

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: AO/SBM/EAD-3/ 78 /2017)

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

In respect of:

**Parind S Parekh
PAN: ALDPP4686M**

102, Saroj Building,
Opp Grasshopper Restaurant,
VP Road,
Ville Parle (West)
Mumbai – 400056

In the matter of:

M/s Nivyah Infrastructure & Telecom Services Ltd

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), while conducting an examination in the scrip of Nivyah Infrastructure & Telecom Services Limited. (hereinafter referred to as '**Company/NITSL**'), observed that Shri Parind S. Parekh (hereinafter referred to as '**Noticee**') had failed to make timely disclosures pertaining to his acquisition and sale of shares of NITSL during the period June 20, 2012 to September 28, 2012 (hereinafter referred to as '**Relevant period**'). It was observed that the Noticee had allegedly failed to comply with the disclosure requirements specified under the

provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations**') and also under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**'). In view of the above, adjudication proceedings were initiated against the Noticee under the provisions of section 15 A (b) of the SEBI Act, 1992 (hereinafter referred to as **SEBI Act**).

2. The shares of NITSL were listed on the Bombay Stock Exchange Ltd. (hereinafter referred to as "**BSE**") and Madhya Pradesh Stock Exchange Ltd.(hereinafter referred to as "**MPSE**") and the total paid up share capital of NITSL during the relevant period was Rs 74.51 crore (represented by 7,45,14,928 equity shares of face value of Rs 10/- each).

APPOINTMENT OF ADJUDICATING OFFICER

3. Shri D. Ravikumar was appointed as the Adjudicating Officer vide Order dated March 11, 2013 under Section 15-I of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of Section 15A(b) of the SEBI Act for the alleged failure on the part of the Noticee to comply with the provisions of Regulations 29(1) and 29(2) read with Regulation 29(3) of the SAST Regulations and Regulations 13(3), 13(4) and 13(4A) read with Regulation 13(5) and Regulations 13(1) and 13(2A) of the PIT Regulations. Pursuant to the transfer of Shri D. Ravikumar, the undersigned was appointed as the Adjudicating officer in the matter vide order dated June 22, 2015.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

4. Show Cause Notice reference no. A&E/DRK/CS/12543/2014 dated April 30, 2014 (hereinafter referred to as "**SCN**") was issued to the Noticee in terms of Rule 4 of the Adjudication Rules read with section 15 I of the SEBI Act, to show cause as to why an inquiry should not be initiated and penalty be not imposed under the provisions of section 15A(b) of the SEBI Act 1992, for the aforesaid

alleged contravention of the provisions of law by the Noticee. The SCN issued to the Noticee *inter alia* mentioned the following :

- a) SEBI conducted an investigation into the alleged irregularity in the trading in the scrip of Nivvyah Infrastructure & Telecom Services Ltd.(Nivvyah) to examine the possible violation of the provisions of the SEBI Act and various rules and regulations made there under. The shares of Nivvyah were listed at Bombay Stock Exchange Ltd. and Madhya Pradesh Stock Exchange Ltd.
- b) The details of the transactions of the Noticee in the scrip of Nivvyah are given as follows:

| Date of transaction | Acqi/ sale | No. of shares | Change in shareholding | Resultant | Change in % | Net change in shareholding | Change in value (Rs.) |
|---------------------|------------|---------------|------------------------|-----------|-------------|----------------------------|-----------------------|
| 20.06.2012 | A | 2,61,77,777 | | 35.13% | | | |
| 7.07.2012 | A | 800 | 2,61,78,577 | 35.13% | | | |
| 19.07.2012 | S | 9,310 | 2,61,69,267 | 35.12% | 0.01% | | 39,756 |
| 20.07.2012 | S | 24,425 | 2,61,44,842 | 35.09% | 0.03% | -33,735 | 1,04,783 |
| 8.08.2012 | S | 1,00,000 | 2,60,44,842 | 34.95% | 0.13% | -1,00,000 | 4,21,000 |
| 9.08.2012 | S | 5,00,000 | 2,55,44,842 | 34.28% | 0.67% | -5,00,000 | 20,75,000 |
| 27.08.2012 | S | 21,500 | 2,55,23,342 | 34.25% | 0.03% | | 93,525 |
| 29.08.2012 | S | 26,839 | 2,54,96,503 | 34.22% | 0.04% | -48,339 | |
| 4.09.2012 | S | 17,674 | 2,54,78,829 | 34.19% | 0.02% | | 95,086 |
| 5.09.2012 | S | 36,131 | 2,54,42,698 | 34.14% | 0.05% | -53,805 | 1,96,914 |
| 6.09.2012 | S | 11,359 | 2,54,31,339 | 34.13% | 0.02% | | 62,588 |
| 10.09.2012 | S | 2,00,000 | 2,52,31,339 | 33.86% | 0.27% | -2,11,359 | 56,60,000 |
| 10.09.2012 | S | 10,00,000 | 2,42,31,339 | 32.52% | 1.34% | -10,00,000 | 2,83,000 |
| 10.09.2012 | S | 50,000 | 2,41,81,339 | 32.45% | 0.07% | -50,000 | 11,32,000 |
| 14.09.2012 | S | 16,473 | 2,41,64,866 | 32.43% | 0.02% | | 1,09,216 |
| 15.09.2012 | S | 65,00,000 | 1,76,64,866 | 23.71% | 8.72% | -65,16,473 | 4,30,95,000 |
| 17.09.2012 | S | 73,170 | 1,75,91,696 | 23.61% | 0.10% | -73,170 | 5,07,068 |
| 18.09.2012 | A | 2,00,000 | 1,77,91,696 | 23.88% | -0.27% | 2,00,000 | |
| 18.09.2012 | S | 2,00,000 | 1,77,91,696 | 23.61% | 0.27% | -2,00,000 | 14,38,000 |
| 21.09.2012 | S | 26,332 | 1,75,65,364 | 23.57% | 0.04% | -26,332 | 2,09,339 |
| 24.09.2012 | S | 49,648 | 1,75,15,716 | 23.51% | 0.07% | -49,648 | 4,15,057 |
| 25.09.2012 | S | 21,397 | 1,74,94,319 | 23.48% | 0.03% | | 1,73,529 |
| 27.09.2012 | S | 99,253 | 1,73,95,066 | 23.34% | 0.13% | -1,20,650 | 7,99,979 |
| 28.09.2012 | S | 57,828 | 1,73,37,238 | 23.27% | 0.08% | -57,828 | 4,63,780 |

- c) It is alleged from the above table that on June 20, 2012, Noticee had acquired 2,61,77,777 shares of Nivvah which constitutes 35.13% of the total shareholding of Nivvah. At this juncture, as per regulation 29(1) read with 29(3) of SAST Regulations, as Noticee had acquired more than five percent of the shares of the target company, he was required to disclose such acquisition to the stock exchanges and to Nivvah within two working days of such acquisition of shares.
- d) The Noticee was part of the promoter/promoter group of Nivvah during the relevant period. As can be seen from the table above, Noticee, on various dates, purchased and sold more than 25,000 shares. During the said period when the Noticee had purchased or sold more than 25000 shares, in terms of regulation 13(4), 13(4A) read with 13(5) of the PIT Regulations, the Noticee was required to disclose such change in his shareholding to the company and to the stock exchanges within two working days of purchase/ sale of such shares.
- e) On September 10 and 15, 2012, Noticee sold 10,00,000 and 65,00,000 shares of the company, which resulted in change in shareholding of Noticee and the change exceeding more than 2% of the shareholding in the company. At this juncture, as per regulation 29(2) of SAST Regulations, Noticee was required to disclose such change in shareholding to the company within two working days of sale of such shares.
- f) From the foregoing, it is alleged that Noticee has violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of the SAST Regulations and Regulations 13(3) and 13(4A) read with 13(5) and regulation 13(1), 13(2A) of the PIT Regulations. It was therefore alleged that Noticee was liable for penalty under the provisions of section 15A(b) of the SEBI Act.

