

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. Order/MC/HP/2020-21/ 9133-9135]**

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**UNDER SECTION 15-I 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) Jaisukh Dealers Limited (PAN: AABCJ7808H)** having address at Centre Point, 21, Hemanta Basu Sarani, 2nd Floor, Room No - 230, Kolkata, West Bengal, India - 700001 and Borar, Uttar Antila Bagan, Howrah, West Bengal, India - 711312.
- 2) Anita Jajodia (PAN: ACTPJ4303J)** having addresses at 7, Burnt Salt Gola Lane, Howrah AC Market, Howrah, West Bengal, India - 711101 and Ganges Garden, Block-GB 1, 106, Kiran Chandra Singha Road, 1st Floor, Howrah, West Bengal, India - 711102 and C/o Jajodia and Co. 190, Jamuna Lal Bajaj St., 3rd Floor, Kolkata, India - 700007.
- 3) Sabita Jajodia (PAN: ACQPA6002J)** having address at 106, Ganges Garden, Block-B9, 1st Floor, Kiran Chandra Sinha Road, 36, Howrah Municipal Corp. Shibpur, Howrah, West Bengal, India - 711102.

In the matter of Jaisukh Dealers Limited

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**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter referred to as, '**SEBI**'), initiated adjudication proceedings against **Jaisukh Dealers Limited (Noticee 1/JDL/Company), Anita Jajodia (Noticee 2) and Sabita Jajodia (Noticee 3)** pursuant to investigation In the matter of trading in the scrip of Jaisukh Dealers Limited. The Noticee 1 to 3 are collectively referred to as '**Noticees**'.
2. Adjudication Proceedings have been initiated against,

- a) Noticee 1 under section 15A(b) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') for alleged violation of Regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations, 1992**') read with Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations, 2015**').
- b) Noticee 2 under section 15A(b) of SEBI Act for alleged violations of Regulation 13(4A) and 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
- c) Noticee 3 under section 15A(b) of SEBI Act for alleged violation of Regulation 7(2)(a) of PIT Regulations, 2015.

#### **APPOINTMENT OF ADJUDICATING OFFICER**

- 3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as '**AO**') *vide* order dated October 24, 2019 to inquire into and adjudge under section 15A(b) of SEBI Act, the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated *vide* order dated October 30, 2019.

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

- 4. Show Cause Notice No. EAD5/MC/HP/2798/2020 dated January 21, 2020 (hereinafter referred to as '**SCN**'), was issued to the Noticees in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**'), to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Section 15A(b) of SEBI Act for the aforesaid alleged violations.
- 5. The allegations levelled against the Noticees in the SCN are summarized as below:

6. SEBI conducted an investigation in the dealing in the scrip of JDL during the period from February 11, 2014 to July 05, 2016 (hereinafter referred to as '**investigation period /IP**').
7. Disclosure data was obtained for the scrip of JDL during the IP from BSE and JDL. It was observed that there was change in promoter shareholding due to the trades of two promoters of the Company viz. Noticee 2 and 3. The list of transactions executed by Noticee 2 and 3 during the investigation period that required disclosures under PIT Regulations, 1992 and PIT Regulations, 2015 as applicable are as per the details given below.

**8. Transactions of Noticee 2:**

Date of Transaction	No of shares traded (BSE)	Buy/Sell (B/S)	% of shares traded	Value of transaction (Rs.)	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT Regulations, 1992
11/02/2014	40000	B	0.28	1000000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT
11/02/2014	25000	B	0.18	1000000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT
27/03/2014	65000	S	0.46	4225000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT
12/05/2014	12100	S	0.09	1343100.00	13/05/2014	13/05/2014	31/05/2014	13(6) of PIT
14/05/2014	7700	S	0.05	1016400.00	15/05/2014	15/05/2014	31/05/2014	13(6) of PIT
25/06/2014	3700	S	0.03	1050800.00	26/06/2014	26/06/2014	10/07/2014	13(6) of PIT
25/11/2014	3300	S	0.02	1095600.00	26/11/2014	26/11/2014	12/01/2015	13(6) of PIT

9. It is observed from the above table that the aforesaid transactions by the Noticee 2 triggered disclosure requirements under various provisions of PIT Regulations, 1992 and PIT Regulations, 2015. It was observed from the disclosure data obtained from the Company and BSE that no disclosures were filed by the Noticee 2 to the Company or to BSE with regard to 3 transactions, as mentioned in the above table.

