

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/JP/ 114 /2017]

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

In respect of:-

Mr. Shiraj K. (PAN: AMXPK0688H)

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted investigation in the scrip of Atlanta Devicon Ltd. (formerly known as Seax Global Ventures Ltd.) - a Listed Company (hereinafter referred to as '**the Company**') to find out the possible irregularities of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**') during the period from June 01, 2009 to December 31, 2009 (**Investigation Period**). The investigation *inter-alia* revealed that Mr. Shiraj K. - Chairman and Managing Director of the Company (hereinafter referred to as '**the Noticee**') had failed to disclose his shareholding to the Company in term of regulation 13 (2) of the PIT Regulations during the investigation period.

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI had initiated adjudication proceedings and appointed undersigned as the Adjudicating Officer under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**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 January 13, 2016, to inquire into and adjudge under section 15A(b) of the SEBI Act, the violations of regulation 13 (2) of PIT Regulations, alleged to have been committed by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice dated March 18, 2016 Reference No. E&AO/RA/JP/8292/2016 (hereinafter referred to as “**SCN**”) was served upon the Noticee 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 against him under sections 15A (b) of the SEBI Act, for the alleged violation of regulation 13 (2) of PIT Regulations. The allegation levelled against the Noticee are as under.
4. During the investigation, it was *inter - alia* revealed that the Noticee who was one of the promoters of the Company, had resigned from the board of directors of the Company on October 06, 2009 and was freshly re-appointed as the Chairman / Managing Director of the Company on November 16, 2009. It was revealed under investigation that at the time of re appointment as Chairman / Managing Director of the Company, the Noticee was holding 4,02,531 shares of the Company and upon such appointment, the Noticee was required to make the disclosures of his holding in term of regulation 13 (2) of the PIT Regulations. However, allegedly the Noticee had failed to disclose his shareholding to the Company in term of regulation 13 (2) of the PIT Regulations. Copy of shareholding pattern of the Company at the BSE Ltd. for the quarter ending September 2009 and December 2009 was enclosed as Annexure II along with SCN showing the shareholding of the Noticee in the Company.
5. In view of failure in making disclosure, it was alleged that the Noticee had violated the provisions of regulation 13 (2) of the PIT Regulations. The aforesaid provision is produced as under;

PIT Regulations

13 (2) Any person who is a director or officer of a listed company shall disclose to the company in Form B the number of shares or voting rights held and position taken in derivatives by such person and his dependents (as defined by the company), within two working days of becoming a director or officer of the company.

6. It was stated in the SCN that the aforesaid alleged violation, if established, would make the Noticee liable for monetary penalty under section 15 A (b) of the SEBI Act which reads 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;

7. In respect to the SCN, the Noticee vide his letter dated March 22, 2016 requested for extension of 4 week time to file reply in the matter and also desired an opportunity of hearing. However, no reply has been received from the Noticee despite lapse of sufficient time.
8. It is relevant to mention that the Hon'ble Supreme Court of India vide judgment dated November 26, 2015 in the case of *SEBI vs. Roofit Industries Ltd.* held that Adjudicating Officer has no discretion in deciding quantum of penalty under Chapter VI A (except in u/s 15F (a) and 15HB of the SEBI Act). The issue involved in *Roofit* case was differently interpreted in case of *Sidharth Chaturvedi* (decided on March 14, 2016) and accordingly, the legal issue / matter was pending for Larger Bench of Hon'ble Supreme Court of India. Meantime, as per "The Finance Act 2017" (Notified for Part VIII of Chapters VI came into effect from April 26, 2017) following has been *inter - alia* clarified in respect of adjudication under SEBI Act-

147. In section 15J of the principal Act, the following Explanation shall be inserted, namely:-

“Explanation- For the removal of the doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under section 15A to 15E and clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

9. Consequent to the clarity brought into the Finance Act, 2017, and as no reply was received from the Noticee, an opportunity of hearing was provided to the Noticee on May 31, 2017 vide notice of hearing dated May 12, 2017 and it was also stated in the said notice that reply of the Noticee, if any, should reach to the undersigned on or before May 26, 2016.
10. The hearing on May 31, 2017 was attended by Mr. Prakash Shah Advocate, the Authorized Representative (**AR**) of the Noticee and he the submission made by him were recorded. During the course of hearing, AR of the Noticee submitted a copy of reply of the Noticee dated May 27, 2017 towards the SCN. He also submitted a copy of BSE website showing latest corporate announcements (4 pages), copy of Seax Global's detail derived from BSE website viz. its business, caution to investor etc. (5 pages), copy of AGM of Seax Global and Chairman speech etc. (5 pages), copy dated September 03, 2010 of Dharnidhar Global & Infra projects Ltd. (7 pages) and copy of MCA website showing directors details (2 pages). During the hearing, the AR submitted that the Noticee has resigned from Board of Director of the Company on October 06, 2009 and after that he was not re-appointed as Director / Managing Director on November 16, 2009 as alleged in the SCN. He further submitted that it was the Company who had fraudulently included Noticee's name in their records.
11. During the course of hearing, AR of the Noticee was asked whether he has any proof of making complaints / FIR against the Company or its official for such fraudulent activity regarding Noticee's name? Also, it was asked whether he has any proof showing that before the resignation on October 06, 2009, the Noticee had filed required disclosures under PIT Regulations. In respect of aforesaid

