

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/MC/VS/2020-21/8302-8309]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of

- 1. Brijdham Dealcom Pvt. Ltd.** (PAN AADCB6626P) having address at 52 Canning Street, Ground Floor, Kolkata, West Bengal – 700001
- 2. Compass Distributors Pvt. Ltd.** (PAN AADCC8036A) having address at 9B Brijdulal Street, 3rd Floor, Kolkata, West Bengal – 700007
- 3. Conquer Barter Pvt. Ltd.** (PAN AADCC8378F) having address at 42, Sir Hari Ram Goenka Street, Kolkata, West Bengal – 700007
- 4. Economy Sales Pvt. Ltd.** (PAN AACCE1151B) having address at 52 Canning Street, Ground Floor, Kolkata, West Bengal – 700001
- 5. Mayurpankh Vincom Pvt. Ltd.** (PAN AAFCM8753N) having address at 66, Salkia School Road, Howrah, West Bengal – 711106
- 6. Miracle Tradecom Pvt. Ltd.** (PAN AAFCM8752P) having address at 194 Rabindra Sarani, Kolkata, West Bengal – 700007
- 7. Narayan Suppliers Pvt. Ltd.** (PAN AACCN9623R) having address at 138 Canning Street, Ground Floor, Kolkata, West Bengal – 700001
- 8. Premsagar Vinimay Private Limited** (PAN AAEC9297K) having address at 19/1 Sikdarpara Street, Kolkata, West Bengal – 700001

in the matter of PS IT Infrastructure and Services Ltd.

1. Securities and Exchange Board of India (hereinafter be referred to as, the “**SEBI**”), initiated adjudication proceedings under Section 15A (b) and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as, the “**SEBI Act**”) for the violations of various provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter be referred to as, the “PIT Regulations”) read with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations 2015”) alleged to have been committed by Brijdham Dealcom Pvt. Ltd. (“**Noticee No. 1**”), Compass Distributors Pvt. Ltd. (“**Noticee No.2**”), Conquer Barter Pvt. Ltd. (“**Noticee No. 3**”), Economy Sales Pvt. Ltd. (“**Noticee No. 4**”), Mayurpankh Vincom Pvt. Ltd. (“**Noticee No. 5**”), Miracle Tradecom Pvt. Ltd. (“**Noticee No. 6**”), Narayan Suppliers Pvt. Ltd. (“**Noticee No. 7**”) and Premsagar Vinimay Private Limited (“**Noticee No. 8**”), (hereinafter together referred to as “**the Noticees**”) upon failure to make disclosures due to changed shareholding between May 01, 2012 to July 31, 2015 i.e. the “investigation period” or the “relevant period”.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer *vide* Order dated June 3, 2019 to inquire into and adjudge under Sections 15A (b) and 15HB of the SEBI Act, the aforesaid alleged violations against the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/VS/29937/2019 dated November 13, 2019 (hereinafter be referred to as, the '**SCN**') was served upon the Noticees under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to show cause as to why an inquiry should not be held and penalty be not imposed

against the Noticees under Sections 15A (b) and 15HB of SEBI Act for the aforesaid alleged violations.

4. The allegations made in the show cause notice, are described below.

- a. It was observed that pursuant to the Amalgamation/Arrangement involving merger of Crescent Digital Technologies Limited (CDTL) and Swift IT Infrastructure and Services Ltd. with PSIT on June 05, 2013, 4,25,20,000 equity shares of Rs.10/- each were issued, listed and permitted for trading on BSE w.e.f. August 13, 2013. On account of the resultant change in shareholding pattern following the amalgamation/arrangement, PSIT had 8 new promoters viz. Compass Distributors Pvt. Ltd, Conquer Barter Pvt. Ltd, Economy Sales Pvt. Ltd., Mayurpankh Vincom Pvt. Ltd., Premsagar Vinimay Pvt. Ltd., Brijdham Dealcom Pvt. Ltd., Miracle Tradecom Pvt. Ltd., and Narayan Suppliers Pvt. Ltd. (i.e. Noticee Nos. 1-8).
- b. Upon verification of details of physical transfer of shares by promoters (as per details provided by Central Depository Services (India) Limited /CDSL, NSDL and the Registrar and Transfer Agent (“RTA”, namely Sharex Dynamic (India) Pvt. Ltd) and disclosures made by promoters and PSIT to the BSE in respect of changes to promoter shareholding pursuant to Amalgamation / Arrangement, it was found that the shareholding of Noticee Nos. 1-8 had undergone changes during the investigation period.
- c. The details regarding the change in shareholding of the Noticees was provided by the RTA of PSIT vide email dated Feb. 15, 2019
- d. The change of promoters of PSIT and shareholding of the promoter entities during the investigation period pursuant to amalgamation are as follows:-

i. Compass Distributors Pvt. Ltd. - Noticee No.2

Shareholding of Compass Distributors Pvt. Ltd. (“Compass” or “Noticee No.2”) changed as detailed in table below.

