

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. EAD-2/DSR/RG/493/2015]

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 BY ADJUDICATING OFFICER) RULES, 1995

In respect of
Pariscope Financial Advisors Private Limited [PAN: AAECF4117G]

In the matter of
CDI International Limited
(Formerly known as Compact Disc India Limited)

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an examination into the irregularity in trading in the shares of CDI International Limited (Formerly known as 'Compact Disc India Limited' and hereinafter referred to as 'CDI'), a company listed on the Bombay Stock Exchange (BSE), for the period from January 01, 2011 to June 30, 2013 and into the possible violation of the provisions of the SEBI Act, 1992 (herein after referred to as the Act) and various Rules and Regulations made there under.
2. The examination revealed that one of the promoters of the Company namely, Pariscope Financial Advisors Private Limited (hereinafter referred to as the Noticee), had purchased and sold shares of CDI from April 01, 2013 to October 14, 2013 which had increased and decreased its shareholding in the company. The said change in the shareholding had to be disclosed to the company and the stock exchange as prescribed under Regulation 13(1), 13(3) & 13(4A) read with Regulation 13(5) the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the 'PIT Regulations') and Regulation 29(1) & 29(2)

read with Regulation 29(3) of the SEBI (Substantial Acquisition of shares and Takeover) Regulations, 2011 (hereinafter referred to as SAST Regulations). However, it was observed that the Noticee had failed to do so.

3. SEBI has, therefore, initiated adjudication proceedings under the Act to inquire into and adjudge the alleged violation of the abovementioned provisions of law by the Noticee.

Appointment of Adjudicating Officer:

4. The undersigned has been appointed as the Adjudicating Officer vide SEBI Order dated May 28, 2014 under Section 15-I of the Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') to inquire into and adjudge under Section 15A(b) of the Act, the alleged violation of the provisions of law by the Noticee.

Notice, Reply & Personal Hearing:

5. Accordingly, a notice dated July 11, 2014 (hereinafter referred to as the 'SCN') was issued to the Noticee in terms of Rule 4 of the Adjudication Rules requiring it to show cause as to why an inquiry should not be held against it for the alleged violation. The said SCN was sent to the Noticee by Registered Post and the same was delivered, report from the Department of post is available on record. However, it was noted that the Noticee had not filed any reply to the said SCN. Thereafter, in the interest of natural justice and in order to conduct an inquiry as per Rule 4(3) of the Adjudication Rules, an opportunity of personal hearing was granted to the Noticee on March 26, 2015. Shri Suresh Kumar, Chairman of CDI, attended the said hearing on the scheduled date on behalf of the Noticee and made oral submissions. Further, Shri Suresh Kumar sought time to file a reply in the matter and accordingly, the Noticee was advised to file its reply, if any, on or before April 06, 2015. However, vide letter dated April 04, 2015, the Noticee requested for time till April 15, 2015 to file its reply. Accordingly, vide letter dated April 15, 2015, the Noticee submitted its reply in the matter. Further, vide letter dated April 30, 2015, the Noticee stated that it has some more documents and evidence to support that it had not violated the provisions of the disclosure

requirements and requested time to submit the same. Also, vide letter dated May 14, 2015 and May 25, 2015, the Noticee requested for another opportunity of personal hearing and that it has engaged a legal counsel to represent it in the matter. Accordingly, the said request was acceded to and vide notice dated May 27, 2015, another opportunity of personal hearing was granted to the Noticee on June 15, 2015. However, vide e-mail dated June 10, 2015, a request to reschedule the said hearing was received from the legal representative of the Noticee. Therefore, the said personal hearing was rescheduled to June 19, 2015. The legal representative attended the hearing on the said date and made oral submissions. Further, he requested for time to file additional submissions in the matter. Accordingly, the Noticee was granted time till June 24, 2015 to make its additional submissions. However, vide e-mail dated June 25, 2015, the Noticee requested for few more days to submit its reply. Vide letter dated June 25, 2015 the Noticee filed its additional submissions in the matter.

