

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: AO/SBM/EAD-3/119-127/2018)

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

In respect of:

- 1. HSI Infotech Pvt. Ltd. (PAN: AACCH6973J)**
- 2. Zayat Construction Pvt. Ltd. (PAN: AAACZ4478L)**
- 3. Panafic Industrials Ltd. (PAN: AAACP3700B)**
- 4. Zarf Infra Development Pvt. Ltd. (PAN: AAACZ4477F)**
- 5. Alps Motor Finance Pvt. Ltd. (PAN: AABCA1559L)**
- 6. Surya Medi Tech Ltd. (PAN: AALCS3282L)**
- 7. Shridhar Financial Services Ltd. (PAN: AABCS7408J)**
- 8. Archit Hotels & Resorts Pvt. Ltd. (PAN: AADCA5858N)**
- 9. Unicon Fincap Pvt. Ltd. (PAN: AAACU8424F)**

In the matter of

Ashutosh Paper Mills Ltd.

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), while conducting an examination in the scrip of Ashutosh Paper Mills Ltd. (now known as Tridev Infraestates Ltd and hereinafter referred to as "**Company/APML**") during the period November 01, 2011 to July 25, 2012 (hereinafter referred to as "**examination period**"), observed that HSI Infotech Pvt. Ltd. (hereinafter referred to as "**Noticee 1/HSI**"), Zayat Construction Pvt.

Ltd. (hereinafter referred to as “**Noticee 2/Zayat**”), Panafic Industries Ltd. (hereinafter referred to as “**Noticee 3/Panafic**”), Zarf Infra Development Pvt. Ltd. (hereinafter referred to as “**Noticee 4/Zarf**”), Alps Motor Finance Pvt. Ltd. (hereinafter referred to as “**Noticee 5/Alps**”), Surya Medi Tech Ltd. (hereinafter referred to as “**Noticee 6/Surya**”), Shridhar Financial Services Ltd. (hereinafter referred to as “**Noticee 7/Shridhar**”), Archit Hotels & Resorts Pvt. Ltd. (hereinafter referred to as “**Noticee 8/Arhit**”), Unicon Fincap Pvt. Ltd. (hereinafter referred to as “**Noticee 9/Unicon**”) and hereinafter also collectively referred to as (“**the Noticees**”) had failed to make timely disclosures pertaining to their acquisition/sale of shares of APML during the examination period. It was observed that the Noticees have failed to comply with the disclosure requirements prescribed under the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations**') and also SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**').

2. APML was incorporated in November 1988 as a public limited company. The company is listed on the Bombay Stock Exchange (**BSE**). The Company is in the business of trading of various varieties of paper and related products. Besides, it was also engaged in negotiating advance licenses and machinery equipment on commission basis. During the examination period, the paid up capital of the Company was Rs 6.52 Crores (represented by 65,25,200 shares of face value of Rs. 10/-). The company is presently known as Tridev Infraestates Ltd.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer, vide Order dated January 18, 2017 under Section 19 read with Section 15-I(1) 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 Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as

‘**Adjudication Rules**’) to inquire into and adjudge under the provisions of Section 15A(b) of the SEBI Act for the alleged failure on the part of the Noticees to comply with the provisions of SAST Regulations and PIT Regulations.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

4. A common Show Cause Notice No. SEBI/HO/EAD/5176/2017 dated March 08, 2017 (hereinafter referred to as “**SCN**”) was issued to the Noticees under Rule 4(1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against the Noticees and why penalty, if any, should not be imposed on the Noticees under Section 15A(b) of the SEBI Act for their alleged violation of the relevant provision of PIT Regulations and SAST Regulations, as mentioned in the SCN. The SCN issued to the Noticees mentioned the following:

HSI Infotech Pvt. Ltd (Noticee 1)

- a) *It is observed from the investigation of the trades in the scrip of the Company that HSI Infotech Pvt Ltd. (hereinafter referred to as 'Noticee 1') had entered into following transactions in the scrip of the Company:-*

<i>Date</i>	<i>No of shares purchased</i>	<i>No of shares Sold</i>	<i>% of shares acquired/sold to total no. of shares</i>	<i>Net Holding</i>	<i>% Holding</i>
<i>Opening Balance (as on 26.12.2011)</i>	0				
14.03.2012	1,00,000		1.53%	1,00,000	1.53%
15.03.2012	75,000		1.15%	1,75,000	2.68%
16.03.2012	62,000		0.95%	2,37,000	3.63%
20.03.2012	75,000		1.15%	3,12,000	4.78%
21.03.2012	50,000		0.77%	3,62,000	5.55%
22.03.2012	60,000		0.92%	4,22,000	6.47%
23.03.2012	50,000		0.77%	4,72,000	7.23%
23.03.2012		1,25,200	1.91%	3,46,800	5.31%
27.03.2012	75,000		1.15%	4,21,800	6.46%
28.03.2012	1,02,000		1.56%	5,23,800	8.03%

28.03.2012		62,000	0.95%	4,61,800	7.08%
30.03.2012	43,600		0.67%	5,05,400	7.75%
<i>Total</i>	6,92,600	1,87,200			

- b) *Thus, it can be seen from the above table that Noticee 1 had crossed 5% limit on March 21, 2012 when it had purchased 50,000 shares from the Market. This required Noticee 1 to make necessary disclosures to the Company and BSE in terms of Regulation 13(1) read with 13(5) of PIT Regulation and Regulation 29(1) read with 29(3) of SAST Regulation. Further, it can be seen from the above table that the shareholding of Noticee 1 increased by more than 2% as on March 28, 2012 Therefore, Noticee 1 had crossed the 2% limit as on March 28, 2012. This required disclosure to be made by Noticee 1 to the Company and BSE under Regulation 13(3) read with 13(5) of PIT Regulations and Regulation 29(2) read with 29(3) of SAST Regulations. It is, however, observed that there was no disclosure available in the records of the Company and BSE from Noticee 1.*
- c) *It is therefore alleged that Noticee 1, by its failure to make disclosure, has violated Regulation 13(1) and 13(3) read with 13(5) of PIT Regulation and Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation.*

Zayat Construction Private Ltd. (Noticee 2)