Shareholding change of Compass Distributors Pvt. Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Trans action date	No of share s held - pre dispo sal	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of shares held - post Disposed	% of share holdin g held - post Dispo sal	Disclosur e required	Requir ed Date of Disclos ure to Stock Exchan ge	Require d Date of Disclos ure to compan y	Actual date of disclo sure to Stock Excha nge	Actual date of disclo sure to Comp any
2-07-13	-	0.00%	-	15,00,000	15,00,000	2.790 %	13(2A) of PIT Reg., 1992	16-07-13	16-07-13	NA	NIL
5-10-13	15,00,000	2.79%	3,59,36,000*	8,98,400*	6,01,600	1.119 %	13(4A) r/w 13(5) of PIT Reg., 1992	27-10-13	27-10-13	NIL	NIL
1-11-13	6,01,600	1.119 %	1,21,85,000*	3,04,625*	2,96,975	0.552 %	13(4A) r/w 13(5) of PIT Reg., 1992	03-11-13	03-11-13	NIL	NIL
2-11-13	2,96,975	0.552 %	10,00,000*	25,000*	2,71,975	0.505 %	13(4A) r/w 13(5) of PIT Reg., 1992	24-11-13	24-11-13	NIL	NIL
6-12-13	2,71,975	0.505 %	41,84,000*	1,04,600*	1,67,375	0.311 %	13(4A) r/w 13(5) of PIT Reg., 1992	08-12-13	08-12-13	NIL	NIL
1-12-13	1,67,375	0.311 %	5,40,000*	13,500	1,53,875	0.286 %	13(4A) r/w 13(5) of PIT Reg., 1992	13-12-13	13-12-13	NIL	NIL
0-12-13	1,53,875	0.286 %	10,00,000*	25,000	1,28,875	0.239 %	13(4A) r/w 13(5) of PIT Reg., 1992	22-12-13	22-12-13	NIL	NIL
3-01-14	1,28,875	0.239 %	9,85,300*	26,000*	1,02,875	0.191 %	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL
7-01-14	1,02,875	0.191 %	1,15,000	2,875	1,00,000	0.186 %	NA	NA	NA	NA	NA
02-06-14	1,00,000	0.186 %	40,00,000*	1,00,000*	0	0	13(4A) r/w 13(5) of PIT Reg., 1992	04-06-14	04-06-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Noticee No. 2 did not make the required disclosures in terms of Regulation 13(2A) of SEBI (PIT) Regulations, 1992 read with Reg. 12 of SEBI (PIT) Regulations, 2015 to the company on 12-07-2013 and in terms of Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992 read

with Reg. 12 of SEBI (PIT) Regulations, 2015 to the company and the stock exchange on 25-10-2013, 01-11-2013, 22-11-2013, 06-12-2013, 11-12-2013, 20-12-2013, 03-01-2014 and 02-06-2014.

It was further seen that Noticee No. 2 made certain disclosures under Reg. 13(4A) of SEBI (PIT) Regulations, 1992 to BSE and to PSIT on Oct. 07, 2013 inter-alia disclosing that its shareholding had reduced to zero (0) shares after sale of 15,00,000 shares through physical mode. However, from the data provided by the RTA it was observed that the shareholding of Noticee No. 2 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 2 made wrong disclosures to the company and the stock exchange on Oct. 07, 2013.

ii. Conquer Barter Pvt. Ltd. – Noticee No. 3

Shareholding of Conquer Barter Pvt Ltd (“Conquer” or “Noticee No. 3”) changed as detailed in table below.

Shareholding change of Conquer Barter Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Trans action date	No of shares held - pre disposa l	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of share s held - post Dispo sed	% of share holdin g held - post Dispo sal	Disclos ure require	Requi red Date of Disclo sure to Stock Excha nge	Requi red Date of Disclo sure to comp any	Actual date of disclo sure to Stock Excha nge	Actual date of disclo sure to Comp any
12-07-13	-	0.000 %	--	15,00,000 *	15,00,000	2.790 %	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
22-10-13	15,00,000	2.790 %	20,00,000*	50,000*	14,50,000	2.697 %	13(4A) r/w 13(5) of PIT Reg., 1992	24-10-13	24-10-13	NIL	NIL
22-11-13	14,50,000	2.697 %	1,34,60,000 *	3,36,500 *	11,13,500	2.071 %	13(4A) r/w 13(5) of PIT Reg., 1992	24-11-13	24-11-13	NIL	NIL

Trans action date	No of shares held - pre disposa l	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of share s held - post Dispo sed	% of share holdin g held - post Dispo sal	Disclos ure require	Requi red Date of Disclo sure to Stock Excha nge	Requi red Date of Disclo sure to comp any	Actual date of disclo sure to Stock Excha nge	Actual date of disclo sure to Comp any
29-11-13	11,13,500	2.071 %	6,20,000*	16,000	10,97,500	2.041 %	13(4A) r/w 13(5) of PIT Reg., 1992	01-12-13	01-12-13	NIL	NIL
11-12-13	10,97,500	2.041 %	15,40,000*	44,000*	10,53,500	1.959 %	13(4A) r/w 13(5) of PIT Reg., 1992	13-12-13	13-12-13	NIL	NIL
26-12-13	10,53,500	1.959 %	50,75,000*	1,45,000*	9,08,500	1.689 %	13(4A) r/w 13(5) of PIT Reg., 1992	28-12-13	28-12-13	NIL	NIL
03-01-14	9,08,500	1.689 %	2,59,80,000 *	7,40,500*	1,68,000	0.312 %	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-13	02-01-14	NIL	NIL
17-01-14	1,68,000	0.312 %	58,80,000*	1,68,000*	0	0	13(4A) r/w 13(5) of PIT Reg., 1992	19-01-14	19-01-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Noticee No. 3 did not make required disclosures in terms of Regulation 13(2A) of the PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company and the stock exchange on 22-10-2013, 22-11-2013, 29-11-2013, 11-12-2013, 26-12-2013, 03-01-2014 and 17-01-2014.

