

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/CB/309/2018]

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 –

R. K. Stockholding Pvt. Ltd. (PAN No. AACCR0011K) having address at – A-7, Block B1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110044

In the matter of *Riba Textiles Ltd.*

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 Riba Textiles Limited (hereinafter be referred to as the “**Company**” or “**Riba Textiles**”), a company listed on the BSE Limited (hereinafter be referred to as, the “**BSE**”) for the period from December 02, 2013 to December 17, 2013 (hereinafter be referred to as, the “**Examination Period**”). Examination *prima facie* revealed commission of violation of Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations by M/s R. K. Stockholding Pvt. Ltd. (hereinafter be referred to as the “**Noticee**”) for not making disclosures upon change of its shareholding in the Company.

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed the undersigned 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 August 30, 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. Proceedings of appointment of the undersigned as Adjudicating Officer was communicated vide communique dated September 21, 2016.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD/EAO/RA/CS/599/2017 dated January 09, 2017 (hereinafter be referred to as the “**SCN**”) was served upon the Noticee 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.
4. The core allegations levelled against the Noticee in the SCN are summarized as below:
 - a) The Noticee was holding 2,199 shares of the Company as on December 02, 2013 which was 0.02% of the total share capital of the Company. Thereafter, it was observed that during the period December 02, 2013 to December 17, 2013, the Noticee purchased 4,94,929 shares of the Company through market transactions. The relevant extract of transactions done by the Noticee during the Examination Period is as follows:

Settlement Date	Total Holding of the Noticee	Market Value of Holding	Percentage of total Share Capital of the Company
02/12/2013	2199	53875.5	0.02%
02/12/2013	397765	9745243	4.12%
03/12/2013	2000	48500	0.02%
03/12/2013	397765	9645801	4.12%
04/12/2013	397765	9884460	4.12%
05/12/2013	397765	9705466	4.12%
06/12/2013	397765	0	4.12%
07/12/2013	397765	0	4.12%
09/12/2013	397765	9884460	4.12%
10/12/2013	28828	729348.4	0.30%
10/12/2013	397765	10063455	4.12%
11/12/2013	32472	819918	0.34%

11/12/2013	427765	10801066	4.43%
12/12/2013	25089	656077.4	0.26%
12/12/2013	460437	12040428	4.77%
13/12/2013	466437	12057396	4.83%
14/12/2013	466437	0	4.83%
16/12/2013	27492	717541.2	0.28%
16/12/2013	466437	12174006	4.83%
17/12/2013	494929	12793915	5.13%

- b) Examination revealed that the aforesaid increase in the shareholding of the Noticee resulted in a holding of more than 5% of the total share capital of the Company which required disclosures by the Noticee in terms of Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations.
- c) The BSE, vide e-mail dated July 02, 2014 confirmed that no disclosure were made by the Noticee under PIT Regulations or SAST Regulations in relation to the increase in shareholding of the Noticee during the Examination Period.
- d) It was alleged that the aforesaid non-disclosure regarding increase in its shareholding by the Noticee was in violation of Regulation 13(1) of the PIT Regulations and Regulation 29(1) 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.

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.

- (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 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. The SCN required the Noticee to submit its reply towards the allegations within a period of 14 days from the service of the SCN. However, on non-receipt of any reply towards the SCN, an opportunity of hearing, in the interest of natural justice, was provided to the Noticee on January 05, 2018 vide hearing notice dated December 13, 2017. The Noticee was also advised to submit its reply, if any, towards the SCN by December 29, 2017.
7. In response to the hearing notice dated December 13, 2017, the Noticee addressed an e-mail dated December 21, 2017 to the undersigned wherein, it submitted that the compliance officer of the Noticee who was looking after the instant adjudication matter had left the services of the Noticee. The Noticee also requested the undersigned to resend the SCN. Thereafter, SCN dated January 09, 2017 was again served upon the Noticee vide e-mail dated December 21, 2017.

