BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. EAD/PM-NK/AO/ 36 /2018-19]

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

Hridaynath Consultancy Private Limited (PAN: AACCH5285R)

In the matter of

Astec Life Sciences Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India while examining the draft letter of offer filed by Godrej Agrovet Limited (Acquirers) to acquire 26% equity shares of Astec Life Sciences Limited (Target Company), observed certain non-compliances with regard to the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 (hereinafter referred to as SEBI (SAST) Regulations 1997), and SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 (hereinafter referred to as SEBI (SAST) Regulations, 2011). The Shares of Astec Life Sciences Limited (hereinafter referred to as the Company/ Astec) were listed on BSE Limited (hereinafter referred to as BSE) and National Stock Exchange of India Limited ((hereinafter referred to as NSE). During examination of documents and records filed by the company and Merchant Banker it was observed that 17000 shares were purchased by the Hridaynath Consultancy Private Limited (hereinafter referred as Hridaynath or Noticee) on November 23, 2011 (11000 shares on BSE and

6000 shares on NSE) and the aforesaid purchase of shares were credited to the demat account statement on November 25, 2011. With this acquisition/purchase of shares the total shareholding of the Noticee increased to 861780 shares which was 5.04% of the total paid-up share capital of the company/Astec. Prior to this acquisition, shareholding of the Noticee in Astec was 844780 shares which was 4.99% of the paid-up share capital of the company. The Noticee/Hridaynath on acquiring 5% shares or more of the paid-up share capital of the company, was required to disclose the aforesaid shareholding to the stock exchanges (BSE and NSE) where the company's shares were listed and also to the target company (i.e. Astec Life Sciences Limited) in terms of Regulation 29(1) read with Regulation 29(3) of the SEBI (SAST) Regulations 2011.

2. It was also observed that shareholding of Hridaynath in Astec as per it's demat account statement on July 1, 2013 was 1055128 shares which was 6.23% of the paid-up share capital of the company. Thereafter Hridyanath in an off-market transaction transferred 400000 shares on July 2, 2013 thereby taking the total shareholding to 655128 shares which was 3.63% of the paid-up share capital of the company. Since the above transaction represented more than 2% of the paid-up share capital of the company and Hridaynath was holding more than 5% shares of the Paid-up Share capital of the company at the relevant time, Hridaynath was required to disclose the change in shareholding to the exchanges (BSE and NSE) where the company's shares were listed and also to the target company (i.e. Astec Life Sciences Limited) in terms of Regulation 29(2) read with Regulation 29(3) of the SEBI (SAST) Regulations 2011.

3. In view of the above, it was alleged that the Noticee had triggered the disclosure requirements under Regulation 29 (1) and 29 (2) of SEBI (SAST) Regulations 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as the Adjudicating Officer under section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') to inquire into and adjudge under section 15A(b) of the SEBI Act for the alleged violations

of provisions of provisions of Regulations 29(1), and 29(2) of SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 (hereinafter referred to as **SEBI (SAST) Regulations, 2011**), read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. A Show Cause Notice no. EAD/AO-PM/NK/2351/2018 dated January 18, 2018 (hereinafter referred to as "SCN") was issued to the Noticee under Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be initiated and penalty be not imposed under section 15A(b) of the SEBI Act, 1992 for the alleged violations specified in the SCN. It was alleged in the SCN that the Noticee had violated the provisions of Regulations 29(1), and 29(2) of SEBI (SAST) Regulations, 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011. Copies of the documents relied upon in the SCN were provided to the Noticee along with the SCN.

6. The Noticee vide letter dated February 12, 2018 replied to the SCN and also requested for an opportunity of personal hearing. The Noticee vide letter dated July 11, 2018 was given an opportunity of personal hearing on July 25, 2018. The Noticee vide letter dated August 3, 2018 in response to the aforesaid hearing notice, requested to consider the submissions vide letter dated February 12, 2018 as their explanation and submissions to various observations in the Show Cause Notice and also to take lenient and practical view in the matter. The Noticee however, vide letter dated August 16, 2018 another opportunity of personal hearing was given on August 30, 2018 to which the Noticee did not respond. In view of the above, I am convinced that the Noticee was given sufficient opportunity to present his case before me and that the principle of natural justice have been complied with respect to the Noticee's matter.

