

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO. EAD-12/ AO/SM/40-47/2017]**

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

**In respect of:**

1. M/s.Blazon Marbles Ltd (PAN: AADCS3116P)
2. Mr.Naresh Nagindas Shah (PAN: ARYPS5993F)  
(as Managing Director of Blazon Marbles Limited)
3. Mr. Jikisha Kirtibhai Shah (PAN: BTDPS0022F)
4. Mr. Bhavik Satish Badani (PAN: ALPRB9295L)
5. Mr. Mansukh Sanghvi (PAN: ABJPS8612E)
6. Mr.Vishnu Prakash Kabra (PAN: AXCPK5554K)
7. Mr. Vishnu Prakash Kabra (HUF) (PAN –Not available)
8. Mr Naresh Nagindas Shah (PAN:ARYPS5993F)

**In the matter of M/s. Blazon Marbles Ltd**

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**Facts of the case:**

1. Securities and Exchange Board of India (“SEBI”) had conducted an investigation in the scrip of Blazon Marbles Ltd (“BML”) for possible violation of the provisions of the Securities and Exchange Board of India Act, 1992 (‘Act’) and various Rules and Regulations made thereunder during the investigation period between December 9, 2011 and October 10, 2012 (hereinafter referred to as the ‘IP’).
2. Based on aforesaid investigation, the following was alleged:  
BML was listed at Bombay Stock Exchange Limited (‘BSE’). The price of the scrip of BML increased from December 2011 to May 2012 and thereafter there was a price fall till October 2012. The price of the scrip of BML rose from Rs. 30.65 on December 9, 2011 to Rs. 250 on May 15, 2012. On June 4, 2012, as a resultant of stock split in the scrip of BML, Rs.10 per share of BML was split into share of Rs.2/- each. Thereafter the price of the scrip of BML fell from Rs.40.75 in June 4, 2012 to Rs.14.64 on October 10, 2012.

3. The price volume data of the scrip of BML in BSE for the period before, during and after the investigation period is given below:

Period	Date		Opening Price(Volume) on the first day of the period	Closing Price(Volume) on the last day of the period	Low Price (Volume) during the period	High Price (Volume) during the period	Avg No of shares traded daily during the period
Before Investigation	Nov 1, 2011 to Dec 8, 2011	Price	62.2	29.2	26.6	62.2	312.5
		Volume	600	200	100	1200	
Investigation Period (pre-stock Split)	Dec 9, 2011 to June 1, 2012	Price	30.65	207.9	27.75	250	42145
		Volume	10200	100	100	248900	
Investigation Period(Post-stock Split)	June 4, 2012 to October 10, 2012	Price	40.75	14.64	13.43	40.75	95721
		Volume	1000	114151	1	465865	
After Investigation Period	October 11, 2012 to Dec 31, 2012	Price	14.74	18.67	13.75	21.4	130296
		Volume	237422	76800	1951	405122	

4. The category wise shareholding pattern of BML ((source: BSE website) is given below:

Particular	Quarter ended Dec 2011			Quarter ended Mar 2012			Quarter ended Jun 2012			Quarter ended Sep 2012			Quarter ended Dec 2012		
	No of Share holders	No of shares	%	No of share holders	No of shares	%	No of share holders	No of shares	%	No of share holders	No of shares	%	No of share holders	No of shares	%
Promoter Holding	2	3100000	22.77	1	72000	0.53	0	0	0	0	0	0	0	0	0
Non Promoter Holding	483	10515300	77.23	655	13543300	99.47	749	68076500	100	881	68076500	100	1037	68076500	100
Total Share Capital	485	13615300	100	656	13615300	100	749	68076500	100	881	68076500	100	1037	68076500	100

5. The details of the shareholding of the promoter and promoter group is shown below:

Category of Shareholder	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital
	December 2011		March 31, 2012		June 30, 2012		Sept 30, 2012		Dec 31, 2012	
Promoter and Promoter Group										
A. Individuals/HUF										
i) Vishnu Prakash Kabra	21,00,000	15.43	72000	0.53	0	0	0	0	0	0

Category of Shareholder	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital	No of shares held	% to share capital
	December 2011		March 31, 2012		June 30, 2012		Sept 30, 2012		Dec 31, 2012	
ii) Vishnu Prakash Kabra(HUF)	10,00,000	7.34	0	0	0	0	0	0	0	0
TOTAL of PROMOTER	3100000	22.77	72000	0.53	0	0	0	0	0	0
1) Public Shareholding	10515300	77.23	13543300	99.47	68076500	100	68076500	100	68076500	100
TOTAL 1) + 2)	13615300	100	13615300	100	68076500	100	68076500	100	68076500	100

6. *In this order wherever SEBI (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations, 1992") is mentioned it should be referred to as PIT Regulations, 1992 read with Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