8. In response to the SCN, the Noticee filed its submissions / reply dated January 01, 2018. The core similar submissions of the Noticee are summarized as below:
- i. The Noticee stated that it had not violated Regulation 13(1) of the PIT Regulations nor did it violate Regulation 29(1) read with 29(3) of the SAST Regulations.
 - ii. The said 4,94,929 shares were held in the Noticee's demat account (DP ID – 12041800, A/c No. 00000020) which is designated as Corproate CM / TM Client Account. The shares were purchased on behalf of its 3 clients G N Credits Pvt. Ltd. (DP ID IN301055, Unique Client Code – NV84), Ankur Arora (DP ID IN301055, Unique Client Code – SM52) and Rapid Credit (Holdings) Pvt. Ltd (DP ID IN301055, Unique Client Code – NVRC01). The Noticee also obtained letter of authority from the aforesaid clients for holding the shares with it.
 - iii. The Noticee, in the ordinary course of business in the capacity of a broker had traded in the scrip of Riba Textiles only on behalf of clients and that the consideration for the shares in question proceeded from the clients.
 - iv. The shares in the Client Beneficiary Account belonged to the clients and the Noticee, as a stock broker, retained the shares on behalf of its clients on its express authorization. The Noticee passed all the corporate benefits arising out of the shares retained in its Client Beneficiary Account on to its clients. The Noticee retained these shares in its capacity as stock broker and it also did not have any interest or rights in or claim over these corporate benefits.
 - v. The Noticee cited order dated February 19, 2009 of the learned Adjudicating Officer of SEBI in respect of *Angel Broking Limited*. The Noticee also cited order dated July 15, 2010 of the Hon'ble Securities Appellate Tribunal in the matter of *Galaxy Broking Limited v. SEBI* in support of its submissions.
9. The scheduled hearing on January 05, 2018 was attended by the authorized representatives ("AR") of the Noticee. During the course of hearing, the authorized representatives of the Noticee reiterated its submissions as shown in its reply dated January 01, 2018 and sought extension till January 19, 2018 to submit additional submissions, including the details of transactions done in the scrip of the Company during December 01 – 31, 2013.

10. Thereafter, the Noticee submitted additional submissions dated January 13, 2018 and the core additional submissions made by the Noticee are as follows:

- a) The Noticee submitted a clarification on the holding of 4,94,929 shares of the Riba Textiles as on December 17, 2013. The Noticee submitted that the aforesaid 4,94,929 shares were held by the Noticee on behalf of its clients, classification of which is produced as below:

Name of the client	Client Code	No. of shares held for client	Reference of Annexure No. mentioned in reply dated January 01, 2018
G N Credits Pvt. Ltd.	NV84	3,96,765	4A, 4B, 4C, 4D, 4E
Ankur Arora	SM52	1,000	5
Rapid Credits and Holdings Pvt. Ltd.	NVRC01	97,164	6A, 6B, 6C, 6D
Total		4,974,929	

- b) The Noticee submitted further clarification with respect to the alleged holding of the Noticee in the Company as produced in the SCN:

Sr. No.	Settlement Date	Total Holding of the Noticee	Percentage of total share capital of the Company	Noticee's clarification
1.	02/12/2013	2199	0.02%	These shares pertain to our client Anu Jain and are directly transferred from her own Demat account to early pay-in account. We hereby enclose settlement of demat account of Anu Jain for the period from 01.04.2013 to 31.03.2014 as Annexure 1.
2.	02/12/2013	397765	4.12%	These shares were held by us on behalf of our clients. Details are as under:

				<div> <div>Name of the client</div> <div>No. of shares held for client</div> </div>	
				<div> <div>Ankur Arora</div> <div>1000</div> </div>	
				<div> <div>G N Credits Pvt. Ltd.</div> <div>396765</div> </div>	
				<div> <div>Total</div> <div>397765</div> </div>	
3.	03/12/2013	2000	0.02%	<p>These shares pertain to our client Anu Jain and directly transferred from her own Demat account to early pay – in account. A Statement of demat account of Anu Jain for the period from 01.04.2013 to 31.03.2014 is already attached as Annexure-1</p>	
4.	03/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
5.	04/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
6.	05/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
7.	06/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
8.	07/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
9.	09/12/2013	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)	
10.	10/12/2013	28828	0.30%	<p>These shares pertain to our client Anchal Jain and are directly transferred from her own Demat account to early pay- in account. We hereby enclose statement of demat account of Anchal Jain for the</p>	

