

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. Order/AA/MG/2020-21/8026]**

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

In respect of

**Shri Medasani Munisekhar (PAN: ALQPM2397B)**

In the matter of Secunderabad Healthcare Limited

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**BACKGROUND OF THE CASE**

1. The Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an examination, in the scrip of Secunderabad Healthcare Limited (hereinafter referred to as '**SHL/ Company**') for the period November 01, 2011 – January 15, 2015 (hereinafter referred to as "**Investigation Period /IP**"). The Company is listed on the Bombay Stock Exchange (hereinafter referred to as '**BSE**').
2. SEBI observed that one Mr. Medasani Munisekhar, (hereinafter referred to as '**Noticee/ by name**'), who was a promoter of the SHL at the relevant time, has dealt in shares of the company during the Investigation period. Further, it is observed that various transactions made by the Noticee during the Investigation period has triggered disclosures in terms of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "**PIT Regulations, 1992**") read with Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 2015

(hereinafter referred to as "**PIT Regulations, 2015**"). SEBI also observed that the Noticee did not make the disclosures as required in terms of PIT Regulations, 1992. In view of the same, SEBI has initiated adjudication proceedings under Section 15A(b) of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**'), against the Noticee.

### **APPOINTMENT OF ADJUDICATING OFFICER**

3. The undersigned was appointed as the Adjudicating Officer vide Communiqué dated July 29, 2019, under section 19 read with section 15I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties By) Rules, 1995 (hereinafter referred to as "**AO Rules**") to conduct the adjudication proceedings in the manner specified under Rule 4 of the AO Rules and if satisfied that penalty is liable, impose such penalty as deemed fit in terms of Rule 5 of the Adjudication Rules and Section 15A(b) of the SEBI Act.

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

4. A Show Cause Notice SEBI/EAD/AA/MKG/169/2019 dated December 31, 2019 (herein after referred to as '**SCN**') was issued to the Noticee under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against the Noticee and why penalty should not be imposed upon the Noticee under Section 15A(b) of the SEBI Act for the violations alleged to have been committed by the Noticee.

5. The details in respect of the alleged violation by the Noticee are as given below:

*a) It is observed that the Noticee, who was a promoter of the company at the relevant time has dealt in the shares of the company during the Investigation Period. Further, It is observed that various transactions made*

by the Noticee during the period of examination has triggered disclosures in terms of PIT Regulations, 1992. Details of these transactions are tabulated in Table – 1-

**Table - 1**

Sr. No	Date	Mode	Pre-acquisition shareholding		Bought/ (sold)			Post-acquisition shareholding		Date of disclosure under PIT to company	Date of disclosure to BSE	Trigger for disclosure in terms of Regulation 13(4A) of PIT Regulations, 1995	Disclosure made (Yes/No)
			No. of shares	% of share capital	No. of shares	% of share capital	Value (Rs)	No. of shares	% of share capital				
1	22/03/2012	Inter-Dep Trans OFFMR	610500	1.39	50000	0.11	-	560500	1.28	23/3/2012	24/03/2012	Transaction of more than 25,000 shares	Received but not in SEBI format
2	23/03/2012	Sale on Market	560500	1.28	46500	0.11	3,25,300	514000	1.17	23/03/2012	24/03/2012	Transaction of more than 25,000 shares	Received but not in SEBI format
3	27/03/2012	Sale on Market	514000	1.17	40000	0.09	2,54,409.5	474000	1.08	28/03/2012	29/03/2012	Transaction of more than 25,000 shares	Yes
4	29/03/2012	Buy on Market	474000	1.08	9000	0.02	61,200	483000	1.10	30/03/2012	30/03/2012	Not required	
5	02/04/2012	Buy on Market	483000	0.58	24000	0.03	1,67,730	507000	0.61	03/04/2012	04/04/2012	Transaction of more than 25,000 shares cumulatively	Received but not in SEBI format
6	03/04/2012	Sale on Market	507000	0.61	11250	0.01	89,507.50	495750	0.59	04/04/2012	04/04/2012	-	Received but not in SEBI format
7	01/06/2012	Sale on Market	495750	0.59	21090	0.03	2,48,992.60	474660	0.57	01/06/2012	05/06/2012	-	Yes
8	10/07/2012	Sale on Market	474660	0.57	20000	0.02	4,11,047.70	454660	0.54	10/07/2012	19/07/2012	-	Yes
9	11/07/2012	Sale on Market	454660	0.54	10000	0.01	2,05,000	444660	0.53	11/07/2012	19/07/2012	-	Yes
10	12/07/2012	Sale on Market	444660	0.53	10000	0.01	2,02,500	434660	0.52	12/07/2012	19/07/2012	-	Yes
11	16/07/2012	Sale on Market	434660	0.52	10000	0.01	2,01,500	424660	0.51	16/07/2012	26/07/2012	-	Yes
12	16/08/2012	Sale on Market	424660	0.51	10000	0.01	2,47,500	414660	0.50	16/08/2012	24/08/2012	-	Yes
13	16/10/2012	Sale on Market	414660	0.50	27600	0.03	5,19,148	387060	0.46	16/10/2012	25/10/2012	Transaction of more than 25,000 shares & value 5 lacs	Yes

