

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER Ref No.: Order/AP/VS/2020-21/9274]**

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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.**

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In respect of:

**Ms. RM. Parvathi**  
(PAN No.: AOTPP5858A)  
Sri Hariharan Paper Stores,  
169, Court Street, Erode,  
Tamil Nadu-638001

In the matter of

**Seshasayee Paper and Boards Limited**

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1. Seshasayee Paper and Boards Limited (hereinafter referred to as 'SPBL / the Company'), is a company having its shares listed on the Bombay Stock Exchange Limited (hereinafter referred to as 'BSE') and National Stock Exchange Limited (hereinafter referred to as 'NSE'). Securities and Exchange Board of India ('SEBI') had conducted an investigation in the matter of trading in the scrip of the SPBL by its promoter, to ascertain whether there was any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992 (hereinafter referred to as 'the PIT Regulations, 1992') during the period December 15, 2011 to October 09, 2014 (hereinafter referred to as 'investigation period').
  2. SEBI observed that during quarter ended December 2012, 8 public shareholder including Ms. RM Parvathi (hereinafter referred to as 'the Noticee') were classified as Promoters of SPBL. On becoming the promoter of SPBL, as required under regulation 13(2A) of the PIT Regulations, 1992 read with regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'the PIT Regulations, 2015') the Noticee was required to disclose to SPBL, the shares or voting rights held by her
  3. SPBL vide its email dated March 18, 2019 had informed that no disclosures were received from the Noticee for the aforesaid event.

4. Pursuant to above, the competent authority in SEBI was satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged violation of regulations 13(2A) of PIT Regulations, 1992. Vide a *communication-order* dated May 14, 2019, the competent authority had appointed Mr. Santosh Shukla, CGM, as Adjudicating Officer (“erstwhile AO”) under section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘SEBI Act’) and rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘SEBI Adjudication Rules’) to inquire into and adjudge under section of 15A(b) of the SEBI Act, 1992 for the aforesaid alleged violations. Subsequently, by a *communication-order* dated January 07, 2020, this case has been transferred to the undersigned with an advise that except for the change of the Adjudicating Officer the other terms and conditions of the original orders ‘*shall remain unchanged and shall be in full force and effect*’ and that the “*Adjudicating Officer shall proceed in accordance with the terms of reference made in the original orders*”. The relevant provisions of the PIT Regulations charged in this case against the Noticees are reproduced as follows:

**PIT Regulations, 1992**

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

**13 (2A)** *Any person who is a promoter or part of promoter group of a listed company shall disclose to the company in Form B the number of shares or voting rights held by such person, within two working days of becoming such promoter or person belonging to promoter group.*

**PIT Regulation, 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.*

5. After receipt of records of these proceedings, it was noted that the erstwhile AO had issued the show cause no. EAD-2/SS/VS/6745/BD/6/2019 dated June 04, 2019 (hereinafter referred to as 'SCN') to the Noticee in terms of rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') read with section 15I of the SEBI Act, with regard to alleged violations of the provisions of regulations 13(2A) of PIT Regulations, 1992, read with regulation 12 of PIT Regulations, 2015, by the Noticee. The Noticee vide her letters dated June 24, 2019 and July 09, 2020 submitted her reply *inter alia* as follows:
  - a. The Noticee is one of the shareholder of the SBPL.
  - b. The Noticee is only an investor not a promoter of SBPL.
  - c. The Noticee became aware about her status as promoter only after receiving of SCN
  - d. The Noticee is not at all involved in any activity of the SBPL.
6. I also note that the erstwhile AO has granted an opportunity of personal hearing to Noticee on July 12, 2019, which she did not avail. Pursuant to transfer of the instant matter to undersigned, in the interest of natural justice and in terms of rule 4(3) of the Adjudication, the Noticee was given an opportunity of personal hearing on September 18, 2020 and the same was communicated vide notice dated September 04, 2020. The Noticee vide her letter dated September 4, 2020 reiterated her earlier submissions and waived off the opportunity of the said hearing.
7. I have perused the allegations levelled against the Noticee in the SCN, her written representations dated June 24, 2019, July 09, 2020 and September 14, 2020 and materials relied upon by SEBI and proceeded to examine the facts and circumstances and the material available on record.
8. From the record, I note that Integrated Registry Management Services Private Limited is Registrar and Transfer Agent (RTA) of the SPBL. I note that the Noticee has purchased 1,000 shares of value ₹2,45,000/- in off-market during the quarter December 2012 as per RTA's email dated January 10, 2019. SPBL vide its email dated December 14, 2018 submitted the details of promoter shareholding during the financial year 2011-12 to 2013-14, wherein on purchase of these shares, the Noticee was classified as 'non-promoter' to 'promoter' in shareholding pattern for quarter ended December 2012. Subsequently, SPBL vide its email dated March 18, 2019 had informed that no disclosures were received from the Noticee for the aforesaid event. RTA vide its email dated January 10, 2019

submitted the details of transactions of promoters of SPBL which includes mode of transaction and reclassification of certain shareholders from public to promoter shareholders. As per the enclosure of the said email, it is noted that the Noticee was not classified as a promoter shareholder. However, from the shareholding pattern available on BSE website it is noted that the Noticee was shown as promoter shareholder from quarter ended December 2012 to March 2014 by the SPBL. In view of the above I note that SPBL and BSE website portrays a different picture than the Noticee's claim and the submission of the RTA. Further, there is no other documents available on record to conclusively prove that the Noticee was a promoter as alleged.

9. The facts that the Noticee has denied that she was declared as promoter by SPBL, coupling with the information submitted by RTA where the Noticee was not shown as promoter, strengthens the case of the Noticee. Further, the inputs provided by BSE website is not relied in this case as the Noticee was not under obligation to disclose her acquisition and change in her status of classification as promoter, to BSE.
10. From the above, the main question whether the Noticee was promoter or not during the impugned quarter still remain unanswered. In view of the above, I am of the view that the Noticee deserves benefit of doubt on this ground. It is an admitted position that he Noticee has purchased 1,000 shares in off-market, but it could not be proved that by purchasing said shares, the Noticee was classified as promoter of SPBL. Considering the facts and circumstance of this case, I am of the view that the case does not deserve imposition of any monetary penalty and the SCN is accordingly disposed of.
11. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

**Date: September 29, 2020**  
**Place: Mumbai**

**Amit Pradhan**  
**Adjudicating Officer**