

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/JP/ 310 - 319 /2018]

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 BY ADJUDICATING OFFICER) RULES, 1995

In respect of:

1. Ms. Chetana Kothari (PAN : AIXPK4898H)
2. Gaparik Trade & Finance Resources Pvt. Ltd. (PAN : AAACG5396E)
3. Rids Textiles Ltd. (PAN : AADCR4597F)
4. Dinesh Patadia Financial & Investments Pvt. Ltd. (PAN : AACCD4984F)
5. Mr. Chetan S Kothari (PAN : AAFPK8568A)
6. Tricom Fruit Products Ltd. (PAN : AADCR0399B)
7. Mr. P. V. Naik (PAN : ABVPN1248H)
8. Ms. Riddhi Sanghvi (PAN : BYJPS4545J)
9. Ms. Neha Sarvaiya (PAN : COQPS3036E)
10. Twin Best Trading & Marketing Pvt. Ltd. (PAN : AACCT2533L)

(In the matter of Tricom Fruit Products Ltd.)

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted investigations into the dealings in shares of Tricom Fruit Products Ltd (**Tricom / Company**) from January 03, 2011 to September 28, 2012 (hereinafter referred to as '**Investigation Period**') and observed that the entities namely- Ms. Chetana Kothari, (**the Noticee No. 1**), Gaparik Trade & Finance Resources Pvt. Ltd, (**the Noticee No. 2**), Rids Textiles Ltd (**the Noticee No. 3**), Dinesh Patadia Financial & Investments Pvt. Ltd (**the Noticee No. 4**), Mr. Chetan S Kothari (**the Noticee No. 5**), Tricom Fruit Products Ltd (**the Noticee No. 6**), Mr.

P. V. Naik (**the Noticee No. 7**), Ms. Riddhi Sanghvi (**the Noticee No. 8**), Ms. Neha Sarvaiya (**the Noticee No. 9**) and Twin Best Trading & Marketing Private Limited (**the Noticee No. 10**) or all the aforesaid Noticee may be collectively referred as (**'the Noticees'**) have failed to make disclosures regarding creation / invocation / release of certain pledge transactions, sale/purchase of shares in the Tricom / Company and failed to follow certain code of conduct internal procedure of the Company; and thereby allegedly violated regulation 29(1) & 29(2) read with 29(3), regulation 31(1), 31(2) read with 31(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, regulation 8A (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as '**SAST Regulations**') and regulation 13 (1), 13(3), 13(4), 13(4A) read with 13(5), regulation 13 (6) and Clause 1.2, Clause 3.3-1 & clause 4.2 of code of conduct specified under Schedule-I of Part A read with regulation 12(1) & 12(3) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**').

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**') read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') vide order dated May 8, 2015, to inquire into and adjudge under section 15 A (b) against Noticees No. 1 to 6 & 10 and under section 15HB against the Noticees No. 5 to 9 of the SEBI Act the aforesaid alleged violation of provisions of the SAST Regulations and PIT Regulations.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. A common Show Cause Notice No. SEBI/HO/EAD/EAO/OW/P/2017/3407/1 dated February 13, 2017 (hereinafter referred to as "**SCN**") was served upon

the Noticees under rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed upon them under sections 15 A (b) and 15 HB of the SEBI Act for the alleged violations.

4. The observations / details of transactions (viz. creation / invocation / release of pledge and sale/purchase of shares in the Company) and the alleged violation of code of internal procedure of the Company, has been shown under the SCN at page 4-24.
5. It was alleged in the SCN that during the Investigation Period, the Noticees No. 1-5 being the Promoters of the Company / Noticee No. 6 (Noticee No. 5 was the Promoter as well as Director of the Company) had indulged in pledge related transactions and sale / purchase of shares of the Company, but failed to make the required disclosures / made belated disclosures regarding change in their shareholding and thereby allegedly violated SAST Regulations and PIT Regulations. It was alleged that the Noticee No. 5 (being Director of Noticee No. 6) had entered into opposite transaction (viz. he entered into buy as well as sell transaction within six months) and also did not take pre-clearance from the Company for the trades done by him and his spouse / Noticee No. 1.
6. It was alleged that Noticee No. 6 (being the Company) had failed to make the required disclosures / made belated disclosures regarding inclusion of Adilnath Finance Pvt. Ltd. and Nidhi Kothari as promoter on January 03, 2013 and regarding the change in shareholding of Noticee No. 1, 2 & 10. It was also alleged that the Noticee No. 6 had failed to ensure and enforce the compliance of code of internal procedure regarding indulgence of opposite transaction and non seeking of pre-clearance by the Noticee No. 5 from Company.
7. It was alleged in the SCN that the Noticee No. 7, (being Managing Director of Noticee No. 6 / Company), the Noticee No. 8 (being Compliance Officer of the Noticee No. 6 during 14/11/2011 to 20/06/2012) and the Noticee No. 9 (being Compliance Officer of the during 20/06/2012 to 10/09/2012) also failed to implement and supervise the code of conduct of Company regarding

indulgence of opposite transaction and non-seeking of pre-clearance by the Noticee No. 5.

8. It was alleged that the Noticee No. 10 had failed to make disclosures / made belated disclosures regarding change of its shareholding.
9. The provisions of laws alleged to have been violated by the Noticee No. 1-10 are mentioned in table below:-

Noticees	Violations
Noticee No. 1	Regulation 13(4A) r/w 13(5) of PIT Regulations
Noticee No. 2	Regulation 13(4A) r/w 13(5) of PIT Regulations
Noticee No. 3	Regulation 13 (3), 13(4A) read with 13(5) of PIT Regulation, regulation 8A (2) of SAST Regulation, 1997 regulation 29(2) read with 29 (3) and 31(1) and 31(2) read with 31 (3) of SAST Regulations, 2011
Noticee No. 4	Regulation 13 (3), 13(4A) read with 13(5) of PIT Regulation, regulation 8A (2) of SAST Regulation, 1997 regulation 29(2) read with 29 (3) and 31(1) and 31(2) read with 31 (3) of SAST Regulations, 2011
Noticee No. 5	Regulation 13 (4),13(4A) read with 13(5) of PIT Regulations, regulation 31(1), 31(2) read with 31 (3) of SAST Regulations, 2011 and clause 3.3-1 & 4.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.
Noticee No. 6	Regulation 13(6) of PIT Regulations and clause 1.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) & 12(3) of PIT Regulations.
Noticee No. 7	Clause 1.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.
Noticee No. 8	Clause 1.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.
Noticee No. 9	Clause 1.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.
Noticee No. 10	Regulation 29(1) r/w 29(3) of SAST Regulations, 2011 and 13(1) of PIT Regulations.

10. The transaction statements, stock exchange records regarding non disclosures / belated disclosures, reply of Company etc. were enclosed along with SCN in a CD as Annexure 2- 12.

11. The aforesaid provisions of law alleged to have been violated by the Noticees are mentioned below;

PIT Regulations

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

13.(1) *Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of:—*

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

Continual Disclosure

13(3) *Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.*

13(4) *Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.*

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.

Disclosure by company to stock exchanges.

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.*

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

Code of internal procedures and conduct for listed companies and other entities.

12. (1) *All listed companies and organisations associated with securities markets including:*

(a) the intermediaries as mentioned in section 12 of the Act, asset management company and trustees of mutual funds ;

(b) the self-regulatory organisations recognised or authorised by the Board;

(c) the recognised stock exchanges and clearing house or corporations;

(d) the public financial institutions as defined in section 4A of the Companies Act, 1956; and

(e) the professional firms such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising listed companies,

shall frame a code of internal procedures and conduct as near thereto the Model Code specified in Schedule I of these Regulations without diluting it in any manner and ensure compliance of the same.

(2) The entities mentioned in sub-regulation (1), shall abide by the code of Corporate Disclosure Practices as specified in Schedule II of these Regulations.

(3) All entities mentioned in sub-regulation (1), shall adopt appropriate mechanisms and procedures to enforce the codes specified under sub-regulations (1) and (2).

(4) Action taken by the entities mentioned in sub-regulation (1) against any person for violation of the code under sub-regulation (3) shall not preclude the Board from initiating proceedings for violation of these Regulations.

SCHEDULE 1

[Under regulation 12(1)]

PART A

MODEL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR LISTED COMPANIES

1.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing; of designated employees’ and their dependents’ trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.

Explanation : For the purpose of this Schedule, the term ‘designated employee’ shall include :-

- (i) officers comprising the top three tiers of the company management;*
- (ii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.*

3.3 Pre-clearance of trades

3.3-1 All directors/officers/designated employees of the company 64[and their dependents as defined by the company] who intend to deal in the securities of the company (above a minimum threshold limit to be decided by the company) should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

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.

SAST Regulations, 1997

Disclosure of pledged shares.

8A(2) *A promoter or every person forming part of the promoter group of any company shall, within 7 working days from the date of creation of pledge on shares of that company held by him, inform the details of such pledge of shares to that company.*

SAST Regulations, 2011

Disclosure of acquisition and disposal.

29(1) *Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified.*

29(2) *Any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five percent or more of the shares or voting rights in a target company, shall disclose every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such target company in such form as may be specified.*

29(3) *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,-*

- (a) every stock exchange where the shares of the target company are listed; and*
- (b) the target company at its registered office.*

Disclosure of encumbered shares.

31(1) *The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified.*

31(2) *The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified.*

31(3) *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,—*

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

(b) the target company at its registered office.

12. It was stated in the SCN that the aforesaid alleged violations, if established, would make the Noticee(s) liable for monetary penalty under section 15A(b) and 15 HB of the SEBI Act.

13. In response to the SCN, Noticee No. 1- 6, 10 vide letters dated March 02, 2017 and Noticee No. 7 vide e-mail dated March 01, 2017 requested for four weeks time to file reply. The Noticee No. 8 & 9 vide letters dated March 14, 2017 and March 01, 2017 sought time of 30 days / by 15th April 2017 to file reply respectively.

14. The Noticee No. 1-7 & 10 vide letters dated March 29, 2017 again sought additional time of 4 weeks to file reply towards the SCN. The Noticee No. 9 filed reply dated April 12, 2017 towards the SCN.

15. Thereafter, the Noticee No. 1 - 6 & 10 vide letter dated April 28, 2017 again requested for additional time of 4 weeks to file reply. The Noticee No. 7 & 8 vide their e-mail dated 27th April and 18th April of 2017 requested for another 4 weeks' time / 45 days' time respectively to file reply towards the SCN.