10. In view of the above, it was alleged that Noticee 2 has violated Regulation 13(4A) and 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.

#### 11. Transactions of Noticee 3:

Date of transaction	No of shares traded (BSE)	Buy/ Sell (B/S)	% of shares traded	Value of transaction (Rs.)	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT Regulations, 1992/2015
26/05/2014	5000	S	0.04	1205000.00	27/05/2014	27/05/2014	31/05/2014	13(6) of PIT Regulations, 1992
06/06/2014	4000	S	0.03	1080000.00	09/06/2014	09/06/2014	10/07/2014	13(6) of PIT Regulations, 1992
24/06/2014	4500	S	0.03	1201500.00	25/06/2014	25/06/2014	10/07/2014	13(6) of PIT Regulations, 1992
17/11/2014	7000	S	0.05	2352000.00	18/11/2014	18/11/2014	18/11/2014	Nil
24/12/2014	3200	S	0.02	1040000.00	25/12/2014	25/12/2014	12/01/2015	13(6) of PIT Regulations, 1992
23/03/2015	10000	S	0.07	3250000.00	24/03/2015	24/03/2015	04/04/2015	13(6) of PIT Regulations, 1992
29/10/2015	4000	S	0.03	1240000.00	Nil	Nil	Nil	7(2)(a) of PIT Regulations, 2015

12. It is observed from the above table that the transactions made on aforesaid 7 days by the Noticee 3 triggered disclosure requirements under various provisions of PIT Regulations, 1992 and PIT Regulations, 2015.

13. It was observed from the disclosure data obtained from the Company and BSE that no disclosure was filed by the Noticee 3 to the company with regard to the sale transaction executed on October 29, 2015. In view of the above, it was alleged that Noticee 3 has violated Regulation 7(2)(a) of PIT Regulations, 2015.

14. It was further observed that Noticee 1 was required to disclose to BSE within 2 working days of receipt of the disclosure information received from the Noticee 2

and Noticee 3. However, it was observed from the reply of Noticee 1 that the Noticee 1 has made delayed disclosures to BSE with regard to 4 transactions of Noticee 2 and 5 transactions of Noticee 3. The said 9 transactions are mentioned in aforesaid two tables.

15. In view of the above, it was alleged that Noticee 1 has made delayed disclosures to BSE on 9 instances and thus violated Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.

16. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 15A(b) of SEBI Act.

17. SCN was served to the Noticees through Speed Post Acknowledgement (SPAD) at their respective addresses and also through the email addresses obtained from the depositories where the Noticees have their demat accounts. In response to the SCN, *vide* letters dated February 08, 2020, Noticee 2 and 3 had requested to keep the Adjudication Proceedings in abeyance till passing of Order by Hon'ble Whole Time Member, SEBI.

18. In the interest of justice, an opportunity of personal hearing through video conferencing was provided to the Noticees on July 21 and July 27, 2020 *vide* emails dated June 24, 2020. In response to hearing notice, *vide* letter dated July 13, 2020, Noticee 2 again requested to keep the Adjudication Proceedings in abeyance till passing of Order by Hon'ble Whole Time Member, SEBI in 11B Proceedings. *Vide* email dated July 17, 2020 it was communicated to Noticee 2 that Adjudication Proceedings and proceedings under Section 11B are independent from each other. Noticees neither appeared on the scheduled date of personal hearing nor any reply to the SCN was received from the Noticees.

19. I note that, through the SCN and the hearing notices, the Noticees were advised to furnish their reply, if any, within stipulated time, failing which, it shall be

presumed that the Noticees have no reply to submit and the matter will be proceeded on the basis of the material available on record. Further, *vide* emails dated July 21, 2020 and August 07, 2020 Noticees were again informed that, since they have not availed the opportunity of hearing provided to them and they have also not filed any reply to the SCN, the matter would be proceeded further on the basis of evidence available on record in terms of sub-rule (7) of rule (4) of the Adjudication Rules.