### **Allegations against Naresh NagindasShah (" Naresh" )**

#### **Not responding to Summons**

7. In order to obtain details of pre-clearance obtained prior to trading in the scrip of BML, SEBI issued summons to Naresh on July 3, 2014, July 14, 2014 and October 27, 2014. The summons dated July 3, 2014 and October 27, 2014 were delivered. However, the summon dated July 14, 2014 was returned undelivered with the remark- "Refused to Accept".
8. Letters and summons were also issued to the Compliance Officer of BML asking him to provide certain information with regard to trades of Naresh. The details of information sought and the response received from the Compliance Officer are as detailed below:

Date	Addressed to	Delivered	Details sought/Information Sought	Reply received
April 29, 2014	Letter addressed to Compliance Officer of Blazon Marbles Ltd	Yes	i) Code of Conduct for Prevention of Insider Trading adopted by the company, ii) The dates when the trading window was closed for the period from April 2011 to April 2013 and	No

Date	Addressed to	Delivered	Details sought/Information Sought	Reply received
May 30, 2014	Summons to Compliance Officer of Blazon Marbles Ltd	Yes	iii) Details of pre-clearance obtained by Naresh and copy of the same	No
June 16, 2014		Yes		No
September 5, 2014		Yes		No
October 27, 2014		Yes	i) Code of Conduct for Prevention of Insider Trading adopted by the company, ii) The dates when the trading windows were closed for the period from April 2011 to April 2013 and iii) Details of pre-clearance obtained by Naresh and copy of the same iv) The disclosures made by Naresh regarding the number of shares or voting rights held and position taken in derivatives by him and his dependents as per Regulation 13(2) of SEBI(Prohibition of Insider Trading) Regulations, 1992 upon appointment as director	No

9. It was alleged that Naresh as the Managing Director of BML had not replied to the above mentioned summons and then the attempts were made to obtain the information from BML through BSE vide emails dated August 21, 2014 and October 27, 2014. BSE vide email dated November 11, 2014 informed that BML officials were not responding and they had not received the requisite information/ data. Subsequently, a SEBI official and an officer from Vadodara Stock Exchange had visited BML and delivered the summons dated November 26, 2014 seeking the above mentioned information on December 9, 2014. During the visit, Naresh had stated that since he was in Mumbai and no one was there in office, he will not be able to provide the information/ documents and requested for a week's time to reply to the summons. Naresh was asked to provide a confirmatory letter for submission of the information/ documents latest by December 15, 2014 failing which SEBI may proceed as per law. Naresh vide letter dated December 9, 2014 had forwarded the confirmatory letter stating that the said information/ documents will be provided by December 15, 2014 and if they fail to furnish the said information/documents, SEBI may

presume that they have nothing to say in the matter and SEBI may proceed as per law. In response to the summons dated December 9, 2014, BML had forwarded its reply dated December 20, 2014, however, not provided the details in respect of pre-clearance obtained prior to the trading in the scrip and details of disclosures made to stock exchange. Hence, it was alleged that Naresh had failed to submit the said information sought vide summons dated July 3, 2014 and October 27, 2014 and thereby repeatedly violated Section 11C (2) and (3) of the SEBI Act, 1992.

### **Non-submission of disclosures towards acquisition of Shares by Naresh**

10. Naresh was also the sole proprietor of Pragati Shares and Stock Services ("Pragati") while being Managing Director of BML had purchased 2, 94,555 shares (worth Rs.4.19 crs) and sold 100 shares of BML during IP. Hence, Pragati being a sole proprietary concern had no separate legal existence from that of its proprietor, Naresh. The decisions made to purchase and sell shares had been made by Naresh himself and he had traded in the name of Pragati only to bypass the provisions of the Regulations. Effectively and legally the trades of Pragati were the trades of Naresh himself.
11. The details of the transactions of Naresh as a proprietor of Pragati and the dates when the disclosures were to be made as per SEBI(PIT) Regulations, 1992 ("PIT Regulations, 1992") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations") is placed below:

Purchase date	Purchased qty	Traded value(in Rs.)	% to total Shareholding of the Company	Date by when disclosures were to be made to the stock exchanges as per PIT Regulation, 1992 and SAST Regulations
15/02/2012	10000	737500	0.07	February 17, 2012
28/02/2012	7000	549500	0.05	March 2, 2012
06/03/2012	9200	754610	0.07	March 9, 2012
13/03/2012	20000	1961800	0.15	March 15, 2012
14/03/2012	5000	512240	0.04	March 16, 2012
15/03/2012	5000	530520	0.04	March 17, 2012
16/03/2012	15000	1647750	0.11	March 20, 2012
19/03/2012	24900	2822200	0.18	March 21, 2012
20/03/2012	5000	592500	0.04	March 22, 2012
21/03/2012	6000	730800	0.04	March 23, 2012
22/03/2012	13000	1649700	0.10	March 24, 2012

Purchase date	Purchased qty	Traded value(in Rs.)	% to total Shareholding of the Company	Date by when disclosures were to be made to the stock exchanges as per PIT Regulation, 1992 and SAST Regulations
23/03/2012	5000	648500	0.04	March 27, 2012
28/03/2012	31500	4408425	0.23	March 30, 2012
30/03/2012	62500	9485325	0.46	April 3, 2012
23/04/2012	10000	2080000	0.07	April 25, 2012
24/04/2012	6500	1384500	0.05	April 26, 2012
25/04/2012	8355	1851810	0.06	April 27, 2012
26/04/2012	6800	1548900	0.05	April 28, 2012
27/04/2012	9500	2173290	0.07	April 30, 2012
28/04/2012	9300	2134200	0.07	May 2, 2012
30/04/2012	10000	2390000	0.07	May 3, 2012