16. Again, the Noticee No. 1-5 vide letter dated May 26, 2017, Noticee No. 6 vide letter dated May 29, 2017 and Noticee No. 7 & 10 vide their respective e-mail / letter dated 28th April 2017 and 29th April 2017, had sought another 4 weeks' time to file reply towards the SCN. The Noticee No. 8 vide letter dated 8th June 2017 sought extension of another 30 days' time to file reply and vide letter and 15th July of 2017 informed that reply is under preparation.
17. Thereafter, Noticees No. 1 - 6 and 10 had submitted reply dated July 24, 2017 towards the SCN and Noticee No. 7 filed reply dated July 25, 2017. However, no reply towards the SCN was received from the Noticees No. 8 despite lapse of enormous time and even after seeking several extension of time.
18. An opportunity of hearing was provided to the Noticees No. 7-9 on October 04, 2017 and to Noticee No. 1-6 & 10 on October 05, 2017 vide hearing notices dated September 08, 2017. Vide said hearing notice, the Noticee No. 8 was *inter-alia* was asked to file her reply on or before September 26, 2017.
19. Thereafter, the Noticee No. 8 had submitted reply dated September 25, 2017. The hearing on the aforesaid dates were attended by the Noticees / through their authorized persons. During the hearing, the Noticees reiterated as submitted in their aforesaid replies. During the course of hearing, the Noticee No. 1-8 and 10 agreed to file additional reply / documents and the Noticee No. 9 during hearing, had submitted a copy of e-mail correspondence dated August 03, 2017 for her final settlement with Company / Tricom and stated that she do not have any other material for submission.
20. Additional submissions dated October 28, 2017 was received from Noticee No. 2 - 6 and 10. The Noticee No. 1 and 9 forwarded their additional submissions dated October 17, 2017 and October 09, 2017 respectively. Thereafter, another submissions dated February 07, 2018 were received from 1 and 2. The Noticee No. 1, 3-6 along with their additional submissions also enclosed documents /

annexures of making disclosures belatedly on August 18, 2017 and the Noticee No. 2 along with its additional submissions also provided documents / Annexures of making delayed disclosures on October 24, 2017.

21. The core submissions made by the Noticees in their aforesaid replies / additional replies towards the SCN, are mentioned below;

Reply of the Noticee No. 1

- i. In respect of para 7 and 8 of the SCN, the disclosure were required to be made within two workings days from the acquisition or sale under regulation 13 (4) & 13(5) of the PIT Regulations. However, I inadvertently failed to disclose the trading in securities to the Tricom / Company as well as Stock Exchange within the required time as I was unaware about the said disclosures with respect to change in shareholding. Moreover, there was no staff or help on compliance front who could assist me in making the said disclosures.
- ii. For the simplicity of transactions, authority was given to the stock brokers namely - Guinness Securities Limited and Amrapali Aadya Trading & Investments (P) Limited to keep the shares in beneficiary account for pay in/ pay out obligation and hence I could not track the details of the transactions at that time.
- iii. I request you not to initiate any further action and grant me extension for complying with the requirements in relation to the aforesaid disclosure. I undertake to make the said disclosures in future.
- iv. In respect to Para 12 of the SCN, it is stated that the intention for not taking pre-clearance was not wilful but was inadvertent. Further, these trades were not done with a view to obtain any gain or profit, but, were genuine and in general course of trading activity. I pray to your good office not to take any further action considering no mala fide intention and small volume of transaction. I also ensure to take reasonable care of the same in future.
- v. I reiterate that my extremely difficult financial position makes me completely incapacitated to bear further burden of penalty and my case be viewed with kind and merciful sight.

Reply of the Noticee No. 2 / Gaparik Trade and Finance Resources Pvt Ltd

- vi. In respect of para 4 of the SCN, it is stated that on January 03,2013, it was allotted 4,82,500 shares of Tricom and pursuant to such allotment, it was required to make

disclosure of the aggregate shareholding to Tricom as well as to Stock Exchange. It had subsequently made a disclosure to Tricom within the specified time (on January 05, 2013) but, accidentally and without any mala fide intention did not disclose the same to the Stock Exchange due to lack of professional guidance as there was no professional staff.

- vii. It did not make the aforesaid disclosure due to inadvertence and was without malicious intention. It endeavours to make the said disclosure in future.

Reply of the Noticee No. 3 / Rids Textiles Limited

- viii. In respect of para 17 of the SCN, it is stated that its shareholding changed during the investigation period from 12,86,550 shares (13.05%) on January 01, 2011 to 4,83,357 shares (4.90%) on December 31, 2012. The aforesaid change resulted in falling of shareholding below 5% and also the change exceeded 2% of the total shareholding and voting rights in Tricom. Pursuant to this, it was required to disclose to Tricom the aggregate shareholding along with the change in its shareholding within two working days of the sale of shares or voting rights.
- ix. For the transaction on December 31, 2012, it was required to make the disclosure to Tricom latest by January 02, 2013 under regulation 13(3) read with regulation 13(5) of the PIT Regulations but, it could not disclose the same due to inadvertence and without any wilful intent because of non-availability of professional staff who could make such disclosures to the stock exchange .
- x. Further, it did not make disclosure for the transactions falling under regulation 13(4A) of the PIT Regulations to Tricom as well as to the BSE due to inadvertence and without any wilful intention. However, for the transactions involving invocation of pledge, it had made necessary disclosures under regulation 31(2) of the SAST Regulations, 2011. We undertake to make the disclosures under Regulation 13(4A) in future.
- xi. It had entered into certain transactions relating to the creation of pledge of shares of Tricom that are held by it in the capacity of Promoter and the detail of such creation of pledge were not disclosed within time specified to Tricom under regulation 8A (2) of SAST Regulation 1997 due to inadvertence and without any wilful intent, but, it was due to non-availability of professional staff. Therefore, it is prayed that no action be initiated against it and it undertakes to make the above disclosures in future.
- xii. There was an inadvertent delay in making disclosure (viz. 5 days, 4 days, 3 days and 2 days respectively for the pledge transaction dated February 24, 2012, February 27,

2012, May 28, 2012 and June 11, 2012) under regulation 31(1) and 31 (2) of SAST Regulations, 2011 to Tricom as well as to the stock exchange due to lack of professional guidance and this was not done with any mala fide intention. We also ensures to make timely disclosures in future and not to delay the same.

- xiii. In respect of Para 18 of SCN, it is stated that it had entered into certain transactions in relation to invocation of pledge of shares which required disclosures under regulation 29 (2) of SAST Regulations, 2011 and under regulation 13(3) of the PIT Regulations. However, due to lack of professional advice, it was unable to make the aforesaid disclosures to Tricom as well as stock exchange.
- xiv. The above non-disclosure was because the lenders had invoked the shares pledged for the purpose of recovery of their respective loan amounts and it was not aware about the said invocation, hence it was not possible for it to make disclosure about such invocations. In this regard, we pray that sufficient time be granted to us in order to make the disclosure to Tricom as well as stock Exchange with a view to regularize the compliance mechanism.

Reply of the Noticee No. 4 / Dinesh Patadia Financial and Investment Pvt Ltd

- xv. In respect of para 20 of the SCN, it is stated that its shareholding changed during the investigation period from 11,74,500 shares (11.92%) on January 01, 2011 to 7,25,205 shares (7.36%) on December 31, 2012. The aforesaid change exceeded 2% of the total shareholding and voting rights. It was required to make the disclosure to Tricom latest by January 02, 2013 for transaction of December 31, 2012 under regulation 13(3) read with regulation 13(5) of the PIT Regulations which was not done by it intentionally but was due to lack of professional guidance as there was no professional staff available.
- xvi. Further it did not make the disclosures under Regulation 13(4A) of the PIT Regulations to Tricom as well as to the BSE Limited due to inadvertence without any wilful intention. However, for all the transactions, it had made necessary disclosures under regulation 31(2) of the SAST Regulations, 2011. It will endeavour to make disclosures under regulation 13(4A) in future and necessary time period be granted to make the said disclosures.
- xvii. Further, it had entered into certain transactions relating to the creation of Pledge of shares of Tricom held by it in the capacity of Promoter and details of such creation of pledge were not disclosed to Tricom under Regulation 8A(2) of SAST Regulations 1997 due to inadvertence without any malafide intent because of non- availability of professional staff who could make such disclosures to the stock exchange.

- xviii. Further, there was an inadvertent delay in making disclosure of certain pledge transactions as per their calculation (viz. delay of 3 days, 5 days and 4 days for pledge transactions dated November 30, 2011, February 24, 2012 and February 27, 2012 respectively) and there was no disclosure for pledge creation transaction dated April 25, 2012 under regulations 31(1) and 31(2) of SAST Regulations, 2011 to Tricom and to stock exchange, due to lack of professional guidance. Therefore, it is prayed that no action be initiated against it as it endeavors to make the above disclosures in future.
- xix. In respect to para 21 of the SCN, it is stated that it had entered into certain transactions in relation to invocation of pledge of shares which required disclosures under regulation 29(2) of SAST Regulations, 2011 and under regulation 13(3) of the PIT Regulations. However, due to lack of professional advice, it was unable to make the aforesaid disclosures.
- xx. The above non-disclosure was because the lenders had invoked the shares pledged for the purpose of recovery of their respective loan amounts and accordingly it was not aware about the said invocation due to which it was not possible for it to make disclosure.
- xxi. In this regard, we pray that sufficient time be granted to us in order to make the disclosure to Tricom as well as the stock exchange with a view to regularise the compliance mechanism of the Company.

Reply of the Noticee No. 5 / Chetan S Kothari

- xxii. In respect to Para 9 of the SCN, it is stated that I have not disclose the transactions falling under regulation 13(4) and 13 (4A) of the PIT Regulations to the Tricom and to stock exchange due to lack of professional knowledge and expertise as I was not aware of requirement for making the said disclosures. However, for the transactions in relation to invocation of pledge, my staff on behalf of myself had made necessary disclosures under regulation 31(2) of the SAST Regulations, 2011.
- xxiii. The shares for the transaction reflected in SCN (buy/sale) were never received by me in my demat account as were nearly retained by stock broker, so I could not disclose the same at that time. I prays that delay in filling the disclosure for the above transactions was simply due to inadvertence/ ignorance and non appreciation of requirement of disclosure and there was no mala fide intention for not disclosing the transactions. Further, I assure you that I will make the required disclosures under regulation 13(4) and 13(4A) as expeditiously as possible.

- xxiv. Further, there was an unintentional delay of 9 days and 26 days for pledge transaction on February 27, 2012 and April 25, 2012 respectively in making disclosures under regulation 31 (1) and 31 (2) o SAST Regulations, 2011 and no disclosure for creation of pledge and invocation of pledge transactions (viz. on May 28, 2012, September 07, 2012 and September 14, 2012) was made by me to the Tricom and the stock exchange due to lack of professional guidance. I have not received any gain from such transactions. I ensure to make timely disclosures in future and not to delay the same.
- xxv. In respect to Para 10 of the SCN, it is stated that he had not disclosed to the Tricom and stock exchange the transaction requiring disclosures under regulation 13(4) and 13(14A) of PIT Regulations due to inadvertence and lack of professional advice. However, I undertake and affirm to make the aforesaid disclosures in future as soon as possible with suitable assistance.
- xxvi. In respect of Para 11 of the SCN, it is stated that being a director of the Tricom, he could not comply with the provisions of clause 4.2 read with Regulation 12(1) of the PIT Regulations by entering into opposite transactions (i.e buy and sell transactions within a period of six months of entering into either buy or sell transactions), due to inadvertence. I submit that these violations were not done with any mala fide intention nor with a view to obtain any gain or profit but were genuine and were in the regular course of my trading activity. I also admit and affirm to take reasonable care of the same in future.
- xxvii. In respect to Para 12 of the SCN, it is stated that he could not take pre- clearances under clause 3.3-1 of code of conduct specified under Part- A of schedule-I read with Regulation 12(1) of the PIT Regulations, due to inadvertence as he had no support/ help on the professional front. I hereby pray to your good office that these violations/non-compliances were not done with any mala fide intention or with a view to obtain any gain or profit. Further, there was constant change of compliance officer in the Company/Tricom which made difficult to obtain the pre- clearance from the respective persons. I undertake to take reasonable care of taking pre- clearance in my future trades.
- xxviii. I reiterate that my extremely difficult financial position makes me completely incapacitate to bear further burden of penalty and my case be viewed with kind and merciful sight.

