

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO. EAD-12/ AO/SM/03/2017-18]**

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**UNDER SECTION 15 I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 ("SEBI ACT") READ WITH RULE 5 OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995 ("SEBI AO RULES")**

**AND**

**UNDER SECTION 23 I OF SECURITIES CONTRACTS (REGULATIONS) ACT, 1956 ("SCRA") READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATIONS) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005 ("SCRA AO RULES")**

**In respect of:**

1. M/s.Veer Energy & Infrastructure Ltd (**PAN : AAACJ8658G**)
2. M/s.Veerhealth Care Ltd (**PAN : AAACN1407B**)
3. Shri Yogesh Mahasuklal Shah (**PAN : ALUPS8269A**)

**In the matter of M/s. Veer Energy & Infrastructure Ltd and M/s. Veerhealth Care Ltd**

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**Facts of the Case:**

1. Securities and Exchange Board of India ("SEBI") pursuant to examination of the scrip M/s. Veer Energy & Infrastructure Ltd ("VEIL") during the period January 2011 to March 2013 for possible price manipulation observed that the entities namely M/s, Veer Energy & Infrastructure Ltd ("VEIL"), M/s. Veerhealth Care Ltd ("VCL"), formerly known as M/s. Niyati Industries Ltd and Shri Yogesh Mahasuklal Shah ("Yogesh") had violated certain provisions of SEBI Act and SCRA and Rules and Regulations made there under. The shares of VEIL and VCL are listed at Bombay Stock Exchange Ltd ("BSE").

2. During the examination the following was observed:

**Yogesh**

2.1 Yogesh, the promoter-director of VEIL, had created /released pledge of the shares of VEIL on the following occasions, however, had failed to make required disclosures to VEIL and BSE in the prescribed format

S. No	Date	Pledge/ release	No. of shares pledged (cumulative shares pledged)	Applicable Takeover regulations	Due date for compliance	Actual date of compliance	Details of compliance
1	Dec 7, 2011	Pledge	5,00,000 (16, 27,273)	31(1) and 31(2) read with 31(3)	Dec 14, 2011	Dec 9, 2011	Timely reported but reported in old format
2	Dec 21, 2011	Pledge	4,72,727 (21,00,000)	-do-	Dec 28, 2011	Dec 23, 2011	-do-
3	Nov 8, 2012	Release	21,00,000 (NIL)	-do-	Nov 15, 2012	Nov 12, 2011	-do-
4	Jan 02, 2013	Pledge	21,00,000 (21,00,000)	-do-	Jan 09, 2013	Jan 04, 2013	-do-

It was alleged that he had violated Regulations 31(1), 31(2) read with 31(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("Takeover Regulations, 2011").

## **VEIL**

- 2.2 It was alleged that VEIL on the following instances failed to disclose the disclosures received by it from Yogesh with regard to creation/release of pledge of shares as per the provisions of Takeover Regulations, 1997 to BSE.

S. No	Transaction date	Pledge/ release	No. of shares pledged (cumulative shares pledged)	Applicable Takeover regulations	Date of receipt from promoter	Due date of compliance
1	Jan 01, 2011	Pledge	7,27,273 (7,27,273)	8A(4)	Jan 31, 2011	Feb 7, 2011
2	Jun 10, 2011	Pledge	4,00,000 (11,27,273)	8A(4)	June 13, 2011	Jun 20, 2011

Hence, it was alleged that VEIL had violated Regulations 8A(4) of Takeover Regulations, 1997 read with Regulation 35 of Takeover Regulations, 2011.

- 2.3 It was also alleged that VEIL had not disclosed VCL under the "Promoter group" [as per the definition of Promoter Group under Regulation 2(zb) of SEBI ( Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations")] for the quarterly disclosures of September 2012, December 2012 and March 2013 and hence had failed to comply with the requirements of clause 35 of the Listing Agreement read with Section 21 of SCRA.

## **VCL**

- 2.4 It was also alleged that VCL had not disclosed VEIL under the "Promoter group" [as per the definition of Promoter Group under Regulation 2(zb) of SEBI ( Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations")] for the quarterly disclosures of September 2012, December 2012 and March 2013 and hence had failed to comply with the requirements of clause 35 of the Listing Agreement read with Section 21 of SCRA..