It was further seen that Noticee No. 3 made certain disclosures under Reg. 13(4A) of SEBI (PIT) Regulations, 1992 to BSE and to PSIT on Oct. 11, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 15,00,000 shares through physical mode. However, from the data provided by the

RTA it was observed that the shareholding of Noticee No. 3 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 3 made wrong disclosures to the company and the stock exchange on Oct. 11, 2013.

iii. Economy Sales Pvt. Ltd. – Noticee No. 4

Shareholding of Economy Sales Pvt. Ltd. (“**Economy**” or “**Noticee No. 4**”) changed as detailed in table below:-

Shareholding change of Economy Sales Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Trans action date	No of shares held - pre disposal	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of shares held - post Dispose d	% of shareh olding held - post Dispos al	Disclosu re required	Require d Date of Disclosu re to Stock Exchang e	Require d Date of Disclosu re to compan y	Actual date of disclosu re to Stock Exchan ge	Actual date of disclosu re to Compa ny
12-07-13	-	0.000 %		15,00,000	15,00,000	2.790%	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
15-10-13	15,00,000	2.790 %	2,74,15,000*	6,85,375*	8,14,625	1.515%	13(4A) r/w 13(5) of PIT Reg., 1992	17-10-13	17-10-13	NIL	NIL
22-10-13	8,14,625	1.515 %	15,60,000*	39,000*	7,75,625	1.442%	13(4A) r/w 13(5) of PIT Reg., 1992	24-10-13	24-10-13	NIL	NIL
25-10-13	7,75,625	1.442 %	1,60,00,000*	4,00,000*	3,75,625	0.698%	13(4A) r/w 13(5) of PIT Reg., 1992	27-10-13	27-10-13	NIL	NIL
01-11-13	3,75,625	0.698 %	41,00,000*	1,02,500*	2,73,125	0.508%	13(4A) r/w 13(5) of PIT Reg., 1992	3-11-13	3-11-13	NIL	NIL
22-11-13	2,73,125	0.508 %	2,60,000	6,500	2,66,625	0.495%	NA	NA	NA	NA	NA
29-11-13	2,66,625	0.495 %	25,00,000*	62,500*	2,04,125	0.379%	13(4A) r/w 13(5) of PIT Reg., 1992	1-12-13	1-12-13	NIL	NIL
06-12-13	2,04,125	0.379 %	25,65,000*	66,000*	1,38,125	0.256%	13(4A) r/w 13(5) of PIT Reg., 1992	8-12-13	8-12-13	NIL	NIL

Trans action date	No of shares held - pre disposal	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of shares held - post Dispose d	% of shareh olding held - post Dispos al	Disclosu re required	Require d Date of Disclosu re to Stock Exchang e	Require d Date of Disclosu re to compan y	Actual date of disclosu re to Stock Exchan ge	Actual date of disclosu re to Compa ny
20-12-13	1,38,125	0.256 %	7,80,000*	20,750	1,17,375	0.218%	13(4A) r/w 13(5) of PIT Reg., 1992	22-12-13	22-12-13	NIL	NIL
03-01-14	1,17,375	0.218 %	35,35,000*	88,375*	29,000	0.053%	13(4A) r/w 13(5) of PIT Reg., 1992	5-1-14	5-1-14	NIL	NIL
03-02-14	29,000	0.053 %	3,00,000	7,500	21,500	0.039%	NA	NA	NA	NA	NA
29-03-14	21,500	0.039 %	2,40,000	6,000	15,500	0.028%	NA	NA	NA	NA	NA

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Economy did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of SEBI PIT Regulations 2015 to the company and the stock exchange on 15-10-2013, 22-10-2013, 25-10-2013, 01-11-2013, 29-11-2013, 06-12-2013, 20-12-2013 and 03-01-2014.

It was further seen that Noticee No. 3 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Sept. 21, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 15,00,000 shares through physical mode. However, from the data provided by RTA, it was observed that the shareholding of Noticee No. 3 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Economy made wrong disclosures to the company and the stock exchange on Sept. 21, 2013.

iv. Mayurpankh Vincom Pvt. Ltd. – Noticee No. 5

Shareholding of Mayurpankh Vincom Pvt Ltd. (“**Mayurpankh**” or “**Noticee No. 5**”) changed as detailed in the following table.

