

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. AK/AO- 34-39/2015]

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

In respect of

Mr. Madhur Somani (PAN: AABPS8101K); **Mr. Rangnath Somani** (PAN: AABPS8102L);
Ms. Kanak Somani (PAN: CJRPS0980F); **Master Tanay Somani** (PAN: CJRPS0979Q); **Ms. Sarla Somani** (PAN: AAMPS3667H) and **Mr. Rangnath Somani HUF** (PAN: AAFHR8488E)

In the matter of

M/s. Kidderpore Holdings Limited

FACTS OF THE CASE

1. An offer document (letter of offer) was filed by M/s. Adinath Builders Pvt. Ltd. (hereinafter referred to as '**Acquirer**') to acquire upto 48,000 fully paid up equity shares of Rs 10/- each representing in aggregate 20.00% of the Issued, Subscribed, Paid-up and Voting Equity Share Capital for cash at a price of Rs. 9,725/- per fully paid-up equity share. The public announcement for the same was made on May 17, 2010 and the shares of the company were listed on Uttar Pradesh Stock Exchange Ltd. (hereinafter referred to as '**UPSE**').
2. On perusal of the letter of offer (hereinafter referred to as '**LOO**'), SEBI observed that the erstwhile promoters of M/s. Kidderpore Holdings Limited. (hereinafter referred to as '**the Company**') viz. Mr. Madhur Somani, Mr. Rangnath Somani, Ms. Kanak Somani, Master Tanay Somani, Ms. Sarla Somani and M/s. Rangnath Somani HUF (hereinafter referred to as the '**promoters**'/ '**Noticees**') in the past had violated/ not-complied with

the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 (hereinafter referred to as '**Takeover Regulations, 1997**').

3. Based on the aforesaid information with respect to the violation/ non-compliance of Takeover Regulations, 1997, Adjudication proceedings under Chapter VI-A of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') were initiated against the Noticees under Section 15A (b) and/ or Section 15H (ii) of SEBI Act, as applicable, to inquire into and adjudicate the alleged violation/ non-compliance of the provisions of Takeover Regulations, 1997.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as the Adjudicating Officer vide order dated September 02, 2013 under Section 15-I read with Section 19 of the SEBI Act read with Regulations 44 and 45 of the Takeover Regulations, 1997 to inquire into and adjudge under Sections 15A(b) and/ or Section 15H(ii) of the SEBI Act, as applicable, with respect to the alleged violations/ non-compliance of the provisions of Takeover Regulations, 1997 committed by the Noticees and the same was communicated by the proceedings of the Whole Time Member appointing Adjudicating Officer dated September 06, 2013 and December 30, 2014.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. Show Cause Notices (hereinafter referred to as '**SCNs**') dated February 11, 2014, Ref No. EAD-6/AK/VRP/4722/2014/1, EAD-6/AK/VRP/4722/2014/2, EAD-6/AK/VRP/4722/2014/3, EAD-6/AK/VRP/4722/2014/4, EAD-6/AK/VRP/4722/2014/5 & EAD6/AK/VRP/4722/2014/6 were issued to the Noticees under rule 4(1) of SEBI Rules communicating the alleged violations of Takeover Regulations, 1997, as applicable. The Noticees were also called upon to show cause as to why an inquiry should not be initiated against them and

penalty be not imposed under Section 15A (b) and/ or Section 15H (ii) of the SEBI Act, as applicable, in respect of the alleged violations. The copies of relevant portion of the LOO were also sent along with the respective SCNs.