2.5 The details of promoters shareholding of VEIL and VCL are as follows

Sr. No	Name of the entity	PAN	% shareholding for Quarter ending Sept 2012		% shareholding for Quarter ending Dec 2012		% shareholding for Quarter ending March 2013	
			VEIL	VCL	VEIL	VCL	VEIL	VCL
1	Ashish Jayant Shah	AACPS9492G	0.05	0.64	0.05	0.66	0.05	0.34
2	Dharnendra B Shah	AAFPS7919B	0.02	0.15	0.02	0.15	0.02	0.08
3	Divyabala Mahasukhlal Shah	AAZPS2990J	2.73	3.03	2.73	3.03	2.73	6.67
4	Jayant Seventilal Shah	AADPS5451J	0.24	0.49	0.24	0.49	0.24	0.26
5	Jigar Jayant Shah	AAEPS5071R	0.06	1.04	0.06	1.04	0.06	0.56
6	Mahasuklal Shah Huf	AACHM9737L	0.04	6.22	0.04	6.33	0.04	3.42
7	Yogesh Mahasuklal Shah	ALUPS8269A	23.14	14.19	23.14	14.19	23.14	12.69
8	Yogesh Shah Huf	AAAHY1838C	0.76	4.9	0.76	4.9	0.76	2.83
9	Shrena Nilay Shah	ACJPS9175K	0.03	0.85	0.02	0.85	0.01	0.46
10	Nilay Prakashchandra Shah	ACUPS2527C	0	1.92	0	1.92	0	1.04
11	Vina Prakash Shah	AEAPS0351L	0.62	2.67	0.62	2.67	0.62	1.44
	TOTAL		27.69	36.1	27.68	36.23	27.67	29.79
	Total Promoter shareholding		36.03	40.04	34.76	40.18	34.72	31.92

### 3. Appointment of Adjudicating Officer

SEBI had initiated adjudication proceedings against Yogesh, VEIL and VCL and appointed Shri D Sura Reddy as Adjudicating Officer vide order dated July 16, 2014 under Section 15 I of SEBI Act read with Rule 3 of the SEBI AO Rules and Section 23 I of SCRA read with Rule 3 of SCRA AO Rules to inquire into and adjudge :

- Yogesh under Section 15A(b) of the SEBI Act for his alleged violation of Regulations 31(1), 31(2) read with 31(3) of Takeover Regulations, 2011
- VEIL under Section 15A(b) of the SEBI Act for its alleged violation of Regulations 8A(4) of Takeover Regulations, 1997 read with Regulation 35 of

Takeover Regulations, 2011 and Section 23A and Section 23E of SCRA for its alleged violation of Clause 35 of Listing Agreement read with Section 21 of SCRA.

- iii. VCL under Section 23A and Section 23E of SCRA for its alleged violation of Clause 35 of Listing Agreement read with Section 21 of SCRA.

Pursuant to the transfer of the case, I have been appointed as Adjudicating Officer (AO), vide order dated May 18, 2017.

#### **4. Show Cause Notice, Reply and Personal Hearing**

Based on the findings made during the examination, Show Cause Notice ("SCN") dated July 31, 2014 was issued to Yogesh, VEIL and VCL. The details of SCN, reply received and hearing are given below:

##### **4.1 Yogesh:**

- Vide letter dated August 11, 2014, Yogesh requested to take a lenient view since
- a) *due to ignorance of new regulations information was provided in the old format and the same was rectified by filing information as per new format*
  - b) *the format of disclosure filled was wrong but the intention of submitting right and correct information was there*
  - c) *there was no intent to hide or misguide the shareholder of the company esteemed exchange or esteemed SEBI*
  - d) *there was no delay in reporting and there was no intention to provide any false information*
  - e) *the information provided in old format was due to ignorance of new regulations*