				period from 01.04.2013 to 31.03.2014 as Annexure- 2										
11.	10/12/20 13	397765	4.12%	No Change in holding compared to 02.12.2013 (Ref Sr. No 2)										
12.	11/12/20 13	32472	0.34%	These shares pertain to our client Anchal Jain and are directly transferred from her own Demat account to early pay- in account. A statement of demat account of Anchal Jain for the period from 01.04.2013 to 31.03.2014 is already attached as Annexure- 2										
13.	11/12/20 13	427765	4.43%	These shares were held by us on behalf of our clients. Details are as under: <table><tr><td>Name of the client</td><td>No. of shares held for client</td></tr><tr><td>Ankur Arora</td><td>1000</td></tr><tr><td>G N Credits Pvt. Ltd.</td><td>3,96,765</td></tr><tr><td>Rapid Credit and Holdings Pvt Ltd</td><td>30,000</td></tr><tr><td>Total</td><td>4,27,765</td></tr></table>	Name of the client	No. of shares held for client	Ankur Arora	1000	G N Credits Pvt. Ltd.	3,96,765	Rapid Credit and Holdings Pvt Ltd	30,000	Total	4,27,765
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Ankur Arora	1000													
G N Credits Pvt. Ltd.	3,96,765													
Rapid Credit and Holdings Pvt Ltd	30,000													
Total	4,27,765													
14.	12/12/20 13	25089	0.26%	These shares pertain to our client Anu Jain and directly transferred from her own Demat account to early pay – in account. A Statement of demat account of Anu Jain for the period from 01.04.2013 to 31.03.2014 is already attached as Annexure-1										

15.	12/12/2013	460437	4.77%	<div>These shares were held by us on behalf of our clients. Details are as under:</div> <table><tr><td>Name of the client</td><td>No. of shares held for client</td></tr><tr><td>Ankur Arora</td><td>1000</td></tr><tr><td>G N Credits Pvt. Ltd.</td><td>3,96,765</td></tr><tr><td>Rapid Credit and Holdings Pvt Ltd</td><td>62,672</td></tr><tr><td>Total</td><td>4,60,672</td></tr></table>	Name of the client	No. of shares held for client	Ankur Arora	1000	G N Credits Pvt. Ltd.	3,96,765	Rapid Credit and Holdings Pvt Ltd	62,672	Total	4,60,672
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Ankur Arora	1000													
G N Credits Pvt. Ltd.	3,96,765													
Rapid Credit and Holdings Pvt Ltd	62,672													
Total	4,60,672													
16.	13/12/2013	466437	4.83%	<div>These shares were held by us on behalf of our clients. Details are as under:</div> <table><tr><td>Name of the client</td><td>No. of shares held for client</td></tr><tr><td>Ankur Arora</td><td>1000</td></tr><tr><td>G N Credits Pvt. Ltd.</td><td>3,96,765</td></tr><tr><td>Rapid Credit and Holdings Pvt Ltd</td><td>68,672</td></tr><tr><td>Total</td><td>4,66,437</td></tr></table>	Name of the client	No. of shares held for client	Ankur Arora	1000	G N Credits Pvt. Ltd.	3,96,765	Rapid Credit and Holdings Pvt Ltd	68,672	Total	4,66,437
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Ankur Arora	1000													
G N Credits Pvt. Ltd.	3,96,765													
Rapid Credit and Holdings Pvt Ltd	68,672													
Total	4,66,437													
17.	14/12/2013	466437	4.83%	No Change in holding compared to 13.12.2013 (Ref Sr. No 16)										

18.	16/12/2013	27492	0.28%	These shares pertain to our client Anu Jain and directly transferred from her own Demat account to early pay – in account. A Statement of demat account of Anu Jain for the period from 01.04.2013 to 31.03.2014 is already attached as Annexure-1										
19.	16/12/2013	466437	4.83%	No Change in holding compared to 13.12.2013 (Ref Sr. No 16)										
20.	17/12/2013	494929	5.13%	<div>These shares were held by us on behalf of our clients. Details are as under:</div> <table><tr><td>Name of the client</td><td>No. of shares held for client</td></tr><tr><td>Ankur Arora</td><td>1000</td></tr><tr><td>G N Credits Pvt. Ltd.</td><td>3,96,765</td></tr><tr><td>Rapid Credit and Holdings Pvt Ltd</td><td>97,164</td></tr><tr><td>Total</td><td>4,94,929</td></tr></table>	Name of the client	No. of shares held for client	Ankur Arora	1000	G N Credits Pvt. Ltd.	3,96,765	Rapid Credit and Holdings Pvt Ltd	97,164	Total	4,94,929
Name of the client	No. of shares held for client													
Ankur Arora	1000													
G N Credits Pvt. Ltd.	3,96,765													
Rapid Credit and Holdings Pvt Ltd	97,164													
Total	4,94,929													

c) The Noticee submitted a statement of its demat account in support of the aforesaid table. The Noticee submitted that it is not in violation of SAST Regulations and PIT Regulations.