Consideration of Issues, Evidence and Findings

6. I have carefully perused the charges against the Noticee as per the SCN, written submissions and the material as available on record. The issues that arise for consideration in the present case are:

a) Whether the Noticee has violated the provisions of Regulation 13(1), 13(3), 13(4A) read with Regulation 13(5) of the PIT Regulations and Regulation 29(1), 29(2) read with Regulation 29(3) of the SAST Regulations?

(b) Does the violation, if any, on the part of the Noticee attract any penalty under Section 15A(b) of the SEBI Act?

(c) If yes, what should be the quantum of penalty?

7. Before moving forward, it will be appropriate to refer to the relevant provisions of PIT Regulations and SAST Regulations which read as under:-

Relevant provisions of PIT Regulations:

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

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

- (a) the receipt of intimation of allotment of shares; or
- (b) the acquisition of shares or voting rights, as the case may be.

Continual disclosure.

(3) Any person who holds more than 5% shares or 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.

(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 receipt 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 SAST Regulations:

Disclosure of acquisition and disposal.

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

(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.

8. I find from the SCN that CDI is a listed company and the shares of the company are traded on BSE. Further, during the period of examination, it was alleged that the Noticee had transacted in the shares of CDI and the details of the same are as under:

Date	Counterparty Client Name	Transaction Type	Dr/ Cr	Holding prior to transaction	Transacted quantity	Holding after transaction	Change in holding in term of %
29/03/13				514	0	514	0
01/04/13	NAKSH MEDIA PRIVATE LIMITED	OFF MKT	C	514	2200000	2200514	17.26
03/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2200514	29406	2171108	17.03
04/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2171108	16100	2155008	16.90
05/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2155008	16600	2138408	16.77
06/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2138408	2000	2136408	16.76
09/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2136408	11600	2124808	16.67
10/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2124808	31300	2093508	16.42
12/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2093508	17525	2075983	16.28
15/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2075983	2107	2073876	16.27
16/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2073876	13918	2059958	16.16

17/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2059958	27000	2032958	15.94
18/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2032958	11500	2021458	15.85
22/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2021458	5929	2015529	15.81
23/04/13	RELIGARE SECURITIES LTD	ON MKT	D	2015529	12500	2003029	15.71
18/05/13	BS MANKOTIA	OFF MKT	D	2003029	400	2002629	15.71
21/05/13	RELIGARE SECURITIES LTD	OFF MKT	C	2002629	50706	2053335	16.10
13/06/13	RELIGARE SECURITIES LTD	OFF MKT	C	2053335	159411	2212746	17.35
29/06/13	RELIGARE SECURITIES LTD	OFF MKT	C	2212746	14185	2226931	17.47
01/07/13	GLOBAL RESORT AND SPA LIMITED	OFF MKT	D	2226931	964356	1262575	9.90
09/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1262575	110757	1151818	9.03
10/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1151818	13702	1138116	8.93
11/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1138116	1425	1136691	8.92
16/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1136691	6950	1129741	8.86
17/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1129741	6311	1123430	8.81
19/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1123430	27650	1095780	8.59
22/07/13	RELIGARE SECURITIES LTD	ON MKT	D	1095780	100000	995780	7.81
12/08/13	RELIGARE SECURITIES LTD	ON MKT	D	995780	100500	895280	7.02
21/08/13	NAKSH MEDIA PRIVATE LIMITED	OFF MKT	C	895280	50000	945280	7.41
10/09/13	RELIGARE SECURITIES LTD	ON MKT	D	945280	100000	845280	6.63
13/09/13	RELIGARE SECURITIES	ON MKT	D	845280	150000	695280	5.45

	LTD						
19/09/13	RELIGARE SECURITIES LTD	ON MKT	D	695280	150000	545280	4.28
19/09/13	NAKSH MEDIA PRIVATE LIMITED	OFF MKT	C	545280	1950	547230	4.29
26/09/13	RELIGARE SECURITIES LTD	ON MKT	D	547230	149950	397280	3.12
30/09/13	PLENUM HOLDINGS PVT LTD .	INTERDE POSITOR Y	D	397280	178000	219280	1.72
09/10/13	RELIGARE SECURITIES LTD	ON MKT	D	219280	200000	19280	0.15
14/10/13	RELIGARE SECURITIES LTD	ON MKT	D	19280	19280	0	0.00

