

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: AO/SBM/EAD-3/626-635/2018)**

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:

**Priyanka Surana
(PAN: AYXPS5190G)**

**Jaishika Surana
(PAN: CODPS6576L)**

**G P Surana (HUF)
(PAN: AAAHG8506R)**

**Surana Securities Ltd
(PAN: AADCS9077P)**

**Kaveri India Ltd
(PAN: AABCK1750H)**

**Ravi Surana
(PAN: AINPS9085J)**

**Meena Surana
(PAN: AINPS9084K)**

**Pranali Surana
(PAN: BLPPS7588J)**

**Dipin Surana
(PAN: AINPS9083Q)**

**Gulabchand Pukhraj Surana
(PAN: AINPS9082R)**

In the matter of
P.M. Telelinnks Limited

FACTS OF THE CASE

1. On observing unusual price movement in the scrip of P.M. Telelinnks Limited (hereinafter referred to as '**PMTL**'/ '**the Company**'), which is listed on Bombay Stock Exchange (**BSE**), Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted a preliminary examination into the trading/dealings in the scrip of PMTL for the period January 4, 2012 to September 28, 2012. Based on the findings of the preliminary examination, an interim order dated April 18, 2013 was passed by WTM- SEBI, which was confirmed by a confirmatory order dated December 30, 2013.
2. Subsequently, SEBI conducted an investigation into the trading and dealings of Priyanka Surana (hereinafter referred to as '**Noticee 1**'), Jaishika Surana (hereinafter referred to as '**Noticee 2**'), G P Surana (HUF) (hereinafter referred to as '**Noticee 3**'), Surana Securities Ltd (hereinafter referred to as '**Noticee 4**'), Kaveri India Ltd (hereinafter referred to as '**Noticee 5**'), Ravi Surana (hereinafter referred to as '**Noticee 6**'), Meena Surana (hereinafter referred to as '**Noticee 7**'), Pranali Surana (hereinafter referred to as '**Noticee 8**'), Dipin Surana (hereinafter referred to as '**Noticee 9**') and Gulabchand Pukhraj Surana (hereinafter referred to as '**Noticee 10**'), in the scrip of PMTL for the period January 04, 2012 to September 28, 2012 (hereinafter referred to as '**Investigation period / 'IP' / 'relevant period'**'). In the context of the present proceedings, Noticees 1 to 10 are also collectively referred to as '**the Noticees**'. The Noticees were part of the Promoter/ Promoter Group of PMTL and Noticee 6 and 10 were also Directors on the Board of PMTL during the relevant period.

3. Based on the observations made in the Investigation Report (IR), the following allegations were made against the Noticees
- (a) It was alleged that Noticees 1 to 10 had failed to make disclosures to the company and to the BSE w.r.t their aggregate shareholding in the company as on March 31, 2012, which is stipulated under the provisions of Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations, 2011**').
 - (b) It was alleged that Noticee 10 / Gulabchand Pukhraj Surana who was also the Managing Director of the company during the relevant period, had purchased and sold 15 shares of PMTL on December 28, 2011 and therefore, by entering into an opposite transaction in the scrip of PMTL on the same day has, *prima facie*, violated the provisions of Clause 4.2 of the Model Code of Conduct for Prevention of Insider Trading for Listed Companies as prescribed under Part A of Schedule 1 read with Regulation 12(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the '**PIT Regulations**').
 - (c) It was also alleged that three promoters of PMTL viz. Noticee 7 to 9 had failed to make the necessary disclosures which were required to be made by them under the provisions of Regulation 13(4A) of the PIT Regulations with respect to several transactions in the scrip of PMTL executed by them during the relevant period, which had resulted in change in their shareholding in the company and the change exceeding Rs. 5 Lakh in value/ 25,000 shares / 1% of the total share capital of PMTL.
4. In view of the above observations, adjudication proceedings were initiated against the Noticees under the provisions of sections 15A(b) and 15 HB of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**'))