- d) *It is observed from the investigation of trades in the scrip of the Company that Zayat Construction Pvt. Ltd. (hereinafter referred to as 'Noticee 2') had entered into the following transactions in the scrip of the Company-*

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
<i>Opening Balance (as on 26.12.2011)</i>	<i>0</i>			
14.03.2012	1,00,000	1.53%	1,00,000	1.53%
15.03.2012	1,60,000	2.45%	2,60,000	3.98%
16.03.2012	2,38,000	3.65%	4,98,000	7.63%
21.03.2012	75,000	1.15%	5,73,000	8.78%
23.04.2012	59,000	0.90%	6,32,000	9.69%

Total	6,32,000			
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- e) As can be seen from the above Table, Noticee 2 had crossed 5% limit as on March 16, 2012 when it purchased 2,38,000 shares of the Company from the Market. This required Noticee 2 to make the necessary disclosures under Regulation 13(1) read with 13(5) of PIT Regulation and regulation 29(1) read with 29(3) of SAST Regulation. Further, the acquisition of shares by Noticee 2 on April 23, 2012 resulted in Noticee 2 crossing the prescribed 2% limit. This required disclosure to be made by Noticee no 2 under Regulation 13(3) read with 13(5) of PIT Regulations and Regulation 29(2) read with 29(3) of SAST Regulations. It is, however, observed that there was no disclosure available in the records of Company and BSE made by Noticee 2.
- f) It is therefore alleged that Noticee 2, by its failure to make disclosure, has violated Regulation 13(1) and 13(3) read with 13(5) of PIT Regulation and Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation.

Panafic Industrials Ltd. (Noticee 3)

- g) It is observed from the investigation of the trades in the scrip of the Company that Panafic Industrials Ltd. (hereinafter referred to as 'Noticee 3') had entered into the following trades in the scrip of the Company:-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12 2011)	1,68,500		2.58%	1,68,500	2.58%
24.01.2012	30,000		0.46%	1,98,500	3.04%
07.02.2012		48,200	0.74%	1,50,300	2.30%
21.02.2012		12,500	0.19%	1,37,800	2.11%
29.02.2012		59,000	0.90%	78,800	1.21%
14.03.2012	1,40,000		2.15%	2,18,800	3.35%
15.03.2012	25,000		0.38%	2,43,800	3.74%
16.03 2012	1,25,000		1.92%	3,68,800	5.65%

16.03.2012		1,31,500	2.02%	2,37,300	3.64%
22.03.2012	2,00,000		3.06%	4,37,300	6.70%
11.04.2012	1,12,000		1.72%	5,49,300	8.42%
Total	6,02,000	2,51,200			

- h) As can be seen from the above Table, Noticee 3 had crossed the 5% limit as on March 16, 2012 by way of purchase of 1,25,000 shares of the Company. Further, it is observed that as on April 11, 2012, the total shareholding of Noticee 3 in the company increased to 8.42% i.e. Noticee 3 had crossed the prescribed 2% threshold limit as on April 11, 2012. This required Noticee 3 to make necessary disclosure under Regulation 13(1) read with 13(5) of PIT Regulation and regulation 29(1) read with 29(3) of SAST Regulation. Further, in view of change in the shareholding of Noticee 3 amounting to more than 2% of the stipulated limit as on April 11, 2012, Noticee 3 was duty bound to make the necessary disclosure to the Company under Regulation 13(3) read with 13(5) of PIT Regulations and also to the Company and the Stock Exchange under Regulation 29(2) read with 29(3) of SAST Regulations. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 3.
- i) It is therefore alleged that Noticee 3, by its failure to make disclosure, has violated Regulation 13(1) and 13(3) read with 13(5) of PIT Regulation and Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation.

Zarf Infra Development Private Ltd. (Noticee 4)

- j) It is observed from the investigation of trades in the scrip of the Company that Zarf Infra Development Private Ltd. (hereinafter referred to as 'Noticee 4') had done following trades in the scrip of the Company:-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			

21.03.2012	2,25,000	3.45%	2,25,000	3.45%
22.03.2012	2,00,000	3.06%	4,25,000	6.51%
27.03.2012	17,000	0.26%	4,42,000	6.77%
28.03.2012	1,14,500	1.75%	5,56,500	8.53%

- k) As can be seen from the above Table, Noticee 4 had crossed 5% limit on March 22, 2012 in view of the purchase of 2,00,000 shares from Market. This required Noticee 4 to make necessary disclosure under Regulation 13(1) read with 13(5) of PIT Regulation to the company and to the Company and the Stock Exchange under regulation 29(1) read with 29(3) of SAST Regulation. Further, the acquisition of shares by Noticee 4 on March 28, 2012 has led to change in shareholding of Noticee 4 in the company, which crossed the prescribed limit of 2%. This required disclosure to be made by Noticee 4 to the Company under Regulation 13(3) read with 13(5) of PIT Regulations and also necessary disclosures to be made to the Company and BSE under Regulation 29(2) read with 29(3) of SAST Regulations. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 4.
- l) It is therefore alleged that Noticee 4, by its failure to make disclosure, has violated Regulation 13(1) and 13(3) read with 13(5) of PIT Regulation and Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation.

Alps Motor Finance Pvt. Ltd. (Noticee 5)

- m) It is observed from the investigation of trades in the scrip of the Company that Alps Motor Finance Pvt. Ltd. (hereinafter referred to as 'Noticee 5') had done following trades in the scrip of the Company:-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			

23.03.2012	4,07,000	6.24%	4,07,000	6.24%
27.03.2012	1,00,000	1.53%	5,07,000	7.77%
Total	5,07,000	7.77%		

- n) As can be seen from the Table above, Noticee 5 had crossed 5% limit on March 23, 2012 by purchase of 4,07,000 shares from Market. This required disclosure to be made by Noticee 5 to the Company under Regulation 13(1) read with 13(5) of PIT Regulation. Noticee 5 was also required to make necessary disclosure to both the Company and to the Stock Exchange in terms of regulation 29(1) read with 29(3) of SAST Regulation. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 5.
- o) It is therefore alleged that Noticee 5, by its failure to make disclosure, has violated Regulation 13(1) read with 13(5) of PIT Regulation and Regulation 29(1) read with 29(3) of SAST Regulation.