7. The summary of submissions vide letter dated February 12, 2018 are as follows:

   - *Please refer to the captioned Show Cause Notice No. EAD/AO- PM/NK/2351/2018 dated January 18, 2018 ("SCN/Notice"). In the said Notice, it has inter alia been alleged that we have failed to make disclosure with exchange and violated of provisions of Regulation 29(1), and 29(2) of SEBI (Substantial Acquisitions of Shares*

and Takeover) Regulation, 2011 (referred as SEBI (SAST) Regulations 1992 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

- *Further, vide the said Notice you have advised us to show cause as to why penalty not be imposed under Section 15 A (b) of SEBI Act, 1992.*
- *At the outset we submit that, save and except the contents of the Notice which are specifically admitted herein, all other averments, observations, allegations and submissions made in the Notice are specifically and individually denied. Nothing contained in the Notice shall be deemed to be admitted on the basis of non-traversement of specific allegations or findings unless the same is specifically admitted by us in this reply.*
- *Before dealing with the alleged violation of making belated disclosures, we would like to give the following background:*
  - *We are a company duly incorporated under the Companies Act, 1956 having our registered office at F No B 906, 9th Floor, SV Road New Sarvottam CHS, 201, IRLA Bridge, Andheri (W), Mumbai.*
  - *We trade in securities market based on our commercial wisdom. While trading we trade independently, without acting in concert with anybody. We have never defaulted in meeting our payment/ delivery obligations to our brokers. We also make investments in the ordinary course in both listed and unlisted securities.*
  - *We have a clean track record in terms of compliance. Never in the past has any action been taken against us by any regulatory authority including SEBI.*
- *We submit our para wise reply to your SCN:*
  - *With reference to paras 1 and 2, it is matter of record only.*
  - *With regard to para 3, SCN has alleged that we have failed in making the disclosure on crossing 5% shareholding on 23.1 1.2011 under PIT Regulations & Takeover Regulations we submit that the following be noted:*
    - *ii (a) All our trading in the scrip of ASTEK was bonafide and done in the ordinary course of business.*

- *ii (b) It may be noted that as on 23.11.2011 we were holding 8,45,820 shares constituting 4.9900% shares of ASTEK. Consequent to purchase of 17000 shares constituting 0.1004% shares of PSEL on 23.11.2012 our shareholding increased to 5.09%.*
- *ii(c) Inadvertently, we did not make disclosures under Regulation 29(1) of the Takeover Regulations and the same was a bonafide error. In this context, it may be appreciated that the disclosures regarding our shareholding were already in public domain. The object of the takeover Regulations is to intimate to public. The Company had made numerous filing and disclosures to SEs including quarterly filing of Shareholding pattern showed changes. Therefore all relevant and correct information was in fact in the public domain and made available to investors and shareholders. The copy of quarterly filing for quarter ending on December, 2011 discloses our holding in the Company.*
- *ii(d) Further, we had no intention of taking over the control or management of the Company.*
- *ii(e) It may also be appreciated that the fluctuation in our shareholding during the relevant period was very nominal, to have any kind of impact on the market or adversely affect the interest of the shareholders or investors in the market. The change in the shareholding was consequence of trading done by us in the ordinary course of business.*

- *As regards to para 4, it is alleged that we have violated provisions Regulations 29(2) of SEBI (SAST) Regulations 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011, it is submitted that there was off market transfer of 4,00,000 shares on 2nd July, 2013 to Demat account no. 1204800000002975 on account loan of shares but not pursuance to any buy/sale transaction and there was no change in the beneficial ownership of shares. In fact, these 4,00,000 shares were received back from Demat account no 1204800000002975 on 11th February, 2014. We enclose copy of Demat Statement for your perusal and consideration. It is submitted that we have not violated provisions Regulations 29(2) of SEBI (SAST) Regulations 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.*