5. The SCN dated April 30, 2014 could not be served on the Noticee as the same had returned undelivered. Thereafter, the SCN was served on the Noticee by way of affixture at the Noticee's last known address. The affixture report in this regard in terms of the adjudication rules is on record. Subsequently, in the interest of natural justice and in order to conduct an inquiry in terms of Rule 4 (3) of the Adjudication Rules, a letter dated September 25, 2017 granting an opportunity of hearing to the Noticee on October 17, 2017 was also issued to the Noticee. The said letter dated September 25, 2017 was served on the Noticee by way of affixture at the Noticee's last known address on September 27, 2017. The affixture report in this regard in terms of the adjudication rules is on record. Vide the said letter dated September 25, 2017, Noticee was advised to submit his reply to the SCN by October 10, 2017 and to also appear for the hearing on October 17, 2017. However, I observe that the Noticee has not only failed to submit his reply to the SCN but also failed to appear for the hearing on the stipulated date. In view of the above reasons, I am compelled to proceed with the matter *ex-parte* on the basis of facts/material on record.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS:

6. I have carefully perused the material on record and the facts and circumstances of the case. The allegation against the Noticee is that he had failed to make the necessary disclosures in respect of his purchase and sale of shares of NITSL, during the relevant period, under the provisions of SAST Regulations and PIT Regulations, as applicable.
7. Before moving forward, the relevant extracts of the provisions of the SAST Regulations and PIT Regulations allegedly violated by the Noticee are mentioned as under :

SAST Regulations, 2011

29.(1) Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by

persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified.

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

PIT 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.*

(2A) Any person who is a promoter or part of the promoter group of a listed company shall disclose to the company in Form B the number of shares or voting rights held by such person, within two working days of becoming such promoter or person belonging to promoter group.]

(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 sub-regulation, 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.*

8. In the context of the present matter, it is pertinent to mention that in May 2012, the Company i.e NITSL merged with itself two entities viz. Parshwa Purushottam Parind Parekh Networks Private Limited (hereinafter termed as '**Parshwa**') and Softeng Computers Pvt Ltd (hereinafter termed as '**Softeng**'). The merger was as per the scheme of arrangement u/s 391 to 394 of the Companies Act, 1956 and approved by the Hon'ble High Court of Madhya Pradesh. As a result of the merger, there was allotment of shares of the Company that were made to the existing shareholders of Parshwa. The share capital of the Company increased from 2,07,74,601 shares to 7,45,14,928 shares. In terms of the Hon'ble High Court Order, 5,37,40,328 shares were allotted to the share holders of Parshwa by the Company. The Noticee was allotted 2,61,77,777 shares of the Company on 20th June 2012. Pursuant to

the above said allotment of shares, certain persons/entities, including the Noticee were appearing in the promoters/ promoter group of NITSL.

9. The following table mentions the details of the transactions undertaken by the Noticee in the scrip of NITSL during the relevant period-