##### **4.2 VEIL**

Vide letter dated August 7, 2014, VEIL stated that

- a) *as far as Clause 35 of Listing Agreement violation is concerned*

- *due to human error VCL was shown in public by mistake for the shareholding pattern of quarters ended September 2012, December 2012 and March 2013. There was no intention to conceal any facts since VCL has already been shown as related party in the Annual report for the year 2012-13*
- *Upon the error being notified, the same was rectified in the said shareholding patterns of relevant periods and updated with BSE.*
- b) *as far as disclosure violation under Takeover Regulations is concerned*
  - *due to ignorance of rules regarding pledge of shares the same was not made*
  - *there is no intention to hide information since the same has been reflected in March 2011 shareholding and additional pledge details have also been shown in September 2011 shareholding pattern submitted to BSE.*

#### 4.3 VCL

Vide letter dated August 7, 2014, VCL stated that

*no doubt that VEIL and VCL are group companies and belong to same promoter group but VEIL does not hold any shares as a promoter in VCL and hence it is not being shown in the promoter group of the company.*

#### 5. Personal Hearing

Pursuant to the replies received from Yogesh, VEIL and VCL, an opportunity of being heard in person was granted. On Personal hearing held on July 25, 2017 wherein M/s. Prakash Shah & Associates represented as the Authorised Representative of Yogesh, VEIL and VCL to appear, argue and plead on their behalf.

- 5.1 During the personal hearing, AR has made the following submissions in common for all three entities viz., Yogesh, VEIL and VCL.

- a) The lapses on the part of Yogesh and VEIL are purely due to ignorance of provisions of new regulation and are not intentional. The lapses have been subsequently rectified upon being notified by SEBI and appropriate corrective returns have been filed with BSE.
- b) Submitted the copies of extract from BSE website to substantiate the corrective measures taken by Yogesh and VEIL
- c) Since the lapses are not intentional and the information was available to the investors in some other form, requested to consider the above submissions and also referred to the following case laws/documents to consider as mitigating factors while levying penalty:
  - i) Referred to Securities Appellate Tribunal (SAT) ruling in Appeal No.39/2002 (Reliance Industries Ltd Vs. SEBI) wherein SAT while setting aside the order of SEBI directed SEBI to refund the penalty if paid by Appellant since the breach was merely technical and unintentional. SAT also made a mention that ignorance of law is no excuse but an erroneous interpretation is a mitigating factor especially if such interpretation is honest and bona fide to the knowledge of the appellant.
  - ii) Referred to SEBI WTM Order dated February 2, 2017 in the matter of M/s. Reflex Industries Ltd against Mr. Anil T Jain wherein the WTM has exonerated the Noticee on the ground that the violation is un-intentional, technical and venial in nature.
  - iii) Referred to AO order dated June 15,2017 in the matter of Dinesh Allorga Ltd against Mr. Dinesh Allorga Ltd and Dineshbhai Shahabhai Patel wherein AO has disposed of the SCN on the basis of SAT order in matter of Vitro Commodities Private Ltd vs. SEBI. In the said order, SAT opined that the provisions of Regulations 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations are not substantially different ... there is no justification for imposition of penalty for second violation when penalty for first violation has been imposed". In the case of Yogesh even though the disclosure was made in the old format, not much difference

was there between old format and new format only in addition to the existing particulars, only information to be provided in % terms.

5.2 Further, the AR made the following additional submissions on behalf of VCL:

- a) Reiterated the submissions made by VCL vide its letter dated August 7, 2014 that VCL and VEIL are group companies. However, VEIL does not hold any share in VCL and thus the name of VEIL is not mentioned in the shareholding pattern of VCL.
- b) At the time of filing the shareholding pattern BSE has not made any objection. In terms of SEBI Circular no.CIR/MRD/DESA/31/2013 dated September 30, 2012, Stock Exchanges are empowered to take penal action against the listed entities that violate clauses of Listing Agreement. Since BSE has not made any objection to the shareholding pattern wherein VEIL has not been shown as promoter group. Hence, the charges levied against VCL may be dropped.