Surya Medi Tech Ltd (Noticee 6)

- p) It is observed from the investigation of trades in the scrip of the Company that Surya Medi Tech Ltd. (hereinafter referred to as 'Noticee 6') had done the following trades in the scrip of the Company:-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			
12.03.2012	15,000	0.23%	15,000	0.23%
20.03.2012	1,92,000	2.94%	2,07,000	3.17%
21.03.2012	3,10,000	4.75%	5,17,000	7.92%
Total	5,17,000			

- q) As can be seen from the table above, Noticee 6 crossed 5% limit as on March 21, 2012 as a result of purchase of 3,10,000 shares of the company from the Market. This required disclosure to be made by Noticee 6 to the Company in terms of Regulation 13(1) read with 13(5) of PIT Regulation and to the Company and BSE in terms of regulation

29(1) read with 29(3) of SAST Regulation. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 6.

- r) It is therefore alleged that Noticee 6, by its failure to make disclosure, has violated Regulation 13(1) read with 13(5) of PIT Regulation and Regulation 29(1) read with 29(3) of SAST Regulation.

Shridhar Financial Services Ltd (Noticee 7)

- s) It is observed from the investigation of trades in the scrip of the Company that Shridhar Financial Services Ltd. (hereinafter referred to as 'Noticee 7') had done the following trades in the scrip of the Company:-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	79,300		1.22%	79,300	1.22%
02.01.2012		15,000	0.23%	64,300	0.99%
23.01.2012		30,000	0.46%	34,300	0.53%
25.01.2012	1,89,700		2.91%	2,24,000	3.43%
21.02.2012	9100		0.14%	2,33,100	3.57%
29.02.2012	10,500		0.16%	2,43,600	3.73%
07.03.2012		1,25,000	1.92%	1,18,600	1.82%
12.03.2012		1,04,100	1.60%	14,500	0.22%
16.03.2012	15,000	14,500	0.01%	15,000	0.23%
19.03.2012	15,000		0.23%	30,000	0.46%
14.03.2012	1,35,000		2.07%	1,65,000	2.53%
15.03.2012	35,000		0.54%	2,00,000	3.06%
16.03.2012	2,10,000		3.22%	4,10,000	6.28%
22.03.2012	99,700		1.53%	5,09,700	7.81%

- t) As can be observed from the Table above, Noticee 7 had crossed the threshold limit of 5% limit on March 16, 2012 as a result of purchase of 2,10,000 shares of the company from the Market. This required disclosure to be made by Noticee 7 to the Company under the provisions of Regulation 13(1) read with 13(5) of PIT Regulation and also disclosure

to be made to both the Company and BSE under regulation 29(1) read with 29(3) of SAST Regulation. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 7.

- u) It is therefore alleged that Noticee 7, by its failure to make disclosure, has violated Regulation 13(1) read with 13(5) of PIT Regulation and Regulation 29(1) read with 29(3) of SAST Regulation.

Archit Hotels & Resorts Pvt. Ltd. (Noticee 8)

- v) It is observed from the investigation of trades in the scrip of the Company that Archit Hotels & Resorts Pvt. Ltd. (hereinafter referred to as 'Noticee 8') had done following trades in the scrip of the Company:-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0				
20.01.2012	52,300		0.80%	52,300	0.80%
25.01.2012	36,400		0.56%	88,700	1.36%
25.01.2012		88,700	1.36%	0	0%
22.03.2012	1,00,000		1.53%	1,00,000	1.53%
23.03.2012	75,000		1.15%	1,75,000	2.68%
27.03.2012	1,40,000		2.15%	3,15,000	4.83%
28.03.2012	1,10,000		1.69%	4,25,000	6.51%
Total	5,13,700	88,700			

- w) As can be observed from the table above, Noticee 8 had crossed the threshold limit of 5% limit on March 28, 2012 by way of purchase of 1,10,000 shares of the company from the Market. This required disclosure to be made by Noticee 8 to the Company under Regulation 13(1) read with 13(5) of PIT Regulation and to the Company and BSE under regulation 29(1) read with 29(3) of SAST Regulation. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 8.

- x) *It is therefore alleged that Noticee 8, by its failure to make disclosure, has violated Regulation 13(1) read with 13(5) of PIT Regulation and Regulation 29(1) read with 29(3) of SAST Regulation.*

Unicon Fincap Pvt. Ltd (Noticee 9)

- y) *It is observed from the investigation of trades in the scrip of the Company that Unicon Fincap Pvt. Ltd. (hereinafter referred to as 'Noticee 9') had done following trades in the scrip of the Company:-*

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	3,83,000		5.87%	3,83,000	5.87%
29.12.2011		15,100	0.23%	3,67,900	5.64%
30.12.2011		200	0.00%	3,67,700	5.63%
06.01.2012		100	0.00%	3,67,600	5.63%
09.01.2012		100	0.00%	3,67,500	5.63%
07.02.2012		100	0.00%	3,67,400	5.63%
08.02.2012		200	0.00%	3,67,200	5.63%
09.02.2012		600	0.01%	3,66,600	5.62%
10.02.2012		100	0.00%	3,66,500	5.62%
13.02.2012		1,000	0.02%	3,65,500	5.60%
15.02.2012		100	0.00%	3,65,400	5.60%
21.02.2012		2,300	0.04%	3,63,100	5.56%
23.02.2012		100	0.00%	3,63,000	5.56%
27.02.2012		100	0.00%	3,62,900	5.56%
01.03.2012		100	0.00%	3,62,800	5.56%
02.03.2012		100	0.00%	3,62,700	5.56%
05.03.2012		100	0.00%	3,62,600	5.56%
06.03.2012		200	0.00%	3,62,400	5.55%
09.03.2012		100	0.00%	3,62,300	5.55%
12.03.2012		100	0.00%	3,62,200	5.55%