queries, the AR of Noticee submitted that he has no instruction to answer these questions, however, the same will be responded in writing within a week.

12. During the course of hearing, a document (2 pages) showing that the Noticee was appointed / re-appointed as Chairman / Managing Director was handed over to the AR of the Noticee and he was asked to respond the same. In respect of the said document/proof of re-appointment, the AR again stated that he has no instruction to answer this question and response would be submitted in writing within a week.

13. Thereafter, an e-mail dated June 08, 2017 was received from the Noticee (e-mail ID: kabir_shiraj@yahoo.co.in) seeking 15 days time to submit detailed reply. Thereafter, the Noticee had filed additional submissions dated June 10, 2017 (received by SEBI on June 19, 2017). The core submissions made by the Noticee vide his reply dated May 27, 2017, additional submission dated June 10, 2017 and submissions recorded during the course of hearing on May 31, 2017, are produced hereunder;

- a. *At the outset I state and declare that I had resigned from the Board of Directors of the Company on 06/10/2009 which was acknowledged by the Company and they have also thanked me for the services rendered by me during my tenure. Thereafter, I am not aware of my induction again in the Board of Directors at all. I vehemently deny that I have acted as Managing Director of the Company. I state and declare that I have not signed any documents, papers or put notes in the files relating to the Company. Therefore, it is strange and astonishing for me about disclosures made by the Company about my re-appointment as Chairman and Managing Director of the Company.*
- b. *I state that as per Companies Act 1956, I was required to submit acceptance in writing to the Company as my approval for their appointment as Chairman and Managing Director which was never asked from me and I have also not submitted the same. Further, appointments made during the year ought to be approved at the time of Annual General Meeting of the Shareholders of the Company which has not been done by the Company. Thus, I state that the facts of my case proves beyond doubt that I have never been re-appointed as a Chairman and Managing Director of the Company.*

- c. *It appears that the company had fraudulently filed two Forms during 2009 and 2010 about my appointment as Chairman and Managing Director. I vehemently submit that Company has filed forged documents for which I am not a party since I have not given my consent for the same. Thus, I submit that the Company has done manipulation by creating false records with Registrar of Companies (ROC). Hence the allegations made against me on the basis of false records where I am not a party should be dropped and closed with strict warning to the Board of Directors. I shall produce the relevant documentary evidence at the time of hearing along with the reference to the Companies Act, 1956 through my legal counsel.*
- d. *On perusal of announcement w.r.t. outcome of Board Meeting and Annual General Meeting (BSE website showing Corporate Announcements made by Company from 18/06/2009 to 25/01/2010 in which specific reference was invited to announcements made during November 2009), it is submitted that my alleged re-appointment has never been put up in the Annual General Meeting. Hence, I submit that the disclosure of my alleged re-appointment made by the Company is mistake, frivolous and invalid. Hence, SEBI should not take cognizance of such disclosures made by the Company.*
- e. *Copy of Company's Research Report dated 14/12/2012 prepared and published by BSE in which reference was drawn to the names of Promoters and it was pointed out that my name is not appearing in the report, as I had resigned from the Company.*
- f. *Copy of announcement made on 12/11/2009 regarding 'Outcome of AGM' of the Company along with Proceeding sheet of AGM in which reference was invited about no disclosure about my proposed alleged reappointment in Board Meeting scheduled on 16/11/2009, just 4 days from the date of AGM.*
- g. *Copy of Notice of Annual General Meeting dated 03/09/2010 to the then shareholders in which reference was invited to Note No.5 wherein names of directors for appointment / reappointment is mentioned. Further, attention was drawn to Director's Report wherein under Para 'Directors', it is mentioned that the casual vacancy, if any, caused by the non-reappointment of Mr. V. Meenakshi Sundaram need not be filled in at present. Further, Mr. D. Srinivasan and Mr. K. Shiraj have tendered their resignation from the office of directors and the Board placed on record their sincere appreciation for the services rendered by them during their tenure.*