- *With reference to para 5, 7 and 9, we have to state that disclosure was triggered under Regulation 29(1) and not under Regulation 29(2) of SEBI SAST) Regulations 2011 read with Regulation 29(3) of SEBI(SAST) Regulations,2011 in view of explanation given in forgoing paragraph.*
- *With reference to para 6, it is a matter of record.*
- *With reference to para 8, it is a matter of record.*
- *With reference to para 10 and 11, we request you to consider our submissions and following factors be taken into consideration:*
- *That the alleged violations are at the highest a technical, procedural and venial breach.*
- *That the alleged violations are not deliberate and intentional and in contumacious disregard of provisions of law.*
- *That there was no intention to take over control or management of the Target Company.*
- *That the alleged violations have not caused any loss to any investor and have also not adversely affected the shareholders of the Target Company or the securities market in any manner. Further, it may be noted that there are no shareholder/investor complaints in this regard.*
- *That as result of alleged violations that have been observed, we have not made any gain or gained any unfair advantage. The same has not been even alleged. Even there is no charge/ complaint in the Notice that we have made any gain or caused any loss to anybody. Further, the alleged breach does not relate to fraud/unfair trade market practices/ market manipulation/ insider trading. Neither have we been benefited nor any loss caused to the investors.*
- *That we have a clean track record in terms of compliance. We have been trading in the securities market for a long time. Till date our conduct has never been found to be violative of any of the provisions of SEBI Act or Regulations and no action has been taken against us by SEBI.*

- *That, it is assured that we will scrupulously abide by the provisions of the SEBI Act, Rules and Regulations in future.*
- *It in this regard it may be noted that we have traded / invested in many Companies in large volume. We have been careful in compliance of Rules and Regulations of SEBI and Stock Exchanges. We do not understand how employees who are entrusted with ensuring compliance with all requirements of all law, rules and regulations omitted to make the required disclosures in the present case. We accept the lapse in this regard and tender our apology for the same and request you to take lenient view and pardon us for the same. Needless to state that we have already alerted employees to ensure that such an omission does not happen in the future.*
- *In the facts and circumstances, any imposition of penalty on us would be unjustified and unwarranted. In view of the foregoing submissions, it is humbly prayed that the Notice be discharged and no penalty be imposed.*
- *If need arises we may be permitted to modify and/or add additional grounds or material in our reply. We request that, we should be given an opportunity for the personal hearing before any decision is taken by you in the matter*

CONSIDERATION OF ISSUES AND FINDINGS

8. I have carefully perused the charges levelled against the Noticee in the SCN and the material/documents available on record. In the instant matter, the following issues arise for consideration and determination:-

   a. Whether the Noticee has violated the provisions of Regulation 29 (1) and Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011?

   b. Do the violations, if any, on the part of the Noticee attract monetary penalty under Section 15A(b) of the SEBI Act,1992?

   c. If yes, then what would be the monetary penalty that can be imposed upon the Noticee, taking into consideration the factors mentioned in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

9. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI (SAST) Regulations, 2011 which reads as under:-

SEBI (SAST) Regulations, 2011:

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 percent or more of the shares 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

Issue 1) - Whether the Noticee has violated the provisions of Regulations 29(1), 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011;

10. Regulations 29 (1) read with 29 (3) of SEBI (SAST) Regulations, 2011 inter alia requires disclosure by 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 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; the company at its registered office and to the Stock Exchange (s) where the shares of the target company are listed. Similarly Regulation 29 (2) read with

29 (3) of SEBI (SAST) Regulations, 2011 inter alia requires disclosure by 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 within two working days disclose every acquisition or disposal of shares of such target company representing two percent or more of the shares or more of the shares or voting rights in such target company to the company at its registered office and to the Stock Exchange (s) where the shares of the target company are listed.

11. Upon perusal of the documents available on record, I find that the Noticee has submitted that it trades in securities market independently, without acting in concert with anybody, based on its commercial wisdom in the ordinary course of business in listed and unlisted securities and that they have never defaulted in meeting their payment/ delivery obligations. Further, that it has a clean track record in terms of compliance and that never in the past has any action been taken by any regulatory authority including SEBI.