Reply of the Noticee No. 6 / Tricom Fruits Products Limited

- xxix. In respect to para 4 of the SCN it is stated on January 03, 2013, Adilnath Finance Pvt Ltd and Nidhi Kothari were included in promoter category and they were required to

disclose their share/voting rights in the Company within two working days of becoming the promoter or person belonging to promoter group under regulation 13(2A) of PIT Regulations which they have disclosed to the Company within the time limits.

- xxx. On the receipt of aforesaid disclosures from both the said promoters, the Company / it was required to file disclosures under Regulation 13(6) of PIT Regulations within two working days i.e. latest by January 07, 2013 with the BSE, however, the same has been filed with the stock exchange on November 27, 2013 (i.e. delay of 322 days). The said delay was inadvertent delay and there was no malafide intention behind such delay.
- xxxi. On January 03, 2013, the Company / it had allotted preferential shares to two promoter group entities namely Chetana Kothari (Notice 1) and Gaparik Trade & Finance Resources Pvt. Ltd (Notice 2) due to which the shareholding was changed and they were required to file disclosure with it under regulation 13(4A) of PIT Regulations which was disclosed by them within the time limit.
- xxxii. On the receipt of aforesaid disclosures from both the promoter group entities, it was required to file disclosures under Regulation 13(6) of PIT Regulations within two working days i.e latest by January 07, 2013 with the stock exchange . However, the same has been filed with the stock exchange belatedly on November 27, 2013 (i.e. delay of 322 days) due to inadvertent delay without malafide intention.
- xxxiii. In respect to para 6 of the SCN, it is stated that on February 01, 2012 the shareholding of Twin Best Trading & Marketing Pvt Ltd (Noticee 10) was increased from 4.74% to 5.17% which was required to disclose its aggregate shareholding and voting rights in the Company / Tricom within two-working days to the Company under regulation 13(1) of PIT Regulations. However, the same were disclosed by Twin Best Trading & Marketing Pvt. Ltd to the Company on February 13, 2012 (viz. delay of 6 days)
- xxxiv. Further, pursuant to receipt of aforesaid disclosure from Twin Best Trading & Marketing Pvt. Ltd. it was required to file disclosure under Regulation 13(6) of PIT Regulations within two working days i.e. latest by February 03, 2013 with the stock exchange. However, there was already a delay of 6 days by Twin Best Trading & Marketing Private Limited in making disclosure to the Company on account of which the Company in turn failed to disclose the same to the stock exchange within the time limit as prescribed under the Regulation. Since the non-disclosure was of unintentional and genuine nature, it is prayed that no action be initiated against the Company / Noticee No. 6 in this regard.
- xxxv. In respect of Para 14 and 15 of the SCN, it is stated that the Company / Noticee No. 6 has adopted the code of conduct under Part A of Schedule I of PIT Regulations.

However, it was unable to ensure and enforce the compliance of the code of conduct due non-availability of Company Secretary / Compliance officer and professional staff for some times during investigation period. During investigation period there were three changes made in respect of position of Company Secretary (CS) and Compliance Officer (CO). The failure of making of disclosures were happened during the period in which CS and CO were there for very short time and from September 10, 2012 to the end of investigation period there was no Company Secretary and Compliance Officer. Hence, we pray that no action may be initiated towards the Company and suitable time be granted so as to regularize the compliance mechanism of the Company.

Reply of the Noticee No. 7 / Prakash V Naik

- xxxvi. I was past Managing Director of Tricom Fruits Product Limited and joined Tricom Fruits Product Limited as a project Manager to assist in building the plant. Later, I was made technical Director to take care of all engineering and technical aspects of the project. After completion of the project since the Company wanted someone to be there as Managing Director. I was placed in that position. My job continued to be of the nature of technical and engineering of the plant and machinery, Since I am basically an engineer who had previously worked in similar assignment like design and engineering, installation and commissioning of plant and machineries in companies like Alfa Laval India Limited.
- xxxvii. In Tricom, I was only taking care technical aspect and based in the factory. The other matters like finance, dealing with SEBI, legal and secretarial aspects, commercial matters, purchase and sales and marketing were handled independently (not reporting to me) by various respective personnel. I discontinued being as Managing Director with effect from 27th January, 2013. Hence I request you to please excuse me from all matters pertaining to SEBI discharge from the case.
- xxxviii. As per the said clause 1.2 of the Model Code of Conduct for prevention of Insider Trading for Listed Companies, the responsibility for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “ Unpublished Price Sensitive Information “, pre-clearing of trades of designated employees and their dependents (directly or through respective department heads) as decided by the Company, monitoring of trades and the implementation of the code of the conduct, is under the supervision of the Board of the Directors and not alone of the Managing Director of the Company.

xxxix. It is pertinent to note that a distinction under law is made between Non-executive Directors, Executive Directors, including managing Director, Whole Time Director and so on. The term 'Board of Directors' is not the same as 'Managing Director'. A Company may have one or more Executive Director and Managing Directors. Further, position of Managing Director is contractual position. Responsibility of the Board of directors is a collective responsibility of all Directors i.e non- executive directors, including independent directors and executive directors including managing director.

xl. The Company through its Board of Directors passed a Special Resolution dated 15.09.2009, resolving to appoint the undersigned a Managing Director of the Company for the period from 29.06.2009 to 28.06.2012. Subsequently, I had ceased to be the Managing Director of the Company and was appointed as an Non- Executive Director on 27.01.2013. I resigned as Non – Executive Director of the Company on 31.12.2014.

xli. In view of above, it is clear that I was not made responsible for compliance of the Model Code of Conduct whose violation is alleged in the captioned notice. Hence, I humbly submit that I may be relived from the further proceedings in the matter.

Reply of the Noticee No. 8 / Riddhi Sanghvi

xlii. The Noticee No 8, at the very outset emphasizes that she was the Compliance Officer of the Company / Tricom Fruit Products Limited with effect from 14th November 2011 until 25th May 2012 (tenure). Accordingly and logically, the Noticee no 8 is accountable as the Compliance officer of the Company only of the tenure as aforementioned.

xliii. In light of the above, the Noticee submits that Nothing contained in the SCN even remotely suggest/evidence that the Noticee No 8 has failed to follow the Code of Conduct of the Company in letter and in spirit. Accordingly, the Noticee No 8 states that no action ought to be taken against the Noticee No 8. The Noticee No 8 submits that she has attempted to answer the charge levelled against her to the best of her capabilities and undertaking.

Reply of Noticee No. 9 / Neha Sarvaiya

xliv. That the Company / Tricom has informed BSE that Ms. Riddhi Sanghavi has resigned as a Company Secretary of the Company with effect from 20/ 06/ 2012 and Mrs. Neha Sarvaiya has been appointed as a Company Secretary. That since Noticee No. 9 had to take instructions from former Company Secretary Ms.Riddhi Sanghvi (Noticee No. 8), she had to rely upon the instructions of Noticee No. 8 who was appointed as Compliance Officer of the Company.

- xliv. That the shareholding pattern of the Company for the quarter ended 30th June 2012 submitted by Noticee No. 9 was signed and submitted within short period of her joining and former CS and Compliance officer shall be held responsible for actual monitoring, implementation and supervision for the quarter under scrutiny.
 - xlvi. That the Company always delayed in making payment of her monthly salary and moreover, Company has also not paid her full & final settlement till date and delaying the same by giving one or other false reason.
 - xlvii. That the Noticee No. 9, was though appointed as Company Secretary and Compliance Officer but had very limited or no access over required information / documents etc. and therefore, had no option but to resign from the Company.
 - xlviii. That Noticee No. 9 has worked for very limited time period from 20/06/2012 to 10/09/2012 and has neither committed any default nor has violated any of the provisions as alleged.
 - xlix. That mere submission of Shareholding pattern for the quarter and working with the Company for less than 3 months shall not be ground to hold Noticee No. 9 responsible for failure to implement and supervise the code of conduct of the Company.
1. That the person joining the Company as an employee had to go through the induction and training process and a reasonable time is expected to be taken by any prudent employee to understand the various aspects of the Company including its hierarchy, work culture, strategy, process, history, documentations, etc. and in a given case, Noticee No.9 has not received proper hand over and co-operation from management of the Company / Tricom. Noticee No. 9 had neither had malafide intentions nor made any unlawful gains during her tenure with the company.
 - li. It is to be noted that the intention of law maker is not to make Compliance Officer responsible merely because he/she has been designated as Compliance Officer of the Company. There shall be no assumption or presumption theory to hold such officer responsible for any such alleged violation(s) under rules/regulation/ act.
 - lii. The law makers under rules/regulation/act, not specified the time period within which a Compliance officer shall implement Code of Conduct of the Company from joining of Company and therefore, it is expected that the reasonable time period be given to Compliance Officer to perform his duties.

- liii. Further, allegation of failure to supervise the code of conduct is false and beyond the scope of aforesaid clause as the implementation of the said code of conduct itself is to be done under overall supervision of the Board of Directors of the listed company and simple interpretation of the word "under overall supervision of Board of Directors of the listed company" shall be; firstly, entity shall be a listed company and implementation of the Code of conduct of the Company shall be under supervision of all of its directors collectively i.e. Board of the listed Company.
- liv. Since aforesaid clause entrusted with supervisory role to Board and there is nothing to show in content of the SCN or documents attached therewith to prove that the Noticee No. 9 (being compliance officer during 20/06/2012 to 10/09/2012) also failed to implement and supervise the code of conduct of the company.
- lv. That there is neither deliberate nor malafide intentions on part of Noticee No. 9 and she is law abiding citizen with clean antecedents and have good case on merits and therefore requested that the charges against Noticee No. 9 be dropped in the interest of justice, equity and good conscience.

Reply of Noticee No. 10 / Twin Best Trading & Marketing Private Limited

- lvi. In respect of para 5 of the SCN, it is stated that on February 01, 2012, its shareholding in Tricom increased from 4.74% to 5.17%. It was required to disclose its aggregate shareholding to BSE as well as to Tricom within two working days from the acquisition under regulation 29 (1) read with 29(3) of the SAST Regulation, however, it had made disclosures on March 05, 2012 with a delay of 21 days.
- lvii. In respect to Para 6 of the SCN, it is stated that for transaction on February 01, 2012, it was also required to disclose its aggregate shareholding and voting rights within two working days from acquisition to Tricom under regulation 13(1) of the PIT Regulations. However, the same was disclosed by it on February 13, 2012 with a delay of 6 days.
- lviii. It had inadvertently due lack of professional staff and lack of legal and professional guidance could not make the aforesaid disclosure on time and thereby made the disclosure with a delay. In view of this, it is prayed that no action to be taken against it as the delay was not done with wilful intent and also we ensure to make timely disclosures in future.

Common reply of the Noticee No. 1-6 & 10

- lix. In this regards your attention is drawn to the judgment of the Hon'ble Securities Appellate Tribunal in the matter of Vitro Commodities Pvt Ltd. vs. SEBI dated 04th September 2013 wherein the Hon'ble Tribunal has inter as held as under:

“16.it may be noticed that provisions of Regulations 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 199 are not substantially different, since violation of first automatically triggers violation of second and hence there is no justification for imposition of penalty for second violation when penalty for first violation has been imposed. It may be seen that Regulation 7 (1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 are not stand alone Regulations and one is corollary of others.”