6. However, the above SCNs were returned undelivered with the remark "*Unclaimed - Returned to Sender*". The latest addresses and email id of the Noticee promoters of the company were thereafter obtained from the Manager to the Offer M/s. Arihant Capital Markets Limited vide email dated April 17, 2014. Thereafter vide letter and email dated April 22, 2014, the SCNs were sent at new address of the Noticee promoters and the scanned copies were also emailed at email id: ftclimited@gmail.com.
7. One of the Noticee promoters viz. Mr. Rangnath Somani vide letter dated June 4, 2014 submitted the reply to the SCNs on behalf of himself and on behalf of other Noticees, *inter alia* submitting as follows:
 - 7.1 *That they were the promoters of the company from 1995-96 to 2010, when they finally sold off the company to M/s. Adinath Builders Private Limited;*
 - 7.2 *That their company was listed on UPSE, which was closed and the shares of their company were not traded at all;*
 - 7.3 *That as promoters of the company, no benefit of listing was derived by the company or by any of the other shareholders, as there was no trading;*
 - 7.4 *That the company was also making meager profit/ losses;*
 - 7.5 *That when the company was sold off, an opportunity was given to the share holders by way of an open offer which covered the earlier non compliances also and the open offer was made at a price of Rs.9,725/- per share, which was an exit opportunity for all the shareholders;*
 - 7.6 *That the only reason for the non-compliance of the relevant regulations on time was that since the stock exchange was closed and all correspondence would return undelivered, they were not in a position to file these returns;*

7.7 That there was no other malafide intention and no gain occurred to them due to the delayed compliance;

7.8 That all the benefits that accrued to them on the sale of the company were passed on to the public shareholders also by virtue of the open offer price of Rs. 9,725/-, for a share, whose face value was Rs. 10/- and Book Value was Rs. 32.82.

8. Thereafter, in the interest of natural justice and in terms of rule 4(3) of the SEBI Rules, the Noticees were granted an opportunity of hearing on June 23, 2014 vide hearing notice dated June 13, 2014. Accordingly, Mr. Atal Narayan, Consultant and Ms Shailashri Bhaskar, Practicing Company Secretary, Authorized Representatives (hereinafter referred to as '**ARs**') appeared on behalf of the Noticees. The ARs reiterated the submission made vide letter dated June 4, 2014 (*inadvertently mentioned as June 19, 2014 in the minutes of the hearing*). The ARs were *inter alia* advised to provide details of number of shareholders and public shareholding as well as the price at which the trading was taking place during the relevant period. The ARs were *inter alia* also advised to provide details with respect to mode of transfer, price at which the transactions had taken place, the date when consideration was paid to the sellers/ receipt of payment from the acquirers, as applicable, along with proof of payment such as bank statement, the date when the securities were received/ transferred along with supporting documents, if any, etc. The Noticees vide letter dated July 21, 2014 submitted the following details/ information sought during the hearing conducted on June 23, 2014:

8.1. The details of number of shareholders and public shareholding for the quarters ended June 30, 2006 to December 31, 2010 as per clause 35 of the Listing Agreement;

8.2. The Noticees stated that the shares of the company were not traded during the period 2005 to 2009. However, a copy of the official quotation list of U. P. Stock Exchange of July 25 1997 available with them was provided;

8.3. Details in respect of transactions done on various dates and proof of disclosures made to the company and to the stock exchange were submitted.