20. As sufficient opportunity was given to the Noticees to submit reply and appear for hearing and no response was received from them, the adjudication proceedings against the Noticees are undertaken *ex-parte* on the basis of material available on record.

## **CONSIDERATION OF ISSUES AND FINDINGS**

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

**Issue No. I Whether the Noticees have violated the following SEBI Regulations:**

- a) **Noticee 1** - Regulation 13(6) PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
- b) **Noticee 2** - Regulation 13(4A) and 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
- c) **Noticee 3** - Regulation 7(2)(a) of PIT Regulations, 2015.

**Issue No. II If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A(b) of SEBI Act.**

**And**

**Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated**

**in Section 15J of the SEBI Act read with Rule 5(2) of the  
Adjudication Rules?**

**Issue No. I Whether the Noticees have violated the aforesaid SEBI  
Regulations:**

**Noticee 1**

22. As prescribed in Regulation 13(6) of PIT Regulations, 1992, Noticee 1 was required to file the disclosures made by Noticee 2 and 3 to it within 2 working days of receipt to BSE.

23. From the data provided in the SCN, I find that Noticee 1 made delayed disclosures on four occasions to BSE in respect of transactions of Noticee 2. The delay was of 11, 12, 15 and 45 calendar days. Further, Noticee 1 made delayed disclosures to BSE on five occasions in respect of transactions of Noticee 3. The delay was of 2, 9, 13, 14 and 29 calendar days. The details of transactions are as given below:

Transaction executed by	Date of Transaction	No of shares traded (BSE)	Buy/Sell (B/S)	% of shares traded	Value of transaction (Rs.)	Date of disclosure to company	Disclosure by Company to exchange	Violation of Regulation(s) under PIT Regulations, 1992
Noticee 2	12/05/2014	12100	S	0.09	1343100.00	13/05/2014	31/05/2014	13(6) of PIT
Noticee 2	14/05/2014	7700	S	0.05	1016400.00	15/05/2014	31/05/2014	13(6) of PIT
Noticee 2	25/06/2014	3700	S	0.03	1050800.00	26/06/2014	10/07/2014	13(6) of PIT
Noticee 2	25/11/2014	3300	S	0.02	1095600.00	26/11/2014	12/01/2015	13(6) of PIT
Noticee 3	26/05/2014	5000	S	0.04	1205000.00	27/05/2014	31/05/2014	13(6) of PIT Regulations, 1992
Noticee 3	06/06/2014	4000	S	0.03	1080000.00	09/06/2014	10/07/2014	13(6) of PIT Regulations, 1992
Noticee 3	24/06/2014	4500	S	0.03	1201500.00	25/06/2014	10/07/2014	13(6) of PIT Regulations, 1992
Noticee 3	24/12/2014	3200	S	0.02	1040000.00	25/12/2014	12/01/2015	13(6) of PIT Regulations, 1992
Noticee 3	23/03/2015	10000	S	0.07	3250000.00	24/03/2015	04/04/2015	13(6) of PIT Regulations, 1992

24. I note that Regulation 13(6) of PIT Regulations, 1992 requires,

*13(6). Every listed company, within two working days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under sub-regulations (1), (2), (2A), (3), (4) and (4A) in the respective formats specified in Schedule III.*

25. In view of the above, I find that Noticee 1 has violated Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.

### **Noticee 2**

26. From the disclosure data obtained from the Company and BSE, I find that no disclosures were filed by the Noticee 2 to the Company or to BSE with regard to two transactions executed on February 11, 2014 and one transaction executed on March 27, 2014 being promoter of the Company. The details of said transactions executed by Noticee 2 are as given below:

Date of Transaction	No of shares traded (BSE)	Buy/Sell (B/S)	% of shares traded	Value of transaction (Rs.)	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT Regulations, 1992
11/02/2014	40000	B	0.28	1000000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT
11/02/2014	25000	B	0.18	1000000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT
27/03/2014	65000	S	0.46	4225000.00	Nil	Nil	Nil	13(4A) & 13(5) of PIT

27. I note that Regulation 13(4A) and 13(5) of PIT Regulations, 1992 requires,

*13(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.*

*13(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.*

28. In view of the above, I find that Noticee 2 is in violation of Regulation 13(4A) and 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.