9. From the above table, I note that the Noticee was holding 514 shares in CDI on March 29, 2013. Further, on April 01, 2013, I note that the Noticee had acquired 22,00,000 shares of CDI which increased its shareholding in the company to 17.26%. Upon the said acquisition and change in the holding, the Noticee was under an obligation to make the requisite disclosures as required under Regulation 13(1) and 13(4A) of the PIT Regulations and Regulation 29(1) read with Regulation 29(3) of the SAST Regulations. Further, as can be observed from the transaction table above, the Noticee kept on purchasing and selling shares of CDI which changed the shareholding of the Noticee in the company by more than 2% on four occasions. Also, the said transactions were either for a quantity of shares which was for more than 25000 shares or ₹ 5,00,000 in value or the change in the shareholding was for more than 1%. The said transactions, therefore, required the Noticee to make disclosures under Regulation 13(3), 13(4A) read with Regulation 13(5) of the PIT Regulations and Regulation 29(2) read with Regulation 29(3) of the SAST Regulations. However, it was alleged that the Noticee had failed to do so.

10. Vide letter dated April 15, 2015, the Noticee submitted its reply to the SCN and stated that complete disclosures were made to the stock exchange through company announcements including details of weekly trades with quantities. Also, in support of the said submission, a letter dated July 01, 2013 issued to BSE and Ludhiana Stock Exchange stating that the Noticee had transferred

9,64,356 equity shares of CDI on July 07, 2013 to Global Resort & Spa Limited to sell the said shares in the market on behalf of Naksh Media Pvt. Ltd and another letter dated April 02, 2013 stating that Naksh Media Pvt. Ltd transferred 22,00,000 equity shares of CDI to the Noticee on April 01, 2013, inter-alia, have been enclosed. Further, vide letter dated June 25, 2015, the Noticee made its additional submissions in the matter enclosing various letters addressed to CDI along with proof of disclosures made.

11. From the foregoing and the material available on record, I find that the Noticee is one of the promoter entities in CDI and had transacted in the shares of the company which did require it to make necessary disclosures in the prescribed formats under the relevant provisions of the PIT Regulations and SAST Regulations. Upon further perusal of the documents as available on record, I find that vide e-mail dated January 30, 2014 and July 14, 2014, BSE has confirmed that the Noticee has not made the requisite disclosures and that it has not received any disclosures from the Noticee. Further, I find that the letters enclosed with the reply dated April 15, 2015 are nothing but some company announcement intimation letters sent to the Corporate Relations department of BSE and Listing Department of Ludhiana Stock exchange. I find that the said documents have no relevance with respect to present proceeding of non-compliance with the disclosure requirements by the Noticee and therefore, cannot be considered.

12. Further, I find the following from the additional submission and documentary evidence provided by the Noticee:

Sr. No.	Date of letter issued to CDI	Recd by Company on	No. of shares acquired / sold	Disclosures provisions	Whether copy marked to BSE Y/N	Findings on the Disclosures made
1.	April 02, 2013	April 02, 2013	22,00,000 acquired	Form A - Regulation 13(1) & 13(6) of PIT Regulations and Regulation 29(1) of SAST Regulations	NA	Disclosure made to the company as required under the PIT and SAST Regulations upon acquisition of 22,00,000 shares on