12. BSE vide email dated March 19, 2014 has informed that no disclosures have been made to Stock Exchange by Naresh for the above mentioned acquisitions.
13. Thus in terms of Regulations 13(4) read with 13(5) of PIT Regulations, 1992, Naresh was under obligation to make disclosures to BML and the Stock exchange within two working days with regard to change in director's shareholding. However, he had failed to make the required disclosures to BML and the Stock Exchange. Thereby violated Regulations 13(4) read with 13(5) of PIT Regulations, 1992.

**Entering into opposite transaction within 6 months by Naresh**

14. It was alleged that Naresh had sold 100 shares of BML on February 28, 2012 and on the same day he had purchased 7000 shares of BML as detailed below. As a director of BML, Naresh was prohibited from entering into opposite transactions within a period of 6 months in terms of clause 4.2 of Model Code of Conduct for Prevention of Insider Trading for Listed Companies as specified in Part A of Schedule I read with Regulation 12(1) of PIT Regulations, 1992 and thereby violated Part A under Schedule I under regulation 12(1) of PIT Regulations, 1992.

Sale date	Sold Quantity	Traded value(in Rs.)
28/02/2012	100	7850
28/02/2012	7000	549500

**Non-disclosure by Mr.Vishnu Prakash Kabra and Vishnu Prakash Kabra(HUF)**

15. The holdings of Mr Vishnu Prakash Kabra and Vishnu Prakash Kabra (HUF) (collectively referred to as “Kabra”), the promoters of BML, decreased from 22.77% to 0.53% during the quarter ended March 2012. The promoters holding was nil during the quarter ended June 2012. The transfers by Kabra had taken place on February 15, 2012 as per the disclosures made to BSE. Kabra was to make disclosures to the stock exchange and BML with regard to decrease in shareholding by February 17, 2012 as per Regulation 13(3), 13(4A) read with 13(5) of PIT Regulations, 1992 and Regulation 29(2) read with 29(3) of SAST Regulations.
16. SEBI had advised BSE to confirm whether the following disclosures were made to BSE by the entities during the period from December 2011 to October 2012 and inform the date on which such disclosures were made:
- i) Sale of 21,00,000 shares of Vishnu Praakash Kabra through off market
  - ii) Sale of 10,00,000 shares of Vishnu Prakash Kabra (HUF) through off market
  - iii) Purchase of shares by Naresh, through Pragati.
17. In response, BSE vide its email dated March 19, 2014, had stated as follows:  
*“With reference to the trailing mail, please find herewith, disclosures under Reg 13(6) of SEBI (PIT) and Reg 7(3) (old format) of SEBI (SAST) are found for the transaction period mentioned in trail email. These documents are received through inward on 03/04/2012”.*
18. From the above email of BSE, it was noted that BML had received disclosures on March 31, 2012 with regard to the sale of 21,00,000 shares and 10,00,000 shares by Kabra on February 15, 2012 under Regulations 13(4) and 13(4A) of PIT Regulations, 1992 and Regulation 7(1) and 7(2) of SAST Regulations. It was alleged that there was a delay of 42 days in filing the disclosures by Kabra to BML and no disclosures were made by Kabra to the stock exchange.
19. It was therefore alleged that Kabra had violated Regulations 29(2) read with 29(3) of SAST Regulations and Regulations 13(3), 13(4A) read with 13(5) of PIT Regulations, 1992 for delay in filing to the company and non-filing of disclosures to the Stock Exchange, with regard to change in promoter shareholding.

### **Non-formulation of Model code of conduct under PIT Regulations, 1992**

20. It was alleged that BML, Naresh, (as the Managing Director of BML) Jikisha Kiritbjai Shah ("Jilkisha"), Director, Bhavik Satish Badani ("Bhavik"), Independent Director, Mansukh Sanghvi ("Mansukh"), Independent Director had jointly failed to formulate the code of internal procedures and conduct as near thereto the Model Code specified in Part A under Schedule I of PIT Regulations, 1992 which ought to have been formulated without diluting it in any manner and ensure compliance of the same in terms of Regulation 12(1) read with Part A Schedule I under PIT Regulations, 1992 and thereby violated PIT Regulations, 1992. Hence it was alleged that BML, Naresh, Jikisha, Bhavik and Mansukh had violated Regulation 12(1) read with schedule I of the PIT Regulations 1992.

### **Appointment of Adjudicating Officer**

21. SEBI had initiated adjudication proceedings against the entities viz., BML, Naresh, Jikisha, Bhavik, Mansukh and Kabra (collectively referred to as "entities") and appointed Shri Prasad Jagadale as Adjudicating Officer vide order dated March 30, 2015 under Section 15 I of the Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as 'Rules') to inquire into and adjudge under Sections 15A(a), 15A(b) and 15HB of the Act for the alleged violation of the provisions of law by the entities. Pursuant to the transfer of the case, Shri D Sura Reddy was appointed as Adjudicating Officer vide Order dated March 20, 2017 and subsequently, I have been appointed as Adjudicating Officer (AO), vide order dated May 18, 2017.