13.03.2012		100	0.00%	3,62,100	5.55%
14.03.2012		100	0.00%	3,62,000	5.55%
15.03.2012		50,000	0.77%	3,12,000	4.78%
16.03.2012		50,000	0.77%	2,62,000	4.02%
19.03.2012		50,000	0.77%	2,12,000	3.25%
21.03.2012		50,000	0.77%	1,62,000	2.48%
22.03.2012		50,000	0.77%	1,12,000	1.72%
23.03.2012		49,900	0.76%	62,100	0.95%
26.03.2012		10,000	0.15%	52,100	0.80%
29.03.2012		45,000	0.69%	7,100	0.11%
<i>Total</i>		<i>3,75,900</i>			

z) *As can be observed from the Table above, Noticee 9 was holding more than 5% of shares of the company on December 26, 2011. Subsequently, Noticee 9 gradually sold the shares of the Company which led to decrease in its shareholding in the company to 0.11%. as on March 29, 2012. It is observed that as on March 19, 2012, shareholding of Noticee 9 reduced by 2% from its original shareholding. This required disclosure to be made by Noticee 9 to the Company under Regulation 13(3) read with 13(5) of PIT Regulation and to the Company and BSE under Regulation 29(2) read with 29(3) of SAST Regulation. It is, however, observed that there was no disclosure available in the records of Company and BSE from Noticee 9.*

za) *It is therefore alleged that Noticee 9 has violated the provisions of Regulation 13(3) read with 13(5) of PIT Regulation and Regulation 29(2) read with 29(3) of SAST Regulation which require a person, holding more than 5% shares of a company, to disclose change in shareholding of 2% or more in the shareholding from the time of last disclosure.*

5. I observe that the SCN was served on Noticee 6 and 7 and the proof of service of the SCN is on record. Thereafter, Noticee 6 and 7, vide their respective letters dated April 12, 2017, disputed the transactions mentioned in the SCN and also refuted the the allegations levelled against them. The SCN issued to

the other Noticees viz. Noticee 1,2,3,4,5,8 and 9 returned undelivered. The SCN was finally served on Noticee 1,2,3,8 and 9 by way of affixture on August 18 and 19, 2017 and the report of affixture in terms of Rule 7 (c) of the Adjudication Rules is on record. I observe that the attempt to affix the SCN on Noticee 4 and 5 had failed and thereafter, the SCN was served on Noticee 4 and 5 by way of by way of digitally signed electronic mails that were sent to the email ID of Noticee 4 (rjkumar@ymail.com) and Noticee 5 (alpsmotorfinance@yahoo.in), as made available by NSDL. I observe that the above said Email IDs were also registered in the records of MCA.

6. Thereafter, in terms of Rule 4(3) of the Adjudication Rules, opportunity of hearing was granted to Noticees 1,2,8 and 9 on September 7, 2017 vide letters dated August 8, 2017. The said letters dated August 8, 2017 were served on the Noticees 1,2,8 and 9 by way of affixture on August 18 and 19, 2017, in terms of Rule 7 (c) of Adjudication Rules. I observe that Noticee 4 and 5 were provided with opportunity of hearing on February 14, 2018 vide letters dated January 25, 2018. The said letters dated January 25, 2018 were served on Noticee 4 and 5 by way of digitally signed electronic mails that were sent to the email ID of Noticee 4 (rjkumar@ymail.com) and Noticee 5 (alpsmotorfinance@yahoo.in), as made available by NSDL. Vide letters dated September 8, 2017, Noticee 3, 6 and 7 were provided with an opportunity of hearing on September 27, 2017. Mr Sudhir Kumar Agarwal (Authorised Representative – AR) appeared on behalf of Noticee 3,6 and 7 on the stipulated date of hearing i.e on September 27, 2017. The AR made the following submissions on behalf of Noticee 3,6 and 7 -

- a) *The AR admitted that the transactions, as mentioned in SCN, were done by the respective Noticees. The AR also admitted that the Noticees failed to make disclosures as required to be made by them under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 1992.*

- b) *AR submitted that there was no malafide intention behind the Noticees' failure in making the disclosure and, accordingly, requested for leniency in imposition of penalty.*
7. I observe that the Noticees 1, 2, 4, 5, 8 and 9 were provided with ample opportunities to present their cases and make their submissions in the matter. However, they have failed to respond to the same. In this context, I would like to place reliance on the Order dated February 11, 2014 passed by the Hon'ble Securities Appellate Tribunal (SAT) in the matter of Sanjay Kumar Tayal and Ors vs SEBI (Appeal No 68 of 2013), wherein SAT had observed that “..... *As rightly contended by Mr Rustomjee, the learned senior counsel for respondents, appellants have neither filed any reply to the 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 the charges leveled against them in the show cause notices*”

In view of the above, I am compelled to proceed further in the matter, *ex-parte*, with regard to Noticees 1, 2, 4, 5, 8 and 9, on the basis of facts/material on record.

CONSIDERATION OF ISSUES AND FINDINGS:

8. I have taken into consideration the facts and circumstances of the case, the material on record and the submissions of Noticee 3, 6 and 7 in the matter. I observe that the allegation leveled against the Noticees is that they have failed to make the relevant disclosures in respect of their transactions in the shares of APML, during the examination period, as required under the provisions of Regulations 13(1) and 13(3) read with Regulation 13(5) of the PIT Regulations and Regulations 29(1) and 29(2) read with 29(3) of the SAST Regulations.
9. Before moving forward, the relevant extracts of the provisions of the PIT Regulations and SAST Regulations allegedly violated by the Noticees and as mentioned in the SCN are mentioned as under-

PIT Regulations, 1992

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

SAST Regulations, 2011

- 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.

10. I note that the disclosure requirements prescribed under Regulation 29(1) of the SAST Regulations and Regulation 13(1) of the PIT Regulations are triggered when the shareholding of an entity in a company crosses the threshold limit of 5% of the total share capital of the company. Upon crossing the threshold limit of 5% of the total share capital, in terms of Regulation 13(1) of the PIT Regulations, the entity is under an obligation to make the necessary disclosures to the company within two working days of the acquisition of shares, as per the prescribed reporting format. Similarly, upon the entity's shareholding crossing the threshold limit of 5% of the total share capital of a company, in terms of Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations, the entity is required to make the necessary disclosures to both the company and to the stock exchange, within two working days of the acquisition of shares, as per the prescribed reporting format.