9. While adjudicating the matter, it was realised that the acquirers had acted in concert with the other promoters of the company. Accordingly, supplementary SCNs Ref: EAD-6/AK/SK/3726/2015, EAD-6/AK/SK/3726/2015/1, EAD-6/AK/SK/3726/2015/2, EAD-6/AK/SK/3726/2015/3, EAD-6/AK/SK/3726/2015/4 and EAD-6/AK/SK/3726/2015/5 dated January 30, 2015 were issued to the Noticees to inquire into and adjudge *inter alia* under Section 15H(ii) of the SEBI Act for the alleged violations/ non-compliance of the provisions of Regulation 11(1) and/ or Regulation 11(2) read with Regulation 14(1) of the Takeover Regulations, 1997 committed by the Noticees, as applicable, and communicated by the proceedings of the Whole Time Member appointing Adjudicating Officer dated December 30, 2014. An opportunity of personal hearing was also given on March 02, 2015.
10. Ms Shailashri Bhaskar, Practising Company Secretary, Authorized Representatives (AR), appeared on behalf of the Noticees. The AR reiterated the submissions made in their earlier replies dated June 04, 2014 and July 21, 2014 and stated that further submissions on behalf of the Noticees would be submitted by March 09, 2015. The AR was also advised to submit the date when consideration was paid to the sellers/ receipt of payment from the acquirers, as applicable, along with proof of payment such as bank statement/ cash receipts etc., wherever not provided earlier vide letter dated July 21, 2014. It was also pointed out to the AR that the date when the securities were received/ transferred along with supporting documents, if any, which was sought at hearing dated June 23, 2014 was not submitted. The AR was advised to submit the said details as well by March 09, 2015.
11. Vide letter dated March 10, 2015, the Noticees made the following additional submissions:
- 11.1 *That the last quote of the company was recorded in 1997, when the share price was at Rs. 2/- per share;*

- 11.2 That in the year 2010, when the company was sold off to M/s. Adinath Builders, part of the Lodha group, the open offer was made at a price of Rs. 9,725/- per share to all the public shareholders i.e. to those other than the persons constituting the promoter group/ sellers and acquirers, based on the valuation report that the fair market value of the said land was approx. Rs. 210 crore, which worked out to Rs. 8,750/- per share on the existing paid-up capital of the target company and the same was stated, as such, in the open offer document;
- 11.3 That had the promoters made the open offer in 2005 or in 2007, the open offer price would have been only Rs. 2/- per share or even less, hence, the shareholders were provided with a good exit opportunity at Rs. 9,725/- per share;
- 11.4 That the entire open offer of 48,000 shares constituting 20% of the paid-up capital was offered by the shareholders and accepted by the acquirer, and only remaining public shareholders holding 19,500 shares constituting 8.12% did not surrender their shares in the open offer, other than the remaining promoters who held 44,650 shares;
- 11.5 That though the Noticees did not make an open offer at the relevant point in time in 2005 and 2007 due to pure ignorance of the requirement, the shareholders of the company did not lose due to the fact and the Noticee promoters too did not gain due to the omission;
- 11.6 That they do not have any other details other than the documents submitted vide letter dated July 21, 2014.

CONSIDERATION OF ISSUES

12. I have carefully perused the written submissions of the Noticees and the documents available on record. It is observed that the allegation against the Noticees is that they have failed to make the relevant disclosure under Regulation 7(1) read with 7(2) and/ or under Regulation 7(1A) read with 7(2) of Takeover Regulation 1997, as applicable, and/ or failure to make open offer under Regulation 11(1) read with 14(1) and/ or Regulation 11(2) read with 14(1) of Takeover regulation 1997, as applicable.

13. The issues that, therefore, arises for consideration in the present case are:
- 13.1. Whether the Noticees viz. Ms. Kanak Somani and Master Tanay Somani have violated the provisions of Regulation 7(1) and Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997 due to acquisition done by them on June 21, 2005?
 - 13.2. Whether the Noticees viz. Mr Madhur Somani and Mr. Rangnath Somani have violated the provisions of Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997 due to the Sale Transactions done by them on September 23, 2009 and September 29, 2009 respectively?
 - 13.3. Whether the Noticee viz. Mr. Rangnath Somani has violated the provisions of Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997 due to the acquisition done by him on December 08, 2005?
 - 13.4. Whether the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Ms. Master Tanay Somani Somani have violated the provisions of Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997 due to the acquisitions done by them on October 01, 2007?
 - 13.5. Whether the Noticees as acquirers/ acting in concert, as applicable, due to acquisition of 42,500 shares constituting 17.71% of the voting equity share capital on June 21, 2005 have violated Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997 due to their failure to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four working days from the date of acquisition?
 - 13.6. Whether the Noticees as acquirers/ acting in concert, as applicable, due to acquisition of 10,000 shares constituting 4.17% of the voting equity share capital on December 08, 2005 have violated Regulation 11(2) read with Regulation 14(1) of the Takeover Regulations, 1997 due to their failure to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four working days from the date of acquisition?