- lx. In the judgement of Vitro mentioned hereinabove, the Hon'ble SAT has established that a lenient view may be taken if there is no disproportionate gain due to the violation and no loss has been caused to the investors.
- lxi. Taking forward the ratio established by SAT, SEBI has also taken a similar lenient view in the matter of *Fiberweb India Ltd. dated September 19, 2017* where the parties were alleged to violate regulation 7(1), 7 (2) of PIT Regulations and 29(1), 29(2) and 29 (3) of SAST regulations.
- lxii. They could not make the aforesaid disclosure on time and no gain was made out of such non disclosures.
22. After taking into account the allegations, replies of the Noticees and other evidences / material available on records, I hereby, proceed to decide the case on merit.

CONSIDERATION OF ISSUES AND FINDINGS

23. The issues that arise for consideration in the present case are :
- I. Whether the Noticee(s) had failed / delayed in making the required disclosures in violation of provisions of regulation 29 (1), 29(2) read with 29(3), regulation 31(1), 31(2) read with 31(3) of SAST Regulations, 2011 and regulation 8 A(2) of SAST Regulations 1997, regulation 13 (1), 13(3), 13(4), 13 (4A) read with 13(5) & regulation 13 (6) of the PIT Regulations and Clause 1.2, Clause 3.3-1, clause 4.2 of code of conduct specified under Schedule-I of

Part A read with Regulation 12(1) of PIT Regulations as alleged against the respective Noticee(s) under the SCN?

- II. If yes, then, whether said violation attracts monetary penalty under sections 15 A (b) and 15 HB of the SEBI Act?
- III. If yes, then, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors mentioned in section 15J of the SEBI Act read with rule 5 (3) of the Adjudication Rules?

ISSUE NO. I

24. I have carefully perused the allegations, submissions of the Noticees and the evidences / material available on records. The facts / details of buy, sell, pledge transactions (viz. number of shares, date of purchase, sale, creation / invocation / release of pledged shares, value involved and the violations etc.) and the non-disclosures / delayed disclosures as alleged in the SCN, are not in dispute by the Noticees.

25. The regulation 13(1) of the PIT Regulations requires any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of the receipt of intimation of allotment of shares or upon acquisition of shares or voting rights.

26. Similarly, regulation 29(1) of the SAST Regulations requires that any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding / voting rights to the target company and the stock exchange within 2 working days.

27. The regulation 13(3) of the PIT Regulations requires any person who holds more than 5% shares or voting rights in any listed company to disclose to the company the number of shares or voting rights held and change in shareholding or voting rights, if there has been change in such holdings from the last disclosure made under Regulation 13(1) or under this sub-regulation; and such change exceeds 2% of the total shareholding or voting rights in a company within two working days.
28. Similarly, regulation 29(2) of the SAST Regulations requires any acquirer holding shares or voting rights entitling him for five percent or more of shares or voting rights in a target company to disclose the number of shares or voting rights held and change in shareholding or voting rights if there has been change in such holdings from the last disclosure and such change exceeds two percent of the total shareholding or voting rights in a target company, even if such change results in shareholding falling below five percent.
29. Regulation 13 (4) and 13 (4A) of the PIT Regulations requires that any person who is a director or officer or Promoter / Promoter group of a listed company, shall disclose to the company and the stock exchange, if there has been a change in such holdings of such person from the last disclosure and the change exceeds ₹ 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.
30. Regulation 13 (6) requires that every listed company shall disclose to all stock exchanges on which the company is listed within two working days the information / disclosure received under sub-regulations (1), (2), (2A), (3), (4) and (4A) of the PIT Regulations.
31. Further, regulation 31 (1) and 31 (2) of the SAST Regulations, 2011 requires Promoter of every target company to disclose details of shares encumbered by him, invocation of such encumbrance or release of such encumbrance, within 7 working days. Similarly, regulation 8 A (2) of the erstwhile SAST Regulation

1997 (which was effective till October 21, 2011) requires a promoter or every person forming part of the promoter group of any company to make disclosure within 7 working days from the date of creation of pledge on shares.

32. After the analysis of the records, the details of non-disclosures / delayed disclosures regarding creation / invocation / release of pledged shares by the Noticees and other sale / purchase transactions etc. (viz. date, name of the Noticee(s), transaction type, number of shares etc. and the provisions of SAST Regulations / PIT Regulations violated by the Noticees) are shown in tables below in respect of each Noticees.

Examination in respect of Noticee No. 1 / Chetana Kothari

33. It is noted from the records that the Noticee No. 1 was the promoter of the Tricom and had traded in the shares of Tricom during the investigation period, details of which are shown in table below:

Buy			Sell		
Date	No. of Shares	Value	Date	No. of Shares	Value
July 19, 2012	24,250	10,00,302.50	August 03, 2012	1,521	49,356.45
July 20, 2012	14,379	5,89,730.90	August 10, 2012	1,050	19,005.00
July 24, 2012	4,700	1,97,400.00	August 13, 2012	55,879	9,61,739.40
July 25, 2012	4,700	1,97,400.00	August 30, 2012	700	15,835.00
July 30, 2012	24,350	9,99,497.50			
August 02, 2012	2,400	99,120.00			
August 03, 2012	1,500	61,295.50			
Total	76,279	31,44,746.40	Total	59,150	10,45,935.85

34. The aforesaid transactions are not in dispute by the Noticee No. 1. It is seen that the trading by the Noticee No. 1 had exceeded 25,000 shares or ₹5 lakhs in value on July 19, 2012, July 20, 2012, July 30, 2012 and August 13, 2012 and upon such trading (buy / sell), the Noticee No. 1 was required to make disclosure to Tricom / Company as well as Stock Exchanges in compliance with regulation 13(4A) of PIT Regulations. From the available records, it is observed

that no such disclosure was made by the Noticee No. 1 as per time lines under regulation 13(4A) read with 13(5) of PIT Regulations.

35. It is observed from the records that the Noticee No. 1 was also allotted 3,70,000 shares on January 03, 2013 and disclosure was made to Noticee No. 6 / Tricom on January 05, 2013 under regulation 13(4A) of PIT Regulations, but she had failed to make disclosure to the stock exchange. The said non disclosure is not in dispute by the Noticee No. 1.
36. During the instant proceeding, the Noticee No. 1 had filed Annexure A along with her reply dated October 17, 2017 and from said Annexure, it is seen that the Noticee No. 1 had made the disclosures regarding aforesaid transactions only on August 18, 2017 under regulation 13 (4) and 13(4A) of PIT Regulations after a huge delay of around 5 years.
37. Towards the allegations, the Noticee No. 1 had stated that she inadvertently failed to disclose as she was unaware about such disclosures and there was no staff who could assist in making the said disclosures. She also submitted that authority was given to her stock brokers to keep the shares in beneficiary account for pay in / pay out obligation and hence she could not track the details of the transactions at that time. The said plea is not accepted as it is the responsibility of the Noticee No. 1 to be aware of the transactions made by her and to make the timely disclosures. However, keeping in mind the mandatory disclosure requirements under the aforesaid PIT Regulations, the aforesaid submissions of the Noticee No. 1 are not acceptable. Also the plea of not making any gain out of such non-disclosures or her extreme difficult financial position, would be of no help to escape from the established violations.
38. From the above, it is concluded that the Noticee No. 1 had failed to make the disclosures regarding aforesaid sale / purchase transactions to the Tricom / Company as well as Stock Exchanges within the stipulated timelines under regulation 13(4A) read with 13 (5) of PIT Regulations and made such

disclosures only after delay of around 5 years and therefore, she had violated regulation 13(4A) r/w 13(5) of PIT Regulations.

Examination in respect of the Noticee No. 2 / Gaprik Trade & Finance Resource Pvt. Ltd.

39. It is observed from the undisputed records that BSE provided the disclosures details submitted by Noticee No. 6 on November 27, 2013 under regulation 13(6) of PIT Regulations regarding change in shareholding of Noticee No. 2 (promoter group entity) for allotment of 4,82,500 shares on January 03, 2013. In respect of said allotment on January 03, 2013, the Noticees No. 2 had made disclosure to Noticee No. 6 on January 05, 2013 under regulation 13(4A) of PIT Regulations, but, failed to make such disclosure to stock exchange.
40. The alleged transactions and failure of making disclosures is not in dispute. It is noted that though the disclosure regarding said allotment of shares was made on time (5th January 2013) by the Noticee No. 2 to Company / Tricom, but, it had failed to make such disclosure to stock exchange (BSE). I cannot ignore that making of such disclosure to the stock exchange under regulation 13(4A) of PIT Regulations is an essential requirement so as to reach to the public / investors at large on time. However, the purpose of keeping the investors informed of such change / information, could not be served within the stipulated time because such allotment was disclosed by the Noticee No. 6 / Tricom only on November 27, 2013 under regulation 13(6) of PIT Regulations.
41. The Noticee No. 2 had forwarded an Annexure A along with additional reply dated October 28, 2017 and from said Annexure, it is seen that the Noticee No. 2 had made the disclosures regarding aforesaid transactions / allotment of shares only on October 24, 2017 under regulation 13(4A) of PIT Regulations after a huge delay of more than 4 years.

42. Keeping in mind the mandatory disclosure requirements under the aforesaid PIT Regulations, the submission of the Noticee No. 2 that it had inadvertently failed to make disclosure due to lack of staff / professional guidance, is not acceptable.
43. From the above, it is concluded that the Noticee No. 2 had failed to make the disclosures regarding aforesaid allotment of shares to Stock Exchanges within the stipulated timelines under regulation 13(4A) read with 13 (5) of PIT Regulations and accordingly had violated the same.

Examination in respect of Noticee No. 3 / Rids Textiles Ltd.

44. It is noted from the available undisputed records that during investigation period the Noticee No. 3 was the promoter group entity of the Tricom and its shareholding changed from 12,86,550 shares (13.05%) on January 01, 2011 to 4,83,357 shares (4.90%) on December 31, 2012. It is noted from the records that the Noticee No. 3 had entered into several transactions which required the disclosure under SAST Regulations, 1997 and SAST Regulations 2011 and PIT Regulations. The available records reveals that the Noticee No. 3 had made disclosure for some instances / transactions, however for many other transactions, it had failed to make disclosure. The details where the Noticee No. 3 had failed to make required disclosures under regulation 8A (2) of SAST Regulations, 1997, under regulation 31(1), 31 (2) & 31 (3) of SAST Regulations, 2011 and regulation 13(4A) of PIT Regulations are shown as below:

S N	Date of Transaction	Type /Nature of Transaction	Shares Involved	*Disclosure required U/r	Timeline for Disclosure as per Regulation	Actual date of Disclosure	Violation/Details	Remarks
1	11/03/2011	Creation of Pledge	2,06,153	*8A (2) of SAST, 1997	7 working days	No disclosure	No disclosure to company	
2	14/03/2011	Creation of Pledge	4,348	*8A (2) of SAST, 1997	7 working days	No disclosure	No disclosure to company	
3	15/03/2011	Creation of Pledge	22,394	*8A (2) of SAST, 1997	7 working days	No disclosure	No disclosure to company	
4	22/03/2011	Creation of Pledge	59,051	*8A (2) of SAST, 1997	7 working days	No disclosure	No disclosure to company	
5	24/02/2012	Release	16,250	31 (2) of	7 working	13/03/2012	Delayed	

		of Pledged shares		SAST, 2011	days		Disclosure to company and exchange by 9 days	
6	27/02/2012	Release of Pledged shares	1,005 And 4,348	31 (2) of SAST, 2011	7 working days	13/03/2012	Delayed Disclosure to company and exchange by 6 days	
7	28/05/2012	Invocation of Pledge	16,899	31 (2) of SAST, 2011	7 working days	09/06/2012	Delayed Disclosure to company and exchange by 3 days	Closing Price 46.6, value of shares 16899*46.6= 7,87,493
				13 (4A) of PIT, 1992	2 working days	No Disclosure	No Disclosure to company and exchange	
8	11/06/2012	Creation of Pledge	11,321	31 (1) of SAST, 2011	7 working days	22/06/2012	Delayed Disclosure to company and exchange by 2 days	
9	28/02/2012	Transfer of shares in off-market (Debit)	15,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Closing Price 58.9, value of shares 15000*58.9= 8,83,500
**10	10/04/2012	Invocation of Pledge	2,00,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**11	30/04/2012	Invocation of Pledge	1,13,674	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**12	19/06/2012	Invocation of Pledge	52,400	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**13	13/08/2012	Invocation of Pledge	252,600	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**14	27/08/2012	Invocation of Pledge	60,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares

* Regulation 8A(2) of SAST Regulations, 1997 is triggered because SAST Regulations, 2011 were effective from October 22, 2011 and the transaction happened before that date.