						April 01, 2013 is accepted.
2.	April 04, 2013	April 04, 2013	29,406 and 16,100 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	Disclosure made for sale of 29,406 shares to the company as required under the PIT Regulations is accepted.
3.	April 06, 2013	April 06, 2013	16600 and 2000 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	As the Noticee has made disclosure for sale of 16100 shares on April 04, 2013 and for sale of 16600 shares on April 06, 2013 to the company as required under PIT Regulations, the same is accepted.
4.	April 10, 2013	April 10, 2013	11600 and 24100 sold (as per records, 11600 on April 09, 2013 and 31300 shares on April 10, 2013 sold)	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	As per the information provided by BSE, the Noticee had sold 31,300 shares on April 10, 2013 which required it to make disclosures under PIT Regulations which it has failed to disclose. Therefore, the said disclosure so made by the Noticee to the company cannot be accepted.
5.	April 12, 2013	April 12, 2013	7200 and 17525 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The disclosure made by the Noticee cannot be accepted as the sale quantity does not aggregate to more than 25000 shares nor does it amount to change in shareholding being more than 1% or 5,00,000 in value.
6.	April 17, 2013	April 17, 2013	2107 and 13918 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	Upon sale of 13918 shares, the holding of the Noticee changed by more than 1% and therefore, it was required to make the disclosure under PIT Regulations. As the same has been made to the company, it is accepted.
7.	April 18, 2013	April 18, 2013	27000 and 11500 sold	Form D - Regulation 13(4), 13(4A) & 13(6)	Y	Upon sale of 27000 shares on April 17, 2013, the Noticee was

				of PIT Regulations		required to make disclosures as required under PIT Regulations as the number of sale quantity was more than 25000 shares. As the same has been made to the company, it is accepted.
8.	April 24, 2013	April 24, 2013	5929 and 12500 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	As the Noticee has made disclosure for sale of 11500 shares sold on April 18, 2013 in the previous disclosures and for sale of 5929 shares sold on April 22, 2013 & 12,500 shares sold on April 23, 2013 to the company as required under PIT Regulations, the same is accepted.
9.	April 27, 2013	April 27, 2013	17302 and 5035 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The disclosure made by the Noticee cannot be accepted as the buy quantity does not aggregate to more than 25000 shares nor does it amount to change in shareholding being more than 1% or 5,00,000 in value. Also, the same neither forms part of the SCN nor does it form a part of the information provided by BSE.
10.	May 04, 2013	May 04, 2013	11 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The disclosure made by the Noticee cannot be accepted as the buy quantity does not aggregate to more than 25000 shares nor does it amount to change in shareholding being more than 1% or 5,00,000 in value. Also, the same neither forms part of the SCN nor does it form a part of the information provided by BSE.
11.	May 10, 2013	May 10, 2013	26596	Form D - Regulation 13(4), 13(4A) & 13(6)	Y	The same neither forms part of the SCN

		2013	acquired	of PIT Regulations		nor does it form a part of the information provided by BSE.
12.	May 12, 2013	May 12, 2013	1762 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
13.	May 23, 2013	May 23, 2013	33161 and 11001 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	As per the information provided by BSE, the Noticee had bought 50706 shares on May 21, 2013 for which disclosures as required under PIT Regulations have to be made. However, the disclosure made by the Noticee on May 23, 2013 for the said quantities to the company cannot be accepted.
14.	May 25, 2013	May 25, 2013	16841 and 36853 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
15.	May 29, 2013	May 29, 2013	1050 acquired and 412 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
16.	May 31, 2013	May 31, 2013	4749 acquired and 40 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
17.	June 05, 2013	June 05, 2013	57750 and 9465 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
18.	June 07, 2013	June 07, 2013	11097 acquired and 4804 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
19.	June 11, 2013	June 11, 2013	12500 and 5200 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
20.	June 19, 2013	June 19, 2013	20185 acquired and	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN

	2013	2013	6000 sold	of PIT Regulations		nor does it form a part of the information provided by BSE.
21.	July 02, 2013	July 02, 2013	964356 sold	Form C - Regulation 13(3) and Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations and Regulation 29(2) of the SAST Regulations	Y	Disclosure made to the company as required under the PIT and SAST Regulations upon sale of 964356 shares on July 01, 2013 is accepted.
22.	July 11, 2013	July 11, 2013	110757 , 13702 and 1425 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	Upon sale of 110757 shares on July 09, 2013, the Noticee was required to make the disclosure under PIT Regulations as the quantity of sale was more than 25000 shares. As the same has been made to the company, it is accepted.
23.	July 17, 2013	July 17, 2013	4750 and 2200 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	As per the information provided by BSE, upon sale of 6311 shares on July 17, 2013, the holding of the Noticee decreased by more than 1% which required it to make disclosure under PIT Regulations. However, the disclosure made by the Noticee on July 17, 2013 for the said quantities to the company cannot be accepted.
24.	July 19, 2013	July 19, 2013	6311 , 6300 and 21350 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	Upon sale of 6311 shares on July 17, 2013, the holding of the Noticee decreased by more than 1% which required it to make disclosure under PIT Regulations. As the Noticee has made the said disclosure to the company, it is accepted. Also, the aggregate of 6300 shares sold on July 18, 2013 and 21350 shares sold on July