### **Show Cause Notice, Reply and Personal Hearing**

22. Based on the findings made during the investigation, show cause notice was issued against the entities. Details of SCN issued, response of entities and opportunity of personal hearing given in respect of each of the entities is discussed below:

#### **Blazon Marbles Ltd (BML)**

23. BML was issued SCN on April 30, 2015 for its above stated violation. Vide said SCN, BML was show caused as to why inquiry should not be held and penalty should not be imposed



under section 15HB of the Act. Even though, SCN was delivered as per postal records, BML had not submitted any response. In the interest of natural justice, an opportunity of personal hearing was granted on August 10, 2015, September 14, 2015 and December 3, 2015 by the erstwhile Adjudicating officer (AO). The respective notices were served on BML as per postal records. Furtherance, to the transfer of case, the undersigned also gave an opportunity of personal hearing on July 19, 2017. Despite the notice being served as per postal records, BML had neither submitted any reply nor appeared before me to offer its submission. BML in its reply dated December 12, 2014 pursuant to summons issued by the SEBI Investigation Department (annexure to the SCN ) had stated the following with respect to code of conduct of PIT:

*23.1 Company has appointed already compliance officer Mr. Bhavik Satish Badani as per listing agreement to follow all regulations and policies which is supposed to be followed by him.*

*23.2 The company has not made any corporate announcements like issue of bonus shares, rights shares, merger and amalgamations etc. Hence there is no any question to have any price sensitive information leakage.*

*23.3 Files containing confidential information are kept secured and also computer files are having adequate security of login and password etc.*

#### Kabra

24. Kabra, promoters of BML, were issued SCNs on April 30, 2015 for above stated violations in his own capacity and in the capacity of karta of HUF. Vide said SCN, Kabra was shown caused as to why inquiry should not be held and penalty should not be imposed under section 15A (b) of the Act. The said SCNs were returned undelivered. In the interest of natural justice, an opportunity of personal hearing was granted on August 10, 2015 and September 14, 2015 by the erstwhile AO and the notices sent in this regard were returned undelivered. Efforts had been taken by the erstwhile AO to find the alternate address of Kabra through the stock exchange and their depository participants. .
25. In terms of Rule 7(d) of AO Rules, detail of SCN was published in the Vadodara editions of Times of India and Gujarat Samachar on August 9, 2017 and also made available on SEBI website. Vide said publication, one more opportunity of hearing

was provided to Kabra on September 4, 2017 before the undersigned . However, Kabra did not appear on the said date.

Mansukh

26. Mansukh was issued SCN on April 30, 2015 for the violations as stated above. Vide said SCN, Mansukh was show caused as to why inquiry should not be held and penalty should not be imposed under section 15HB of the Act. The said SCN were returned undelivered. In the interest of natural justice, an opportunity of personal hearing was granted on August 10, 2015 and September 14, 2015 by the erstwhile AO and the notices sent in this regard were returned undelivered. Efforts had been taken by the erstwhile AO to find the alternate address of Mansukh through the stock exchange and his depository participants. In terms of Rule 7(d) of AO Rules, detail of SCN was published in the Mumbai editions of Times of India and Loksatta on August 9, 2017 and also made available on SEBI website. Vide said publication, one more opportunity of hearing was provided to Mansukh on September 4, 2017. However, Mansukh did not appear on the said date.

Jikisha

27. Jikisha was issued SCN on April 30, 2015 for his violations as stated above. Vide said SCN, Jikisha was show caused as to why inquiry should not be held and penalty should not be imposed under section 15HB of the Act.
28. In response to the SCN, Jikisha vide letter dated July 25, 2015 stated that he had resigned from the directorship of BML on July 01, 2013 and in support he submitted copy of Form 32 filed with RoC. Considering the facts that he is not the director and not traded in the securities of BML, he requested to dispense the inquiry proceedings against him. In the interest of natural justice, an opportunity of personal hearing was granted on August 10, 2015, September 14, 2015 and December 3, 2015 by the erstwhile AO. The respective notices were served on Jikisha as per postal records. Furtherance, to the transfer of case, the undersigned also gave an opportunity of personal hearing on July 19, 2017. In response, vide his letter dated July 19, 2017 he had stated that he resigned long back from BML and requested to contact the current promoters for the matters related to current proceedings.