11. 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 merit.

CONSIDERATION OF ISSUES AND FINDINGS

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

- 12.1 Whether the Noticee had failed to make mandated disclosures under the PIT Regulations and SAST Regulations as alleged in the SCN?
- 12.2 If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15A (b) of the SEBI Act?
- 12.3 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 12.1 Whether the Noticee had failed to make mandated disclosures under the PIT Regulations and SAST Regulations as alleged in the SCN?

13. Regulation 13(1) of the PIT Regulations requires any person who holds more than 5% shares in a company to disclose in Form A, number of shares or voting rights held by him on becoming such holder within 4 working days of receipt of intimation of allotment of shares or the acquisition of shares or voting rights. Similarly, Regulation 29(1) 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 within 2 days of such acquisition. Thus, two conditions have to be satisfied for attracting the provisions of Regulation 13(1) of the PIT Regulations and Regulation 29(1) of the SAST Regulations:

- a) There has to be a person / acquirer who acquires shares or voting rights in a target company.
- b) Such acquisition should aggregate to 5% of more of the total share capital of such target company.

14. I observe that the term acquisition has not been defined per se in the PIT Regulations. However, I observe that Regulation 2(1) (b) of the SAST Regulations defines “acquisition” to be “*directly or indirectly, acquiring or agreeing to acquire shares or voting rights in, or control over, a target company*”. Similarly, I also observe that Regulation 2(1)(a) defines an “acquirer” as “*any person who, directly or indirectly, acquires or agrees to acquire whether by himself, or through, or with persons acting in concert with him, shares or voting rights in, or control over a target company*”. Thus,

to examine the applicability of the aforesaid provisions of PIT Regulations and SAST Regulations, it has to be examined whether the Noticee has acquired 4,94,929 shares of the Company during the Examination Period.

15. I note that the Noticee has submitted that the aforesaid 4,94,929 shares of the Company were purchased and held on behalf of its 3 clients, G N Credits Pvt. Ltd. (DP ID IN301055, Unique Client Code – NV84), Ankur Arora (DP ID IN301055, Unique Client Code – SM52) and Rapid Credit (Holdings) Pvt. Ltd (DP ID IN301055, Unique Client Code – NVRC01) in the ordinary course of its business in the capacity of a stock broker. In support of its submission, I note that the Noticee has furnished contract notes for the aforesaid purchases as well as transaction statements and holding statements for the relevant Examination Period, which are available on record. On perusal of the aforesaid contract notes, I observe that the Noticee had communicated execution of purchase transactions in the account of its clients on their instructions, details of which are as follows:

Date	Name of the Client	No. of shares purchased
November 19, 2013	G N Credits Pvt. Ltd.	2,30,205
November 20, 2013	G N Credits Pvt. Ltd.	44,018
November 21, 2013	G N Credits Pvt. Ltd.	40,663
November 22, 2013	G N Credits Pvt. Ltd.	41,868
November 25, 2013	G N Credits Pvt. Ltd.	40,011
	Total	3,96,765
May 16, 2013	Ankur Arora	1,000
	Total	1,000
December 09, 2013	Rapid Credit (Holdings) Pvt. Ltd.	30,000
December 10, 2013	Rapid Credit (Holdings) Pvt. Ltd.	32,672
December 11, 2013	Rapid Credit (Holdings) Pvt. Ltd.	6,000
December 13, 2013	Rapid Credit (Holdings) Pvt. Ltd.	28,492
	Total	97,164