APPOINTMENT OF ADJUDICATING OFFICER

5. Vide communique dated May 13, 2016, the undersigned was appointed as the Adjudicating Officer ('**AO**') under Section 15-I of the SEBI Act read with Rule 3 of the Securities and Exchange Board of India (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 Sections 15A(b) and 15 HB of the SEBI Act, the aforementioned alleged violation of the provisions of the SAST Regulations and PIT Regulations by the Noticees.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

6. Show Cause Notices ref. A&E/EAD3/SBM-ASR/22482/2016/1-10 dated August 08, 2016 (hereinafter referred to as '**SCNs**') were issued to the Noticees in terms of Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be initiated and penalty, if any, be not imposed on the Noticees under the provisions of Sections 15A (b) and 15 HB of the SEBI Act for the aforesaid alleged contravention of the provisions of law by the Noticees , as mentioned at para 3 above.
7. Noticees vide their replies dated September 14, 2016, September 30, 2016 and November 04, 2016, submitted their preliminary response to the SCNs and requested to keep the adjudication proceedings in abeyance as they have filed consent application for settlement of the matter under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. Subsequently, vide communication dated July 25, 2017 received from the Settlement Division (EFD II), it was informed that the Noticees have withdrawn the settlement applications filed by them.

8. In the interest of natural justice, vide letters dated April 27, 2017, Noticees were provided with opportunity of personal hearing in the matter on May 24, 2017. Ms. Unnati J. Upadhyay and Mr. Balveer Singh Chaudhary, appeared as authorized representative (hereinafter referred to as '**ARs**') on behalf of the Noticees on May 24, 2017. The ARs reiterated the submissions made by the Noticees vide their replies dated September 14, 2016, September 30, 2016 and November 04, 2016. The Noticees also made additional submissions in the matter vide their letters dated May 30, 2017 and May 31, 2017 and, *inter alia*, made the following submissions:

- (a) In the year 2012, the promoters of PMTL filed the disclosures with the company as per the format specified in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Filing of disclosures with the stock exchange however skipped our attention. The non-filing of disclosures under regulation 30(2) of SAST, 2011 was unintentional, there was no malafide intention behind it.*
- (b) Appropriate disclosure under clause 35 of the Listing Agreement was filed by PMTL as per listing agreement, wherein shareholding pattern of the promoters of PMTL for the quarter ending March 31, 2012 was disclosed and the same was in public domain. Hence, it is denied that there was any non-disclosure on our part. In view of the same we deny that the promoters have violated Regulation 30(2) of SAST. We have made the required disclosure under Regulation 30(2) under SAST 2011, for the year ended March 31st, 2012 after the receipt of the SCN on October 08, 2016. Thus, no violation persists as on date.*
- (c) Gulabchand Pukhraj Surana-The purchase of 15 shares by the broker on December 28, 2011, was a freak trade, and Gulabchand Pukhraj Surana did not authorise the same. Same was a punching error by the broker since he has punched a wrong client code and as soon as I came to know of the said transaction, I immediately instructed broker to reverse the same. The amount of shares transacted by the broker in my account was only 15 shares, which is almost 0% of the share capital of the company. It is very evident that this was a mistake, and that too on part of the broker, and he also immediately reversed the transaction as soon as broker was told to do so.*

- (d) *Meena Surana- I submit and say that my holding in the Company was 7,61,159 Equity shares i.e. 7.55% on June 30, 2012. I have sold 13,087 equity shares of the Company on August 1 and August 2, 2012 due to which my Shareholding reduced by 0.12%. Also, I have sold 16,398 equity shares of the Company on August 3 and August 6, 2012 due to which my Shareholding further reduced by 0.17%. I have also sold 12,524 on August 7 and August 8, 2012. The value of trade in respect of all the above transactions were in excess of Rs. 5,00,000/-.*
- (e) *Pranali Surana- I submit and say that my holding in the Company was 8,00,000 Equity shares i.e. 7.94% on June 30, 2012. I have sold 1,10,000 equity shares of the Company from the period between August 1, 2012 and September 25, 2012, pursuant to which my Shareholding reduced by 1.09%.*
- (f) *Dipin Surana- I submit and say that my holding in the company was 5,21,000 Equity shares i.e. 5.17% on June 30, 2012. I have sold 15,000 equity shares of the Company on August 1, 2012 due to which my Shareholding reduced by 0.15%. Also, I have sold 14,000 equity shares of the Company on August 2, 2012 due to which my Shareholding further reduced by 0.14% and change in my shareholding exceeded 25,000 shares. I have also sold 12,000 on August 3, 2012, August 6, 2012 and August 7, 2012 the value of which aggregated to Rs. 5,15,262/-.*
- (g) *The intention of the promoter group was not to conceal any information/detail. It was a procedural lapse on our part to not to disclose the information in formats specified under SAST Regulations. We have always followed all the procedures, as stipulated by any regulatory authority. The transaction was undertaken by inadvertence, while punching in the said order in somebody else's account.*
- (h) *Due to non-filing of relevant disclosures no gain or advantage has occurred to us and no loss or harm has been caused to any investors.*