Bhavik

29. Bhavik was issued SCN on April 30, 2015 for his violations as stated above. Vide said SCN, Bhavik was show caused as to why inquiry should not be held and penalty should not be imposed under section 15HB of the Act.
30. In response to the SCN, Bhavik vide letter dated July 25, 2015 stated that even though he was on the Board of BML he was not involved in any type of trading of shares of BML and requested for dropping the current proceedings. In the interest of natural justice, an opportunity of personal hearing was granted on August 10, 2015, September 14, 2015 and December 3, 2015 by the AO. The respective notices were served on Bhavik as per postal records. In response to hearing notice issued for the hearing scheduled on December 3, 2015, he had confirmed that he will present himself for the hearing vide his email dated November 30, 2015.
31. During the hearing proceedings, he was represented by his Authorised representative (AR), Mr. Laxmi Narayan Mishra, Advocate. AR had stated that Bhavik was fraudulently appointed as Director of BML and not received any SCN and requested for copy of the same. Further, he had stated that he would like to make a detailed submission along with copy of FIR and other correspondences. Further, vide affidavit dated December 9, 2015 he had stated the following:
- a. He was neither a director of BML or related to its business or done any transaction on behalf of said company or known or have any relation with any of its directors in any manner*
  - b. He was not aware of the SCN issued against BML and its directors, including him.*
  - c. The reply purported to have been made by him to SCN on July 25, 2015 was not of him and made by some unknown persons and the signature appearing on the letter was not matching with that of him.*
  - d. Further, some unknown person/ directors forged my signature and opened 5 companies namely Kelvin Fincap Ltd, Gujarat Narmada Flyash Company Ltd, Blazon Marbles Ltd Kriptol Industries Ltd and Cromakem Ltd.*
  - e. He was not aware and do not admit that he was director of 5 companies including M/s Blazon Marbles Ltd or signed any papers before companies registrar or given my consent or any documents at any time for registration of the said all 5 companies with Companies of Registrar.*

- f. *He had made complaints through email bearing account no. [bhavikidol@gmail.com](mailto:bhavikidol@gmail.com) to SEBI, BSE, NSE, Gujarat ROC, Mumbai ROC informing that without his consent or signature, he was made director of all said 5 companies and asked for dissolution of the said companies and take strict action against all the directors excluding me.*
- g. *He had also registered a complaint with Charotar Nagrik Sahakari Bank Ltd and a FIR dated 08.11.2015 was issued by Baroda Police Station against said all 5 companies for playing fraud against him by falsely making him as one of the Directors of all said 5 companies through bogus documents and forged signature.*
32. Furtherance, to the transfer of case, the undersigned also gave an opportunity of personal hearing on July 19, 2017. In response, vide his letter dated July 19, 2017 he had stated that he resigned long back from BML and requested to contact the current promoters for the matters related to current proceedings.

### **Naresh**

33. Naresh was issued SCN on April 30, 2015 for his failure to
- a) formulate a code of conduct for prevention of Insider Trading in lines mentioned in Regulations 12(1) of PIT Regulations, 1992 thereby violated clause 4.2 of model code of conduct for prevention of insider trading for listed companies specified in part A of Schedule I read with Regulation 12(1) of PIT Regulations, 1992.
  - b) not filing disclosures Regulation 13(4) read with 13(5) of under PIT Regulations, 1992
  - c) reply to the summons issued under section 11 C(2) & (3) of the Act
34. Vide said SCN Naresh was show caused as to why inquiry should not be held and penalty should not be imposed under section 15 A(a), 15 A(b) and 15HB of the Act. The said SCN was returned undelivered. In the interest of natural justice, an opportunities of personal hearing were granted on August 10, 2015, September 14, 2015 and December 3, 2015 by the erstwhile AO and the same were returned undelivered. In terms of Rule 7(c) of AO Rules, SCN and Hearing notice were affixed at "Room no.39, Ganga Vihar Building, Rokadia Lane, Borivali (w), Mumbai - 400092", the last known address of Naresh as per SEBI records, on December 12, 2015.
35. Furtherance, to the transfer of case, the undersigned also gave an opportunity of personal hearing on August 11, 2017 vide notice dated July 25, 2017. The same was served as per

postal records available before me but Naresh has not submitted any reply or appeared in person to defend the case..

36. In view of the attempts made by SEBI in serving the Notices to BML, Mansukh, Kabra and Naresh, I am convinced that sufficient opportunities have been granted to the entities and I deem it appropriate to decide the matter on the basis of material available on record and hence I proceed further.

### **Consideration of Issues, Evidence and Findings**

37. I have carefully perused the charges levelled against the entities in the SCN and written submissions made in response to SCN and all the documents available on record. In the instant matter, the following issues arise for consideration and determination:

37.1 Whether the entities viz., BML, Naresh Jikisha, Bhavik, Mansukh have violated Regulation 12(1) read with Schedule I of PIT Regulation, 1992,

37.2 Whether Kabra has violated Regulation 29(2), 29(3) of SAST Regulation, 2011 and Regulation 13(3), 13(4A) read with 13(5) of PIT Regulations, 1992 and

37.3 Whether Naresh has violated Regulations 13(4) read with 13(5) of PIT Regulations, 1992 and Section 11 C (2) & (3) of the Act?

38. Does the violation, if any, on the part of

38.1 The entities viz, BML, Naresh Jikisha, Bhavik and Mansukh attract monetary penalty under Section 15 HB of the Act?

38.2 Kabra attract monetary penalty under Section 15 A(b) of the Act? and

38.3 Naresh attracts monetary penalty under Section 15A(a) and 15A(b) of the Act?

39. If so, what would be the quantum of monetary penalty that can be imposed on the entities taking into consideration the factors mentioned in Section 15J of the Act?