Sr. No	Date	Mode	Pre-acquisition shareholding		Bought/ (sold)			Post-acquisition shareholding		Date of disclosure under PIT to	Date of disclosure to BSE	Trigger for disclosure in terms of Regulation 13(4A)	Disclosure made (Yes/No)
14	30/10/2012	Sale on Market	387060	0.46	30000	0.04	7,15,500	357060	0.43	30/10/2012	06/11/2012	Transaction of more than 25,000 shares & value 5 lacs	Yes
15	06/11/2012	Sale on Market	357060	0.43	10150	0.01	2,45,460	346910	0.41	06/11/2012	16/11/2012	-	Yes
16	07/11/2012	Sale on Market	346910	0.41	10000	0.01	2,39,225.50	336910	0.40	07/11/2012	16/11/2012	-	Yes
17	14/12/2012	Inter-Dep Trans OFFMR	336910	0.40	20000	0.02	-	316910	0.38	14/12/2012	28/01/2013	Transaction of more than 25,000 shares cumulatively	Yes
18	18/01/2013	Sale on Market	316910	0.38	30000	0.04	5,83,500	286910	0.34	18/01/2013	28/01/2013	Transaction of more than 25,000 shares cumulatively	Yes
19	31/01/2013	Sale on Market	286910	0.34	20000	0.02	5,44,000	266910	0.32	31/01/2013	09/02/2013	Transaction value more than Rs. 5 lacs	Yes
20	07/03/2013	Inter-Dep Trans OFFMR	266910	0.32	20000	0.02	5,33,000	246910	0.29	07/03/2013	21/03/2013	Transaction value more than Rs. 5 lacs	Yes
21	11/06/2013	Sale on Market	246910	0.29	15000	0.02	2,31,000	231910	0.28	11/06/2013	18/06/2013	-	Yes
22	30/09/2014	Sale on Market	231910	0.28	73896	0.09	7,59,666.32	158014	0.19	30/09/2014	-	Transaction value more than Rs. 5 lacs	No

- b) Based on the available data and the information provided by BSE, It was observed that, out of the 22 instances above, on 11 instances, disclosures under Regulation 13(4A) of PIT Regulations were required to be made by the promoter.
- c) On 3 instances (mentioned at sr. 1, 2 and 5 of the Table - 1) out of the aforesaid 11 instances, the disclosures made under PIT regulations, 1992, were not in the SEBI prescribed format.
- d) On 7 instances (mentioned at sr. no 13, 14, 17, 18, 19, 20 & 21 of the Table - 1) out of the 11 instances, the disclosures under Regulation 13(4A) read with 13(5) of SEBI PIT Regulations 1992, were made with a delay ranging from 5 days to 12 days.