**For 10 to 14 above, necessary disclosure u/r 31(2) of SAST, 2011 was made by Noticee No. 3.

45. The aforesaid transaction details are not disputed by the Noticee No. 3. From the said undisputed details, it is seen that the Noticee No. 3 being the Promoter entity of the Tricom had failed to make disclosure under regulation 8A (2) of SAST Regulations, 1997 for the pledge creation transactions shown at serial no. 1-4 of table above. For transactions at serial no. 5-8 above, the disclosures were made belatedly under regulation 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011 (i.e. delay of 9, 6, 3 and 2 days respectively). As per submissions of the Noticee No. 3, the delay was of 5, 4, 3 and 2 days

respectively. However, from the transaction details, it is clear that there was a delay of days as shown in table above and the same is not within the times lines as stipulated under regulation 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011.

46. It is also noted from the undisputed records that for off market sale of shares and pledge invocation transactions at serial no. 9-14 and for serial no. 7, no disclosures were made by the Noticee No. 3 to Company / Tricom and to stock exchange under regulation 13(4A) of PIT Regulations. Though, for transactions at serial no. 10-14, the disclosure under regulation 31(2) of SAST, 2011 were made by Noticee No. 3.
47. From the records, it is also noted that for some transactions of invocation of pledge of shares where the change in shareholding resulted more than 2%, the Noticee No. 3 was also required to make disclosure under regulation 29(2) of SAST Regulations, 2011 and under regulation 13(3) of PIT Regulations, however, it had failed to make such disclosures. The details of such non disclosures is shown in table below;

S N	Date	Shares	Details	Date	Shares	Details	Remarks	Disclosure	Violation
1	09/04/2012	12,00,550	Holding	10/04/2012	2,00,000	Invocation	On 10/04/2012 change in shareholding exceeded 2%.	No Disclosure	Reg. 29(2) of SEBI (SAST) Reg., 2011 and Reg. 13 (3) of SEBI (PIT) Reg., 1992.
2	10/04/2012	10,00,550	Holding	30/04/2012	1,13,674	Invocation	On 13/08/2012 change in shareholding exceeded 2%.	No Disclosure	Reg. 29(2) of SEBI (SAST) Reg., 2011 and Reg. 13 (3) of SEBI (PIT) Reg., 1992.
				28/05/2012	16,899	Invocation			
				19/06/2012	52,400	Invocation			
				13/08/2012	2,52,600	Invocation			

48. Keeping in mind the mandatory disclosure requirements, the submission of the Noticee No. 3 that it had inadvertently failed to make disclosure due to lack of staff / professional guidance, is not acceptable.

49. It is noted that during the instant proceedings, the Noticee No. 3 had provided Annexures along with reply dated October 28, 2017 and from said annexures, it is seen that it had made disclosures regarding aforesaid transactions only on August 18, 2017 after a huge delay of around 6 years.
50. In respect to the non-disclosures / delayed disclosure regarding pledge invocation, the Noticee No. 3 had contended that since it was not aware as to when such pledged shares were invoked by the lenders and hence, they could not make disclosure of to the Company / Stock Exchange regarding such invocation of pledge.
51. I do not agree with the aforesaid contention regarding “knowledge/intimation” of invocation of pledge transactions on the two following grounds. Firstly, as per the bare reading of regulation 31 (3) of the SAST Regulations, the disclosures are required to be made “within seven working days from the creation or invocation or release of encumbrance”. The said regulation clearly stipulates the mandatory requirement of disclosures to be made from the day of creation / invocation / release of pledge and does not leave any scope of “knowledge / intimation” as prior condition for the person who is required to make such disclosures. Had the “knowledge / intimation” been the intent under SAST Regulations, then, the same would have been incorporated there itself.
52. Secondly, while making / creating pledge of shares by the borrower, certain terms / condition as well as the timeline of invocation of pledged shares in case of breach in making re-payment/loan are pre fixed between the borrower and the lender and needless to say that if such time for loan repayment is already decided, then, the borrower is supposed to know the day / timeline after which invocation of pledged share may take place by the lender upon breach of payment.
53. Thirdly, the manner of creation / invocation of pledge has been laid down in regulation 58 of the SEBI (Depositories and Participants) Regulations, 1996

(hereinafter referred to as 'DP Regulations'). For the purpose of invocation, regulation 58 (8) and 58 (9) warrants hereunder;

(8) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly.

(9) After amending its records under sub-regulation (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledgee respectively.

54. It is clear from the aforesaid provision of the DP Regulations that it is the duty of the Depository towards the Participant and in turn of Participants towards the pledger / pledgee, to immediately inform about such invocation. The intent of the statute in respect of word "immediately" should be construed in true sense and it is expected that such invocation have been informed to the pledger / pledges immediately/without delay.
55. Therefore, if the aforesaid argument advanced by the Noticee No. 3 is accepted, then, the very purpose of aforesaid SAST Regulations would be defeated. Hence, the submission of the Noticee No. 3 regarding "intimation / knowledge" of invocation of pledge, is not acceptable.
56. Further, I am of the view that if a well-defined procedure is prescribed for making disclosures, then, it should be made in that manner only. In this context, I would also like to refer the judgment of the Hon'ble SAT in case of Premchand Shah & Others v. SEBI (Appeal No. 192 of 2010) decided on February 21, 2011, wherein, it was held as- *"..... When law prescribes a manner in which a thing is to be done, it must be done only in that manner or not at all. Both sets of regulations prescribe formats in which the disclosures are to be made and those are then put out for the information of the general public through special window(s) of the stock exchange which did not happen in this case"*.

57. After taking into account the aforesaid non-disclosure / belated disclosure, it is established that the Noticee No. 3 had violated regulation 8A (2) of SAST Regulations, 1997, regulation 29(2) , 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011 and regulation 13 (3) & 13(4A) of PIT Regulations.

Examination in respect of Noticee No. 4 / Dinesh Patadia Financial and Investment Pvt. Ltd.

58. It is noted from the records that during investigation period the Noticee No. 4 was the promoter group entity and its shareholding changed from 11,74,500 shares (11.92%) on January 01, 2011 to 7,25,205 shares (7.36%) on December 31, 2012. It is observed from the undisputed records that the Noticee No. 4 (being the promoter group entity of the Tricom) had entered into several transactions which required disclosure under SAST Regulations, 1997 / SAST Regulation 2011 and PIT Regulations, however it had failed to make disclosure in some instances. The details where the Noticee No. 4 had failed to make required disclosures under regulation 8A(2) of SAST Regulations, 1997, regulation 31(1), 31(2) read with 31 (3) of SAST Regulations, 2011 and 13(4A) of PIT Regulations are shown in table below;

S N	Date of Transaction	Type /Nature of Transaction	Shares Involved	Disclosure required U/r	Timeline for Disclosure as per Regulation	Actual date of Disclosure	Violation	Remarks
1	29/07/2011	Creation of Pledge	1,00,000	*8A (2) of SAST, 1997	7 working days	No disclosure	No disclosure to company	
**2	14/10/2011	Invocation of Pledge	16,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Closing Price 54.25, value of shares 16000*54.25=8,68,000
3	30/11/2011	Creation of Pledge	1,08,730	31 (1) of SAST, 2011	7 working days	14/12/2011	Delayed Disclosure to company and exchange by 5 days	
4	24/02/2012	Release of Pledged shares	15,000	31 (2) of SAST, 2011	7 working days	13/03/2012	Delayed Disclosure to company and exchange by 9 days	
5	27/02/2012	Release of Pledged shares	4,462	31 (2) of SAST, 2011	7 working days	13.03.2012	Delayed Disclosure to company and exchange by 6 days	
6	25/04/2012	Creation of Pledge	7,700	31 (1) of SAST, 2011	7 working days	No disclosure	No disclosure to company and exchange	

**7	17/05/2012	Invocation of Pledge	1,00,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**8	27/07/2012	Invocation of Pledge	45,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**9	23/08/2012	Invocation of Pledge	1,88,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares
**10	13/09/2012	Invocation of Pledge	90,000	13 (4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25000 shares

* Regulation 8A (2) of SEBI (SAST) Regulations, 1997 is triggered because SEBI (SAST) Regulation, 2011 were effective from October 22, 2011 and the transaction happened before that date.

**For 2 & 7 to 10 above, necessary disclosure u/r 31(2) of SAST, 2011 was made by Dinesh.

59. The aforesaid details of transaction are not in dispute. From the above records, it is seen that for the pledge transactions at serial no. 1-2 and 6-10, no disclosure was made by the Noticee No. 4 under regulation 8 A (2) of the SAST Regulation 1997 and under regulation 13 (4A) of the PIT Regulations. For transactions at serial no. 3-5 of above table, the disclosures were made belatedly under regulation 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011 (i.e. delay of 5, 9, & 6 days respectively). As per submissions of the Noticee No. 4, the delay was of 3, 5, & 4, days respectively, however, from the transactions details, it is clear that there was delay of days as shown in table above which was not within the times lines as stipulated under regulation 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011.

60. It is also noted from the undisputed records that for some transaction of invocation of pledge of shares where the change in shareholding was more than 2%, the Noticee No. 4 was also required to make disclosure under regulation 29(2) of SAST Regulations, 2011 and under regulation 13(3) of PIT Regulations, however, it had failed to make such disclosures. The details of such non disclosures is shown in table below;

S N	Date	Shares	Details	Date	Shares	Details	Remarks		Violation
11	13/10/2011	12,45,500	Holding	14/10/2011	16,000	Invocation	On 23/08/2012 change in shareholding exceeded 2%.	No Disclosure	Reg. 29(2) of SEBI (SAST) Reg., 2011 and Reg. 13 (3) of SEBI (PIT) Reg., 1992.
				25/04/2012	1,065	Invocation			
				27/04/2012	7,700	Invocation			
				17/05/2012	1,00,000	Invocation			
				27/07/2012	45,000	Invocation			
				06/08/2012	13,530	Invocation			
				13/08/2012	12,000	Invocation			
				23/08/2012	1,88,000	Invocation			

61. It is noted that during instant proceedings, the Noticee No. 4 along with reply dated October 28, 2017 had enclosed Annexures and from the Annexures, it is seen that the Noticee No. 4 had made the disclosures regarding aforesaid transactions only on August 18, 2017 after a huge delay of around 6 years.
62. The submission of the Noticee No. 4 that it could not make disclosure to the Company / Stock Exchange because it was not aware as to when such pledged shares were invoked by the lenders, is not accepted at all in view of the analysis / reasons / findings made at para 51 to 56 above while deciding the similar plea of Noticee No. 3 which is not repeated for sake of brevity. Further, keeping in mind the mandatory disclosure requirements, the submission of the Noticee No. 4 that it had inadvertently failed to make disclosure due to lack of staff / professional guidance, is not acceptable.
63. After taking into account the aforesaid undisputed non-disclosure / belated disclosure, it is established that the Noticee No. 4 had violated regulation 8A (2) of SAST Regulations, 1997, regulation 29(2) , 31(1), 31 (2) read with 31 (3) of SAST Regulations, 2011 and regulation 13 (3) & 13(4A) of PIT Regulations.