12. I take note of the of the following submission of the Noticee "*It may be noted that as on 23.11.2011 we were holding 8,45,820 shares constituting 4.9900% shares of ASTEK. Consequent to purchase of 17000 shares constituting 0.1004% shares of PSEL on 23.11.2012 our shareholding increased to 5.09%.*

Inadvertently, we did not make disclosures under Regulation 29(1) of the Takeover Regulations and the same was a bonafide error. In this context, it may be appreciated that the disclosures regarding our shareholding were already in public domain. The object of the takeover Regulations is to intimate to public. The Company had made numerous filing and disclosures to SEs including quarterly filing of Shareholding pattern showed changes. Therefore all relevant and correct information was in fact in the public domain and made available to investors and shareholders.

It may also be appreciated that the fluctuation in our shareholding during the relevant period was very nominal, to have any kind of impact on the market or adversely affect the interest of the shareholders or investors in the market. The change in the shareholding was consequence of trading done by us in the ordinary course of business".

13. I note that the Noticee has accepted that they had not made the requisite disclosure under Regulation 29 (1) read with 29 (3) of the SEBI (SAST) Regulations, 2011. However, they

have contended that the information was in the public domain in the form of shareholding pattern on the stock exchanges website. Further, that the fluctuation in the shareholding was very nominal to have any impact on the market or adversely affect the interest of other shareholders/investor. In this regard, I refer to the observation of Hon'ble Securities Appellate Tribunal ('SAT') in **Ambaji Papers Pvt. Ltd. vs. the Adjudicating Officer, SEBI dated January 15, 2014**, wherein similar contention of information being in the public domain was raised by the appellant. Hon'ble SAT observed: *".... that a reading of Regulation 7 of the SAST Regulations, 1997 read with Regulation 35(2) of the SAST Regulations, 2011 clearly points out that not only the company, but an acquirer is also required to inform the stock exchanges at every stage of aggregate of the shareholding or voting rights in the company. The object underlying these regulations is, therefore, unequivocally to bring more transparency by dissemination of complete information to the public as well as shareholders at large not only by the concerned company but by the individual acquirer as well"*.

14. I would further like to refer to the observations of Hon'ble SAT in the matter of **Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 vide order dated October 14, 2014)**, wherein it was held that - ".. *obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation. Similarly argument that the failure to make disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make disclosures"*.

15. I also take note of the Noticee's submission regarding violation of the provisions Regulations 29(2) of SEBI (SAST) Regulations 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011. The noticee has submitted "*that there was off market transfer of 4,00,000 shares on 2nd July, 2013 to Demat account no. 1204800000002975 on account loan of shares but not pursuance to any buy/sale transaction and there was no change in the beneficial ownership of shares. In fact, these 4,00,000 shares were received back from Demat account no 1204800000002975 on 11th February, 2014. We enclose copy of Demat Statement for your perusal and consideration. It is submitted that*

we have not violated provisions Regulations 29(2) of SEBI (SAST) Regulations 2011 read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

16. I note that the Noticee submitted that the change in shareholding was due to transfer of shares in off market on account of loan on shares. The above, effectively means that the shares were transferred as security /collateral for the loan. The shares were effectively at the disposal of the provider of the loan and that the lender would be free to sell the shares and recover the amount lent in case of default by the Noticee in repaying the loan. From the above discussion it can be safely concluded that the beneficial ownership of the shares were transferred from the Noticee to the lender of the loan. As per Regulation 29 (2) of SEBI (SAST) Regulations, 2011 "*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 percent or more of the shares or more of the shares or voting rights in such target company in such form as may be specified".* From a plain reading of the above regulation, it is understood that it does not necessarily require purchase or sale transaction to invoke the provisions of the above regulation. Change in beneficial ownership of requisite percentage in the shareholding is sufficient to invoke the provisions of Regulation 29 (2) of the SEBI (SAST) Regulations, 2011.

17. In view of the aforesaid discussion, I find that the Noticee failed to make the requisite disclosures to the stock exchanges and to the company as stipulated under Regulation 29(1) and 29 (2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

Issue 2) - Does the violation, if any, attract monetary penalty under section 15A (b) of SEBI Act?

18. By not making the disclosures, the Noticee failed to comply with their mandatory statutory obligation. In this context, reliance is placed upon the order of the Hon'ble Supreme Court of India in the matter of **Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361**} wherein it was held that *"In our view, the penalty is attracted as soon as contravention of the statutory obligations as contemplated by the Act is established and, therefore, the intention of the parties committing such violation becomes immaterial. ……. Hence, we*

are of the view that once the contravention is established, then the penalty has to follow and only the quantum of penalty is discretionary."