- e) *On one instance which is mentioned at sr. 22 of the Table - 1 out of the 11 instances, BSE vide email dated October 01, 2018, informed that stock exchange was not in receipt of disclosure under SEBI (PIT) Regulations, 1992, for transaction of 73,896 equity shares, by the Noticee.*
  - f) *In view of the above, it is alleged that the Noticee had made no disclosure on one instance, delayed disclosure on 7 instances and that the disclosures made were not consistent with the SEBI specified format on 3 instances. Therefore, it is alleged that the Noticee has violated Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992.*
6. The SCN issued, to the Noticee, was sent through SPAD, however, it returned undelivered. Thereafter, the copy of the SCN along with the annexure was served to the Noticee vide digitally signed email dated February 20, 2020. The Noticee vide email dated March 04, 2020, filed its reply to the SCN and *inter alia* made the following submissions:

*I would like to submit reply as under for your good offices:*

- i. *With respect to 3 instances wherein disclosures were not made in the SEBI prescribed format it is hereby confirmed that disclosures submitted in time, but I am unaware that the disclosures submitted to BSE were not in the SEBI prescribed format. If your good selves allows us to re-submit will be obliged to submit.*
- ii. *With respect to 7 instances wherein disclosures were made with a delay ranging from 5 days to 12 days, it is hereby confirmed to your good offices that we have submitted/sent through post on the same day /next day of transaction but due to Transit it got delayed. Kindly consider the same.*

- iii. *With respect to 1 instance wherein disclosure was not receipt by BSE, it is hereby confirmed that the disclosure for the transaction made on 30th September 2014 and the company sent disclosure to exchange. It was updated in Exchange on October 04, 2014. We are hereby attaching copy of mail and Screen shot of Exchange for the same.*
- iv. *We also requesting you to your good selves to consider, as i have made to sure informed in time and delays are due to transit.*

The Noticee vide aforesaid email, submitted copy of letter of Company dated October 01, 2014 addressed to BSE. On perusal of the aforesaid letter, it is noted that the SHL has made disclosures in terms of Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the BSE for the sale of the 2,31,910 shares of SHL on September 30, 2014, by the Noticee.

- 7. The Noticee was granted an opportunity of personal hearing on June 22, 2020, in the interest of principles of the natural justice vide email dated June 09, 2020. In view of the difficulties posed due to Covid -19 Epidemic and subsequent lockdown imposed by various states and central governments, hearing proceedings were conducted online through videoconferencing. The Noticee attended the online hearing on the scheduled date & time and reiterated the contents of his email dated March 04, 2020.

### **CONSIDERATION OF ISSUES**

- 8. I have carefully perused the charges leveled against the Noticee, his reply and the documents/ material available on record. The issues that arise for consideration in the present case are:
  - (a) Whether the Noticee has violated Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on eleven (11) occasions?

- (b) Does the violation, if any, attract monetary penalty under Section 15A(b) of the SEBI Act?
  - (c) If so, what would be the quantum of monetary penalty that can be imposed on the Noticee, after taking into consideration the factors mentioned in section 15J of the SEBI Act?
9. Before proceeding further, I would like to refer to the relevant provisions of the PIT Regulations, 1992 and the PIT Regulations, 2015 as below:

**Relevant provisions of PIT Regulations, 1992:**

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

***Continual disclosure.***

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

- (5) The disclosure mentioned in sub-regulations (3), (4) and (4A) shall be made within two working days of:
- (a) the receipts of intimation of allotment of shares, or
  - (b) the acquisition or sale of shares or voting rights, as the case may be.

**Relevant provisions of PIT Regulations, 2015:**

**Repeal and Savings.**

12. (1)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.

(2)Notwithstanding such repeal,—

(a)the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred

*under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and*

*(b) anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;*

*(3) After the repeal of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.*

10. The first issue for consideration is whether the Noticee has violated the provisions of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on eleven (11) occasions. A plain reading of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992 says that any person who is a promoter of a listed company, shall disclose the number of shares held and change in shareholding to every stock exchange where the securities are listed and to the Company, within two working days, from receipt of intimation of the allotment or acquisition or sale of shares, 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.