- 13.7. Whether the Noticees as acquirers/ acting in concert, as applicable, due to acquisition of 12,400 shares constituting 5.16% of the voting equity share capital on October 01, 2007 have violated Regulation 11(2) read with Regulation 14(1) of the Takeover Regulations, 1997 due to their failure to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four working days from the date of acquisition?
- 13.8. Does the violations, if any, as aforesaid, attract monetary penalty under Section 15 A (b) and/ or Section 15 H (ii) of the SEBI Act, as applicable?
- 13.9. If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

FINDINGS

14. Before moving forward, it is pertinent to refer to the provisions of Regulations Regulation 7(1), 7(1A) read with 7(2) and Regulation 11(1), 11(2) read with 14(1) of Takeover Regulations, 1997 as applicable, as it stood during the relevant period:

Acquisition of 5 per cent and more shares or voting rights of a company.

7(1) Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to the stock exchanges where shares of the target company are listed.

7(1A) Any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, shall disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Explanation.—For the purposes of sub-regulations (1) and (1A), the term acquirer' shall include a pledgee, other than a bank or a financial institution and such pledgee shall make disclosure to the target company and the stock exchange within two days of creation of pledge.

7(2) *The disclosures mentioned in sub-regulations (1) and (1A) shall be made within two 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.*

Consolidation of holdings.

11. (1) *No acquirer who, together with persons acting in concert with him, has acquired, in accordance with the provisions of law, 15 per cent or more but less than fifty five per cent (55%) of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than 5% of the voting rights, in any financial year ending on 31st March unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.*

11 ¹[(2) *No acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, shall acquire either by himself or through persons acting in concert with him any additional shares ²[entitling him to exercise voting rights]*

¹ Substituted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2006, w.e.f. 26-5-2006. Prior to its substitution, sub-regulation (2), as amended by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2005, w.e.f. 3-1-2005 and SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 1998, w.e.f. 28-10-1998, read as under:

"(2) An acquirer, who together with persons acting in concert with him has acquired, in accordance with the provisions of law, fifty five per cent (55%) or more but less than seventy five per cent (75%) of the shares or voting rights in a target company, may acquire either by himself or through persons acting in concert with him any additional share or voting right, only if he makes a public announcement to acquire shares or voting rights in accordance with these regulations:"

² Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2008, w.e.f. 31-10-2008.

or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations:

Provided that in a case where the target company had obtained listing of its shares by making an offer of at least ten per cent (10%) of issue size to the public in terms of clause (b) of sub-rule (2) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, or in terms of any relaxation granted from strict enforcement of the said rule, this sub-regulation shall apply as if for the words and figures seventy-five per cent (75%)', the words and figures ninety per cent (90%)' were substituted.]

³*[Provided further that such acquirer may, without making a public announcement under these Regulations, acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him upto five per cent. (5%) voting rights in the target company subject to the following:-*

- (i) the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk deal /block deal/ negotiated deal/ preferential allotment; or the increase in the shareholding or voting rights of the acquirer is pursuant to a buyback of shares by the target company;*
- (ii) the post acquisition shareholding of the acquirer together with persons acting in concert with him shall not increase beyond seventy five per cent (75%).]*

Timing of the public announcement of offer.

14. (1) *The public announcement referred to in regulation 10 or regulation 11 shall be made by the merchant banker not later than four working days of entering into an agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the respective percentage specified therein:*

³ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2008, w.e.f. 31-10-2008.

Provided that in case of disinvestment of a Public Sector Undertaking, the public announcement shall be made by the merchant banker not later than 4 working days of the acquirer executing the Share Purchase Agreement or Shareholders Agreement with the Central Government or the State Government as the case may be, for the acquisition of shares or voting rights exceeding the percentage of shareholding referred to in regulation 10 or regulation 11 or the transfer of control over a target Public Sector Undertaking.