| Date of transaction | Acqi/ sale | No. of shares | Change in shareholding | Resultant | Change in % | Net change in shareholding | Change in value (Rs.) |
|---------------------|------------|---------------|------------------------|-----------|-------------|----------------------------|-----------------------|
| 20.06.2012 | A | 2,61,77,777 | | 35.13% | | | |
| 7.07.2012 | A | 800 | 2,61,78,577 | 35.13% | | | |
| 19.07.2012 | S | 9,310 | 2,61,69,267 | 35.12% | 0.01% | | 39,756 |
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| 8.08.2012 | S | 1,00,000 | 2,60,44,842 | 34.95% | 0.13% | -1,00,000 | 4,21,000 |
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| 5.09.2012 | S | 36,131 | 2,54,42,698 | 34.14% | 0.05% | -53,805 | 1,96,914 |
| 6.09.2012 | S | 11,359 | 2,54,31,339 | 34.13% | 0.02% | | 62,588 |
| 10.09.2012 | S | 2,00,000 | 2,52,31,339 | 33.86% | 0.27% | -2,11,359 | 56,60,000 |
| 10.09.2012 | S | 10,00,000 | 2,42,31,339 | 32.52% | 1.34% | -10,00,000 | 2,83,000 |
| 10.09.2012 | S | 50,000 | 2,41,81,339 | 32.45% | 0.07% | -50,000 | 11,32,000 |
| 14.09.2012 | S | 16,473 | 2,41,64,866 | 32.43% | 0.02% | | 1,09,216 |
| 15.09.2012 | S | 65,00,000 | 1,76,64,866 | 23.71% | 8.72% | -65,16,473 | 4,30,95,000 |
| 17.09.2012 | S | 73,170 | 1,75,91,696 | 23.61% | 0.10% | -73,170 | 5,07,068 |
| 18.09.2012 | A | 2,00,000 | 1,77,91,696 | 23.88% | -0.27% | 2,00,000 | |
| 18.09.2012 | S | 2,00,000 | 1,77,91,696 | 23.61% | 0.27% | -2,00,000 | 14,38,000 |
| 21.09.2012 | S | 26,332 | 1,75,65,364 | 23.57% | 0.04% | -26,332 | 2,09,339 |
| 24.09.2012 | S | 49,648 | 1,75,15,716 | 23.51% | 0.07% | -49,648 | 4,15,057 |
| 25.09.2012 | S | 21,397 | 1,74,94,319 | 23.48% | 0.03% | | 1,73,529 |
| 27.09.2012 | S | 99,253 | 1,73,95,066 | 23.34% | 0.13% | -1,20,650 | 7,99,979 |
| 28.09.2012 | S | 57,828 | 1,73,37,238 | 23.27% | 0.08% | -57,828 | 4,63,780 |

10. I find that the disclosure requirements under the SAST Regulations and PIT Regulations are triggered when an entity's shareholding in a company crosses the threshold limit of 5% of the total share capital of the company. In the instant matter, I find from the material on record and also from the data mentioned in the above Table that the Noticee was not holding any shares of NITSL as on

June 19, 2012. I find that the Noticee had received 2,61,77,777 shares of the Company on June 20, 2012 consequent to the scheme of arrangement mentioned above. The above transaction resulted in Noticee's shareholding in the Company going up to 35.13% of the total share capital of NITSL as on June 20, 2012. The said transaction also resulted in the Noticee's shareholding in NITSL crossing the threshold limit of 5% (of the total share capital of the company) as on June 20, 2012. Therefore, the Noticee was required to make the necessary disclosures to the Company and to BSE in the prescribed format within two working days of his acquisition of shares in terms of Regulation 29(1) read with Regulation 29(3) of the SAST Regulations. Further, the Noticee was also required to make the disclosures in the prescribed format (Form A) to the Company within two working days of his acquisition of shares in terms of Regulation 13(1) of the PIT Regulations.

11. I find from the disclosures made on the website of BSE that the relevant disclosures under Regulation 29 (1) read with Regulation 29 (3) of the SAST Regulations were made by the Noticee on March 05, 2013 (also evident from the disclosure format made by the Noticee observed from BSE website). The Noticee has failed to make the disclosure u/r 29(1) within the stipulated time period and made the said disclosure to BSE with a delay of more than 8 months. I also observe from the records/material made available that Noticee has not made the disclosure under the provisions of Regulation 13 (1) of the PIT Regulations. In view of the above, I hold that the Noticee has violated the provisions of Regulation 29 (1) read with Regulation 29 (3) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.

