. Therefore, the aforesaid submission of the Noticee is not accepted.

23. I also note that the Noticee, in his earlier submission dated December 21, 2017 had stated that it had not sold a single share of the Company during the period September 25, 2014 – March 31, 2015, however, he had changed its stand in his reply dated January 16, 2018 stating that he had sold 4,98,922 shares of the Company to Ms. Kavita Agarwal on March 30, 2015. I note that the Noticee had not given any explanation for the aforesaid change in his stand.
24. Thus, on perusal of the “Annexure L” (bearing Serial No. 660151 853572), i.e. Delivery Instructions by the Noticee to SHCIL, I am of the view that the Noticee had transferred 4,96,603 shares of the Company to M/s Horizon Portfolio Limited on September 26, 2014 at a consideration of Rs. 1.78 crores, which amounts to sale of the aforesaid shares. I also note that the Noticee, while filing Form D, i.e. disclosure under Regulation 13(4), 13(4A) of the PIT Regulations, had incorrectly mentioned that it had not received any consideration as the shares were transferred for future sale.
25. As per available records, I observe that upon such sale of shares of the Company, the Noticee, who was a Promoter as well as Director of the Company held more than 5% shares of the Company and there was change in excess of 2% of the total shareholding of the Company and such change also exceeded Rs. 5 lakh in value or 25,000 shares of the Company and therefore, the Noticee was required to make disclosures to the Company as well as the BSE under Regulation 13(3), 13(4), 13(4A) of the PIT Regulations and Regulation 29(2) of the SAST Regulations within 2 days of such change in shareholding, i.e. by September 30, 2014 under Regulation 13(5) of the PIT Regulations and Regulation 29(3) of the SAST Regulations respectively.
26. I note that the Company, vide e-mail dated April 11, 2016 had specifically confirmed that it had received disclosures from the Noticee under Regulation 13 of the PIT Regulations and Regulation 29 of the SAST Regulations on October 13, 2014. I also note that BSE, vide e-mail dated April 07, 2015 had confirmed that disclosures under

Regulation 13 of the PIT Regulations and Regulation 29 of the SAST Regulations were received from the Noticee only on October 13, 2014. Thus, I note that there has been a delay of 6 days on the part of the Noticee in making disclosures under Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations.

27. From the aforesaid, it is established that the Noticee, being a promoter as well as managing director of the Company and holding 6.85% of the total share capital of the Company, did not make disclosures on time to the BSE in terms of Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations and thereby, had violated the aforesaid provisions of PIT Regulations and SAST Regulations.

**Issue 18.2      If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15A (b) of the SEBI Act?**

28. Since the violation of Regulation 13(3), 13(4), 13(4A) read with 13(5) of the PIT Regulations and Regulation 29(2) read with 29(3) of the SAST Regulations has been established, therefore, I am convinced that a penalty needs to be imposed upon the Noticee under Section 15A (b) of the SEBI Act, which reads as under:

***“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.”***

29. I have taken into account the well-known judgment of the Hon'ble Supreme Court in the matter of **SEBI v Shri Ram Mutual Fund** [2006] 68 SCL 216, wherein it was held that, *“In our considered opinion, penalty is attracted as soon as contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of parties committing such violations becomes wholly irrelevant”*.

**Issue 18.3            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?**

30. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, I have considered the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules, 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.*

*Explanation.--For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”*

31. Examination did not reveal any specific disproportionate gains or unfair advantage made by the Noticee or specific loss suffered by the investors. On perusal of the Action Taken Report, I observe that several actions have been taken by SEBI against the Noticee in the past for breach of various provisions of securities law. However, I note that Securities Appellate Tribunal in its order dated January 27, 2014 in the matter of **Komal Nahata v. Securities and Exchange Board of India** (Appeal No. 5 of 2014) has held, “Argument that no investor has suffered on account of non disclosure and that the AO has not considered the mitigating factors set out under Section 15J of SEBI Act, 1992 is without any merit because firstly penalty for non compliance of SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non disclosure”.

32. Moreover, I note from the order of the Hon'ble Securities Appellate Tribunal in the matter of **Akriti Global Traders Ltd. v. Securities and Exchange Board of India**

(Appeal No. 78 of 2014 dated September 30, 2014) wherein it held, “.... firstly, *penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay*”.

33. I also note that the Noticee, being a promoter as well as managing director of a listed company, had a greater responsibility to ensure compliance with PIT Regulations and SAST Regulations and that it ought to have made timely disclosures in terms of PIT Regulations and SAST Regulations. I find that because of not ensuring timely and correct disclosures, there was delay of 6 days in dissemination of information to the general public.

34. As observed in the pre-paragraphs, I also cannot ignore that in the instant proceedings, the Noticee changed his stand on the issue involve and tried to take a different plea at subsequent reply / submission without any evidence or logic, but just to mislead. Such contradictory and misleading submission is not expected from a person who is Promoter / Managing Director of a listed company and such change in stand clearly indicates that he did not make submission with clean / fair hand, but adopted all means to evade his guilt.

## **ORDER**

35. 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 penalty upon the Noticee as shown in the table below:

<b>Name of the Noticee</b>	<b>Amount of Penalty</b>	<b>Penalty Provisions and Violations</b>
Mr. Shashwat Agarwal	Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand only).	Under Section 15A(b) of the SEBI Act for violation of Regulation 13(3), 13(4) and (4A) read with 13(5) of the PIT Regulations

	Rs. 2,50,000 (Rupees Three Lakh only).	Under Section 15A(b) of the SEBI Act for violation of Regulation 29(2) read with 29(3) of the SAST Regulations
<b>Total</b>	<b>Rs. 5,00,000/- (Rupees Five Lakh only)</b>	

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

36. The Noticee 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 e-payment facility into Bank Account the details of which are given below;

<b>Account No. for remittance of penalties levied by Adjudication Officer</b>	
Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

37. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – I of the SEBI. The format for forwarding details of e-payments shall be made in the following tabulated form as provided in the SEBI Circular No. SEBI/HO/GSD/T&A/CIR/P/2017/42 dated May 16, 2017 and details of such payment shall be intimated at e-mail ID – [tad@sebi.gov.in](mailto:tad@sebi.gov.in).

Date	Department of SEBI	Name of Intermediary / Other entities	Type of Intermediary	SEBI Registration Number (if any)	PAN	Amount in Rs.	Purpose of Payment (including the)	Bank name and Account number	UTR No.
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							period for which payme nt was made e.g. quarter ly, annuall y etc.)	er from which paym ent is remitt ed	

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

**Date : January 31, 2018**

**Place : Mumbai**

**(Rachna Anand)**  
**Adjudicating Officer**