15. I note that the allegation against the Noticees is that they failed to comply with the provisions of the Takeover Regulations, 1997 details of which are as given below:

15.1 The details in respect of violation/non-compliance of regulation 7(1) r/w 7(2) of the Takeover Regulations, 1997 are as follows:

Name of the Acquirer	Violated Regulation	Date of acquisition	No. of Shares acquired	Share holding of the acquirer & (%)		Change in % of the acquirers	Due date of compliance	Actual date of compliance	Delay (No. of Days)
				Before Acquisition	After Acquisition				
Ms. Kanak Somani	7(1) r/w 7(2)	21.06.05	19,900	10,500 (4.38%)	30,400 (12.67%)	8.30%	23.06.05	28.05.10	1799
Master Tanay Somani	7(1) r/w 7(2)	21.06.05	22,600	5,500 (2.30%)	28,100 (11.71%)	9.41%	23.06.05	28.05.10	1799
Total			42,500			17.71%			

15.2 The details in respect of violation/non-compliance of regulation 7(1A) r/w 7(2) of the Takeover Regulations, 1997 are as follows:

Acquirer / Promoter	Regulation Violated	Date of Acquisition / Sale	No. of Shares Acquired / Sold and %	Shareholding of the Acquirer/ Seller & (%)		Total Promoter Shareholding & (%)		Due Date of Compliance	Actual Compliance	Delay No. of Days
				Pre - acquisition	Post - acquisition	Pre - acquisition	Post - acquisition			
Mr. Madhur Somani	7(1A) r/w 7(2)	23-09-09	10,000 4.17%	20,000 (8.34%)	10,000 (4.17%)	1,53,550 (63.98%)	1,43,550 (59.81%)	25-09-09	28-05-10	246
Mr. Rangnath Somani	7(1A) r/w 7(2)	29-09-09	5,500 2.29%	28,000 (11.66%)	22,500 (9.38%)	1,43,550 (59.81%)	1,38,050 (57.52%)	01-10-09	28-05-10	240
Ms. Kanak Somani	7(1A) r/w 7(2)	21-06-05	19,900 (8.30%)	10,500 (4.38%)	30,400 (12.67%)	92,000 (38.33%)	1,11,900 (46.63%)	23-06-05	28-05-10	1799
Master Tanay Somani	7(1A) r/w 7(2)		22,600 (9.41%)	5,500 (2.30%)	28,100 (11.71%)	1,11,900 (46.63%)	1,34,500 (56.04%)			
Mr. Rangnath Somani	7(1A) r/w 7(2)	08-12-05	10,000 (4.17%)	20,000 (8.33%)	30,000 (12.50%)	1,34,500 (56.04%)	1,44,500 (60.21%)	10-12-05	28-05-10	1630
Mrs. Sarla Somani	7(1A) r/w 7(2)	01-10-07	10,300 (4.29%)	10,000 (4.17%)	20,300 (8.46%)	1,44,500 (60.21%)	1,54,800 (64.50%)	03-10-07	28-05-10	907
M/s Rangnath Somani HUF	7(1A) r/w 7(2)		200 (0.08%)	10,000 (4.17%)	10,200 (4.25%)	1,54,800 (64.50%)	1,55,000 (64.58%)			
Master Tanay Somani	7(1A) r/w 7(2)		1,900 (0.79%)	28,100 (11.71%)	30,000 (12.50%)	1,55,000 (64.58%)	1,56,900 (65.37%)			

15.3 The details in respect of violation/non-compliance of regulation 11(1) and/or 11(2) r/w Regulation 14 of Takeover of Takeover Regulations, 1997 are as follows:

Acquirer / Promoter	Regulation Violated	Date of Acquisition	No. of Shares Acquired and %	Shareholding of the Acquirer & (%)		Total Promoter Shareholding & (%)		Due Date of Compliance	Actual Date of Compliance	Delay No. of Days
				Pre - acquisition	Post - acquisition	Pre - acquisition	Post - acquisition			
Ms. Kanak Somani along with PACs under group A*	11(1) r/w 14(1)	21-06-05	19,900 (8.30%)	10,500 (4.38%)	30,400 (12.67%)	92,000 (38.33%)	1,11,900 (46.63%)	23-06-05	28-05-10	1799
Master Tanay Somani along with PACs under group B*			22,600 (9.41%)	5,500 (2.30%)	28,100 (11.71%)	1,11,900 (46.63%)	1,34,500 (56.04%)			
Mr. Rangnath Somani along with PACs under group C*	11(2) r/w 14(1)	08-12-05	10,000 (4.17%)	20,000 (8.33%)	30,000 (12.50%)	1,34,500 (56.04%)	1,44,500 (60.21%)	10-12-05	28-05-10	1630
Ms. Sarla Somani along with PACs under group D*	11(2) r/w 14(1)	01-10-07	10,300 (4.29%)	10,000 (4.17%)	20,300 (8.46%)	1,44,500 (60.21%)	1,54,800 (64.50%)	03-10-07	28-05-10	907
M/s Rangnath Somani HUF along with PACs under group E*			200 (0.08%)	10,000 (4.17%)	10,200 (4.25%)	1,54,800 (64.50%)	1,55,000 (64.58%)			
Master Tanay Somani along with PACs under group F*			1,900 (0.79%)	28,100 (11.71%)	30,000 (12.50%)	1,55,000 (64.58%)	1,56,900 (65.37%)			

PACs under group A: Master Tanay Somani, Mr. Rangnath Somani, Ms. Sarla Somani, Rangnath Somani HUF and Mr. Madhur Somani*

PACs under group B: Ms.Kanak Somani, Mr. Rangnath Somani, Ms. Sarla Somani, Rangnath Somani HUF and Mr. Madhur Somani*

PACs under group C: Ms.Kanak Somani, Master Tanay Somani, Ms. Sarla Somani, Rangnath Somani HUF and Mr. Madhur Somani*

PACs under group D: Ms.Kanak Somani, Master Tanay Somani, Mr. Rangnath Somani, Rangnath Somani HUF and Mr. Madhur Somani*

PACs under group E: Ms.Kanak Somani, Master Tanay Somani, Mr. Rangnath Somani, Ms. Sarla Somani and Mr. Madhur Somani*

PACs under group F: Ms.Kanak Somani, Mr. Rangnath Somani, Ms. Sarla Somani, Rangnath Somani HUF and Mr. Madhur Somani*

16. Now, the first issue for consideration is whether the Noticees viz. Ms. Kanak Somani and Master Tanay Somani have violated the provisions of Regulation 7(1) read with 7(2) of the Takeover Regulations, 1997 due to acquisitions done by them on June 21, 2005. I note that under regulation 7(1) read with 7(2) of Takeover Regulations, 1997 any acquirer who acquires shares or voting rights which taken together with shares or voting rights, if any, held by him would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent shares or voting rights in a Company, in any manner whatsoever, has to disclose the aggregate of his shareholding or voting rights in that Company to the target Company and to the stock exchanges where shares of the target Company are listed within two (2) days from the receipt of intimation of allotment of shares or from the acquisition of shares or voting rights, as the case may be. I find that the Noticee Ms. Kanak Somani was holding 10,500 shares (4.38%) prior to the acquisition of 19,900 shares on June 21, 2005. Pursuant to