Shareholding change of Mayurpankh Vincom Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Trans action date	No of shares held - pre disposa l	% of share holdin g held - pre dispo sal	Trade Value (Rs.)	No. of Shares Acquire d (Dispose d)	No of shares held - post Dispose d	% of share holdin g held - post Dispo sal	Disclos ure require d	Require d Date of Disclos ure to Stock Exchan ge	Require d Date of Disclos ure to compan y	Actual date of disclosu re to Stock Exchan ge	Actual date of disclosur e to Compan y
12-07-13	-	0.000 %		25,00,000	25,00,000	4.650 %	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
22-10-13	25,00,000	4.650 %	1,41,20,000*	3,70,000*	21,30,000	3.962 %	13(4A) r/w 13(5) of PIT Reg., 1992	24-10-13	24-10-13	NIL	NIL
01-11-13	21,30,000	3.962 %	2,85,07,000*	7,25,000*	14,05,000	2.613 %	13(4A) r/w 13(5) of PIT Reg., 1992	03-11-13	03-11-13	NIL	NIL
22-11-13	14,05,000	2.613 %	1,40,000	3,500	14,01,500	2.606 %	NA	NA	NA	NA	NA
29-11-13	14,01,500	2.606 %	1,03,40,000*	2,72,000*	11,29,500	2.101 %	13(4A) r/w 13(5) of PIT Reg., 1992	01-12-13	01-12-13	NIL	NIL
06-12-13	11,29,500	2.101 %	41,20,000*	1,03,000*	10,26,500	1.909 %	13(4A) r/w 13(5) of PIT Reg., 1992	08-12-13	08-12-13	NIL	NIL
20-12-13	10,26,500	1.909 %	44,80,000*	1,28,000*	8,98,500	1.671 %	13(4A) r/w 13(5) of PIT Reg., 1992	22-12-13	22-12-13	NIL	NIL
03-01-14	8,98,500	1.671 %	3,20,90,000*	8,75,000*	23,500	0.043 %	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL
17-01-14	23,500	0.043 %	2,00,000	5,000	18,500	0.034 %	NA	NA	NA	NA	NA
10-03-14	18,500	0.034 %	7,40,000*	18,500	-	0.000 %	13(4A) r/w 13(5) of PIT Reg., 1992	12-03-14	12-03-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the foregoing table it was observed that Noticee No. 5 did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company

and the stock exchange on 22-10-2013, 01-11-2013, 29-11-2013, 06-12-2013, 20-12-2013, 03-01-2014, and 10-03-2014.

It was further seen that Noticee No. 5 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Sept. 27, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 25,00,000 shares through physical mode. However, from the data provided by RTA, it was observed that the shareholding of Noticee No. 5 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 5 made wrong disclosures to the company and the stock exchange on Sept. 27, 2013.

v. Premsagar Vinimay Pvt Ltd – Noticee No. 8

Shareholding of Premsagar Vinimay Pvt. Ltd. (“Preamsagar” or “Noticee No. 8”) changed as detailed in the following table:-

Shareholding change of Premsagar Vinimay Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Transaction date	No of shares held - pre disposal	% of share holding held - pre disposal	Trade Value (Rs.)	No. of Shares Acquired (Disposed)	No of shares held - post Disposed	% of shareholding held - post Disposal	Disclosure required	Required Date of Disclosure to Stock Exchange	Required Date of Disclosure to company	Actual date of disclosure to Stock Exchange	Actual date of disclosure to Company
12-07-13	-	0.000 %		15,00,000	15,00,000	2.790%	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
03-01-14	15,00,000	2.790 %	1,56,62,000*	4,28,875*	10,71,125	1.992%	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL
17-01-14	10,71,125	1.992 %	25,30,000*	70,500*	10,00,625	1.861%	13(4A) r/w 13(5) of PIT Reg., 1992	19-01-14	19-01-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Noticee No. 8 did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with Regulation 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company and the stock exchange on 03-01-2014 and 17-01-2014.

It was further seen that Noticee No. 8 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Nov. 11, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 15,00,000 shares through physical mode. However, from the data provided by RTA, it was observed that the shareholding of Noticee No. 8 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 8 made wrong disclosures to the company and the stock exchange on Nov. 11, 2013.

vi. Brijdham Dealcom Pvt Ltd – Noticee No. 1

Shareholding of Brijdham Dealcom Pvt Ltd (“**Brijdham**” or “**Noticee no. 1**”) changed as detailed in table below:-

Shareholding change of Brijdham Dealcom Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Transaction date	No of shares held - pre disposal	% of share holding held - pre disposal	Trade Value (Rs.)	No. of Shares Acquired (Disposed)	No of shares held - post Disposed	% of share holding held - post Disposal	Disclosure required	Required Date of Disclosure to Stock Exchange	Required Date of Disclosure to company	Actual date of disclosure to Stock Exchange	Actual date of disclosure to Company
12-07-13	-	0.000 %		10,00,000	10,00,000	1.86 0%	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
15-10-13	10,00,000	1.860 %	5,04,000 *	12,000	9,88,000	1.83 7%	13(4A) r/w 13(5) of PIT Reg., 1992	17-10-13	17-10-13	NIL	NIL
22-10-13	9,88,000	1.837 %	87,40,000 *	2,36,500 *	7,51,500	1.39 7%	13(4A) r/w 13(5) of PIT	24-10-13	24-10-13	NIL	NIL

Transac tion date	No of shares held - pre dispos al	% of share holdin g held - pre dispos al	Trade Value (Rs.)	No. of Shares Acquire d (Dispos ed)	No of shares held - post Dispos ed	% of shar ehol ding held - post Disp osal	Disclosu re required	Require d Date of Disclosu re to Stock Exchang e	Require d Date of Disclosu re to compan y	Actual date of disclo sure to Stock Excha nge	Actual date of disclo sure to Comp any
							Reg., 1992				
22-11- 13	7,51,50 0	1.397 %	2,00,000	5,000	7,46,50 0	1.38 8%	NA	NA	NA	NA	NA
29-11- 13	7,46,50 0	1.388 %	87,10,00 0*	2,37,250 *	5,09,25 0	0.94 7%	13(4A) r/w 13(5) of PIT Reg., 1992	01-12-13	01-12-13	NIL	NIL
26-12- 13	5,09,25 0	0.947 %	99,92,50 0*	2,85,500 *	2,23,75 0	0.41 6%	13(4A) r/w 13(5) of PIT Reg., 1992	28-12-13	28-12-13	NIL	NIL
03-01- 14	2,23,75 0	0.416 %	41,27,50 0*	1,12,250 *	1,11,50 0	0.20 7%	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL
17-01- 14	1,11,50 0	0.207 %	30,75,00 0*	82,500*	29,000	0.05 3%	13(4A) r/w 13(5) of PIT Reg., 1992	19-01-14	19-01-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Brijdham did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company and the stock exchange on 15-10-2013, 22-10-2013, 29-11-2013, 26-12-2013, 03-01-2014, 17-01-2014.