Examination in respect of Noticee No. 5 / Mr. Chetan Kothari

64. It is noted from the undisputed records that the Noticee No. 5 was the promoter and director of the Tricom during investigation period and his shareholding changed from 6,83,000 shares (6.93%) on January 01, 2011 to 6,28,486 shares (6.38%) on December 31, 2012. It is observed from records that the Noticee No. 5 entered into several transactions and for some transactions he had made disclosure, however for various other transactions, he failed to make disclosure under SAST Regulations, 1997 / SAST Regulations, 2011 and PIT Regulations. The details of transaction for which the Noticee No. 5 had failed to make required disclosures / made belated disclosures under regulation 31(1), 31(2) read with 31 (3) of SAST Regulations, 2011 and under regulation 13(4) & 13(4A) of PIT Regulations are shown in table below:

S N	Date of Transaction	Type /Nature of Transaction	Shares Involved	*Disclosure required U/r	Timeline for Disclosure as per Regulation	Actual date of Disclosure	Violation/details	Remarks
1	27/02/2012	Release of Pledged shares	3,635	31 (2) of SAST, 2011	7 working days	20/03/2012	Delayed Disclosure to company and exchange by 12 days	
2	25/04/2012	Invocation of Pledge	3,635	31 (2) of SAST, 2011	7 working days	09/06/2012	Delayed Disclosure to company and exchange by 36 days	
3	28/05/2012	Invocation of Pledge	865	31 (2) of SAST, 2011	7 working days	No disclosure	No disclosure to company and exchange	
4	07/09/2012	Creation of Pledge	23,101	31 (1) of SAST, 2011	7 working days	No disclosure	No disclosure to company and exchange	
5	14/09/2012	Invocation of Pledge	32,912	31 (2) of SAST, 2011 and 13 (4) and 13(4A) of PIT, 1992	7 working days for SAST 2 working days for PIT	No disclosure	No disclosure to company and exchange	
6	04/07/2012	Off Mkt Credit	60,000	13 (4) and 13(4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25,000 Shares
7	05/07/2012	Off Mkt Debit	60,000	13 (4) and 13(4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25,000 Shares
8*	27/07/2012	Invocation of Pledge	35,000	13 (4) and 13(4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25,000 Shares
9*	14/09/2012	Invocation of Pledge	24,800	13 (4) and 13(4A) of PIT, 1992	2 working days	No disclosure	No disclosure to company and exchange	Change exceeded 25,000 Shares

* For 8 & 9 above, necessary disclosure u/r 31(2) of SAST Regulations, 2011 was made by Noticee No. 5.

65. The aforesaid details of transactions / requirement of disclosures are not in dispute by the Noticee No. 5 except stating that there was only 9 days and 26 days delay as per his calculation in respect of transaction at sr. no. 1-2 above. However, from the above records / table it is clear that the said calculation made by the Noticee No. 5 is not correct.

66. From the details of transactions at sr. no. 3-9 of the above table, it is established that the Noticee No. 5 being the promoter / director of the Tricom had failed to

make disclosures of pledge related transactions under regulation 31(1), 31(2) read with 31 (3) of SAST Regulations, 2011 and also failed to make disclosures regarding sell / buy transactions under regulation 13(4) & 13(4A) of PIT Regulations.

67. Further, it is also observed from the records that the change into shareholding of Noticee No. 5 was caused by virtue of trades exceeding ₹ 5 Lakhs in value or 25,000 shares, whichever is lower, however, no disclosures of such change has been made to the stock exchanges and to Company under regulation 13(4) & 13(4A) of PIT Regulation. The details of non-disclosure for the buy / sell transactions are shown in table below;

S N	Date	Shares	Value	Nature of Transaction	Details	Disclosure	Violation
1	04/06/2012	7,081	3,32,099	Buy	Change Exceeds ₹ 5 Lakhs on 05/06/2012	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992
	05/06/2012	5,962	2,79,618	Buy			
2	06/06/2012	10,700	4,97,550	Buy	Change Exceeds ₹ 5 Lakhs on 07/06/2012	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992
	07/06/2012	10,585	4,90,102	Buy			
3	08/06/2012	35,701	16,53,991	Buy	Change Exceeds ₹ 5 Lakhs and 25,000 shares	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992
4	13/06/2012	21,000	9,92,250	Buy	Change Exceeds ₹ 5 Lakhs.	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992
5	21/06/2012	19,320	8,42,442	Buy	Change Exceeds ₹ 5 Lakhs.	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992
6	29/06/2012	17,700	7,33,150	Sell	Change Exceeds ₹ 5 Lakhs.	No Disclosure to company and exchange	13 (4) and 13(4A) of PIT, 1992

68. From the above, it is clear that the Noticee No. 5 had failed to make disclosures to the stock exchanges and company under regulation 13(4) & 13(4A) of PIT Regulations and accordingly violated the same.

69. It is noted that during the instant proceedings, the Noticee No. 5 had submitted Annexures along with his additional reply dated October 28, 2017. From said

annexures it is observed that he had made belated disclosures only on August 18, 2017 regarding transactions shown at pre paras with a huge delay of more than 5 years.

70. Taking into account the mandatory disclosure requirements, the submission of the Noticee No. 5 that it had inadvertently failed to make disclosure due to lack of staff / professional guidance, is not acceptable.
71. The Noticee No. 5 contended that he could not make the disclosures on time because shares reflected in SCN (buy/sale) were never received by him in his demat account as they were retained by stock broker. The aforesaid plea is not accepted as it is his responsibility to be aware of the transactions made by him and to make the timely disclosures. Also said plea appear to be afterthought / without any evidence and hence bears no merit. Needless to say that at one hand the Noticee No. 5 attributes his inadvertence in not making the disclosures and on other hand he takes such different untenable plea. Also the plea of not making any gain out of such non disclosures and his extreme difficult financial position, would be of no help to escape from the established violations.

Examination of allegation of Clause 4.2 and clause 3.3-1 read with regulation 12(1) of Schedule I of PIT Regulations against Noticee No. 5.

72. It was alleged in the SCN that the Noticee No. 5, being Director of Tricom had entered into opposite transaction (i.e. he entered into buy and sell transaction within six months of entering either buy or sell transaction) and therefore, he had violated provisions of Clause 4.2 read with Regulation 12(1) of Schedule I of PIT Regulations. The details of entering into opposite transactions are shown in table below;

Sr. No.	Date	Transaction Type	Buy Qty	Sell Qty
1	04/06/2012	Market	7081	-
2	05/06/2012		5962	-
3	06/06/2012		10700	-
4	07/06/2012		10585	-
5	08/06/2012		35701	-
6	13/06/2012		21000	-

7	19/06/2012		-	4600
8	20/06/2012		14300	9210
9	21/06/2012		19320	-
11	26/06/2012		-	4750
12	27/06/2012		4793	5000
13	28/06/2012		5000	-
14	29/06/2012		-	17700
15	02/07/2012		-	3600
16	04/07/2012	Off-Market	60000	-
17	05/07/2012		-	60000
18	18/07/2012	Market	10	-
19	19/07/2012		7000	-
20	24/07/2012		-	8737
21	25/07/2012		8300	-
22	26/07/2012		-	7300
23	27/07/2012		8150	-
24	30/07/2012		-	4950
25	31/07/2012		1800	8000
26	01/08/2012		2000	2000
27	02/08/2012		11200	-
28	03/08/2012		-	7400
29	06/08/2012		-	2878
30	08/08/2012		-	436

73. The aforesaid transactions details or buy/sale transactions are not in dispute by the Noticee No. 5. I note that clause 4.2 read with Regulation 12(1) of Schedule I of PIT Regulations categorically states that a director 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.

74. However, from the aforesaid details/table, it is clear that both transactions i.e. buying as well as selling of shares have been done by the Noticee No. 5 within six months following the prior transaction. Undoubtedly, by entering into such opposite transactions, the Noticee No. 5 had violated clause 4.2 read with Regulation 12(1) of Schedule I of PIT Regulations.

75. It was also alleged that the Noticee No. 5 being the director did not take pre-clearance of his trades and the trade done by his dependent (i.e. his wife / Noticee No.1). The said allegation is not in dispute. I have taken into account Investigation Report which was annexed as Annexure 12 in a CD along with SCN and observed that trading window to trade in securities of the Tricom was closed during August 12, 2012 to August 16, 2012. It is observed from the

records that the Noticee No. 5 had sold 15,400 shares and his spouse (Noticee No. 1) had sold 55, 879 share on August 13, 2012 (i.e. during window closure period). I have also perused Annexure 7 of the SCN (i.e. reply of the Tricom dated February 22, 2014) and observed that the Tricom had confirmed that no pre-clearance of trading was taken.

76. Since, not taking of pre clearance of trading during window closure period remains undisputed, therefore, it is established that the Noticee No. 5 had not sought pre clearance from the Company / Tricom regarding his trades as well as the trades of his wife; and thereby he had violated provisions of clause 3.3-1 of code of conduct specified under Part-A of Schedule-I read with Regulation 12(1) of PIT Regulations.
77. In respect of aforesaid violation of Clause 4.2 and clause 3.3-1, Noticee No. 5 had submitted that same were resulted due to inadvertence as he had no support/ help on the professional front and these violations/non- compliances were not done with any mala fide intention or with a view to obtain any gain or profit. He had also submitted that there was constant change of compliance officer in the Company/Tricom which made difficult to obtain the pre- clearance from the respective persons.
78. The aforesaid excuses / submissions does not bear any merit as being the director of the Company which in fact is a responsible position, the Noticee No. 5 was duty bound to trade in the share of the Tricom as per the stipulated norms and should have adopted due diligence before such trading. Needless to say that change of compliance officer in the Company does not restrict the Noticee No. 5 in any way to obtain pre clearance for trading and hence, aforesaid plea of the notice is not accepted.
79. In view of aforesaid observations, it is concluded that the Noticee No. 5 had violated provisions of Regulations 31(1) and 31(2) read with 31 (3) of SAST Regulations, 2011, Regulations 13(4) and 13(4A) of PIT Regulations, Clause

3.3-1 & 4.2 of code of conduct specified under Part-A of Schedule-I read with Regulations 12(1) of SEBI (PIT) Regulations, 1992.

Examination in respect of Noticee No. 6 / Tricom Fruit Products Ltd.