11. It is further observed that the disclosure requirements under Regulation 29(2) of the SAST Regulations and Regulation 13(3) of the PIT Regulations are triggered when there is a change in the shareholding of an entity, who is holding more than 5% shares of a company, and the change resulting in the entity's shareholding crossing the threshold limit of 2% of the total share capital of the company, irrespective of whether the change in shareholding

has occurred as a result of fresh purchase of shares by the entity or due to the sale of shares by the entity. Upon change in the shareholding of an entity and the change crossing the threshold limit of 2% of the total share capital of the company, in terms of Regulation 13(3) r/w Regulation 13(5) of the PIT Regulations, the entity is under an obligation to make the necessary disclosures in the prescribed format to the Company within two working days of such change in shareholding. Further, in terms of Regulation 29(2) r/w Regulation 29(3) of the SAST Regulations, the entity has to make the disclosures to the company and to the stock exchange, in the prescribed reporting format, upon its shareholding crossing the threshold limit of 2% of the total share capital of a company.

12. In light of the requirement prescribed under the SAST Regulations and PIT Regulations, as discussed above, I now proceed to record my observations/findings against the Noticees, as under -

Noticee 1/HSI

(a) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 1 in the scrip of APML during the examination period-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0				
14.03.2012	1,00,000		1.53%	1,00,000	1.53%
15.03.2012	75,000		1.15%	1,75,000	2.68%
16.03.2012	62,000		0.95%	2,37,000	3.63%
20.03.2012	75,000		1.15%	3,12,000	4.78%
21.03.2012	50,000		0.77%	3,62,000	5.55%
22.03.2012	60,000		0.92%	4,22,000	6.47%
23.03.2012	50,000		0.77%	4,72,000	7.23%
23.03.2012		1,25,200	1.91%	3,46,800	5.31%
27.03.2012	75,000		1.15%	4,21,800	6.46%

28.03.2012	1,02,000		1.56%	5,23,800	8.03%
28.03.2012		62,000	0.95%	4,61,800	7.08%
30.03.2012	43,600		0.67%	5,05,400	7.75%
Total	6,92,600	1,87,200			

- (b) I find that as on March 20, 2012, Noticee 1 was holding 3,12,000 shares of APML, which represented 4.78% of the total share capital of the Company. On March 21, 2012, Noticee 1 purchased 50,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 1 in the company increasing from 4.78% to 5.55% (as on March 21, 2012). I note that the total shareholding of Noticee 1 in APML had crossed the threshold limit of 5% as on March 21, 2012, which required Noticee 1 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 1 has failed to make these disclosures in terms of the aforementioned Regulations.
- (c) Further, the shareholding of Noticee 1 (who was holding more than 5% shares in APML) changed by more than 2% of the total share capital of the Company when it purchased 43,600 shares of APML on March 30, 2012. This resulted in change in shareholding of Noticee 1 i.e the shareholding of Noticee 1 increased to 5,05,400 shares i.e. 7.75% of the total share capital of the Company as on March 30, 2012. This required Noticee 1 to make the necessary disclosures to the Company and BSE under Regulation 29(2) r/w 29(3) of the SAST Regulations within two working days of the acquisition of shares and disclosure to be made to the Company under Regulation 13(3) r/w Regulation 13 (5) of the PIT Regulations within two working days of the acquisition of shares . I find that Noticee 1 has failed to make these disclosures in terms of the aforementioned Regulations.

(d) Therefore, I hold that Noticee 1 has violated the provisions of Regulations 29(1), 29(2) r/w Regulation 29 (3) of the SAST Regulations and also Regulations 13(1), 13(3) r/w Regulation 13(5) of the PIT Regulations.

Noticee 2/Zayat

(e) From the material/facts on record, I observe that the following table depicts the transaction details of Noticee 2 in the scrip of APML during the examination period-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			
14.03.2012	1,00,000	1.53%	1,00,000	1.53%
15.03.2012	1,60,000	2.45%	2,60,000	3.98%
16.03.2012	2,38,000	3.65%	4,98,000	7.63%
21.03.2012	75,000	1.15%	5,73,000	8.78%
23.04.2012	59,000	0.90%	6,32,000	9.69%
Total	6,32,000			

(f) I find that as on March 15, 2012, Noticee 2 was holding 2,60,000 shares of APML, which represented 3.98% of the total share capital of the Company. On March 16, 2012, Noticee 2 purchased 2,38,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 2 in the company increasing from 3.98% to 7.63% (as on March 16, 2012). I note that the total shareholding of Noticee 2 in APML had crossed the threshold limit of 5% as on March 16, 2012, which required Noticee 2 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 2 has failed to make these disclosures in terms of the aforementioned Regulations.

- (g) Further, the shareholding of Noticee 2 (who was holding more than 5% shares in APML) changed by more than 2% of the total share capital of the Company when it purchased 59,000 shares of APML on April 23,2012. This resulted in change in shareholding of Noticee 2 i.e the shareholding of Noticee 2 increased to 6,32,000 shares i.e. 9.69% of the total share capital of the Company. This required Noticee 2 to make the necessary disclosures to the Company and BSE under Regulation 29(2) r/w 29(3) of the SAST Regulations within two working days of the acquisition of shares and also to the Company under Regulation 13(3) r/w Regulation 13 (5) of the PIT Regulations within two working days of the acquisition of shares . I find that Noticee 2 has failed to make these disclosures in terms of the aforementioned Regulations.
- (h) Therefore, I hold that Noticee 2 has violated the provisions of Regulations 29(1), 29(2) r/w Regulation 29 (3) of the SAST Regulations and also Regulations 13(1), 13(3) r/w Regulation 13(5) of the PIT Regulations.

Noticee 3/Panafic

- (i) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 3 in the scrip of APML during the examination period-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12 2011)	1,68,500		2.58%	1,68,500	2.58%
24.01.2012	30,000		0.46%	1,98,500	3.04%
07.02.2012		48,200	0.74%	1,50,300	2.30%
21.02.2012		12,500	0.19%	1,37,800	2.11%
29.02.2012		59,000	0.90%	78,800	1.21%
14.03.2012	1,40,000		2.15%	2,18,800	3.35%
15.03.2012	25,000		0.38%	2,43,800	3.74%
16.03 2012	1,25,000	1,31,500	0.09%	2,37,300	3.64%
22.03 2012	2,00,000		3.06%	4,37,300	6.70%
11.04.2012	1,12,000		1.72%	5,49,300	8.42%