40. Before proceeding further, I would like to refer to the relevant provisions of the SEBI Act, PIT Regulations, 1992, PIT Regulations, 2015 and SAST Regulations, 2011. The provisions referred above are reproduced as under:

SEBI Act, 1992

*Investigation.*

11C.

(1) ...

(2) *Without prejudice to the provisions of sections 235 to 241 of the Companies Act, 1956 (1 of 1956), it shall be the duty of every manager, managing director, officer and other employee of the company and every intermediary referred to in section 12 or every person associated with the securities market to preserve and to produce to the Investigating Authority or any person authorised by it in this behalf, all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power.*

(3) *The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*

(4) ...

**SEBI (PIT) Regulation, 1992:-**

CHAPTER IV

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 I of SEBI (PIT) Regulation, 1992:-*

#### **SCHEDULE I**

**[Under regulation 12(1)]**

#### **PART A**

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

#### **INSIDER TRADING FOR LISTED COMPANIES**

##### **1.0 Compliance Officer**

*1.1 The listed company has appointed a Compliance Officer senior level employee who shall report to the Managing Director/Chief Executive Officer.*

*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.*

*1.3 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.*

1.4 The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.

## **2.0 Preservation of "Price Sensitive Information"**

2.1 Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

### **2.2 Need to know**

2.2-1 Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

### **2.3 Limited access to confidential information**

2.3.1 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

## **3.0 Prevention of misuse of "Price Sensitive Information"**

3.1 All directors/officers and designated employees of the company shall be subject to trading restrictions as enumerated below.

### **3.2 Trading window**

3.2.1 The company shall specify a trading period, to be called "trading window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is unpublished.

3.2.2 When the trading window is closed, the employees/directors shall not trade in the company's securities in such period.

3.2.3 The trading window shall be, inter alia, closed at the time :—

(a) Declaration of financial results (quarterly, half-yearly and annually).

(b) Declaration of dividends (interim and final).

(c) Issue of securities by way of public/rights/bonus etc.

(d) Any major expansion plans or execution of new projects.

(e) Amalgamation, mergers, takeovers and buy-back.

(f) Disposal of whole or substantially whole of the undertaking.

(g) Any changes in policies, plans or operations of the company.

3.2.3A The time for commencement of closing of trading window shall be decided by the company.



*3.2-4 The trading window shall be opened 24 hours after the information referred to in para 3.2.3 is made public.*

*3.2-5 All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.*

*3.2-6 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.*

### *3.3 Pre-clearance of trades*

*3.3.1 All directors/officers/designated employees of the company 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.*

*3.3.2 An application may be made in such form as the company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee/officer/director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.*

*3.3.3 An undertaking shall be executed in favour of the company by such designated employee/director/officer incorporating, inter alia, the following clauses, as may be applicable:*

*(a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.*

*(b) That in case the employee/director/officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.*

*(c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.*

*(d) That he/she has made a full and true disclosure in the matter.*

#### *4.0 Other restrictions*

*4.1 All directors/officers/designated employees 71[and their dependents (as defined by the company)] shall execute their order in respect of securities of the company within one week after the given, the employee/director must pre-clear the transaction again.*

*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.*

*4.3 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.*

#### *5.0 Reporting Requirements for transactions in securities*

*5.1 All directors/officers/designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the company) to the Compliance Officer:*

*(a) all holdings in securities of that company by directors/officers/designated employees at the time of joining the company;*

*(b) periodic statement of any transactions in securities (the periodicity of reporting may be defined by the company. The company may also be free to decide whether reporting is required for trades where pre-clearance is also required); and*

*(c) annual statement of all holdings in securities.*

*5.2 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/officers/designated employees for a minimum period of three years.*

*5.3 The Compliance Officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by employees/director/officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.*

#### *6.0 Penalty for contravention of code of conduct*

*6.1 Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalised and appropriate action may be taken by the company.*

*6.2 Employees/officers/directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.*

*6.3 The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.*

#### *7.0 Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992*

*7.1 In case it is alleged by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992. SEBI shall be informed by the company.*

#### **Regulation 13 of SEBI (PIT) Regulation, 1992:-**

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

*13. (1) ....Continual disclosure.*

*(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.*

*(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 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.*

*[(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 <sup>1</sup>[(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.*

### ***Regulation 12 of SEBI (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.*

### **SEBI (SAST) Regulation, 2011:-**

#### *Disclosure of acquisition and disposal.*

*(2) Any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent 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.*

*(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.*

### **Findings**

41. From the records available, I am satisfied with the efforts taken by SEBI in serving the notices to BML, Mansukh, Kabra and Naresh in providing them sufficient opportunity to defend the allegations levelled against them. Hence, I rely on the observation of *Hon'ble SAT in the matter of Sanjay Kumar Tayal & Ors. Vs. SEBI (in appeal No. 68/2013) decided on February 11, 2014 wherein SAT has held that "....., appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices"*.
42. BML in its reply to the SEBI summon dated December 12, 2014 had not mentioned that it had adopted the model code of conduct prescribed under PIT Regulations. On the contrary it had cited the reasons for not having the requirement of the code.
43. Accordingly, BML, Kabra, Mansukh and Naresh by neither filing reply to show cause notice issued to them nor availing the opportunity of personal hearing in the adjudication proceedings, are presumed to have admitted charges leveled against them in the show cause notice. Accordingly, I find BML, Kabra, Mansukh and Naresh have contravened the provisions of Law as mentioned above and liable for penalty.