### **Consideration of Issues, Evidence and Findings**

6. I have carefully perused, the charges levelled against Yogesh, VEIL and VCL in the SCN, written submissions & oral submissions made during the hearing and all the documents available on record. In the instant matter, the following issues arise for consideration and determination in respect of :

#### **a. Yogesh**

- I. Whether Yogesh has violated Regulations 31(1), 31(2) read with 31(3) Takeover Regulations, 2011?
- II. Does the violation, if any, on the part of Yogesh attract monetary penalty under Section 15 A(b) of SEBI Act?
- III. If so, what would be the quantum of monetary penalty that can be imposed on Yogesh taking into consideration the factors mentioned in Section 15J of the SEBI Act?



**b. VEIL**

- I. Whether VEIL has violated Regulations 8A(4) of Takeover Regulations, 1997 read with Regulation 35 of Takeover Regulations, 2011 and Clause 35 of Listing Agreement read with Section 21 of SCRA?
- II. Does the violations, if any, on the part of VEIL attract monetary penalty under Section 15 A(b) of SEBI Act and Section 23A and Section 23E of SCRA?
- III. If so, what would be the quantum of monetary penalty that can be imposed on VEIL taking into consideration the factors mentioned in Section 15J of the SEBI Act and Section 23J of SCRA?

**c. VCL**

- I. Whether VCL has violated Clause 35 of Listing Agreement?
- II. Does the violations, if any, on the part of VEIL attract monetary penalty under Section 23A and Section 23E of SCRA ?
- III. If so, what would be the quantum of monetary penalty that can be imposed on VCL taking into consideration the factors mentioned in Section 23J of SCRA?

7. Before proceeding further, I would like to refer to the relevant provisions of the Takeover Regulations, 1997, Takeover Regulations, 2011, Listing Agreement and SCRA which read as under:

***Takeover Regulations, 1997***

***Disclosure of pledged shares :-***

**8A.(1).....**

(2) .....

(3) .....

**(4)** *The company shall disclose the information received under sub-regulations (1), (2) and (3) to all the stock exchanges, on which the shares of company are listed, within 7 working days of the receipt thereof, if, during any quarter ending March, June, September and December of any year, —*

*(a) aggregate number of pledged shares of a promoter or every person forming part of promoter group taken together with shares already pledged during that quarter by such promoter or persons exceeds twenty five thousand; or*

*(b) aggregate of total pledged shares of the promoter or every person forming part of promoter group along with the shares already pledged during that quarter by such promoter or persons exceeds one per cent. of total shareholding or voting rights of the company ,whichever is lower."*

### **Takeover Regulations, 2011**

#### **Disclosure of encumbered shares**

**31.** *(1) The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified.*

*(2) The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.*

*(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,—*

*(a) every stock exchange where the shares of the target company are listed; and,  
(b) the target company at its registered office."*

#### **Repeal and Savings.**

**35.** *(1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, stand repealed from the date on which these regulations come into force.*

*(2) Notwithstanding such repeal,—*

*(a) anything done or any action taken or purported to have been done or taken including comments on any letter of offer, exemption granted by the Board,*

*fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;*

*(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred*

*under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;*

*(c) any open offer for which a public announcement has been made under the repealed regulations shall be required to be continued and completed under the repealed regulations.*

*(3) After the repeal of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations*

## **SCRA**

### **Conditions for listing.**

**21.** *Where securities are listed on the application of any person in any recognised stock exchange such person shall comply with the conditions of the listing agreement with that stock exchange.*

### **Listing Agreement :**

**Cl. 35.** *The Company agrees to file the shareholding pattern for each class of equity shares/security with the Stock Exchange on quarterly basis, within 21 days from the end of each quarter, in the format specified.*

## **FINDINGS**

8. I observe and find the following from SCNs, reply submitted by the entities, the oral submissions made by the AR of the entities, various regulations and case laws referred:

### **Yogesh**

- As alleged in SCN, Yogesh has admitted through his own letter and also through his AR that he failed to make disclosure under new format and upon being notified the error has been rectified by filing the information in the correct format. From the submissions made I find that the violation of Yogesh is not grave in nature. The information to be made available to the investing public has already been made and the information could not be made is not very material in nature. Here I rely on the SAT order in the Appeal No.39/2002 (Reliance Industries Ltd Vs. SEBI) wherein SAT has held that The High Court in Cabot's case has pronounced that if a breach was merely technical and unintentional, it does not merit penal consequence. It ultimately depends on the facts of each case.
- I also note that Yogesh had filed the required information before the due date on all alleged occasions which shows that he had no intention to hide the information from public at large and he had disclosed the critical information as per Regulation 31 of Takeover Regulations, 2011 albeit in old format.
- Reportedly no complaint was received by SEBI/BSE for the aforesaid disclosure done by by Yogesh in the old format.
- I also note that there is no loss to any investor as such by such reporting in the old format.