Total	6,02,000	2,51,200			
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- (j) I find that as on March 16, 2012, Noticee 3 was holding 2,37,300 shares of APML, which represented 3.64% of the total share capital of the Company. On March 22, 2012, Noticee 3 purchased 2,00,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 3 in the company increasing from 3.64% to 6.70% (as on March 22, 2012). I note that the total shareholding of Noticee 3 in APML had crossed the threshold limit of 5% as on March 22, 2012, which required Noticee 3 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 3 has failed to make these disclosures in terms of the aforementioned Regulations.
- (k) I observe from the SCN that it has been alleged that Noticee 3 has violated the provisions of Regulation 29(2) read with 29(3) of the SAST Regulation and Regulation 13(3) read with 13(5) of the PIT Regulations. In this regard, I find that Noticee 3 was already holding more than 5% of the total share capital of the Company as a result of its purchase of 2,00,000 shares of the Company on March 22, 2012. Thereafter, the Noticee has executed only one transaction viz. purchase of 1,12,000 shares of APML on April 11, 2012 due to which its shareholding in the Company increased from 6.70% to 8.42%. Therefore, I note that the shareholding of Noticee 3 did not undergo any change by more than 2% of the total share capital of the Company as a result of the aforementioned transaction executed by it on April 11, 2012. Therefore, I am of the view that Noticee 3 has not violated the provisions of Regulation 29(2) read with Regulation 29 (3) of the SAST Regulations and Regulation 13 (3) read with 13(5) of the PIT Regulations, as alleged against it in the SCN.

- (l) Therefore, in view of the above observations, I hold that Noticee 3 has violated the provisions of Regulations 29(1) r/w Regulation 29(3) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.

Noticee 4/Zarf

- (m) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by the Noticee 4 in the scrip of APML during the examination period-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			
21.03.2012	2,25,000	3.45%	2,25,000	3.45%
22.03.2012	2,00,000	3.06%	4,25,000	6.51%
27.03.2012	17,000	0.26%	4,42,000	6.77%
28.03.2012	1,14,500	1.75%	5,56,500	8.53%

- (n) I find that as on March 21, 2012, Noticee 4 was holding 2,25,000 shares of APML, which represented 3.45% of the total share capital of the Company. On March 22, 2012, Noticee 4 purchased 2,00,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 4 in the company increasing from 3.45% to 6.51% (as on March 22, 2012). I note that the total shareholding of Noticee 4 in APML had crossed the threshold limit of 5% as on March 22, 2012, which required Noticee 4 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 4 has failed to make these disclosures in terms of the aforementioned Regulations.

- (o) Further, the shareholding of Noticee 4 (who was holding more than 5% shares in APML) changed by more than 2% of the total share capital of the Company when it purchased 1,14,500 shares of APML on March 28, 2012. This resulted in change in shareholding of Noticee 4 i.e the shareholding of Noticee 4 increased to 5,56,500 shares i.e. 8.53% of the total share capital of the Company. This required Noticee 4 to make the necessary disclosures to the Company and BSE under Regulation 29(2) r/w 29(3) of the SAST Regulations within two working days of the acquisition of shares and also to the Company under Regulation 13(3) r/w Regulation 13(5) of the PIT Regulations within two working days of the acquisition of shares. I find that Noticee 4 has failed to make these disclosures in terms of the aforementioned Regulations.
- (p) Therefore, I hold that Noticee 4 has violated the provisions of Regulations 29(1), 29(2) r/w Regulation 29 (3) of the SAST Regulations and also Regulations 13(1), 13(3) r/w Regulation 13(5) of the PIT Regulations.

Noticee 5/Alps

- (q) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 5 in the scrip of APML during the examination period-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			
23.03.2012	4,07,000	6.24%	4,07,000	6.24%
27.03.2012	1,00,000	1.53%	5,07,000	7.77%
Total	5,07,000	7.77%		

- (r) I find that on March 23, 2012, Noticee 5 had purchased 4,07,000 shares of APML. Prior to this date, Noticee 5 was not holding any shares of APML. In view of the above purchase transaction of Noticee 5, I find that the shareholding of Noticee 5 in APML was 6.24% of the total capital of

the company, which also resulted in Noticee 5 crossing the threshold limit of 5% as on March 23, 2012. The aforementioned transaction required Noticee 5 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the above transaction and disclosures to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 5 has failed to make these disclosures in terms of the aforementioned Regulations.

- (s) Therefore, I hold that Noticee 5 has violated the provisions of Regulations 29(1) r/w Regulation 29(3) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.

Noticee 6/Surya

- (t) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 6 in the scrip of APML during the examination period-

Date	No of shares purchased	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0			
12.03.2012	15,000	0.23%	15,000	0.23%
20.03.2012	1,92,000	2.94%	2,07,000	3.17%
21.03.2012	3,10,000	4.75%	5,17,000	7.92%
Total	5,17,000			

- (u) I find that as on March 20, 2012, Noticee 6 was holding 2,07,000 shares of APML, which represented 3.17% of the total share capital of the Company. On March 21, 2012, Noticee 6 purchased 3,10,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 6 in the company increasing from 3.17% to 7.92% (as on March 21, 2012). I note that the total shareholding of Noticee 6 in APML had crossed the threshold limit of 5% as on March 21, 2012, which required Noticee 6 to

make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 6 has failed to make these disclosures in terms of the aforementioned Regulations.

- (v) Therefore, I hold that Noticee 6 has violated the provisions of Regulations 29(1) r/w Regulation 29(3) of the SAST Regulations and Regulation 13 (1) of the PIT Regulations.

Noticee 7/Shridhar

- (w) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 7 in the scrip of APML during the examination period-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	79,300		1.22%	79,300	1.22%
02.01.2012		15,000	0.23%	64,300	0.99%
23.01.2012		30,000	0.46%	34,300	0.53%
25.01.2012	1,89,700		2.91%	2,24,000	3.43%
21.02.2012	9100		0.14%	2,33,100	3.57%
29.02.2012	10,500		0.16%	2,43,600	3.73%
07.03.2012		1,25,000	1.92%	1,18,600	1.82%
12.03.2012		1,04,100	1.60%	14,500	0.22%
14.03.2012	1,35,000		2.07%	1,49,500	2.29%
15.03.2012	35,000		0.54%	1,84,500	2.83%
16.03.2012	15,000	14,500	0.01%	1,85,000	2.835%
16.03.2012	2,10,000		3.22%	3,95,000	6.05%
19.03.2012	15,000		0.23%	4,10,000	6.28%
22.03.2012	99,700		1.53%	5,09,700	7.81%

- (x) I find that as on March 16, 2012, Noticee 7 was holding 1,85,000 shares of APML representing 2.835% of the total share capital of the company.