11. From the available records, I find that the Noticee, who was one of the promoters of the SHL at the relevant time, has dealt in shares of SHL on multiple occasions, during the investigation period. I note from the SCN that on eleven (11) instances which are mentioned at serial number 1, 2, 5, 13, 14, 17, 18, 19, 20, 21 & 22 of Table – 1, his transactions triggered disclosure in terms of Regulation 13(4A) read with Regulation 13(5) of PIT Regulation, 1992, as the Noticee has traded



either more than 25,000 shares or shares worth more than Rs. 5,00,000/-. However,

- I. for three instances mentioned at serial number 1, 2 & 5, it is alleged that the disclosure made by the Noticee in terms of aforesaid PIT Regulations was not in the format as prescribed by the SEBI.
  - II. for seven instances mentioned at serial number 13, 14, 17, 18, 19, 20 & 21, it is alleged that the disclosure made by the Noticee in terms of aforesaid PIT Regulations was delayed by 5 to 12 days.
  - III. for one instance mentioned at serial number 22, it is alleged that the Noticee has failed to make disclosure in terms of aforesaid PIT Regulations.
12. I note that the Noticee has not disputed the facts of the case. Further, in his reply to the SCN dated March 04, 2020, the Noticee has submitted with respect to the disclosures submitted in the wrong format that he is not aware of the same. In this regard, I note from the email from BSE dated June 08, 2018, (Copy of the same was shared with the Noticee) wherein BSE has mentioned that the submissions by the Company were not in format prescribed by SEBI and submissions were also deficient in requisite information such as value of transaction. Therefore, the submissions were not taken on record. In this context, I would also like to rely on observation of Hon'ble SAT in **Premchand Shah and Others V. SEBI (Appeal no. 192 of 2010 dated February 21, 2011)**, wherein it was held that *".....When a law prescribes a manner in which a thing is to be done, it must be done only in that manner..... Non-disclosure of information in the prescribed manner deprived the investing public of the information which is required to be available with them when they take informed decision while making investments ....."*

Further, the Noticee is a promoter of the Company and on multiple occasions he has filed disclosures in terms of PIT Regulations, 1992, in appropriate format

during the investigation period. Therefore, his argument that he is not aware of filing disclosures in wrong format is not tenable.

13. With respect to delay in filing disclosures, the Noticee submitted that the disclosures were sent through post on the same day or next day of transaction but due to time taken in transit they were delayed. In this context, I note from the Regulation 13(7) of PIT Regulations, 1992, (which was inserted in PIT Regulation, 1992, with effect from November 19, 2008) that the disclosures required under Regulation 13 of PIT Regulations, 1992, may also be made through electronic filing in accordance with the system devised by the stock exchange. Therefore, option of electronic filing was also available to the Noticee at the relevant time. In addition to that at serial number 3 of Table – 1, it is mentioned that the Noticee has sold 5,14,000 shares on March 27, 2012 and filed disclosure to the Company on March 28, 2012 and to the BSE on March 29, 2012. Similarly, instances of timely disclosures to the BSE are also mentioned at serial number 1 to 6 of the Table – 1. In view of the above, I find that the Noticee knew the modes and mandates of filing timely disclosures as evident from the previous filings on six occasions during the IP.
14. Further, I would also like to place reliance on the observations made by Hon'ble SAT in the matter of Mega Resources Ltd. vs. SEBI wherein Hon'ble SAT, in its order dated March 19, 2002 observed that -

*"It is a well-accepted fact that all the letters posted need not necessarily in every case reach the addressee, though everyone would like to see that his letter reaches the addressee. There is no way to ensure the reach of the letter sent by ordinary post. That is why the postal authorities have devised several modes of postage such as registered post, etc. to meet the requirements of postal users. Those who want to ensure service of the postal article on the addressee they are at liberty to use one of these methods. In the*

*absence of any evidence otherwise, one cannot ignore the addressee's version of not getting the letter..... Disclose is to expose to review or knowledge anything, which before was secret, hidden or concealed. Thus the requirement is that the information should reach the person to whom it is meant. The obligation does not end by simply posting the information in a letterbox."*

In the present case, I find that the main allegation levelled against the Noticee is not that of non-disclosures but of making delayed disclosures to the BSE. However, the contention of the Noticee that delay was due to time taken in transit is devoid of any merit. I further note that for the instance mentioned at serial number 21 at Table - 1, it is alleged that the Noticee has made delayed disclosure. However, I note that such disclosure pertained to a trade by the Noticee for only 15,000 shares valued at Rs. 2,31,000/- and therefore, the disclosure in terms of aforesaid PIT Regulations was not required to be made as mentioned in the SCN.