### **VEIL**

- As alleged in SCN, VEIL has failed to make disclosure of details of disclosures received from promoters as per the provisions of Regulation 8A(4) of Takeover Regulations, 1997 read with Section 35 of Takeover Regulations, 2011.

Further, VEIL has not denied the lapse and necessary remedial measures have been taken and the same is reflected in March 2011 and September 2011 shareholding pattern. The same has been verified by me with the BSE Website. Even though remedial measures have been taken by VEIL, the relevant information was not available for the investing public at the appropriate time. Thereby VEIL violated the provisions of Regulation 8A(4) of Takeover Regulations, 1997 read with Regulation 35 of Takeover Regulations, 2011 by not making disclosure on time and hence it is liable for penalty.

- As alleged in SCN, VEIL has not shown VCL under “promoter group” and it has accepted the lapse due to human error. VEIL’s claim that even though VCL has not been shown under “Promoter group” in the shareholding pattern for the quarterly disclosures of September 2012 to March 2013. I find that VEIL had violated Clause 35 of Listing Agreement read with Section 21 of SCRA.

#### **VCL**

- As alleged in SCN, VCL has not shown VEIL under “promoter group” in the shareholding pattern for the quarterly disclosures of September 2012 to March 2013. On pursuing the regulation 2(zb) of ICDR Regulations, I am not convinced with VCL’s submissions that it is not liable to show VEIL under “promoter group” since VEIL is not holding even a single share of VCL.

Regulation 2(zb) of ICDR Regulations reads as under:

#### **Definitions.**

##### **2....**

(zb) *promoter group includes:*

- (i) *the promoter;*
- (ii) *an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and*
- (iii) *in case promoter is a body corporate:*
  - (A) *a subsidiary or holding company of such body corporate;*

- (B) *any body corporate in which the promoter holds ten per cent. or more of the equity share capital or which holds ten per cent. or more of the equity share capital of the promoter;*
- (C) *any body corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent. or more of the equity share capital in that body corporate also holds twenty per cent. or more of the equity share capital of the issuer; and*
- (iv) *in case the promoter is an individual:*
  - (A) *any body corporate in which ten per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;*
  - (B) *any body corporate in which a body corporate as provided in (A) above holds ten per cent. or more, of the equity share capital;*
  - (C) *any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent. of the total; and*
- (v) *all persons whose shareholding is aggregated for the purpose of disclosing in the prospectus under the heading "shareholding of the promoter group":*

- Accordingly, VCL is liable to show VEIL under “promoter group” in the shareholding and hence violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA.
- With regard to its second defence that in terms of SEBI Circular no.CIR/MRD/DESA/31/2013 dated September 30, 2013 Stock Exchanges are empowered to penalize listed entities for Listing Agreement related violations and SEBI cannot show cause them, I refer Section 23E of SCRA which empowers SEBI to levy penalty on any company which doesn't comply with listing

conditions. Hence, I reject the VCL's defence. Accordingly, I find VCL liable for penalty for its violation of Clause 35 of listing agreement read with Section 21 of SCRA

#### **DOES THE VIOLATIONS ATTRACT MONETARY PENALTY?**

9. I having concluded and established that the entities have violated the provisions of law, they are liable for penalty as under:

- Even though Yogesh is liable for penalty under Section 15 A(b) of the SEBI Act for his violation of Regulations 31(1) and 31(2) read with 31(3) Takeover Regulations, 2011, taking into account the remedial measures taken, technical nature of lapse and availability of relevant information to the investing public in one form or other, **I exonerate Yogesh from the current proceedings without levying any penalty and dispose off the SCN issued against Yogesh in the matter.**
- As far as VEIL is concerned, VEIL is liable for penalty under Section 15 A (b) of SEBI Act for violation of Regulations 8A(4) of Takeover Regulations, 1997 read with Regulation 35 of Takeover Regulations, 2011. With regard to the violation Clause 35 of Listing Agreement read with Section 21 of SCRA, I fix VEIL liable for penalty under Sections 23A and 23E of SCRA.
- VCL has violated Clause 35 of Listing Agreement read with Section 21 of SCRA and has not taken any remedial measure. Hence, I fix VCL liable for penalty under Section 23A and 23E of SCRA.