						19, 2013 comes to 27650 shares which is more than 25000 shares. As the disclosure of the said sale of shares has been made by the Noticee to the company under the PIT Regulations, the same is accepted.
25.	July 24, 2013	July 24, 2013	6650, 39951 and 5000 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
26.	July 31, 2013	July 31, 2013	8955 and 12908 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
27.	August 03, 2013	August 03, 2013	98 and 6000 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
28.	August 07, 2013	August 07, 2013	1947, 12837 and 5600 sold	Form C - Regulation 13(3) and Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations and Regulation 29(2) of the SAST Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
29.	August 14, 2013	August 14, 2013	8909, 5600 and 10749 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
30.	August 22, 2013	August 22, 2013	490 and 10466 sold and 50000 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	Upon acquisition of 50,000 shares on August 21, 2013, the Noticee was required to make the disclosures under the PIT Regulations. Upon perusal of the disclosure made for the said sale, I find that the date of intimation to the company is mentioned as August 14, 2013. Since there is a discrepancy in the date of intimation to the company and the date of acquisition of

						shares by the Noticee, the same cannot be accepted.
31.	August 24, 2013	August 24, 2013	5000 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
32.	August 28, 2013	August 28, 2013	2441, 1925 and 5743 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
33.	September 01, 2013	September 01, 2013	1500 and 4730 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
34.	September 04, 2013	September 04, 2013	9100, 4428 and 10413 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
35.	September 07, 2013	September 07, 2013	8456 and 18110 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
36.	September 12, 2013	September 12, 2013	24993 and 20000 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
37.	September 14, 2013	September 14, 2013	42815 and 35804 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE..
38.	September 18, 2013	September 18, 2013	40893, 38026 and 61762 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations and Regulation 29(2) of the SAST Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
39.	September 21, 2013	September 21, 2013	41869 and 49980 sold, 1950 acquired	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
40.	September 25, 2013	September 25, 2013	16858, 73978 and 73978 sold	Form C - Regulation 13(3) and Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations and	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.

				Regulation 29(2) of the SAST Regulations		
41.	September 28, 2013	September 28, 2013	50460 and 36198 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
42.	October 02, 2013	October 02, 2013	29212 and 54105 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
43.	October 05, 2013	October 05, 2013	54361 and 30170 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
44.	October 09, 2013	October 09, 2013	10030, 94787 and 32423 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE.
45.	October 12, 2013	October 12, 2013	63815 and 25605 sold	Form D - Regulation 13(4), 13(4A) & 13(6) of PIT Regulations	Y	The same neither forms part of the SCN nor does it form a part of the information provided by BSE..

13. I find from the above table that the Noticee has made disclosures to the company on many occasions under Regulation 13(4), 13(4A) and 13(6) of the PIT Regulations, under Regulation 13(1) of the PIT Regulations and Regulation 29(1) of the SAST Regulations for acquiring shares of CDI on April 02, 2013 and under Regulation 13(3) of the PIT Regulations and Regulation 29(2) of the SAST Regulations on July 02, 2013, August 07, 2013, September 18, 2013 and September 25, 2013.