On March 16, 2012, Noticee 7 purchased 2,10,000 shares of APML, which resulted in the percentage of the shareholding of Noticee 7 in the company increasing from 2.835% to 6.05% (as on March 16, 2012). I find that the total shareholding of Noticee 7 in APML had crossed the threshold limit of 5% as on March 16, 2012, which required Noticee 7 to make the necessary disclosures mandated u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares under Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 7 has failed to make these disclosures in terms of the aforementioned Regulations.

- (y) Therefore, I hold that Noticee 7 has violated the provisions of Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.

Noticee 8/Archit

- (z) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 8 in the scrip of APML during the examination period-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	0				
20.01.2012	52,300		0.80%	52,300	0.80%
25.01.2012	36,400		0.56%	88,700	1.36%
25.01.2012		88,700	1.36%	0	0%
22.03.2012	1,00,000		1.53%	1,00,000	1.53%
23.03.2012	75,000		1.15%	1,75,000	2.68%
27.03.2012	1,40,000		2.15%	3,15,000	4.83%
28.03.2012	1,10,000		1.69%	4,25,000	6.51%
Total	5,13,700	88,700			

(za) I find that as on March 27, 2012, Noticee 8 was holding 3,15,000 shares of APML, which represented 4.83% of the total share capital of the company. On March 28, 2012, I observe that Noticee 8 had purchased 1,10,000 shares of APML, which increased the shareholding of Noticee 8 in the company from 4.83% to 6.51% (as on March 28, 2012). I note that the total shareholding of Noticee 8 in APML had crossed the threshold limit of 5% as on March 28, 2012, which required Noticee 8 to make the necessary disclosures u/r 13(1) of the PIT Regulations to the Company within two working days of the acquisition of shares and to the Company and BSE within two working days of the above mentioned acquisition of shares in terms of Regulation 29(1) r/w Regulation 29(3) of the SAST Regulations. I find that Noticee 8 has failed to make these disclosures in terms of the aforementioned Regulations.

(zb) Therefore, I hold that Noticee 8 has violated the provisions of Regulation 29 (1) r/w Regulation 29(3) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.

Noticee 9/Unicon

(zc) From the material/facts on record, I observe that the following table depicts the details of the transactions undertaken by Noticee 9 in the scrip of APML during the examination period-

Date	No of shares purchased	No of shares Sold	% of shares acquired/sold to total no. of shares	Net Holding	% Holding
Opening Balance (as on 26.12.2011)	3,83,000		5.87%	3,83,000	5.87%
29.12.2011		15,100	0.23%	3,67,900	5.64%
30.12.2011		200	0.00%	3,67,700	5.63%
06.01.2012		100	0.00%	3,67,600	5.63%
09.01.2012		100	0.00%	3,67,500	5.63%
07.02.2012		100	0.00%	3,67,400	5.63%
08.02.2012		200	0.00%	3,67,200	5.63%

09.02.2012		600	0.01%	3,66,600	5.62%
10.02.2012		100	0.00%	3,66,500	5.62%
13.02.2012		1,000	0.02%	3,65,500	5.60%
15.02.2012		100	0.00%	3,65,400	5.60%
21.02.2012		2,300	0.04%	3,63,100	5.56%
23.02.2012		100	0.00%	3,63,000	5.56%
27.02.2012		100	0.00%	3,62,900	5.56%
01.03.2012		100	0.00%	3,62,800	5.56%
02.03.2012		100	0.00%	3,62,700	5.56%
05.03.2012		100	0.00%	3,62,600	5.56%
06.03.2012		200	0.00%	3,62,400	5.55%
09.03.2012		100	0.00%	3,62,300	5.55%
12.03.2012		100	0.00%	3,62,200	5.55%
13.03.2012		100	0.00%	3,62,100	5.55%
14.03.2012		100	0.00%	3,62,000	5.55%
15.03.2012		50,000	0.77%	3,12,000	4.78%
16.03.2012		50,000	0.77%	2,62,000	4.02%
19.03.2012		50,000	0.77%	2,12,000	3.25%
21.03.2012		50,000	0.77%	1,62,000	2.48%
22.03.2012		50,000	0.77%	1,12,000	1.72%
23.03.2012		49,900	0.76%	62,100	0.95%
26.03.2012		10,000	0.15%	52,100	0.80%
29.03.2012		45,000	0.69%	7,100	0.11%
Total		3,75,900			

(zd) I find that Noticee 9 who was already holding more than 5% shares in APML had on March 19, 2012 sold 50,000 shares of APML, which resulted in change in the shareholding of Noticee 9 in the company and the change exceeding 2% of the total shareholding as on March 19, 2012. The aforementioned transaction of Noticee 9 required it to make the necessary disclosures to the Company in terms of Regulation 13(3) r/w Regulation 13(5) of the PIT Regulations within two working days of the transaction date and disclosures to BSE and the Company u/r 29(2) r/w Regulation 29(3) of

the SAST Regulations within two working days of the aforementioned transaction. It is noted that Noticee 9 has failed to make the necessary disclosures mandated under the aforementioned Regulations.

(ze) Therefore, I hold that Noticee 9 has violated the provisions of Regulation 29(2) r/w Regulation 29 (3) of the SAST Regulations and also Regulation 13(3) r/w Regulation 13(5) of the PIT Regulations.

13. By not making the disclosures on time, the Noticees have failed to comply with the mandatory statutory obligation. The timely disclosure is mandated for the benefit of the investors at large. There can be no dispute that compliance of regulations is mandatory and it is the duty of SEBI to enforce the compliance of these regulations. In this context, it may be noted that the Hon'ble SAT in Appeal no. 66 of 2003, in the case of Milan Mahendra Securities Pvt. Ltd. vs. SEBI, by its order dated November 15, 2006, has observed that *"the Regulations were framed on the basis of the input provided by a committee headed by Justice P. N. Bhagwati which had recommended that substantial acquisition of shares and takeovers should operate principally to ensure fair and equal treatment to all shareholders in relation to substantial acquisition of shares and takeovers. The object of the Regulations is to give equal treatment and opportunity to all shareholders and protect their interests. To translate these principles into reality measures have to be taken by the Board to bring about transparency in the transactions and it is for this purpose that dissemination of full information is required..."*

14. The Hon'ble SAT in its Order dated September 30, 2014, in the matter of *Akriti Global Traders Ltd. Vs SEBI* had observed that

"Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares were purchased from open market or shares were received on account of

amalgamation or by way of bonus shares, if, as a result of such acquisition/ receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations.”