44. On perusal of the replies made by Bhavik, I find contradictory statements were made by him. I refer to the affidavit of Bhavik wherein he has stated that, his signature and Identification were forged to induct him as one of the directors not only in BML but also in other four companies (his Affidavit dated December 9, 2015). In this regard, he had filed F.I.R with Baroda police station about the fraud/ forgery. However, vide his letter dated July 19, 2017, he had stated that he had resigned long back from BML and he is not aware of the investigation initiated against BML. Further, I note that replies filed by him on three occasions are in response to Hearing notices sent to his address “302A, Damodar Kunj, Jantanagar Road, Bhayander (w), Mumbai – 400 101” where he is currently residing. I also note that the initial appearing on the postal acknowledgement card annexed with the notice dated July 14, 2015 is matching with the initial made by him on the correction made in page in 2 of his affidavit dated December 9, 2015. Also in his affidavit he had mentioned about the reply purportedly filed on his behalf to SEBI. Hence, I do not borrow the argument of Bhavik that some unknown person has replied to hearing notice July 14, 2015 and the signature appearing on the said reply is not his. BML in its letter to SEBI dated December 12, 2014 had informed SEBI that Bhavik has been appointed as Compliance officer of the company as per listing agreement, it shows that Bhavik is related to BML.
45. Even though, he had forwarded a copy of F.I.R filed on November 08, 2015, I do not find any merit in his submission that inclusion of his name as a director was without his knowledge because he had not provided any document to substantiate his claim and he has also failed to provide the progress of FIR. Further, BML’s letter dated December 20, 2012 clearly states that he has been appointed as compliance officer as per Listing agreement to follow all regulations and policies which is supposed to be followed by him. It looks remote that without the knowledge of compliance officer, name of director is included without the consent and fraudulently.
46. It appears pursuant to the receipt of SCN in the first instance, he had replied to SEBI and disclosed the correct facts, however subsequently he had fabricated facts and filed an affidavit to escape from the likely penalty and finally vide his letter dated July 19, 2017 he had again accepted that he had resigned long back. Hence, I conclude that Bhavik had also contravened the provisions of law and liable for penalty.
47. The main defense of Jikisha in response to the allegation that being the director he had not formulated code of conduct for prevention of insider trading in lines mentioned in

regulation 12(1) of PIT Regulations, 1992 was that he had resigned on January 17, 2013 could not absolve him from penalty because he, being the director, was one of the persons responsible for formulation of code of conduct during the period of IP i.e, December 9, 2011 to October 10, 2012.

**Does the violation, if any, on the part of the entities viz, BML, Naresh Jikisha, Bhavik and Mansukh attract monetary penalty under Section 15 HB of the Act, Kabra attract monetary penalty under Section 15 A(b) of the Act and Naresh attracts monetary penalty under Section, 15A(a) 15A(b) and 15 HB of the Act ?**

48. Having concluded that BML, Naresh Jikisha, Bhavik and Mansukh had violated Regulation 12(1) read with Schedule I of PIT Regulation, 1992, they are liable for penalty under Section 15 HB of the Act. Whereas Kabra having violated Regulations 29(2) read with 29(3) of SAST Regulations, 2011 and Regulation 13(3), 13(4A) read with 13(5) of PIT Regulations, 1992 is liable for penalty Section 15 A(b) of the Act and Naresh having violated 13(4), 13(5) of PIT Regulations, 1992 and Section 11 C (2) & (3) of the Act is liable for penalty under Sections 15A(a), 15A(b) and 15 HB of the Act.
49. Relevant portions of Sections 15 A(a), 15 A(b), 15 HB of the Act are reproduced as under:

***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,—*

*(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty <sup>2</sup>[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];*

*(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 <sup>3</sup>[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];*

*(c) to maintain books of account or records, fails to maintain the same, he shall be liable to a penalty <sup>4</sup>[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].*

***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 <sup>5</sup>[liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]*

50. While determining the quantum of penalty under Sections 15A(a), 15A(b) and 15HB, it is important to consider the factors stipulated in Section 15J of the Act, which read 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.*

***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.*

51. I consider the following while determining the quantum of penalty to levied on BML, Bhavik, Mansukh, Jikisha and Naresh for violating Regulation 12(1) read with Schedule I of PIT Regulations, 1992, I would like to place the emphasis on the objective of code of conduct ie., the objective of framing a Code of Conduct under the PIT Regulations, 1992 is to prevent insider trading and prevent misuse of the price sensitive information which undermines the confidence of the investors. It is, thus, a preventive measure rather than



a post facto remedial action. Hence, I find that the quantum of penalty cannot primarily depend upon the disproportionate gain or unfair advantage made by the entities or the monetary loss to the investors. On the contrary, it will largely be guided by the conduct of the entities in complying with the relevant regulations.