### **Noticee 3**

29. From the disclosure data obtained from the Company and BSE, I find that no disclosure was filed by the Noticee 3 to the Company with regard to one sale transaction executed on October 29, 2015 being promoter of the Company. The details of said transaction executed by Noticee 3 are as given below:

Date of transaction	No of shares traded (BSE)	Buy/ Sell (B/S)	% of shares traded	Value of transaction (Rs.)	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT Regulations, 1992/2015
29/10/2015	4000	S	0.03	1240000.00	Nil	Nil	Nil	7(2)(a) of PIT Regulations, 2015

30. I note that Regulation 7(2)(a) of PIT Regulations, 2015 requires,

*7(2) Continual Disclosures.*

*(a). Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;*

*Adjudication Order in the matter of trading activities of certain entities in the scrip of Jaisukh Dealers Limited*

31. In view of the above, I find that Noticee 3 is in violation of Regulation 7(2)(a) of PIT Regulations, 2015.

32. With regard to lack of any reply to the SCN by the Noticees, it is pertinent to mention that Hon'ble Securities Appellate Tribunal, in its Order dated February 11, 2014 in Appeal no. 68 of 2013 in Sanjay Kumar Tayal and others v SEBI, stated *"appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices."*

**Issue No. II If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A(b) of the SEBI Act.**  
**and**

**Issue No. III 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?**

33. As it has been established that the Noticees violated specified provisions of PIT Regulations, the Noticees are liable for monetary penalty under Section 15A(b) of SEBI Act. The text of Section 15A(b) of the SEBI Act is as below:

**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 which shall not be less than one lakh rupees but which may extend to one lakh*

*rupees for each day during which such failure continues subject to a maximum of one crore rupees.*

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

***Factors to be taken into account by the adjudicating officer***

**15J.** *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.*

35. In the present matter, no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such default by the Noticees. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors/clients on account of default by the Noticees. I note that Noticee 1 has delayed in making required disclosures to the stock exchange in 8 instances where the delay was between 9 to 45 calendar days. Noticee 2 has failed to make disclosures in 3 instances. Noticee 3 has failed to make disclosure in 1 instance. The Noticees had a legal obligation to make the said disclosures and by failing to comply with the obligation, are liable for penalty as prescribed.

36. In view of the above, I am of the view that a penalty of ₹5,00,000/- under Section 15A(b) of SEBI Act will be commensurate with the violations committed by Noticee 1. A penalty of ₹3,00,000/- and ₹1,00,000/- under Section 15A(b) of SEBI Act will be commensurate with the violations committed by Noticee 2 and 3 respectively.

## ORDER

37. After taking into consideration all the facts and circumstances of the case, in exercise of the powers conferred upon me under Section 15-I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty on the Noticees:

Name of the Noticee	Penalty Amount	Under the provisions of
Jaisukh Dealers Limited (Noticee 1)	₹5,00,000/- (Rupees Five lakhs only)	Section 15A(b) of SEBI Act for violation of Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015
Anita Jajodia (Noticee 2)	₹3,00,000/- (Rupees Three lakhs only)	Section 15A(b) of SEBI Act for violation of Regulation 13(4A) and 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015
Sabita Jajodia (Noticee 3)	₹1,00,000/- (Rupees One lakhs only)	Section 15A(b) of SEBI Act for violation of Regulation 7(2)(a) of PIT Regulations, 2015

38. 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](http://www.sebi.gov.in) on the following path, by clicking on the payment link

**ENFORCEMENT → Orders → Orders of AO → PAY NOW**

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

- Name and PAN of the entity (Noticee)
- Name of the case / matter
- Purpose of Payment – Payment of penalty under AO proceedings
- Bank Name and Account Number

*Adjudication Order in the matter of trading activities of certain entities in the scrip of Jaisukh Dealers Limited*

e) Transaction Number

40. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

**DATE: SEPTEMBER 23, 2020**

**PLACE: MUMBAI**

**MANINDER CHEEMA**

**ADJUDICATING OFFICER**