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

9. I have carefully perused the submissions of the Noticees (both oral and written) in the said matter, the facts and circumstances of the case and the material on record. The issues that arise for consideration in the present case are:
- a. Whether the Noticees have violated the provisions of Regulations 30(2) of the SAST Regulations, 2011 for the Financial Year ending March 31, 2012?

- b. Whether Noticee 7 to 9 had failed to comply with the provisions of Regulation 13(4A) of the PIT Regulation?
 - c. Whether Noticee 10 had failed to comply with the provisions of Clause 4.2 of Model code of conduct contained in Part A of schedule-I read with Regulation 12(1) of PIT Regulations?
 - d. Does the violations, if any, attract monetary penalty under sections 15A (b) and 15HB of the SEBI Act, as applicable?
 - e. If so, what would be the monetary penalty that can be imposed on the Noticees after taking into consideration the factors mentioned in section 15 J of the SEBI Act?
10. Before moving forward, the relevant extracts of the provisions of SAST Regulation and PIT Regulation allegedly violated by the Noticees are as under:

- PIT Regulations, 1992
 SCHEDULE I [Under regulation 12(1)]
 PART A
 MODEL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING
 FOR LISTED COMPANIES
 4.0 Other restrictions
 4.2 All directors/ officers/ designated employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

Disclosure of interest or holding in listed companies by certain persons -

Continual disclosure.

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.

(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.

- SAST Regulations, 2011

Continual disclosures.

30(1)

(2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

A. Whether the Noticees have violated the provisions of Regulation 30(2) of the SAST Regulations, 2011 for the Financial Year ending March 31, 2012?

11. From the material available on record, I observe that Noticees were the promoters of PMTL during the relevant period. It is alleged that as promoters of PMTL, the Noticees have failed to disclose their aggregate shareholding in the company, as on March 31, 2012, to the company and to BSE, which was required to be made under the provisions of Regulation 30(2) of the SAST Regulation, 2011. I observe that Noticees have admitted to the fact that there was delay on their part in making the relevant disclosures u/r 30(2) of the SAST Regulations, 2011. The Noticees have claimed that they made the relevant disclosures u/r 30(2) of the SAST Regulations after they had received the SCN in the context of the present proceedings.

12. The Noticees have contended that disclosures regarding the shareholding of the promoters of the company for the financial year ended March 2012 were already available on the website of BSE as the same were made by the company under the provisions of Clause 35 of the Listing Agreement. The Noticees have also contended that since the SAST Regulations, 2011 were notified recently, they had failed to make the disclosures within the prescribed time period under the SAST Regulations. I am not in agreement with the aforementioned submissions of the Noticees. I find that the obligation to make the disclosure of shareholding of the promoters under Clause 35 of the Listing Agreement is on the company whereas, the obligation to make the disclosures u/r 30(2) of the SAST Regulations is on the promoters of the company within 7 working days of the close of every financial year. In this context, I would like to place reliance on the observations made by Hon'ble SAT in the matter of E-Ally Consulting (India) Pvt.Ltd.& Ors. Vs SEBI (Appeal No 203 of 2014 dated August 15,2014), wherein similar contentions were raised by the appellant in the case relating to violation of Regulation 30 (1) and 30 (2) of the SAST Regulations, 2011. In this regard, Hon'ble SAT had observed that “ *We see no merit in the above contentions. Obligations to make disclosures under regulation 30 (1) and 30 (2) read with regulation 30 (3) of SAST Regulations, 2011 is mandatory and is independent of the obligation to make the disclosures under the listing agreement. Similarly, fact that proper advise was not there or that the delay was unintentional/without any fraudulent intention or there is no complaint from investors does not absolve appellants from their obligation to make the disclosures under SAST Regulations, 2011* “ (Emphasis supplied).