52. I consider the following while determining the quantum of penalty leviable on Kabra for violating Regulations 29(2) read with 29(3) of SAST Regulations and Regulations 13(3), 13(4A) read with 13(5) of PIT Regulations, I would like to place on record the observation of Hon'ble Securities Appellate Tribunal (SAT) of its Order dated 4.9.2013 passed in the matter of Vitro Commodities Private Limited Vs SEB wherein Hon'ble SAT had held that *"It may be noticed that provisions of Regulations 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 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 other"*.
53. In the light of the above observations of Hon'ble SAT, I am of the view that the violation of the provisions of Regulations 13(3), 13(4A) read with 13(5) of the PIT Regulations, 1992 and Regulations 29(2) read with 29(3) of the SAST Regulations committed by Kabra are not substantially different. Therefore, these violations can be considered as a single violation for the purpose of imposition of penalty on Kabra.
54. I consider the following while determining the quantum of penalty to be levied on Naresh for
- a) violating Regulations 13(4) read with 13(5) of PIT Regulations, 1992 for not making disclosures on 21 instances during the IP with regard to purchase of shares resulting in change of holding of directors. As held by Hon'ble SAT, in Appeal No. 66 of 2003 - Milan Mahendra Securities Pvt. Ltd. Vs SEBI, that, *"the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market"*. .

b) violating Sections 11 C (2) & (3) of the Act, I would like to rely on Hon'ble SAT's observation in Appeal No. 203/2010 in the matter of M/s Asian Films Production and Distribution Ltd. Vs SEBI wherein Hon'ble SAT has held that *"Non-compliance with the summons is, indeed, a serious matter and cannot be viewed lightly. The respondent Board is the market regulator and has to regulate the securities market and the law provides that every person associated with the market in any manner should cooperate in the matter of carrying out investigations. In the year 2002, the provisions of the Act were amended and penalty for non-compliance with summons was enhanced considerably to make it more deterrent. Market players who do not cooperate with the regulator in the matter of investigations commit a serious wrong which can have serious repercussions in the market. We do not know what would have come to light if the company had furnished the information sought from it. In this background, we do not think that the amount of penalty levied by the adjudicating officer is excessive."*

### ORDER

55. After considering all the facts, circumstances of the case and case laws mentioned above, I exercise the powers conferred upon me under Section 15-I of the Act and Rule 5 of Rules and hereby impose the following monetary penalties which in my view are commensurate with the default committed by the entities:

Entity	Provisions of law violated	Penalty levied under Section	Quantum of penalty in Rs.
M/s.Blazon Marbles Ltd	Regulation 12(1) read with Schedule I of PIT Regulations,1992	Section 15 HB of the Act	Rs 5,00,000 (Rs Five lakhs only) jointly and severally
Mr. Jikisha Kirtibhai Shah			
Mr. Bhavik SatishBadani			
Mr. Mansukh Sanghvi			
Mr.Naresh Nagindas Shah			

Mr.Naresh Nagindas Shah	Regulations 13(4) read with 13(5) of PIT Regulations, 1992	Section 15 A(b) of the Act	Rs 2,00,000 (Rs Two lakhs only)
	Section 11 C (2) & (3) of the Act	Section 15 A(a) of the Act	Rs 10,00,000 (Rs Ten lakhs only)
Mr.Vishnu Prakash Kabra	Regulations 29(2) read with 29(3) of SAST	Section 15 A(b) of the Act	Rs 2,00,000 (Rs two lakhs only)
Mr. Vishnu Prakash Kabra (HUF)	Regulations, and Regulations 13(3), 13(4A) read with 13(5) of PIT Regulations, 1992		Rs 2,00,000 (Rs two lakhs only)

56. The amount of penalty shall be paid within 45 days of receipt of this order either by way of

- (i) demand draft in favor of "SEBI - Penalties Remittable to Government of India", payable at Mumbai  
(or )
- (ii) by e-payment in the account of  
"SEBI - Penalties Remittable to Government of India ",  
A/c No. 31465271959,  
State Bank of India, Bandra Kurla Complex Branch,  
RTGS Code SBIN0004380

57. The entities 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 should be forwarded to "The Division Chief (Enforcement Department - DRA- II), Securities and Exchange Board of India, SEBI Bhavan, Plot no C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400052 and also to e-mail ID - [tad@sebi.gov.in](mailto:tad@sebi.gov.in)

Date	
Department of SEBI	
Name of Intermediary/ Other Entities	
Type of Intermediary	
SEBI Registration Number (if any )	
PAN	
Amount in Rs.	
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	

58. In terms of Rule 6 of the Rules, copies of this order are sent to the entities and also to Securities and Exchange Board of India.

**Date: October 13, 2017**

**SAHIL MALIK**

**Place: Mumbai**

**ADJUDICATING OFFICER**