14. I find that as per the records provided by SEBI (table at para no. 8), the Noticee was to make the disclosures under Regulation 13(4A) of the PIT Regulations upon acquisition / sale of shares on 21 occasions i.e. April 01, 2013, April 03, 2013, April 05, 2013, April 10, 2013, April 16, 2013, April 17, 2013, April 23, 2013, May 21, 2013, June 13, 2013, July 01, 2013, July 09, 2013, July 17, 2013, July 19, 2013, July 22, 2013, August 12, 2013, August 21, 2013, September 10, 2013, September 13, 2013, September 19, 2013, September 26,

2013 and September 30, 2013. However, I find from the table above that the Noticee has made disclosures to the company as required under Regulation 13(4A) of the PIT Regulations only for the transactions executed on April 01, 2013, April 03, 2013, April 05, 2013, April 16, 2013, April 17, 2013, April 23, 2013, July 01, 2013, July 09, 2013 and July 19, 2013 i.e. on 10 occasions. The Noticee failed to make the disclosures for the transactions executed on April 10, 2013, May 21, 2013, June 13, 2013, July 17, 2013, July 22, 2013, August 12, 2013, August 21, 2013, September 10, 2013, September 13, 2013, September 19, 2013, September 26, 2013 and September 30, 2013 which is in violation of Regulation 13(4A) of the PIT Regulations.

- 15.** Also, the Noticee was required to make the necessary disclosures under Regulation 13(3) of the PIT Regulations and Regulation 29(2) of the SAST Regulations on 4 occasions i.e. on July 01, 2013, July 22, 2013, September 13, 2013 and September 26, 2013. However, I find from the table above that the Noticee has made disclosures to the company under the said Regulations on July 02, 2013 (for July 01, 2013 transaction), August 07, 2013, September 18, 2013 and September 25, 2013. Therefore, I conclude that the Noticee has failed to make the necessary disclosures to the company for the transactions executed on July 22, 2013, September 13, 2013 and September 26, 2013 and thus, violated the provisions of Regulation 13(3) of the PIT Regulations and Regulation 29(2) of the SAST Regulations.
- 16.** Further, I note that the Noticee was also required to make disclosures to the company under Regulation 13(1) of the PIT Regulations and Regulation 29(1) of the SAST Regulations on April 01, 2013 upon acquiring 22,00,000 shares of CDI. As per the table above, the Noticee did make the necessary disclosure to the company on April 02, 2013. However, as required under Regulation 29(1) of the SAST Regulations, the said disclosure has not been made to the stock exchange. Therefore, I find that the Noticee has complied with the disclosure requirements as per Regulation 13(1) of the PIT Regulations but has violated the provisions of Regulation 29(1) read with Regulation 29(3) of the SAST Regulations.

17. Also, I find that copies of the said disclosures so made to the company in Form D on various occasions had been sent to the Department of Corporate Services, BSE. However, upon perusal, I find that no proof of receipt of the said disclosures by the stock exchange has been provided by the Noticee. The onus of proving the delivery of the said disclosures to BSE lies with the Noticee. However, in order to examine the authenticity of the said disclosures, the BSE website was also checked once again to ascertain as to whether the said disclosures were actually made to the exchange and disseminated on the said website. Upon examination, I note that no Insider Trading disclosures have been made by the Noticee for the said transactions. Further, as mentioned above, I find that vide e-mail dated January 30, 2014 and July 14, 2014, the BSE has also confirmed that the Noticee has not made the requisite disclosures and that the exchange has not received any disclosures from the Noticee.

18. I note that the Hon'ble Securities Appellate Tribunal, in *Alka India Ltd. Vs. SEBI* (Order dated June 10, 2009) *inter alia*, had observed as follows:

"A copy of the courier receipt has been placed on record to substantiate its stand. We have perused this receipt. In the column meant for the name of the receiver, the of Stock Exchange, Mumbai has been written. The Bombay Stock Exchange has categorically denied having received any information from the appellant. In view of the denial made by the Bombay Stock Exchange, the onus is upon the appellant to establish that the letter making the necessary disclosures allegedly sent by courier was actually received by the Bombay Stock Exchange. No such evidence has been placed on record. Even, if we were to accept the courier receipt, it is only evidence of the fact that some letter was sent to Bombay Stock Exchange but there is no proof forthcoming of its actual receipt by the Stock Exchange. Moreover, what was that letter and whether it contained the disclosures are facts which also need to be established. The appellant failed to discharge this onus..... In view of this matter, no fault can be found with the impugned order."