13. In view of the above observations, I hold that Noticees have violated the provisions of Regulation 30(2) r/w Regulation 30(3) of the SAST Regulations, 2011.

B. Whether Noticee 7 to 9 had failed to comply with the provisions of Regulation 13(4A) of PIT Regulation?

14. The SCN has alleged that the three promoters of PMTL viz. Noticee 7/ Ms. Meena Surana, Noticee 8 / Ms. Pranali Surana and Noticee 9 / Mr. Dipin Surana) sold shares of PMTL during the investigation period on various dates, which required them to make the necessary disclosures to the company and BSE within two working days of the said transactions in terms of Regulation 13(4A) of PIT Regulations. It is alleged that Noticee 7 to 9 have failed to make the necessary disclosures required under the provisions of Regulation 13(4A) of the PIT Regulations. The disclosure requirements under Regulation 13(4A) of the PIT Regulations are triggered when the change in a promoter's shareholding in a company exceeds Rs. 5 lakhs in value or 25,000 shares in terms of quantity of shares traded or 1 % of the total share capital, whichever is lower. The details of change in shareholding w.r.t Noticee 7 to 9 and their obligation to make the necessary disclosures are mentioned as under :

Table-I

Noticee	Date	Particulars	Change in holding			Shareholding		Disclosure required under Regulation
			Shares	%	Value	Shares	%	
Meena Surana/ Noticee 7	01-Aug-11	Opening Balance				7,61,159	7.55	
	01-Aug-12	Sale of shares	6,000	0.06	291,872	7,55,159	7.50	Nil
	02-Aug-12	Sale of shares	7,078	0.07	324,197	7,48,081	7.43	PIT 13(4A) for share value of Rs. 6,16,069
	03-Aug-12	Sale of shares	6,398	0.06	278,633	7,41,683	7.36	Nil
	06-Aug-12	Sale of shares	10,000	0.10	414,000	7,31,683	7.26	PIT 13(4A) for share value of Rs. 6,92,633
	07-Aug-12	Sale of shares	10,524	0.10	416,268	7,21,159	7.16	PIT 13(4A) for share value of Rs. 5,07,468
Pranali Surana/ Noticee 8	01-Aug-11	Opening Balance		8,00,000	7.94			
	03-Aug-12	Sale of shares	3,347	0.03	145,762	7,96,653	7.91	Nil
	06-Aug-12	Sale of shares	6,280	0.06	259,992	7,90,373	7.84	Nil
	07-Aug-12	Sale of shares	373	0.00	14,678	7,90,000	7.84	Nil
	25-Sep-12	Sale of shares	1,00,000	0.99	33,30,000	6,90,000	6.85	PIT 13(4A) for change in shareholding by 1.09%
Dipin Surana/ Noticee 9	01-Aug-11	Opening Balance		5,21,000	5.17			
	01-Aug-12	Sale of shares	15,000	0.15	727,142	5,06,000	5.02	PIT 13(4A) for share value of Rs. 727,142

	02-Aug-12	Sale of shares	14,000	0.14	641,308	4,92,000	4.88	PIT 13(4A) for share value of Rs. 641,308
	03-Aug-12	Sale of shares	9,073	0.09	395,129	4,82,927	4.79	Nil
	06-Aug-12	Sale of shares	2,417	0.02	100,064	4,80,510	4.77	Nil
	07-Aug-12	Sale of shares	510	0.01	20,069	4,80,000	4.76	PIT 13(4A) for share value of Rs. 5,15,262

15. From the above Table, I note that in all, there were 7 instances during the relevant period when the sell transactions of Noticee 7 to 9 had either exceeded Rs 5 lakhs in value or 1 % of the total shareholding of PMTL. I observe from the website of BSE that Noticee 9 had made the relevant disclosure on November 5, 2016 i.e after the receipt of the SCN in the context of the present proceedings. Noticee 7 to 9 have contended that they had informed the company prior to the aforementioned sale transactions and further contended that the non-disclosures were unintentional and without any malafide intentions. In this context, I note that Hon'ble Securities Appellate Tribunal (SAT) through its various judgments has consistently observed that these factors are not valid grounds for not complying with the mandatory disclosure obligations under the Regulations.