- h. Copy of extract of 'list of signatories' downloaded on 22/09/2015 from MCA website showing details of appointment of directors in which reference was invited that my name is not appearing in the said list.*
- i. I would like to state that at the relevant point of time, I did not know about any wrong doings of the Company w.r.t. my name and I was wrongly included in the Board where I have consented only as Chairman of shareholders meeting. Hence, I have not filed any complaint / FIR against the Company or its officials as I was not aware of such announcements at the relevant point of time and since the appointment being invalid ab initio as the appointment said to have been made in the place of an independent director and MD's appointment not made as per section 269 read with 198 of the Companies Act, 1956 and no appointment letter was issued to me. Basically such appointments will not stand the test of law if challenged. Only after receipt of your notice, I saw all the announcements and I also find that they themselves have overruled such defect by another announcement on 30/10/2010, substituting my name with Mr. Rajiv Dhirubahi Shah in the place of Ms. Meenakshi Sundaram. Any appointment has to be viewed holistically taking into account all the factors under all applicable laws and any announcements cannot bind me for defective appointment.*
- j. I am not aware of my appointment / re-appointment as Chairman /Managing Director. Further, as I had resigned from the Company, I had no role in making any corporate announcement. After my resignation, I was not associated with the Company.*
- k. In view of the aforesaid facts and circumstances of the case, the present proceeding initiated against me be dropped and I may be discharged at the earliest.*

14. After taking into account the allegations, replies of the Noticee and evidences / material available on records, I hereby, proceed to decide the case on merit.

CONSIDERATION OF ISSUES AND FINDINGS

15. The issues that arise for consideration in the present case SCN are :

- a) Whether the Noticee was re-appointed as the Chairman/ Managing Director / Director of the Company on November 16, 2009; and if yes, then, whether he had failed to make the required disclosures of his holdings to the Company upon such re-appointment, in terms of regulation 13 (2) of the PIT Regulations?

- b) If yes, then, whether the failure on the part of the Noticee, would attract monetary penalty under section 15 A (b) of the SEBI Act?
- c) If yes, then, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5 (2) of the Adjudication Rules?

ISSUE: 1

Whether the Noticee was re-appointed as the Chairman / Managing Director / Director of the Company on November 16, 2009; and if yes, then, whether he had failed to make the required disclosures of his holdings to the Company upon such appointment, in terms of regulation 13 (2) of the PIT Regulations?

- 16. It was stated in the SCN that the Noticee who was one of the promoters of the Company, had resigned from the board of directors of the Company on October 06, 2009 and was freshly re-appointed as the Chairman / Managing Director of the Company on November 16, 2009. It was alleged that at the time of re-appointment, the Noticee was holding 4,02,531 shares of the Company and upon such re-appointment, the Noticee was required to make the disclosures of his holding in term of regulation 13 (2) of the PIT Regulations, which he had allegedly failed to do so.
- 17. In respect to the allegation, the core contention of the Noticee is that he had resigned from the board of director of the Company on October 06, 2009; and after that, he was not re-appointed as Chairman / Managing Director / Director of the Company. He contended that the Company had filed forged documents regarding his re-appointment as he had not given any consent for re-appointment. In support of his contention, the Noticee had submitted certain documents viz. copy of BSE website showing corporate announcements, copy of Company's detail derived from BSE website (regarding its business, caution to

investor etc.), copy of AGM of Company and Chairman speech, copy of Financial data of Company and copy of MCA website showing directors details.

18. I have carefully gone through the records of the case. I have noted that the Noticee had merely contended that the Company fraudulently used his name to induct him as Chairman / Managing Director / Director and forged the documents with ROC, but, he had not provided any evidence in support of his contentions. It is relevant to mention that during the course of hearing on May 31, 2017, it was specifically asked to the AR of the Noticee whether the Noticee had made any complaints to any authority regarding his so called contention of fraudulent activity of the Company / its official. In respect to the query, the Noticee vide his additional submissions dated June 10, 2017, stated that he had not filed any complaint / FIR against the Company or its official as he was not aware of his such re-appointment; and it was only when the SCN was received by him, he came to know about such inclusion of his name.

19. I do not agree with such response of the Noticee on the following grounds. It is a matter of record that SCN was received by the Noticee in the month of March 2016 and the hearing was conducted in the month of May 2017. More than a year has lapsed from the receipt of the SCN, and the Noticee was having enough time to take suitable action regarding so called fraudulent activity of the Company, if any, and also was having enough time to retrieve the records from the ROC to prove that the documents submitted with ROC in respect of his re-appointment, have been forged by the Company or the documents were without his consent. As no such evidence has been produced by the Noticee in support of his contention, therefore, his such evasive delayed plea is not accepted.