the said acquisition, his holding in the company increased to 30,400 shares (12.67%). The Noticee Ms. Kanak Somani was, therefore, under Regulation 7(1) read with 7(2) of the Takeover Regulations, 1997 required to disclose under the Takeover Regulations, 1997, the aggregate of her share holding or voting rights in the Company to the Company and to UPSE, where the shares of the company were listed, however, Noticee Ms. Kanak Somani made such disclosure only on May 28, 2010, just before the open offer process was completed, with a delay of 1,799 days. Similarly, I find that the Noticee Master Tanay Somani was holding 5,500 shares (2.30%) prior to the acquisition of 22,600 shares on June 21, 2005. Pursuant to the said acquisition, his holding in the company increased to 28,100 shares (11.71%). The Noticee Mr. Kanak Somani was, therefore, under Regulation 7(1) read with 7(2) of the Takeover Regulations, 1997 required to disclose the aggregate of its share holding or voting rights in the Company to the Company and to UPSE, where the shares of the company were listed under the Takeover Regulations, 1997, however, Noticee Master Tanay Somani too made such disclosure only on May 28, 2010, just before the open offer process was completed, with a delay of 1,799 days.

17. The next issue for consideration is whether the Noticees viz. Ms. Kanak Somani and Master Tanay Somani for the respective acquisitions done on June 21, 2005, whether Noticee Mr. Rangnath Somani for the acquisition done on December 08, 2005 and the sale transaction done on September 29, 2009, whether the Noticee Mr Madhur Somani for the acquisition done on September 23, 2009 and whether the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani for the acquisitions done by them on October 01, 2007 have violated the provisions of Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997. I note that Regulation 7(1A), as it stood at the relevant point in time, states that any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, was required to disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company and the stock exchanges where shares of the target

company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale. Regulation 7(2) states that the disclosures should be made within two days of the receipt of intimation of allotment of shares or the acquisition of shares or voting rights, as the case may be. The acquirer includes persons acting in concert. I observe that the Noticees viz. Ms. Kanak Somani and Master Tanay Somani acquired 19,900 shares (8.30%) and 22,600 shares (9.41%) respectively of the company on June 21, 2005. Prior to the said acquisition, the shareholding of the Promoter group stood at 38.33% which increased to 46.63% and to 56.04%, post the acquisition of shares. Since the cumulative holding of the promoters was between 15% and 55% of the paid-up capital of the company, it fell within the ambit of Regulation 11(1). The purchase was of 8.30% and 9.41% of the shares of the company, hence, disclosures ought to have been made under Regulation 7(1A) read with 7(2) within two days. However, the Noticees viz. Ms. Kanak Somani and Master Tanay Somani made such disclosure under Regulation 7(1A) read with 7(2) of the Takeover Regulations, 1997 only on May 28, 2010, just before the open offer process was completed, with a delay of 1,799 days.

18. I further note that when the Noticee Mr. Rangnath Somani acquired 10,000 shares (4.17%) of the company on December 08, 2005, the shareholding of the Promoter group had reached 56.04% (due to off-market acquisitions of the promoter group as aforesaid), which further increased to 60.21%, post the acquisition of shares on December 08, 2005. Since the cumulative holding of the promoters was between 55% and 75% of the paid-up capital of the company, it fell within the ambit of Regulation 11(2) of the Takeover Regulations, 1997. I note here that Regulation 7(1A), as at the relevant point of time, required disclosure to the target company and the stock exchanges within two days of purchase or sale aggregating two per cent or more, only where shares had been acquired under sub-regulation (1) of regulation 11. In the extant case, I find that the acquirers fell within the ambit of Regulation 11(2). Hence, I conclude that in the extant case, no disclosure under Regulation 7(1A) of the Takeover