It was further seen that Notice No. 8 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Oct. 05, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 10,00,000 shares through physical mode. However, from the data provided by RTA, it was observed that the

shareholding of Noticee No. 8 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 8 made wrong disclosures to the company and the stock exchange on Oct. 05, 2013.

vii. Miracle Tradecom Pvt Ltd – Noticee No. 6

Shareholding of Miracle Tradecom Pvt Ltd. (“**Miracle**” or “**Noticee No. 6**”) changed as detailed in table below.

Shareholding change of Miracle Tradecom Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Transaction date	No of shares held - pre disposal	% of shareholding held - pre disposal	Trade Value (Rs.)	No. of Shares Acquired (Disposed)	No of shares held - post Disposed	% of shareholding held - post Disposal	Disclosure required	Required Date of Disclosure to Stock Exchange	Required Date of Disclosure to company	Actual date of disclosure to Stock Exchange	Actual date of disclosure to Company
12-07-13	-	0.000%		1,30,000	1,30,000	0.241 %	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
06-12-13	1,30,000	0.241%	46,00,000 *	1,15,000*	15,000	0.027 %	13(4A) r/w 13(5) of PIT Reg., 1992	08-12-13	08-12-13	NIL	NIL
03-01-14	15,000	0.027%	6,00,000*	15,000	-	0.000 %	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Noticee No. 6 did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company and the stock exchange on 06-12-2013, and 03-01-2014.

It was further seen that Noticee No. 6 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Nov. 06, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 1,30,000 shares through

physical mode. However, from the data provided by RTA, it was observed that the shareholding of Noticee No. 6 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 6 made wrong disclosures to the company and the stock exchange on Nov. 06, 2013.

viii. Narayan Suppliers Pvt. Ltd. – Noticee No. 7

Shareholding of Narayan Suppliers Pvt. Ltd. (“Narayan” or “Noticee No. 7”) changed as detailed in table below.

Shareholding change of Narayan Suppliers Pvt Ltd. during IP requiring disclosures under SEBI (PIT) Regulations, 1992

Transaction date	No of shares held - pre disposal	% of share holding held - pre disposal	Trade Value (Rs.)	No. of Shares Acquired (Disposed)	No of shares held - post Disposed	% of share holding held - post Disposal	Disclosure required	Required Date of Disclosure to Stock Exchange	Required Date of Disclosure to company	Actual date of disclosure to Stock Exchange	Actual date of disclosure to Company
12-07-13	-	0.000 %		10,00,000	10,00,000	1.860 %	13(2A) of PIT Reg., 1992	NA	16-07-13	NA	NIL
06-12-13	10,00,000	1.860 %	35,00,000*	1,00,000*	9,00,000	1.674 %	13(4A) r/w 13(5) of PIT Reg., 1992	08-12-13	08-12-13	NIL	NIL
03-01-14	9,00,000	1.674 %	3,15,00,000*	9,00,000*	-	0.000 %	13(4A) r/w 13(5) of PIT Reg., 1992	05-01-14	05-01-14	NIL	NIL

* Change in shareholding and/or traded value requiring disclosure as per Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992

NA: Not applicable; NIL: No disclosure made

As seen in the above table it was observed that Noticee No. 7 did not make required disclosures in terms of Regulation 13(2A) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company on 12-07-2013 and Regulation 13(4A) read with 13(5) of PIT Regulations read with Reg. 12 of PIT Regulations 2015 to the company and the stock exchange on 06-12-2013 and 03-01-2014.

It was further seen that Noticee No. 7 made certain disclosures under Reg. 13(4A) of PIT Regulations to BSE and to PSIT on Nov. 07, 2013 *inter-alia* disclosing that its shareholding had reduced to zero (0) shares after sale of 10,00,000 shares through physical mode. However, from the data provided by RTA, it was observed that the shareholding of Noticee No. 7 underwent changes as described in table above. The same was also reflected in the quarterly shareholding of the company for respective quarters disclosed on BSE website. Hence, it was alleged that Noticee No. 7 made wrong disclosures to the company and the stock exchange on Nov. 07, 2013.

Thus, 8 promoters of PSIT viz. Noticee Nos. 1-8:-

- a. Failed to disclose their shareholding to the company upon becoming a promoter, in terms of Regulation 13(2A) read with Reg. 12 of PIT Regulations 2015,
- b. Failed to disclose change in shareholding to the company and the BSE during the investigation period in terms of Regulation 13(4A) read with 13(5) of PIT Regulations and Reg. 12 of PIT Regulations 2015,
- c. Made incorrect disclosures to BSE and the company regarding the change in their shareholding during the investigation period under Regulation 13(4A) read with 13(5) of PIT Regulations and Reg. 12 of PIT Regulations 2015 during the investigation period.