16. 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 these regulations.*" (Emphasis supplied)

17. Further, in the matter of Virendrakumar Jayantilal Patel Vs SEBI (appeal no.299 of 2014 and Order dated October 14, 2014), Hon'ble SAT had observed that *"..... obligation to make the disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation. Similarly, argument that the failure to make the disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make the disclosures"* (Emphasis supplied).

18. In light of the above discussions, I hold that Noticees 7, 8 and 9 have violated the provisions of Regulation 13 (4A) of the PIT Regulations.

C. Whether Noticee 10 had failed to comply with Clause 4.2 of Model code of conduct contained in Part A of schedule-I read with Regulation 12(1) of PIT regulations?

19. It is alleged in the SCN that Noticee 10/ Gulabchand Pukhraj Surana who was the Managing Director of the Company during the relevant period, had entered into an opposite sale transaction of 15 shares in the scrip of the Company (within a period of six months) following his previous buy transaction of 15 shares in the Company executed on the same day and has thereby, violated the provisions of Clause 4.2 of the Model Code of Conduct specified in Part A of Schedule I read with Regulation 12 (1) of the PIT Regulations. It is alleged that Noticee 10 had purchased 15 shares of PMTL on December 28, 2011 and on the same day, he sold these shares through his stock broker. Therefore, it is alleged that Noticee 10 had violated the requirements of the provisions of Clause 4.2 of the Model Code of

Conduct specified in Part A of Schedule I read with Regulation 12 (1) of the PIT Regulations.

20. In terms of Regulation 12 of the PIT Regulations, all listed companies are required to frame a Code of Conduct as near to the Model Code of Conduct prescribed under the PIT Regulations. The Company had framed a Code of Conduct prescribing various provisions, including the requirement that its directors/officers/designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e sell or buy any number of shares of the Company during the next six months following the previous transaction in the scrip of the Company. A bare perusal of the various provisions stipulated under the Model Code of Conduct for Listed Companies under the PIT Regulations, will make it clear that these provisions are intended to prevent the possible abuse of unfair insider practices by the Company's management/officials/employees etc. In the instant matter, I observe that Noticee 10 has admitted to the fact that he had inadvertently entered into an opposite transaction in the scrip of the Company within six months of his previous transaction in the shares of the Company and therefore, there was non-compliance of the Model Code of Conduct prescribed under Regulation 12 (1) of the PIT Regulations by him.

21. I find from the submissions made by Noticee no. 10 that his stock broker had inadvertently purchased 15 shares of PMTL and upon realizing the mistake, his stock broker had immediately reversed the transaction, which resulted in the violation of the code of conduct as mentioned above. Noticee no. 10 has mentioned that the aforesaid transactions were inadvertent and a bonafide accidental lapse on the part of his stock broker.

22. I note that the scrip price of PMTL varied between Rs. 99.95 to Rs. 97.50 on December 28, 2011. Therefore, the total value of the alleged transactions entered into by Noticee no. 10 is less than Rs. 3,000. Further, the number of shares traded by Noticee 10 on the said date was only 15 shares, which in my opinion is miniscule considering the total volume of shares traded in the scrip of PMTL during the relevant period. I am of the view that by indulging in such small volume of shares, Noticee 10 could not have made any wrongful gain or caused any wrongful loss to others due to his trading in the shares of the Company during the examination period. Therefore, considering the above facts and circumstances of the matter, the mitigating effects of the observations/facts made above come to the aid of Noticee no. 10. Therefore, I exonerate Noticee 10 from the allegation made against him in the SCN that he had violated the provisions of Clause 4.2 of Model Code of Conduct prescribed under Regulation 12(1) of the PIT Regulations, 1992.