15. As the violations of the aforementioned provisions of SAST Regulations and PIT Regulations by the Noticees have been established, I am of the view that it is a fit case to impose monetary penalty on the Noticees under the provisions of Section 15A(b) of the SEBI Act, which reads 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 there under-

(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.

16. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Adjudication Rules require that while adjudging the quantum of penalty, 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.*

17. With regard to the above factors, it may be noted that the examination report has not quantified the profit/loss for the violations committed by the Noticees. I am of the view that by not making the disclosures on time, the Noticees have failed to comply with the mandatory statutory obligation. In this context, reliance is placed upon the order of The Hon'ble Supreme Court in the matter

of *Chairman, SEBI Vs Shriram Mutual Fund* { [2006]5 SCC 361 } – where the Hon'ble Supreme Court of India held that *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant....."*

18. Further, I also observe that Hon'ble Securities Appellate Tribunal (SAT) in its judgment on 4.9.2013 in the matter of Vitro Commodities Private Limited Vs SEBI had observed 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."* In light of the above observations of Hon'ble SAT, I am of the view that the violation of the provisions of Regulation 13(1) of the PIT Regulations and Regulation 29(1) of the SAST Regulations committed by the Noticees are not substantially different. Therefore, these violations committed by the Noticees can be considered as a single violation for the purpose of imposition of penalty on the Noticees, as violation of the first regulation would automatically trigger the violation of the second regulation.

19. I am of the view that the details of the shareholding of the persons acquiring substantial stake or selling a part of his stake and the timely disclosures thereof, are of significant importance from the point of view of the investors, as such information received by them in a time bound manner would facilitate them immensely in taking a balanced investment decision as regards their holdings in the Company. In the instant case, the Noticees having acquired more than 5% stake in the Company or selling a part of their stake, the timely disclosures of the same by the Noticees under the relevant provisions of SAST

Regulations and PIT Regulations, were of significant importance from the point of view of the investors. Further, the purpose of these disclosures is to bring about transparency in the transactions and to assist the Regulator to effectively monitor the transactions in the securities market.

20. I observe that BSE vide e-mail dated November 14, 2014 has confirmed that none of the Noticees have filed any disclosures for the above mentioned transactions in terms of the PIT and SAST Regulations. Further, the Noticees (who were not the promoters of APML) were appearing in the list of public shareholders holding more than 1% of the total shareholding of the company in the shareholding filings made by the company for the quarters ended March 2012 and June 2012.

ORDER

21. After taking into consideration the nature and gravity of the violation committed by the Noticees, the facts and circumstances of the case, the material available on record, the submissions made by Noticee 3, 6 and 7 and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose penalties on the Noticees under the provisions of Section 15A(b) of the SEBI Act for their failure to make the necessary disclosures under PIT Regulations and SAST Regulations-

Entity	Violations	Penalty
HSI Infotech Pvt. Ltd.- Noticee 1	Regulation 13(1), Regulation 13(3) r/w 13(5) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulations 29(1), 29(2) r/w 29(3) of SAST Regulations	Consolidated penalty of Rs 2,00,000/- (Rupees Two lakh only)
Zayat Construction	Regulation 13(1), Regulation 13(3) r/w 13(5) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition	Consolidated penalty of Rs

Pvt. Ltd.- Noticee 2	of Insider Trading) Regulations, 2015 and Regulations 29(1), 29(2) r/w 29(3) of SAST Regulations	2,00,000/- (Rupees Two lakh only)
Panafic Industrials Ltd.- Noticee 3	Regulation 13(1) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulation 29(1) r/w 29(3) of SAST Regulations	Rs 1,00,000/- (Rupees one lakh only)
Zarf Infra Development Pvt. Ltd.- Noticee 4	Regulation 13(1), Regulation 13(3) r/w 13(5) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulations 29(1), 29(2) r/w 29(3) of SAST Regulations	Consolidated penalty of Rs 2,00,000/- (Rupees Two lakh only)
Alps Motor Finance Pvt. Ltd - Noticee 5.	Regulation 13(1) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulation 29(1) r/w 29(3) of SAST Regulations	Rs 1,00,000/- (Rupees one lakh only)
Surya Medi Tech Ltd.- Noticee 6	Regulation 13(1) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulation 29(1) r/w 29(3) of SAST Regulations	Rs 1,00,000/- (Rupees one lakh only)
Shridhar Financial Services Ltd.- Noticee 7	Regulation 13(1) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulation 29(1) r/w 29(3) of SAST Regulations	Rs 1,00,000/- (Rupees one lakh only)
Archit Hotels & Resorts Pvt. Ltd.- Noticee 8	Regulation 13(1) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading)	Rs 1,00,000/- (Rupees one lakh only)

	Regulations, 2015 and Regulation 29(1) r/w 29(3) of SAST Regulations	
Unicon Fincap Pvt. Ltd.- Noticee 9	Regulation 13(3) r/w 13(5) of PIT Regulations r/w Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Regulation 29(2) r/w 29(3) of SAST Regulations	Rs 1,00,000/- (Rupees one lakh only)

I am of the view that the said penalty is commensurate with the default committed by the Noticees.

22. The amount of penalty shall be paid either by way of demand draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, or 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 within 45 days of receipt of this order. The said demand draft or forwarding details and confirmation of e-payments made (in the format as given in the table below) should be forwarded to The Division Chief, Enforcement Department (EFD), Securities and Exchange Board of India, SEBI Bhavan, C-4A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

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

23. In terms of the provisions of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticees and also to Securities and Exchange Board of India.

Place: Mumbai
Date: 27.02.2018

SURESH B MENON
ADJUDICATING OFFICER