12. I find that pursuant to the allotment of shares to the shareholders of Parshwa by the Company in terms of the Scheme of arrangement, certain allottees, including the Noticee have been included in the category of promoter / promoter group of the Company. Therefore, the Noticee who was allotted 2,61,77,777 shares of the Company on June 20, 2012 was required to make the disclosure in the prescribed format (Form B) to the Company in terms of Regulation 13 (2A) of the PIT Regulations within two working days of becoming

a promoter or person belonging to the promoter group of the Company. I observe from the records/material available on record that the Noticee has failed to make the relevant disclosure required to be made under Regulation 13 (2A) of the PIT Regulations. Therefore, I hold that the Noticee has violated the provisions of Regulation 13(2A) of the PIT Regulations and the allegation leveled against the Noticee in the SCN in this regard also stands established.

13. It is further noted from the above Table that the transactions of the Noticee in NITSL during the relevant period has resulted in change in the Noticee's shareholding or voting rights and the change has exceeded Rs 5 lakhs in value or 25,000 shares in terms of quantity of shares traded or 1 % of the total shareholding or voting rights, whichever is lower. The Noticee, who was the promoter and also the Managing Director of NITSL during the relevant period of the transactions was required to make the necessary disclosures w.r.t the change in his shareholding to the Company and to the Stock Exchanges in the prescribed reporting format (Form D) in terms of Regulations 13(4) and 13 (4A) read with Regulation 13 (5) of the PIT Regulations. The said disclosures were to be made by the Noticee within two working days of the acquisition or sale of shares by the Noticee, as the case may be.

14. Specifically, I observe from the transactions of the Noticee in the scrip of NITSL, as mentioned in the Table above that the Noticee had bought / sold shares of NITSL on August 08, 09 and 29, 2012, September 05, 10, 15, 17, 18, 21, 24, 27 and September 28, 2012, and the quantity of shares traded on these dates were in excess of 25,000 shares. Therefore, Noticee was required to make the disclosures under Regulations 13 (4) and 13(4A) of the PIT Regulations for the aforementioned transactions. However, I find from the records/material made available that no such disclosures were made by the Noticee. In view of the above, I hold that the Noticee has violated the provisions of Regulations 13(4) and 13(4A) of the PIT Regulations. Further, I also note from the transactions of the Noticee mentioned in the above Table that on September 10 and 15, 2012, Noticee had sold 10,00,000 and 65,00,000 shares of NITSL, which resulted in change in the Noticee's shareholding and the

change exceeding more than 2% of the shareholding in the Company. In terms of the provisions of Regulation 29 (2) of the SAST Regulations and Regulation 13(3) of the PIT Regulations, the Noticee was required to disclose such change in shareholding to the company within two working days of his sale of such shares, which had exceeded the threshold limit. However, I observe from the records/material made available that the Noticee had made these disclosures to the BSE on March 05, 2013 i.e after a delay of more than 5 months. Therefore, in view of the fact that Noticee had not made these disclosures within the stipulated time, I hold that the Noticee has violated the provisions of Regulation 13(3) of the PIT Regulations and Regulation 29(2) of the SAST Regulations.

15. In this context, I observe that Hon'ble SAT has consistently held that the obligation to make disclosure within the stipulated time is a mandatory obligation and penalty is imposed for non-compliance with the mandatory obligation. The Hon'ble SAT in its Order dated September 30, 2014, in the matter of *Akriti Global Traders Ltd. Vs SEBI* had observed that

“Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares were purchased from open market or shares were received on account of amalgamation or by way of bonus shares, if, as a result of such acquisition/ receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations.”

16. In view of the foregoing, I am convinced that the Noticee has violated the provisions of Regulations 29(1) and 29(2) read with Regulation 29 (3) of the SAST Regulations and also the provisions of Regulations 13 (1), 13 (2A), 13(3), 13(4) and 13 (4A) of the PIT Regulations. Therefore, I am of the view that the Noticee is liable for monetary penalty under the provisions of Section 15 A (b) of the SEBI Act.