5. The text of the relevant legal provisions allegedly violated by the Noticees is reproduced below for reference:-

PIT Regulations

“Disclosure of interest or holding by directors and officers and substantial shareholders in a listed companies - Initial Disclosure.

13.

“(2A) Any person who is a promoter or part of 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

Continual disclosure

(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"*

6. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 15A (b) and Section 15HB of the SEBI Act.
7. The SCN could not be served through Registered Post upon the Noticees at the addresses available on record for the reason stated in IndiaPost tracking records that the addressees "could not be located" (Noticees No. 2 and 6), or "had moved" (Noticees No. 3 and 8) or on account of "insufficient address" (Noticees No. 4, 5 and 7). However, service of SCN by e-mail was completed in respect of all the Noticees on 13.11.2019 on the email addresses as provided by them in their KYC forms for their demat account opened with CDSL, or the e-mail addresses in records displayed by the Ministry of Corporate Affairs on its website.

8. No response to the SCN was received from any of the Noticees. Subsequently, vide e-mails dated March 11, 2020, Hearing Notices No. EAD/EAD5/MC/VS/8940/1-8/2020 were served upon Noticees No. 1-7 by email. Thus, the Hearing Notices were served upon all the Noticees except Noticee No. 8, to whom the e-mail remained undelivered.
9. Vide e-mail dated May 29, 2020, Noticees No. 1,2,3 and 7 were granted another opportunity of hearing by videoconferencing through WebEx on June 9 and 10, 2020. Vide e-mails dated June 1, 2020, Noticees No. 4,5,6 and 8 were granted opportunities of hearing by videoconferencing through WebEx on June 11 and 12, 2020. The emails were delivered to all the Noticees except Noticee No. 8. No response to the said Hearing Notices was received, and none of the Noticees availed of the opportunities of hearing provided.
10. I note that valid email delivery of SCN has been made to the Noticees at the email addresses as provided by them in their KYC forms for opening demat accounts with CDSL (ppurohit27@yahoo.co.in) or at the e-mail addresses in the records displayed by the Ministry of Corporate Affairs on its website (brijdhamdeal@gmail.com, legalworkroc2019@gmail.com, economysalespltd@gmail.com, brijdhamdeal@gmail.com, mayurpankhvincom@gmail.com, miracletradecom@gmail.com, vinimaypremsagar@yahoo.co.in, ppurohit27@yahoo.co.in).
11. Hence, I am satisfied that the SCN has been duly served upon the Noticees. I note that it was stated in the SCN that a reply to the SCN should be received within 14 days from the date of receipt of the SCN, failing which it will be presumed that the Noticee has no reply to submit and the matter would be decided further on the basis of material available on record. Since I am satisfied that the principles of natural justice were duly followed in serving the SCN upon the Noticees, and none of the Noticees have replied to the SCN, I am constrained to proceed *ex parte* on the basis of material available on record.

12. I find it relevant at this point to refer to the order of Hon'ble SAT in the matter of Dave Harihar Kiritbhai v. Securities and Exchange Board of India (Appeal No. 181 of 2014 dated December 19, 2014), wherein, it observed, "...further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non-receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least."
13. Accordingly, I hereby proceed to decide the case on its merits, *ex parte* and on the basis of material on record.

CONSIDERATION OF ISSUES

14. The issues arising for consideration in the instant proceedings before me are:-
- I. Whether the provisions of Regulations 13 (2A) and of Regulation 13 (4A) read with Regulation 13 (5) of the SEBI (PIT) Regulations, 1992 were violated by Noticees No. 1-8?
 - II. If yes, whether the Noticees are liable for imposition of monetary penalty under Sections 15 A (b) and 15HB of the SEBI Act?
 - III. If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15 J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

ISSUE I. Whether the provisions of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992 were violated by Noticees No. 1-8?

15. I note that pursuant to the amalgamation of Crescent Digital Technologies Ltd. and Swift IT Infrastructure and Services Ltd. with PSIT on June 5, 2013, *inter alia* Noticees No. 1-8 came to hold shares of PSIT under the promoter category.
16. Regulation 13 (2A) of the PIT Regulations, 1992 requires all persons who become a promoter of a company to disclose their shareholding in 2 days to the company as given below:-

PIT REGULATIONS, 1992

“Disclosure of interest or holding by directors and officers and substantial shareholders in a listed companies - Initial Disclosure.

13.

“(2A) Any person who is a promoter or part of 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

17. Noticee No. 2 ("Compass") acquired 15,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 2.79% . Noticee No. 3 ("Conquer") acquired 15,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 2.79%. Noticee No. 4 ("Economy Sales") acquired 15,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 2.79%. Noticee No. 5 ("Mayurpankh") acquired 25,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 4.65%. Noticee No. 6 ("Miracle") acquired 1,30,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 0.241%.

Noticee No. 7 ("Narayan Suppliers") acquired 10,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 1.86%. Noticee No. 8 ("Premsagar Vinimay") acquired 15,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 2.79%. Noticee No. 1 ("Brijdham Dealcom") acquired 10,00,000 shares of PSIT on July 12, 2013 taking its shareholding from 0% to 1.86%.