20. I have also noted that towards the SCN, the Noticee vide his letter dated March 22, 2016 had merely sought extension of 4 weeks time to file the reply / opportunity of hearing, but he did not mention about any fraudulent activity of the Company or even he did not dispute the fact of re-appointment. It is very natural

that if any person against whom allegation is levelled and accordingly to him, he is completely not related to the fact/allegations at all, then, such reaction is bound to come at the first instance itself. However, no such dispute to the fact of re-appointment has come from said letter of Noticee dated March 22, 2016. I am of the view that had it been a case of fraudulent activities of the Company /or its official, then, the same would have been certainly reported / complained of to the concerned respective authorities. However, it was not so done by the Noticee despite came to know very well in March 2016 (SCN served) which itself suggests that it was not the case of any fraudulent activity by the Company, but, appears to be a mere tactic / excuse applied by the Noticee in his support. Hence, such plea of the Noticee is not accepted as the same is devoid of any merit.

21. It is relevant to mention that during the course of hearing, AR of the Noticee was provided with the details of corporate announcement made by the Company at BSE which was an evidence regarding re-appointment of the Noticee as Chairman / Managing Director of the Company; and the AR was asked to offer his comment. In respect of aforesaid, the Noticee vide his additional reply dated June 10, 2017 had merely stated that he has no role in making corporate announcement and he was not associated with the Company. Such response of the Noticee without contradicting the substance/authenticity of said documents, is not acceptable.

22. Further, it cannot be ignored that on October 10, 2009, the Company had disclosed to the BSE that the Noticee had resigned from the Board of Director with effect from October 06, 2009 and this fact remained undisputed by the Noticee as well. Also, I have noted from the said corporate announcement that on November 12, 2009 (at time 4:49:45 p.m.), the Company had informed the BSE stating that a meeting of Board of Director of the Company will be held on November 16, 2009 *inter alia* to consider and approve the following:

- i) the appointment of Mr. K. Shiraj, as new Chairman cum Managing Director in the casual vacancy caused by the cessation of Meenakshi Sundaram;*
- ii) the appointment of independent director.*

23. On the same day viz. November 12, 2009 (time 5:50:10 p.m.) the Company also made corporate announcement informing BSE that 14th AGM of the Company was held on November 12, 2009. Further, on November 16, 2009 (at time 6:56:23 p.m.), the Company had made corporate announcement to the Stock Exchange (BSE) stating that the Board of Director of the Company at its meeting held on November 16, 2009, has considered and approved the appointment of Mr. K. Shiraj (the Noticee) as new Chairman cum Managing Director of the Company.

24. As regards to the document relied upon by the Noticee viz. proceeding of 14th AGM on November 12, 2009, it is noted at Item No. 2 that in the proceeding it was stated that Company has not received any letter from Mr. V. Meenakshi Sundaram signifying his intention for the proposed reappointment and the casual vacancy caused by non –reappointment of Mr. V. Meenakshi Sundaram, may be filled by the Board of directors as and when requires. The aforesaid does not rebut the case that on November 16, 2009, the notice was not so appointed. Rather, from the above proceedings, the fact of need of re-appointment of someone at such position has been spelled out. If it was the fact that Noticee's name was not so considered/approved on November 16, 2009, then, the Noticee should have submitted the documents related to said proceeding / meeting of 16th November 2009, which he very conveniently did not submit.

25. As regards to the Directors details mentioned in a copy / printout of MCA website relied upon by the Noticee, it is noted that appointment of the directors in said printout are related from the period 2011 onwards and hence, same is not relevant to the period of 2009-10 when the Noticee was alleged to have been a Chairman / Managing Director / Director of the Company. I have noted that the

Noticee very conveniently had not provided the details of directors pertaining to the relevant point of time i.e. 2009-10. Some of the documents as relied upon by the Noticee in his support i.e. Company's Research Report, Financial results of the Company, Director Report, are examined and it is noted that the same are not relevant to the issue involved or are out of period involved.

26. Further, it is not brought on records by the Noticee as to why the Company would appoint him without his concurrence at such highest position in the Company and why the Company would fraudulently include Noticee's name for re-appointment as contended by the Noticee. It is material to point out that the burden of proof to prove the fact that it was the Company who had fraudulently included the Noticee on the Board of Directors, lies on the Noticee in terms of section 103 of Indian Evidence Act which stipulates as- *"The burden of proof as to any particular fact lies on that person who wishes the Court to believe in its existence, unless it is provided by any law that the proof of that fact shall lie on any particular person"*.