10. The relevant portion of the sections of penalty are as under :

Section 15A(b) of the SEBI Act) reads as under:

#### **Penalty for failure to furnish information, return, etc.-**

**15A.** *If any person, who is required under this Act or any rules or regulations made thereunder,-*

*(a) to furnish any document, return or report .....*

*(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 there for 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.*

## **SCRA**

### **Penalty for failure to furnish information, return, etc.**

*23A. Any person, who is required under this Act or any rules made there under,—*

- (a) to furnish any information, document, books, returns or report to a recognized stock exchange, fails to furnish the same within the time specified therefore in the listing agreement or conditions or bye-laws of the recognised stock exchange, 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 for each such failure;*
- (b) to maintain books of account or records, as per the listing agreement or conditions, or bye-laws of a recognised stock exchange, fails to maintain the same, 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.*

*Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.*

*" 23E. If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty not exceeding twenty-five crore rupees."*



11. While determining the quantum of penalty under Section 15A(b) of SEBI Act and Section 23A and 23E of SCRA, it is important to consider the factors stipulated in Section 15J of SEBI Act and Section 23 J of SCRA, which read 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.

**23 J** - Factors to be taken into account by the adjudicating officer while adjudging the quantum of penalty under Section 23-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 23A to 23C shall be

*and shall always be deemed to have exercised under the provisions of this section.*

12. It is not possible from the material available on record to ascertain the disproportionate gain or unfair advantage made by the entities or the amount of loss caused to an investor or group of investors as a result of the default and repetitiveness of default from the material availed on record.

**ORDER**

13. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I of SEBI Act and Section 23-I of SCRA and Rule 5 of SEBI AO Rules and SCRA AO Rules, I hereby impose the following a monetary penalties

<b>Entity</b>	<b>Provisions of law violated</b>	<b>Penalty levied under Section</b>	<b>Quantum of penalty in Rs.</b>
Veer Energy & Infrastructure Ltd	Regulations 8A(4) of Takeover Regulations, 1997	Section 15 A(b) of SEBI Act	Rs 1,00,000 (One lakh Rupees only)
	Clause 35 of Listing Agreement read with Section 21 of SCRA	Sections 23A and 23E of SCRA	Rs 5,00,000 (five lakhs only)
Veerhealth Care Ltd	Clause 35 of Listing Agreement read with Section 21 of SCRA	Sections 23A and 23E of SCRA	Rs 5,00,000 (five lakhs only)

- 12 The amount of penalty shall be paid within 45 days of receipt of this order either by way of

- (i) demand draft in favor of "SEBI - Penalties Remittable to Government of India", payable at Mumbai **(or )**
- (ii) by e-payment in the account of  
"SEBI - Penalties Remittable to Government of India ",  
A/c No. 31465271959,  
State Bank of India, Bandra Kurla Complex Branch,  
RTGS Code SBIN0004380

The said demand draft or forwarding details and confirmation of e-payment made in the format as given in table below should be forwarded to " The Division Chief (Enforcement Department - DRA- ), Securities and Exchange Board of India, SEBI Bhavan, Plot no C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 052.

1	Case Name	
2	Name of Payee	
3	Date of payment	
4	Amount Paid	
5	Transaction No	
6	Bank Details in which payment is made:	
7	Payment is made for: (like penalties/disgorgement/recovery/Settlement amount and legal charges along with order details)	

- (iii) In terms of Rule 6 of the Rules, copy of this order is sent to the Entities and also to Securities and Exchange Board of India.

**Date: August 7, 2017**

**Place: Mumbai**

**SAHIL MALIK  
ADJUDICATING OFFICER**