23. In view of the violation of the mandatory statutory provisions of law by the Noticees, as brought out at paras 11 to 18 above, Noticees are liable for imposition of penalty under the provisions of section 15A(b) of the SEBI Act. In this context, reliance is placed upon the order of The Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shri Ram Mutual Fund {[2006] 5 SCC 361} wherein it was 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, therefore, the intention of the parties committing such violation becomes immaterial Hence, we are of the view that once the contravention is established, then the penalty has to follow and only the quantum of penalty is discretionary.....*".

D. Does the violations, if any, attract monetary penalty under sections 15A (b) and 15HB of the SEBI Act, as applicable?

E. If so, what would be the monetary penalty that can be imposed on the Noticees after taking into consideration the factors mentioned in section 15 J of the SEBI Act?

24. As the violation of the provisions of SAST Regulations, 2011 and PIT Regulations by the Noticees have been established, I am convinced that it is a fit case for imposing monetary penalty on the Noticees under the provisions of Section 15 A (b) of the SEBI Act, which reads as under :

15A. Penalty for failure to furnish information, return, etc.- *If any person, who is required under this Act or any rules or regulations made there under,-*

(a)

(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.

25. In this regard, the provisions of Section 15J of the SEBI Act require that while adjudging the quantum of penalty, the adjudicating officer shall have due regard to the following factors namely;

- 1. the amount of disproportionate gain or unfair advantage wherever quantifiable, made as a result of the default;*
- 2. the amount of loss caused to an investor or group of investors as a result of the default;*
- 3. the repetitive nature of the default*

26. From the material available on record, it is not possible to ascertain the exact unfair gain made by the Noticees and monetary loss to the investors on account of non-compliance by the Noticees. The main objectives of the

SAST Regulations, 2011 and the PIT Regulations are to afford fair treatment to the shareholders who are affected by the change in control / change in shareholding. The Regulation seeks to achieve fair treatment by *inter alia* mandating timely disclosures and dissemination of adequate information to the public/ investor/ shareholder to enable them to make an informed decision to be part of / or not to be part of companies due to such change in control /shareholding. True and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing the investors from taking well-informed decisions.

ORDER

27. After taking into consideration all the facts and circumstances of the case, material on record and the submission of the Noticees, 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 total penalty of Rs 13,00,000/- (Rupees Thirteen Lakh only) on the Noticees under the provisions of Section 15A(b) of the SEBI Act, as per details mentioned below –

Sr. No	Name of the Entity	Penalty imposed	Violations observed
1	Priyanka Surana	Rs. 1,00,000	Regulation 30(2) of SEBI (SAST) Regulations, 2011
2	Jaishika Surana	Rs. 1,00,000	
3	G P Surana (HUF)	Rs. 1,00,000	
4	Surana Securities Ltd	Rs. 1,00,000	
5	Kaveri India Ltd	Rs. 1,00,000	
6	Ravi Surana	Rs. 1,00,000	
7	Meena Surana	Rs. 2,00,000	Regulation 30(2) of SEBI (SAST) Regulations, 2011 and 13(4A) of SEBI (PIT) Regulations, 1992
8	Pranali Surana	Rs. 2,00,000	
9	Dipin Surana	Rs. 2,00,000	

Sr. No	Name of the Entity	Penalty imposed	Violations observed
10	Gulabchand Pukhraj Surana	Rs. 1,00,000	Regulation 30(2) of SEBI (SAST) Regulations, 2011

28. The Noticees 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 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

29. The Noticees shall forward the said Demand Draft or the details/ confirmation of penalty so paid through e-payment (in the format given in the table below) to “The Division Chief, Enforcement Department (EFD DRA-), Securities and Exchange Board of India, SEBI Bhavan, Plot No C-4A,”G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051” .

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)	

30. In terms of Rule 6 of the Adjudication rules, copies of this order are sent to the Noticees viz, Priyanka Surana, Jaishika Surana, G P Surana (HUF) , Surana Securities Ltd, Kaveri India Ltd, Ravi Surana, Meena Surana, Pranali Surana, Dipin Surana and Gulabchand Pukhraj Surana and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: June 29 , 2018

SURESH B MENON

ADJUDICATING OFFICER