19. As the violation of the provisions of Regulations 29(1) and 29 (2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011 is established, the Noticee is liable for monetary penalty under section 15A(b) of SEBI Act, 1992 which, at the time of violation, read 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 thereunder,-

(a) ……;

Before 08.09.2014; (b*) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*

With Effect from 08.09.2014; *(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;"*

20. While determining the quantum of penalty under section 15A(b), it is important to consider the factors stipulated in section 15J of 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."

21. The amount of disproportionate gain or unfair advantage to the Noticee or loss caused to investors as a result of the default is not quantified in the material available on record. Considering that there has been no disclosure by the Noticee on two occasions, the same are treated as repetitive. It is important to note that the details of the shareholding of the promoters/Directors and changes thereto is an important element for the proper functioning of the securities market and proper and timely disclosure thereof to the company and stock exchanges etc. are of significant importance from the standpoint of investors. The purpose of these disclosures is to bring about transparency in the transactions of Directors/Promoters and assist the Regulator to effectively monitor the transactions in the market. Hon'ble SAT in the case of **M/s. Coimbatore Flavors & Fragrances Ltd. & Ors. vs SEBI (Appeal No. 209 of 2014 order dated August 11, 2014)**, as regards the importance of disclosure, observed *"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."*

22. It is contended by the Noticee that the non-compliance was unintentional due to lack of knowledge about SEBI Regulations. In this regard, I note that Hon'ble SAT, through various judgments, has consistently observed that these factors are not valid grounds for not complying with the mandatory disclosure obligations under the SEBI Regulations. However, they are nevertheless treated as mitigating factors while arriving at the quantum of penalty.

23. Hon'ble SAT in the matter of **Akriti Global Traders Limited vs. SEBI** (Appeal No. 78 of 2014 order dated September 30, 2014), observed that *"Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that*

penal liability is neither dependent upon intention of parties nor gains accrued from such delay".

24. In the matter of **Virendrakumar Jayantilal Patel vs. SEBI** (Appeal No. 299 of 2014 order dated October 14, 2014), observed that *"……. obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation. Similarly argument that the failure to make disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make disclosures."*

25. In this regard, Hon'ble Supreme Court of India in the matter of **Shriram Mutual Fund** refereed supra had observed that *"… imputing mens rea into the provisions of Chapter VIA is against the plain language of the statute and frustrates entire purpose and object of introducing Chapter VIA to give teeth to the SEBI to secure strict compliance of the Act and the Regulations."*

26. In view of all of the above I am of considered view that the Noticee has violated the violated the provisions of Regulations 29(1) and 29 (2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011 and that it is a fit case for imposition of penalty for violation of the aforesaid Regulations.

ORDER

27. After taking into consideration the nature and gravity of charges established, the facts and circumstances of the case and the mitigating factors as enumerated above, I, in exercise of the powers conferred upon me under Section 15I (2) of the SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, hereby impose a impose a monetary penalty of Rs. 2,00,000/- (Rupees Two Lakhs Only) on the Noticee i.e. Hridaynath Consultancy Private Limited under section 15A(b) of SEBI Act, 1992 for violation of Regulations 29 (1) and 29 (2) read with 29 (3) of SEBI (SAST) Regulations, 2011.

28. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of **"SEBI – Penalties Remittable**

to Government of India", payable at Mumbai, OR through e-payment facility into Bank Account the details of which are given below:

Account No. for remittance of penalties levied by Adjudication Officer

Bank Name	**State Bank of India**
Branch	**Bandra - Kurla Complex**
RTGS Code	**SBIN0004380**
Beneficiary Name	**SEBI – Penalties Remittable To Government of India**
Beneficiary A/c No	**31465271959**

29. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Deputy General Manager, DRA- III, Enforcement Department, SEBI, Mumbai as per the following format.

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for (like penalties/ disgorgement/recovery/Settlement amount and legal charges along with order details)	
Penalty	

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

Date: September 28, 2018
Place: Mumbai

Prasanta Mahapatra
Adjudicating Officer