19. In view of the same and on the basis of the material available on record, I find that the allegation of failure to make disclosure to the company and the BSE stands established and inasmuch as the Noticee has not produced any acknowledgement (in support of receipt of the said disclosure by BSE) & also in view of the denial of receipt of any such disclosure by BSE. As the Noticee has failed to make disclosures under Regulation 13(4A) of the PIT Regulations to the stock exchange, the disclosures made to the company on 10 instances out of the 21 instances as mentioned in para no. 14 above are part disclosures and therefore, cannot be treated as complete disclosures under Regulation 13(4A) of the PIT Regulations. Also, under Regulation 13(3) of the PIT Regulations & Regulation 29(2) read with Regulation 29(3) of the SAST Regulations, the Noticee has failed to make disclosures to the company on 3 occasions out of the 4 as mentioned in para no. 15 above and not made disclosures to the stock exchange as required under Regulation 29(1) & 29(2) read with Regulation 29(3) of the SAST Regulations as mentioned in paras 16 and 17 above. Therefore, I conclude that the Noticee has violated the provisions of Regulation 13(3) & 13(4A) read with Regulation 13(5) of the PIT Regulations and Regulation 29(1) & 29(2) read with Regulation 29(3) of the SAST Regulations thus, liable for monetary penalty as prescribed under Section 15A(b) of the SEBI Act which reads as under:

15A. Penalty for failure to furnish information, return, etc.

If any person who is required under this Act or any rules or regulations made there under:-

(a).....

(b) to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

20. I note that the objective of the disclosure provisions laid down under the SAST and PIT Regulations is to keep the investors and public at large informed of the change in the holdings of any company. Further, proper disclosures beyond acquisition / sale of shares is to give equal opportunity to the shareholders and

the investors at large. The said Regulations are framed to have transparency in the market and to further facilitate in keeping the integrity of the market intact.

21. Here, I note that in Appeal No. 66 of 2003 - *Milan Mahendra Securities Pvt. Ltd. Vs SEBI* –the Hon'ble SAT has observed 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."*

22. The Hon'ble Supreme Court of India in the matter of *SEBI vs. Shri Ram Mutual Funds* [2006] 68 SCL (216) SC held that *"once a violation of statutory regulation is established, imposition of penalty becomes sine qua non of violation and the intention of the parties committing such violation becomes totally irrelevant. Once the contravention is established then penalty is to follow"*.

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

15J - Factors to be taken into account by the adjudicating officer

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

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

24. I observe that from the material available on record, it is difficult to quantify any gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of the default of the Noticee. However, I note that the defaults of the Noticee are repetitive in nature. The disclosure made under Regulation 13(4A) read with Regulation 13(5) of the PIT Regulations, by a promoter is made public only through Stock Exchange. It is with this objective that the Regulations require making of disclosures to the exchange so that

investing public is not deprived of any vital information. The disclosures made by companies listed on the stock exchanges are the means to attain such end. Therefore, dissemination of complete information, on all the stock exchanges where the securities are listed, is a mandatory requirement.

ORDER

- 25.** In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules, I impose a penalty of ₹30,00,000/- (Rupees Thirty Lakh Only) on the Noticee viz. Pariscope Financial Advisors Private Limited under Section 15A(b) of the SEBI Act in the matter. In my view, the penalty is commensurate with the default committed by the Noticee.
- 26.** The penalty amount as mentioned above shall be paid by the Noticee through a duly crossed demand draft drawn in favour of “SEBI – Penalties Remittable to Government of India” and payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to the Division Chief, ISD, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
- 27.** In terms of the Rule 6 of the Adjudication Rules, copy of this order is sent to Noticee and also to Securities and Exchange Board of India.

Date: July 31, 2015

Place: Mumbai

**D. SURA REDDY
GENERAL MANAGER &
ADJUDICATING OFFICER**