In view of the above, I note that the Noticee has admittedly made delayed disclosures in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992 on six (6) occasions.

15. With respect to one instance wherein disclosure was not received by BSE, the Noticee submitted that the disclosure was made on September 30, 2014 and the Company sent disclosure to the exchange. It was updated at the Exchange on October 04, 2014. The Noticee also sent a copy of Company letter long with disclosure form and screen shot of the exchange website. However, on perusal of these documents, it was observed that the Noticee has made disclosure for the transactions in terms of Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and not in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992. In view of the same, I find that

the Noticee has failed to make disclosure in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992 on one occasion for the aforesaid transaction.

16. I observe that Hon'ble SAT has consistently held that the obligation to make disclosure within the stipulated time is mandatory and the penalty is imposed for the non-compliance with the mandatory obligation. The Hon'ble SAT in its order dated September 30, 2014, in the matter of Akriti Global Traders Ltd. Vs SEBI had observed that *"Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares were purchased from open market or shares were received on account of amalgamation or by way of bonus shares, if, as a result of such acquisition/ receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations."* I would further like to refer to the observations of Hon'ble SAT in the matter of Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 vide order dated October 14, 2014), wherein it was held that *".. obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation. Similarly argument that the failure to make disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make disclosures."* The importance of disclosure obligations cannot be undermined by saying that they are merely technical in nature. Such

obligations are created under respective regulations by SEBI in order to enable investors to take informed investment decisions.

17. In view of the foregoing I find that the Noticee has made disclosures in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992, in wrong format on three occasions, delayed disclosures on 6 occasions and failed to make disclosure on 1 occasion. Therefore, I find that the Noticee has violated Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992, on ten (10) occasions. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that - *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant..."*.
18. In view of the above, I am convinced that it is a fit case for the imposition of monetary penalty on the Noticee under the provisions of Section 15A(b) of the SEBI Act, which reads as under:

**SEBI Act**

***Penalty for failure to furnish information, return, etc.***

**15A.** *If any person, who is required under this Act or any rules or regulations made thereunder,—*

...

*(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;*

19. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act which reads as under:-

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

*15J. While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

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

*Explanation.—For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, 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.*

20. In the instant case, it is not possible from the material on record to quantify the amount of disproportionate gain or unfair advantage resulting from the failure of the Noticee in making disclosures or the consequent loss caused to investors as a result of the default. The details of the shareholding of the promoters and changes thereto is an important element for the proper functioning of the securities market and timely disclosure thereof to the stock exchanges etc. are of significant importance from the standpoint of investors. The purpose of these disclosures is to bring about transparency in the transactions of Directors/Promoters/Acquirers and assist the Regulator to effectively monitor the transactions in the market. Hon'ble SAT in the case of **M/s. Coimbatore Flavors & Fragrances Ltd. & Ors vs SEBI (Appeal No. 209 of 2014 order dated**

**August 11, 2014**), observed *"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."* Further, the Noticee has failed to make required disclosure on one (1) occasion, made wrong disclosures on three (3) occasions and delayed disclosures on 6 occasions, in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations, 1992, as brought out above which demonstrates the repetitive nature of default on its part.

## **ORDER**

21. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose monetary penalty of Rs. 3,00,000/- (Rs. Three Lakh only) on the Noticee viz. Shri Medasani Munisekhar terms of the provisions of Section 15A(b) of the SEBI Act. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.
22. The Noticee shall remit / pay the said total amount of penalty within 45 days of receipt of this order in either of the way, such as by following the path at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link <https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>. In case of any difficulties in payment of penalties, the Noticee may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in).

23. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD-DRA- IV, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/recovery/ settlement amount and legal charges along with order details)	

24. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.
25. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee viz. Shri Medasani Munisekhar and also to the Securities and Exchange Board of India.

**Place: Mumbai**

**Date: June 29, 2020**

**Dr. ANITHA ANOOP**

**ADJUDICATING OFFICER**