18. All the 8 Noticees acquired shares on the same day i.e. July 12, 2013 and were required to disclose to PSIT within two days of July 12, 2013 the number of shares/voting rights held by them in PSIT pursuant to scheme of amalgamation. It is alleged that no such disclosure was made to PSIT. I find that no disclosures are available on the BSE website by PSIT on the allotment of these shares to the Noticees. The fact that the Noticees became promoters or were allotted PSIT shares is only available from the quarterly shareholding pattern filed for the September 2013 quarter. PSIT in its letter dated 21/08/2018 did not inform of any disclosures under Regulation 13(2A) being made by the Noticees. It is thus evident that necessary disclosures have not been filed by the Noticees with PSIT, and consequently not informed to BSE by PSIT. Hence, violation of Regulation 13 (2A) of PIT Regulations by the Noticees 1 to 8 is established.

19. Regulation **13 (4A) and 13(5) of the PIT Regulations 1992** states -

" Continual disclosure

(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”

Noticee No. 2 ("Compass")

20. In 8 instances through 2013 and upto June 2014, Noticee No. 2 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding of change in shareholding to PSIT as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

21. However, Noticee No 2 instead of disclosing the actual sales, made a single incorrect disclosure on October 7, 2013 to PSIT and the stock exchange that it had sold 15,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it would continue selling for next few months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.2 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

22. In view of the above, I find that Noticee No. 2 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 8 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 3 ("Conquer")

23. In 7 instances through 2013 and upto January 2014, Noticee No. 3 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIT as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

24. However, Noticee No 3 instead of disclosing the actual sales, made a single incorrect disclosure on October 11, 2013 to PSIT and the stock exchange that it had sold 15,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it would continue selling for next few months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.3 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

25. In view of the above, I find that Noticee No. 3 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 7 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 4 ("Economy Sales")

26. In 8 instances through 2013 and upto March 23, 2014, Noticee No. 4 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIT as well as the stock exchange

within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

27. However, Noticee No 4 instead of disclosing the actual sales, made a single incorrect disclosure on September 19, 2013 to PSIT and the stock exchange that it had sold 15,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it would continue selling for next few months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.4 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

28. In view of the above, I find that Noticee No. 4 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 8 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 5 ("Mayurpankh")

29. In 7 instances through 2013 and upto March 10, 2014, Noticee No. 5 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIL as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

30. However, Noticee No 5 instead of disclosing the actual sales, made a single incorrect disclosure on September 26, 2013 to PSIT and the stock exchange that it had sold 25,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it

would continue selling for next few months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.5 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

31. In view of the above, I find that Noticee No. 5 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 7 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 6 ("Miracle")

32. In 2 instances on December 06, 2013 and January 3, 2014, Noticee No. 6 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIL as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

33. However, Noticee No 6 instead of disclosing the actual sales, made a single incorrect disclosure on November 05, 2013 to PSIT and the stock exchange that it had sold 1,30,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it sell during next 2 months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.6 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

34. In view of the above, I find that Noticee No. 6 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its

shareholding in 2 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 7 ("Narayan Suppliers")

35. In 2 instances on Dec 06, 2013 and January 3, 2014, Noticee No. 7 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIL as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

36. However, Noticee No 7 instead of disclosing the actual sales, made a single incorrect disclosure on November 06, 2013 to PSIT and the stock exchange that it had sold 10,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it would sell during next 2 months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.7 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

37. In view of the above, I find that Noticee No. 7 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 2 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 8 ("Premsagar Vinimay")

38. In 2 other instances on January 03, 2014 and January 17, 2014, Noticee No. 8 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIL as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.
39. However, Noticee No 8 instead of disclosing the actual sales, made 2 incorrect disclosure on November 11, 2013 to PSIT and the stock exchange that it had sold 3,89,000 and 1,10,375 shares through physical mode and brought down its shareholding to 10,00,625 shares at a time when it was actually holding shares which it would sell in January 2014. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.8 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.
40. In view of the above, I find that Noticee No. 8 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 2 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

Noticee No. 1 ("Brijdham Dealcom")

41. In 6 instances through 2013 and upto January 17, 2014, Noticee No. 1 sold PSIL shares which in each instance were either more than 25000 in number, or more than Rs 5,00,000 (five lakh) in trade value, thus requiring disclosure of shareholding and change in shareholding to PSIL as well as the stock exchange within two working days from the sale of shares, in terms of Regulation 13 (4A) of the PIT Regulations 1992.

42. However, Noticee No 1 instead of disclosing the actual sales, made a single incorrect disclosure on October 04, 2013 to PSIT and the stock exchange that it had sold 10,00,000 shares through physical mode and brought down its shareholding to nil or "zero", at a time when it was actually holding shares which it would continue selling for next few months. This is corroborated by Registrar and Transfer Agent ("RTA") records and by the quarterly shareholding of the company for the respective quarters as disclosed on the BSE website. Therefore, it is established that the Noticee No.1 filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

43. In view of the above, I find that Noticee No. 1 violated Regulation 13 (4A) read with 13(5) of the PIT Regulations by failing to make required disclosures regarding its shareholding in 6 instances and filed incorrect information under Regulation 13 (4A) of the PIT Regulations 1992.

ISSUE II. If yes, whether the Noticees are liable for imposition of monetary penalty under Section 15A(b) and Section 15HB of the SEBI Act?

ISSUE III. If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15 J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

44. As it has been established that the Noticees violated Regulations 13 (2A) and Regulation 13 (4A) of the PIT Regulations, 1992 in multiple instances the Noticees are liable for payment of monetary penalty in terms of Section 15A (b) of the SEBI Act.