27. I note that such announcement made by the Company to the Stock Exchange has not been otherwise disproved by the Noticee by adducing any evidence either from the Stock Exchange or from other records. In absence of any rebuttal, I am inclined to accept such corporate announcement made by the Company at the Stock Exchange. Aforesaid proof of making corporate announcement by the Company to the Stock Exchange at various relevant dates, apparently shows the fact of re-appointment of the Noticee.

28. In order to further scrutinize the issue, I have also examined the corporate announcement available at the BSE website regarding the Company. During the course of examination, I have noticed from 16th Annual Report (June 06, 2011) of the Company as available on BSE website that the name of the Noticee as director appeared therein (w.e.f. 05.04.2010). In said Annual Report, his name was also shown as Chairman of several committee viz. Audit Committee,

Remuneration Committee and Investor Grievance Committee. This makes clear that the Noticee was part of board of directors of the Company at the relevant point of time as he was heading various committees. Therefore, the plea of the Noticee that after his resignation (on 06/10/2009) he was not associated with the Company, stand incorrect and misleading.

29. From the aforesaid observations and keeping in view the lack of evidence from the Noticee to prove particular fact of forged / fraudulent activity of the Company, the defence of the Noticee is not acceptable. Accordingly, it is established that he has been re-appointed by the Company as Chairman / Managing Director / Director on November 16, 2009 and was also part of board of director of the Company (as observed in pre para).
30. It is noted from the records (Annexure II of the SCN i.e. the shareholding pattern for the quarter ending September 2009 and December 2009 of the Company) and observed that the Noticee was holding 4,02,531 shares of the Company at the time of such re-appointment on November 16, 2009 as Chairman / Managing Director / Director. As per regulation 13(2) of the PIT Regulations, any person who is a director or officer of a listed company shall disclose to the Company within 2 working days of becoming a director or officer of the company, the number of shares or voting rights held. I have noted that since the Noticee became a fresh Chairman / Managing Director / Director of the Company, therefore, he was required to make disclosures to the Company about his shareholding in terms of aforesaid PIT Regulations, which he has failed to do so as he has not provided any proof of making disclosure upon re-appointment.
31. It is not out of place to mention that during the course of hearing the Noticee was asked whether he has any proof showing that even before resignation on October 06, 2009, the Noticee had ever filed any required disclosure under PIT Regulations. In respect to the said query, no specific response has been given by the Noticee under his additional submission dated June 10, 2017. This also

makes doubtful whether he had made any disclosure in terms of PIT Regulations even when the Noticee was first appointed as director (before resignation on October 06, 2009).

32. From the aforesaid observations, it is concluded that the Noticee had failed to make the disclosure in terms of regulation 13 (2) of PIT Regulations upon his re-appointment as Chairman / Managing Director / Director on November 16, 2009 and accordingly, he had violated the said provisions of law.

ISSUE – 2:

Whether the failure on the part of the Noticee, would attract monetary penalty under section 15 A (b) of the SEBI Act? If yes, then, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5 (2) of the Adjudication Rules?

33. Keeping in view the aforesaid observations made at pre paras, I am of the view that no disclosures were made despite huge delay at the end of the Noticee. Thus, the aforesaid violation committed by the Noticee makes him liable for penalty under Section 15A (b) 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;

34. While determining the quantum of penalty under sections 15A (b), it is important to consider the factors stipulated in section 15J of SEBI Act read with rule 5 (2) 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.”*

35.No specify disproportionate gains or unfair advantage made by the Noticee or the specific loss suffered by the investors due to such non disclosures is on records; and no repetition of the default by the Noticee is shown on records. However, it is necessary to refer the importance of such disclosures as the Regulations seeks to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information 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. Therefore, considering the facts and circumstance of the case, purpose of the Regulations, I am of the view that a justifiable penalty needs to be imposed upon the Noticee to meet the ends of justice.

ORDER

36.After taking into consideration all the aforesaid facts / circumstances of the case, in exercise of the power conferred upon me under section 15 I of the SEBI Act and rule 5 of the Adjudication Rules, I hereby under section 15 A (b) of the SEBI Act, impose a penalty ₹ 4,00,000/- (Rupees Four Lakh only) upon the Noticee, for the violation of regulation 13 (2) of the PIT Regulations.

37.I am of the view that the said penalty would commensurate with the violations committed by the Noticee.

38. The Noticee 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

39. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Chief General Manager of Enforcement Department 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

40. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the SEBI.

Date: July 27, 2017

Place: Mumbai

(RACHNA ANAND)
GENERAL MANAGER &
ADJUDICATING OFFICER