80. It was alleged in the SCN that on January 03, 2013, Adilnath Finance Pvt Ltd and Nidhi Kothari were included in promoter category and the Noticee No. 6 / Tricom during the investigation had stated that both the said promoter entities (upon becoming as promoter) had made disclosures to it on January 05, 2013 in compliance with regulation 13(2A) of PIT Regulations. However, it was alleged that Noticee No. 6 in turn had made such disclosure belatedly to BSE only on November 27, 2013 under regulations 13(6) of PIT Regulations. It was alleged that said disclosures was not in timelines (i.e. within 2 working days) as stipulated under regulation 13 (6) of the PIT Regulations.
81. The aforesaid allegation is not in dispute by the Noticee No. 6 / Tricom. Moreover, the Noticee had admitted that it was required to file disclosures under Regulation 13(6) of PIT Regulations within two working days i.e. latest by January 07, 2013 with the BSE, however, the same has been filed with the stock exchange on November 27, 2013 (i.e. delay of 322 days). The Noticee No. 6 had stated that the said delay was inadvertent delay and there was no malafide intention behind such delay. I have taken note that the BSE had also confirmed that Noticee No. 6 made disclosure under regulation 13(6) on November 27, 2013. Therefore, it is established that the Noticee No. 6 failed to make disclosure to exchange within time lines as stipulated under regulation 13(6) of PIT Regulations, but, made the disclosure with huge delay.
82. Further, it was alleged that there was change in shareholding of two promoter group entities namely- Noticee No. 2 (allotment of 4,82,500 shares on January 03, 2013) and Noticee No. 1 (allotment of 3,70,000 shares on January 03, 2013) and the Noticees No. 1 and 2 made disclosure to Noticee No. 6 on January 05, 2013 under regulation 13(4A) of PIT Regulations, but the Noticee No. 6 in turn

had failed to make disclosure within two working days under regulation 13 (6) of the PIT Regulations, but, made such disclosures only on November 27, 2013.

83. The said allegation is not disputed by the Noticee No. 6. It had stated that on January 03, 2013, the Company / it had allotted preferential shares to two promoter group entities namely Chetana Kothari (Notice 1) and Gaparik Trade & Finance Resources Pvt. Ltd (Notice 2) and on the receipt of disclosures from both the promoter group entities, it was required to file disclosures under regulation 13(6) of PIT Regulations within two working days i.e latest by January 07, 2013 with the stock exchange. The Noticee No. 6 / Tricom had admitted that the such disclosures has been filed with the stock exchange belatedly on November 27, 2013 (i.e. delay of 322 days) due to inadvertent delay without malafide intention. In view of the said admission and as per available records, it is established that the Noticee No. 6 had failed to make disclosure to the stock exchange within two working days as required under regulation 13(6) of PIT Regulations.
84. Further, it was alleged in the SCN at para 5-6 that the Noticee No. 10 was required to make disclosure under regulation 13(1) of PIT Regulations to Noticee No. 6 within two working days for increase of his shareholding to 5.17% on February 01, 2012 which Noticee No. 10 had made to Noticee No. 6 on February 13, 2012; and Noticee No. 6 in turn was required to make disclosure to stock exchange within two working days under regulation 13(6) of PIT Regulations, however, the Noticee No. 6 did not made such disclosures.
85. In respect to aforesaid allegation, the Noticee No. 6 had stated that pursuant to receipt of aforesaid disclosure from Noticee No. 10, it was required to file disclosure under regulation 13(6) of PIT Regulations within two working days i.e. latest by February 03, 2013 with the stock exchange, however, as there was already a delay of 6 days by Noticee No 10 in making disclosure to Tricom, therefore, Noticee No. 6 in turn had failed to disclose the same to the stock exchange within the stipulated time limit. The Noticee No. 6 further submitted

that since the said non-disclosure was of unintentional, therefore no action be initiated against it.

86. I do not accept aforesaid submission of the Noticee No. 6 as after receipt of disclosure from Noticee No. 10, the Noticee No. 6 was required under regulation 13 (6) of PIT Regulation to make the disclosures to the stock exchange and the late filing by the Noticee No. 10 (6 days delay) does not restrict the subsequent filing by the Noticee No. 6 to stock exchange on time. However, the Noticee No. 6 despite receipt of disclosure from Noticee No. 10 on February 13, 2012, in turn had failed to make such disclosure within time lines of two working days as stipulated in regulation 13 (6) of the PIT Regulations. I have also noted that BSE had also confirmed that no disclosure was received from the Noticee No. 6 regarding aforesaid transactions.

87. It is relevant to mention that during the instant proceeding, the Noticee No. 6 had submitted Annexures along with its additional reply dated October 28, 2017 and from said annexures it is seen that for the transactions shown at pre para, it had made belated disclosures only on August 18, 2017 after huge delay of more than 4 years. In view of the aforesaid, it is concluded that the Noticee No. 6 had violated regulation 13 (6) of the PIT Regulations.

Examination of allegation / violation of Clause 1. 2 of the code of conduct specified under Part-A of Schedule-I read with Regulations 12(1) & 12(3) of PIT Regulations against Noticee No. 6 - 9.

88. It was alleged in the SCN that Noticee No. 5 (who was the Director of Tricom / Noticee No. 6) had entered into opposite transactions and did not take pre-clearance from the Tricom regarding his trading and the trading of his dependent (i.e. his wife /Noticee No.1) and therefore it was alleged that the Noticee No. 6 (being the Company), Mr. P. V. Naik / Noticee No. 7, (being Managing Director of the Company), Riddhi Sanghvi / Noticee No. 8 (being compliance officer during 14/11/2011 to 20/06/2012) and Neha Sarvaiya / Noticee No. 9 (being

compliance officer during 20/06/2012 to 10/09/2012) had failed to implement / supervise the code of conduct of Company; and thereby violated clause 1.2 of code of conduct specified under Part-A of Schedule-I read with Regulations 12(1) of SEBI (PIT) regulations, 1992.

89. I have perused aforesaid clause 1.2 of the code of conduct which states that "the compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the board of the listed company".
90. The aforesaid clause 1.2 mandates the compliance officer under overall supervision of the Board of the Company for setting forth policies, procedures, monitoring adherence to the rules, to monitor trades and the implementation of the code of conduct.
91. I have gone through the records and observed that the allegation against the Noticee No. 6-9 is based only upon indulgence into opposite transactions and not taking pre-clearance of trading by the Noticee No. 5. The allegation against the Noticee No. 6-9 regarding violation of code of conduct is shown only at para 15 of the SCN. However, it is not the case that the Company / managing director / compliance officer had failed to set the policies, procedure for implementation of the internal code of conduct as stipulated in the Schedule I of the PIT Regulations.
92. Further, it is not clear from the allegation as to how the Noticee No. 6-9 had failed to monitor the adherence to the rules / trading and the implementation of code of conduct. It is not the allegation that the Noticee No. 6-9 had failed to close the trading window. It is not the allegation that upon breach of clause 3.3-1 and 4.2 of the code of conduct by the Noticee No. 5, the Noticee No. 6-9 had failed to

take necessary actions / cautionary steps against the Noticee No. 5. It is also not the allegation that the Noticee No. 5 had applied for permission / pre clearance to the Company / Compliance Officer but they failed to look into. It is also not the allegation that they had not brought into the knowledge of directors / officers / designated employees the requirement code of conduct or requirement of pre clearance or restriction of opposite transactions. Also, no specific fact or allegation describing as to how there was failure of supervision / monitor of the code of conduct or any lack of due diligence has been revealed on records against the Noticee No. 6-9. Therefore, it would not be appropriate to go beyond the allegation levelled.

93. It is settled law that order / findings towards the allegations should not go beyond the charge levelled or beyond the show case notice. At this juncture, I would like to refer a judgment of the Hon'ble SAT in case of **Mr. Premgiri Goswami vs. SEBI (Appeal No. 254/2009) decided on 15/06/2010** wherein it was held that –

“.....This is not even the allegation made in the show cause notice. Moreover, the adjudicating officer has not referred to any material on record on the basis of which he concludes that the appellant transferred shares to Sandeep Narang in off market deals. The bald statement made in show case notice has been reiterated in the impugned order.We wonder from where the adjudicating officer collected all these figures which are far beyond the show cause notice.The impugned order, therefore, deserves to be set aside.”

94. Further, it is difficult for the Compliance officer / Company to know about any independent trading done by a director / promoter which are not intimated to the Compliance officer / Company at all. As observed at pre paras that the Noticee No. 5 had neither made disclosure to the Company nor to the stock exchange regarding his trading during the said period. It is also not the case that breach made by the Noticee No. 5 was of such a nature which would have *ipso facto* come to the knowledge of Compliance Officer in ordinary course of business. It is relevant to mention that it is the Quarter ending report only where the shareholding details can be reflected in respect of trading done by the promoter etc. It is noticed from the records that Noticee No. 8 resigned as compliance

officer on June 20, 2012 (viz. before the June Quarter shareholding report) and the Notice No. 9 was the Compliance officer during 20/06/2012 to 10/09/2012 (i.e. before the September Quarter shareholding report).

95. From the above, it can be seen that for the alleged trading done by the Noticee No. 5 during the 04/06/2012 to 08/08/2012, both the compliance officer (Noticee No. 8-9) had respectively resigned before publication of June and September ending Quarterly shareholding report and therefore, they cannot be made liable for failure to monitor / supervise the trading of the Noticee No. 5 and Noticee No. 1. The reply made by the Noticee No. 6-9 in respect of the allegation of code of conduct appears to be convincing taking into account the totality of the facts and circumstances of the case.
96. In view of the observations made at pre paras (especially in absence of any specific description of facts / allegations), it is difficult to hold the Noticee No. 6-9 liable for violation of clause 1.2 of the code of conduct to and hence benefit of doubt is given to them.

Examination in respect of Noticee No. 10/Twin Best Trading & Marketing Pvt. Ltd.

97. From the available undisputed records it is seen that the shareholding of Noticee No. 10 was increased from 4.74% on January 31, 2012 to 5.17% on February 01, 2012 and according upon acquiring 5% or more share/voting rights, the Noticee No. 10 was required to disclose its aggregate shareholding and voting rights in within two working days to the Company / Tricom and stock exchange under regulation 29(1) read with 29(3) of SAST Regulations, 2011. It is observed from the records (information received from BSE) that Noticee No. 10 did not make disclosure within two working days as required under regulation 29(3) of SAST Regulations, 2011 and made disclosure only on March 05, 2012.
98. Similarly, upon acquiring 5% or more share/voting rights, the Noticee No. 10 was also required to make disclosure to the Company / Tricom under regulation 13(1) of PIT Regulations within two working days, however, it is seen from the

records that the Noticee No. 10 had made the disclosure to Noticee No. 6 on February 13, 2012, which was not within two working days as prescribed under regulation 13(1) of PIT Regulations.

99. The Noticee No. 10 had not disputed the transactions / allegation and stated that it had made disclosures on March 05, 2012 with a delay of 21 days under SAST Regulation and made disclosures under PIT Regulations to Company on February 13, 2012 with a delay of 6 days.

100. The Noticee No. 10 had stated that it had inadvertently due lack of professional staff and lack of legal and professional guidance could not make the aforesaid disclosure on time. The plea taken by the Noticee No. 10 that due lack of legal and professional guidance it could not make the disclosure on time, cannot be accepted as had there been such lack of profession guidance, then how the disclosures would have been made though belatedly after some days. Secondly, I cannot ignore that making of disclosure on time is a mandatory requirements under SAST Regulations and PIT Regulations.

101. In view of the aforesaid records / admission by the Noticee No. 10, it is established that the Noticee had failed to make the disclosures on time (i.e. within 2 working days) as stipulated under regulation 29(1) read with 29(3) of SAST Regulations, 2011 and under regulation 13(1) of PIT Regulations for the transactions done on February 01, 2012, but, made the belated disclosure under said SAST Regulation and PIT Regulations by delay of around 1 month and 10 days respectively.