16. To verify the aforesaid submission of the Noticee, CDSL was directed to furnish the details of the transaction statement of the Noticee as well as the aforesaid clients, viz. G N Credits Pvt. Ltd., and Rapid Credit (Holdings) Pvt. Ltd. vide e-mail dated February 16, 2018. In its reply dated February 17, 2018, the CDSL furnished transaction statements of 48 demat accounts belonging to the Noticee, G N Credits Pvt. Ltd. and Rapid Credit (Holdings) Pvt. Ltd. On perusal of the aforesaid transaction statements as well as the contract notes provided by the Noticee, I observe that during the Examination Period, the opening balance (as on December 01, 2013) of demat account of the Noticee bearing client ID 00000020 in the scrip of Riba Textiles was 3,97,765 shares. Thereafter, 97,164 shares of Riba Textiles were credited to the demat account of the Noticee (client ID 00000020) in December 2013, resulting into a closing balance of 4,94,929 shares of Riba Textiles in the account bearing client ID 00000020 belonging to the Noticee. On perusal of classification of the account, I note that the demat account bearing ID 00000020 was indeed a Corporate – Margin Trading Account belonging to the Noticee. On further perusal of transaction statement of demat account bearing ID 00000012 belonging to G N Credits Pvt. Ltd., I observe that 3,96,765 were later credited to the demat account bearing ID 00000012 belonging to G N Credits Pvt. Ltd. from the demat account bearing ID 00000020 belonging to the Noticee on January 24, 2014. I also find from the material available on record that the Noticee held the aforesaid 4,94,929 shares of Riba Textiles on behalf of its clients, who had *inter alia* authorized the Noticee to retain securities in its demat account for their margin / future obligations at both the exchanges, unless instructed otherwise vide their authority letters.
17. I also note that the BSE, vide e-mail dated February 21, 2018 had confirmed that on examination of trades on the basis of PAN of the Noticee (AACCR0011K) in the scrip of Riba Textiles, no trades were found to have been executed on behalf of the Noticee during the Examination Period.
18. In view of the aforesaid, I find merit in the submission of the Noticee that the aforesaid 4,94,929 shares of Riba Textiles were held by the Noticee on behalf of its clients in the ordinary course of its business. Therefore, I am of the view that for the aforesaid purchase of 4,94,929 shares of Riba Textiles during the Examination Period, the Noticee does not fall within the ambit of “acquirer” in terms of Regulation 2(1)(a) of the SAST Regulations. At this juncture, I also find it relevant to refer to the observation of

Hon'ble Securities Appellate Tribunal in the matter of **SPS Share Brokers Private Limited v. Securities and Exchange Board of India** (Appeal No. 35 of 2013 dated August 27, 2013) wherein it was observed, “.. *it may be pertinently noted that a broker is rightfully entitled to trade on his client's behalf as well as on behalf of himself. The point to be borne in mind is that there is a marked distinction between the trades executed by a broker for his own purposes, and those executed by him on behalf of his clients, albeit in the scrip of the same company. Therefore, for the purposes of acquisition under Regulation 7 or any other similar provision in other regulations, the two aforementioned transactions have to be treated separately unless it is proved that the client and the broker acted in league with each other...*” I note that nothing has been placed on record to establish that the aforesaid 4,94,929 shares of the Riba Textiles were acquired by the Noticee on behalf of himself. Therefore, I am of the considered view that compliance with provisions of Regulation 29(1) of the SAST Regulations did not arise as a result of purchase and subsequent holding of the aforesaid shares by the Noticee on behalf of its clients in the ordinary course of business. Since Regulation 29(1) of the SAST Regulations was not attracted, the question of its violation cannot arise.

19. Similarly, a disclosure under Regulation 13(1) of the PIT Regulations is required on acquisition of 5% or more shares of a listed company by a person. Since, the purchase and subsequent holding of 4,94,929 shares of the Company by the Noticee on behalf of its clients during the Examination Period does not amount to acquisition of shares by the Noticee, a requirement to disclose under Regulation 13(1) of the PIT Regulations did not arise.
20. I note that the instance of holding of 4,94,929 shares of the Riba Textiles on behalf of its clients by the Noticee required disclosures to be made by the Noticee in terms of the BSE Notices Numbers 20131129-20 dated November 29, 2013. However, the aforesaid enquiry of disclosures in terms of the aforesaid BSE Notice dated November 29, 2013 is not a subject matter of the present adjudication proceedings.

Issue 12.2 **If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15A (b) of the SEBI Act?**

&

Issue 12.3 **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?**

21. Considering the facts and circumstances of the case and also taking into account the material available on record, it is concluded that the violation of Regulation 13(1) of the PIT Regulations and Regulation 29(1) read with 29(3) of the SAST Regulations against the Noticee does not stand established for reasons as discussed above. Therefore, the subsequent Issues 12.2 & 12.3 require no further examination.

ORDER

22. Accordingly, taking into account the aforesaid observations and in exercise of powers conferred upon me under Section 15 of the SEBI Act read with Rule 5 of the Adjudication Rules, I am of the view that no penalty is warranted to be imposed upon the Noticee in the matter and the case / SCN is disposed of accordingly.

23. 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 : February 23, 2018

Place : Mumbai

(Rachna Anand)

Adjudicating Officer