45. It has also been established that the Noticees 1 - 8 filed incorrect information with the company and stock exchange under Regulation 13 (4A) of the PIT Regulations, 1992 as to the date on which the Noticees actually sold their shares.
46. At the same time, I note that the instances of filing false information precede the effective date of the amendment of Section 15A (b) i.e. March 8, 2019, which brought filing of false information within the ambit of Section 15A (b) by virtue of a clarificatory amendment. Thus, I must give due consideration to the fact that at the time of the alleged furnishing of false information, the unamended Section 15A (b) was applicable to the Noticee, which did not include filing of false information in its ambit.
47. The jurisprudence in respect of power of adjudicating officer to levy penalty under Section 15A for furnishing false information, by including false information within the ambit of Section 15A of the SEBI Act, was summed up by the Supreme Court in the matter of Bonanza Biotech Ltd v. SEBI (Civil Appeal No. 5859 of 2006, decided on March 7, 2017). The Supreme Court cited the observations in the Justice M. H. Kania Committee Report that at that time, there was no provision in Chapter VIA of the SEBI Act for levy of monetary penalty for giving false information.
48. While Section 15A (b) of the SEBI Act was subsequently amended with effect from March 8, 2019, to specifically state that a person who failed to "file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other document" shall be liable to a penalty, this amendment took effect from March 8 2019, after the period during which the Noticees submitted false information. Therefore, at the time when the Noticee filed incorrect information in the instant case, Section 15A (b) as it read pre-amendment was applicable to them. Consequently, the Noticee cannot be penalized under Section 15A(b), as it then

existed, for filing incorrect information with the company and the stock exchange regarding their shareholding in PSIT.

49. I also note that Section 15HB is a residuary provision which applies in respect of non-compliance of rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided. In light of the Supreme Court judgment referred above, filing of incorrect information under Regulation 13 (4A) of PIT Regulations to the extent that the information reflected the correct quantity sold over a period, but gave wrong dates of sale, would not fall within the ambit of Section 15 HB either.

50. Text of the abovesaid Sections 15A(b) and 15HB is reproduced below for reference:-

SEBI Act

“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,—*

(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”.

“Penalty for contravention where no separate penalty has been provided.

15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.”*

51. While determining the quantum of penalty under Section 15A (b) of the SEBI Act, the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:-

SEBI Act

“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.”

52. There is no material on record to establish the amount of disproportionate gain or unfair advantage obtained by the Noticees on account of non-disclosure of shareholding in PSIT in the instances enumerated earlier. It is also not evident whether there was any quantifiable loss incurred by investors on account of the non-disclosures. Further, it is noted from the SCN that the company continued to file information in tandem with RTA records as seen from the disclosure of quarterly shareholding pattern available on the BSE website. Therefore, the effect of non-disclosure in terms of Regulations 13 (2A) and 13 (4A) of the PIT Regulations 1992 was limited in market impact due to quarterly disclosures available periodically in the public domain on the BSE website.

53. However, I cannot ignore that Noticees No. 1-8 failed to file information in terms of Regulations 13 (2A) in one instance each and under Regulation 13 (4A) read with 13(5) of the PIT Regulations 1992 in 6, 8, 7, 8, 7, 2, 2 and 2 instances respectively. In terms of the stipulation in Regulation 15A (b), therefore, I find that a penalty of Rs.1,00,000/- levied on the respective Noticees for each instance of violation of the PIT Regulations would be appropriate.

54. Therefore, taking into account the aforesaid factors, and considering the facts and circumstances of the case, I am of the view that a penalty of Rs. 7,00,000/- , Rs. 9,00,000/-, Rs.8,00,000/-, Rs. 9,00,000/-, Rs. 8,00,000/-, Rs. 3,00,000/-, Rs.

3,00,000/- and Rs. 3,00,000/-, levied on each of Noticees No. 1-8 respectively will be commensurate with the violations committed by the Noticees.

ORDER

55. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty upon the Noticee Nos. 1-8 as shown in the table below:-

Name of the Noticee	Penalty Provisions and Violations	Penalty Amount
Brijdham Dealcom Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs.7,00,000/- (Rupees Seven Lakhs only)
Compass Distributors Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs.9,00,000/- (Rupees Nine Lakh only)
Conquer Barter Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs.8,00,000/- (Rupees Eight Lakh only)

Economy Sales Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs.9,00,000/- (Rupees Nine Lakh only)
Mayurpankh Vinco Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs. 8,00,000/- (Rupees Eight Lakh only)
Miracle Tradecom Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs. 3,00,000/- (Rupees Three Lakh only)
Narayan Suppliers Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs. 3,00,000/- (Rupees Three Lakh only)
PremSagar Vinimay Pvt. Ltd.	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (2A) and of Regulation 13 (4A) read with 13 (5) of the SEBI (PIT) Regulations, 1992	Rs. 3,00,000/- (Rupees Three Lakh only)

56. The Noticees 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 online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

57. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:

- a) Name and PAN of the entity (Noticee)
- b) Name of the case / matter
- c) Purpose of Payment – Payment of penalty under AO proceedings
- d) Bank Name and Account Number
- e) Transaction Number

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

DATE: JULY 21, 2020
PLACE: MUMBAI

MANINDER CHEEMA
ADJUDICATING OFFICER