Observation on common submissions of the Noticee(s)

102. The Noticee No. 2 - 6 and 10 had relied upon a judgment of the Hon'ble Securities Appellate Tribunal in the matter of *Vitro Commodities Pvt. Ltd. vs. SEBI dated 04th September 2013* contending that the disclosures requirements under SAST Regulations and PIT Regulation are corollary and a lenient view may be

taken if there is no disproportionate gain or loss to the investors. They have also relied upon an adjudication order passed by another Adjudicating Officer in case of *Fiberweb India Ltd.* dated September 19, 2017.

103. I am of the view that in the present case, several violation have been established against the Noticee(s) for which separate disclosures under different provisions of SAST Regulations and PIT Regulations were required to have been made to the Company as well as to the stock exchange upon occurrence of different kinds of change in shareholding due to pledge, buy and sale etc. under regulations 29(1) & 29(2) read with 29(3), regulation 31(1), 31(2) read with 31(3) of SAST Regulations, 2011 read with regulation 8A (2) of the SAST Regulations, 1997 and regulation 13 (1), 13(3), 13(4), 13(4A) read with 13(5) and regulation 13 (6) of the PIT Regulations. Also, the aforesaid disclosures are required to be made separately by virtue of different capacity / position held by the Noticee(s) in the Company.
104. Further, the disclosures relating to pledge transactions are mandatorily to be made within 7 working days under regulation 31(1), 31(2) read with 31(3) of SAST Regulations, 2011 and regulation 8A (2) of the SAST Regulations, 1997 irrespective of numbers of shares involved; whereas under regulation 13 (4) and 13 (4A) read with 13 (5) of the PIT Regulations, the disclosures needs to be made within 2 working days only upon acquisition of certain number / percentage / value of shares whichever is lower.
105. In view of the aforesaid and also keeping in mind upholding of various adjudication orders / penalties by the Hon'ble SAT in recent cases relating to similar kinds of disclosures requirement, the case of *Vitro Commodities* and the case of *Fiberweb India Ltd.* as relied upon by the Noticee(s), would not help them in toto.
106. Further, the Noticee(s) had contended that there was no malafide intention in not making disclosures and they did not make any pecuniary gains by failing to

disclose the invocation of pledge by lenders or no loss was caused to the investors. The aforesaid contentions are not accepted as the requirement of disclosures are mandatory in nature. The correct and timely disclosures under SAST Regulations / PIT Regulations are an essential for the investors to take informed decisions in the shares of company.

107. Here, I find it pertinent to refer to the judgment of Hon'ble SAT in the matter of *Akriti Global Traders Ltd. v. Securities and Exchange Board of India* (Appeal No. 78 of 2014 dated September 30, 2014) wherein it was held that - “.... firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon the intention of parties....”.

108. Further, the Hon'ble SAT in the matter of *Komal Nahata v. Securities and Exchange Board of India* (Appeal No. 5 of 2014 dated January 27, 2014) held that- “Argument that no investor has suffered on account of non disclosure and that the AO has not considered the mitigating factors set out under Section 15J of SEBI Act, 1992 is without any merit because firstly penalty for non compliance of SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non disclosure.”

109. It is relevant here to mention the judgment of the Hon'ble SAT in case of *Millan Mahendra Securities Pvt. Ltd. vs. SEBI* (Appeal No. 66/2003 decided on November 15, 2006) wherein it was observed that *the purpose of the SAST Regulation is to bring about transparency in the transactions and assist the regulator to effectively monitor the transactions in the market, and therefore, it cannot be subscribed to the view that the violations are technical in nature.*

110. In light of the aforesaid observations, it is concluded that the Noticee No. 1-6 and 10 had failed to make the required disclosures / made belated disclosures and the Noticee No. 5 had also violated the code of conduct of the Company as stipulated under Schedule I of the PIT Regulations. The details of established violations committed by the Noticee No. 1-6 and 10 are shown in table below;

Noticees	Violations
Noticee No. 1	Regulation 13(4A) r/w 13(5) of PIT Regulations
Noticee No. 2	Regulation 13(4A) r/w 13(5) of PIT Regulations
Noticee No. 3	Regulation 13(4A) r/w 13(5) of PIT Regulations Regulation 13(3) r/w 13(5) of PIT Regulations, Regulation 8A (2) of SAST Regulation, 1997 r/w Regulation 35 of SAST Regulation, 2011, Regulation 29(2), 31(1) and 31(2) of SAST Regulations, 2011
Noticee No. 4	Regulation 13(4A) r/w 13(5) of PIT Regulations Regulation 13(3) r/w 13(5) of PIT Regulations, Regulation 8A (2) of SAST Regulation, 1997 r/w Regulation 35 of SAST Regulation, 2011, Regulation 29(2), 31(1) and 31(2) of SAST Regulations, 2011
Noticee No. 5	Regulation 13(4A) r/w 13(5) of PIT Regulations Regulation 13(4) r/w 13(5) of PIT Regulations and Regulation 31(1) and 31(2) of SAST Regulations, 2011 Clause 3.3-1 & 4.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.
Noticee No. 6	Regulation 13(6) of PIT Regulations
Noticee No. 10	Regulation 29(1) r/w 29(3) of SAST Regulations, 2011 and 13(1) of PIT Regulations.

ISSUE No. II and III

111. As the commission of violation has been established against the Noticee No. 1 - 6 and 10, therefore, taking into account the facts and circumstance of the case and importance of disclosure requirement / compliance of internal code of conduct etc., I am of the view that this is fit case to impose monetary penalty against the Noticee No. 1-6 and 10.

112. I have taken into account the well-known judgment of the Hon'ble Supreme Court in the matter of *SEBI v Shri Ram Mutual Fund [2006] 68 SCL 216*, wherein it was held that- *"In our considered opinion, penalty is attracted as soon as contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of parties committing such violations becomes wholly irrelevant."*

113. Thus, the aforesaid violation of failure in making disclosures / delayed disclosures by the Noticee No. 1 - 6 and 10 makes them liable for penalty under Section 15 A (b) of SEBI Act, 1992 and also the violation of non-compliance of internal code of conduct makes the Noticee No. 5 liable for monetary penalty under section 15 HB of the SEBI Act which read as follows:

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.

114. While determining the quantum of penalty under sections 15 A (b) and 15 HB of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI Act read with rule 5 (3) of the Adjudication Rules, which reads as under:-

“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.”*

115. No specify disproportionate gains or unfair advantage made by the Noticee No. 1-6 and 10 or the specific loss suffered by the investors is available on records due to such non – disclosures / delayed disclosures / noncompliance of code of

conduct; and no repetition of the default is shown on records. However, it is noted that there was non-disclosures or huge delay in making the required disclosures (viz. around 4 -6 years delay in case of Noticee No. 1-6) and 1 month delay in case of Noticee No. 10. Further, I cannot ignore to mention that the main objective of the SAST Regulations / PIT Regulations is to achieve fair treatment by *inter alia* mandating timely disclosures to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well informed decision.

116. Also, I cannot loose sight that compliance of internal code of conduct as enshrined under the PIT Regulations are mandatory in nature which are meant to achieve an objective of fair play by the persons involved in responsible capacity (viz. directors/officers/designated employees) and any violation / deviation of such code of conduct, deserves to be viewed seriously. Also, I cannot ignore to point out that the Hon'ble SAT in case of *Mr. Manmohan Shetty vs. SEBI (Appeal no. 132/2010) decided on 27/05/2011* had upheld the importance of code of conduct including pre – clearance of trading as an essential requirement.

117. In view of aforesaid observations, a justifiable penalty needs to be imposed upon the Noticee No. 1-6 and 10 to meet the ends of justice.

ORDER

118. After taking into consideration all the aforesaid facts / circumstances of the case and the aforesaid factors, therefore, 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 penalty upon the Noticee No. 1-6 and 10 as shown in table below;

Name of the Noticee	Amount of Penalty	For Violations of	Penalty Provision
Ms. Chetana Kothari (Noticee No.1)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(4A) r/w 13(5) of PIT Regulations	Section 15 A (b) of the SEBI Act
Gaparik Trade & Finance Resources Pvt. Ltd. (Noticee No. 2)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(4A) r/w 13(5) of PIT Regulations	Section 15 A (b) of the SEBI Act
Rids Textiles Ltd. (Noticee No. 3)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(4A) r/w 13(5) of PIT Regulations	Section 15 A (b) of the SEBI Act
	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(3) r/w 13(5) of PIT Regulations and regulation 29(2) read with 29 (3) of the SAST Regulations, 2011	
	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 8A (2) of SAST Regulation, 1997 and Regulation 31 (1), 31(2) read with 31 (3) of SAST Regulations, 2011	
	Total ₹ 9,00,000/- (Rupees Nine Lakh only)		
Dinesh Patadia Financial & Investments Pvt. Ltd. (Noticee No. 4)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(4A) r/w 13(5) of PIT Regulations.	Section 15 A (b) of the SEBI Act
	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(3) r/w 13(5) of PIT Regulations and regulation 29(2) read with 29 (3) of SAST Regulations, 2011	
	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 8A (2) of SAST Regulation, 1997 and regulation 31(1) and 31(2) read with 31 (3) of SAST Regulations, 2011	
	Total ₹ 9,00,000/- (Rupees Nine Lakh only)		
Mr. Chetan S Kothari (Noticee No. 5)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13 (4), 13(4A) r/w 13(5) of PIT Regulations	Section 15 A (b) of the SEBI Act
	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 31(1) and 31(2) read with 31 (3) of SAST Regulations, 2011	

	₹ 5,00,000/- (Rupees Five Lakh only)	Clause 3.3-1 and 4.2 of code of conduct specified under Schedule-I of Part A read with Regulation 12(1) of PIT Regulations.	Section 15 HB of the SEBI Act
	Total ₹ 11,00,000/- (Rupees Eleven Lakh only)		
Tricom Fruit Products Ltd. (Noticee No. 6)	₹ 3,00,000/- (Rupees Three Lakh only)	Regulation 13(6) of PIT Regulations.	Section 15 A (b) of the SEBI Act
Twin Best Trading & Marketing Pvt. Ltd. (Noticee No. 10)	₹ 2,00,000/- (Rupees Two Lakh only)	Regulation 29(1) read with 29(3) of SAST Regulations, 2011 and regulation 13(1) of PIT Regulations.	Section 15 A (b) of the SEBI Act

119. I am of the view that the aforesaid penalty would commensurate with the violations committed by the Noticee No. 1-6 and 10.

120. The Noticee No. 1-6 and 10 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 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

121. The Noticee No. 1-6 and 10 shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Enforcement Department – Division of Regulatory Action – III of SEBI. The Format for forwarding details / confirmations of e-payments shall be made in the following

tabulated form as provided in SEBI Circular No. SEBI/HO/GSD/T&A/CIR/P/2017/42 dated May 16, 2017 and details of such payment shall be intimated at e-mail ID- tad@sebi.gov.in

Date	Department of SEBI	Name of Intermediary / Other Entities	Type of Intermediary	SEBI Registration Number (if any)	PAN	Amount (in ₹)	Purpose of Payment (including the period for which payment was made e.g. quarterly, annually)	Bank name and Account number from which payment is remitted	UTR No
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122. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticees and also to the SEBI.

Date: March 21, 2018

(RACHNA ANAND)

Place: Mumbai

**GENERAL MANAGER &
ADJUDICATING OFFICER**