17. In this context, I would also like to quote the observations of the Hon'ble Supreme Court of India in the matter of *Chairman, SEBI Vs Shriram Mutual Fund* { [2006] 5 SCC 361 } – held that *“In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant....”*

18. In view of the violation of the provisions of law by the Noticee, as established above, the Noticee is liable for monetary penalty under the provisions of Section 15A(b) of the SEBI Act, which 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 there under-

(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.

19. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Adjudication Rules require that while adjudging the quantum of penalty, 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.*

20. With regard to the above factors to be considered while determining the quantum of penalty, it may be noted that the examination conducted by SEBI in the said matter has not quantified the profit/loss for the violations committed by the Noticee. No quantifiable figures or data are made available on record to assess the disproportionate gain or unfair advantage and amount of loss

caused to an investor or group of investors as a result of the default of the Noticee.

21. I am of the view that the details of the shareholding of the promoters/directors of a company and of persons acquiring substantial stake and the timely disclosures thereof, are of significant importance from the point of view of the investors, as such information received by them in a time bound manner would facilitate them immensely in taking a balanced investment decision as regards their holdings in the Company. In the instant case, the timely disclosures of the transactions in the scrip of NITSL by the Noticee under the relevant provisions of SAST Regulations and PIT Regulations, were of significant importance from the point of view of the investors. Further, the purpose of these disclosures is to bring about transparency in the transactions and to assist the Regulator to effectively monitor the transactions in the securities market.
22. In this context of the present case, I observe that the Noticee had made belated disclosure under Regulation 29(1) and Regulation 29(2) of SAST Regulations and Regulation 13(3) of the PIT Regulations. In this regard, it is relevant to quote the observations made by Hon'ble SAT in its judgment on 4.9.2013 in the matter of Vitro Commodities Private Limited Vs SEBI wherein Hon'ble SAT had observed that *"It may be noticed that provisions of Regulations 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 are not substantially different, since violation of first automatically triggers violation of second and hence there is no justification for imposition of penalty for second violation when penalty for first violation has been imposed. It may be seen that Regulation 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 are not stand alone Regulations and one is corollary of other"* In light of the above observations of Hon'ble SAT, I am of the view that the violation of the provisions of Regulation 13(1) of the PIT Regulations, 1992 and Regulation 29(1) of the SAST Regulations, 2011 committed by the Noticee are not substantially different. Therefore, I am of the view that the violation of Regulation 29(1) of SAST Regulations and Regulation

13(1) of the PIT Regulations by the Noticee can be considered as a single violation for the purpose of imposition of penalty on the Noticee.

ORDER

23. Having considered all the facts and circumstances of the case, the material available on record and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a consolidated penalty of Rs 3,00,000/- (Rupees Three lakh only) on the Noticee viz. Shri Parind S Parekh (PAN: ALDPP4686M) under the provisions of Section 15A(b) of the SEBI Act, 1992 for his failure to make the necessary disclosures under the provisions of Regulation 29(1) and Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Regulation 13(1), 13(2A), 13(3), 13(4) and 13(4A) read with Regulation 13(5) of the PIT Regulations read with Regulation 12 (1) and 12(2)(a) of SEBI (Prohibition of Insider trading) Regulations, 2015 (repeal and savings). I am of the view that the said penalty is commensurate with the default committed by the Noticee.

24. The Noticee shall remit / pay the said amount of penalty within 45 days of the 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 the Bank Account, the details of which are given below

| | |
|--|--|
| Account No. for remittance of penalties levied by Adjudication Officer | |
| 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 |

25. The Noticee shall forward the said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief of Enforcement Department (EFD) of SEBI. The format for forwarding details / confirmation of the e-payments made to SEBI shall be in the form as provided at Annexure A of Press Release No. 131/2016 dated August 09, 2016 shown at the SEBI Website which is mentioned as under:

| | |
|--|--|
| 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) | |

26. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is sent to the Noticee viz. Shri Parind S Parekh and also to Securities and Exchange Board of India.

Place: Mumbai
Date: October 27, 2017

SURESH B MENON
ADJUDICATING OFFICER