Regulations, 1997 was required to be made by the Noticee Mr. Rangnath Somani when he acquired 10,000 shares on December 08, 2005, by way of inheritance from his mother after her death as stated in the annexure-3 to the submission dated July 21, 2014. Similarly, no disclosures under Regulation 7(1A) were required to be made by the Noticees viz. Mr. Madhur Somani and Mr. Rangnath Somani due to sale of 10,000 shares (4.17%) and 5,500 shares (2.29%) on September 23, 2009 and September 29, 2009 respectively, as the promoter holding prior to the sale on September 23, 2009 was 63.98%, which came down to 59.81% and further came down to 57.52%, hence, fell within the ambit of Regulation 11(2) of the Takeover Regulations, 1997. Also on the basis of the same argument, I conclude that no disclosures under Regulation 7(1A) of the Takeover Regulations, 1997 were required to be made by the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani due to acquisition of 10,300 shares (4.29%), 200 shares (0.08%) and 1,900 shares (0.79%) respectively on October 01, 2007 when the promoter holding increased from 60.21% to 64.50%, from 64.50% to 64.58% and from 64.58% to 65.37%. Thus, I absolve the Noticees viz. Mr. Rangnath Somani for acquisition of 10,000 shares (4.17%) of the company made on December 08, 2005 and sale of 5,500 shares (2.29%) on September 29, 2009, Mr. Madhur Somani for sale of 10,000 shares (4.17%) done on September 23, 2009 and the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani for acquisition of 10,300 shares (4.29%), 200 shares (0.08%) and 1,900 shares (0.79%) respectively on October 01, 2007, from the requirement of making disclosures under Regulation 7(1A) read with 7(2) under the Takeover Regulations, 1997.

19. The next issue is whether the Noticees due to acquisition of 19,900 shares (8.30%) and 22,600 shares (9.41%) by acting in concert with the acquirer Noticees viz. Ms. Kanak Somani and Master Tanay Somani respectively on June 21, 2005, when the shareholding of the Promoter group increased from 38.33% to 46.63% and to 56.04%, post the acquisition of shares, were required to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four

working days from the date of acquisition of in term of Regulation 11(1) read with 14(1) of the Takeover Regulation 1997. Similarly whether the Noticees due to acquisition of 10,000 shares (4.17%) by acting in concert with the acquirer Noticee Mr. Rangnath Somani on December 08, 2005, when the shareholding of the Promoter group had reached 56.04% and which further increased to 60.21%, post the acquisition of shares, were required to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four working days from the date of acquisition in term of Regulation 11(2) read with 14(1) of the Takeover Regulation 1997. Also, whether the Noticees due to acquisition of 10,300 shares (4.29%), 200 shares (0.08%) and 1,900 shares (0.79%) respectively on October 01, 2007, by acting in concert with the acquirer Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani respectively, when the promoter holding increased from 60.21% to 64.50%, from 64.50% to 64.58% and from 64.58% to 65.37%, were required to make a public announcement under the Takeover Regulations, 1997 to acquire additional shares or voting rights within four working days from the date of acquisition of in term of Regulation 11(2) read with 14(1) of the Takeover Regulation 1997.

20. I find from the Shareholding Pattern of the Promoters and Promoter Group as available on the BSE website that the Noticees formed a part of the Promoter group. I also note from the replies that the Noticees have admitted that they were the promoters of the company from 1995-96 to 2010, till they finally sold off the company to M/s. Adinath Builders Private Limited. I further note that ***the Hon'ble Securities Appellate Tribunal (SAT) in its judgment dated June 01, 2012 in Appeal No.139 of 2011 in the matter of Mr. Rajesh Toshniwal vs. SEBI*** has held that it is the basic principle of corporate law that the promoter group is a homogeneous class and it is the normal practice to club the entire promoter group into one class, unless otherwise proved by the acquirer. Hence, there appears no doubt about the fact that the aforesaid acquisition of shares of the company on June 21, 2005 by Ms. Kanak Somani and Master Tanay Somani, on December 08, 2005 by Mr. Rangnath Somani and on October 01, 2007 by Ms. Sarla

Somani, M/s. Rangnath Somani HUF and Master Tanay Somani were by acting in concert with the other promoter Noticees in the promoter group. I also note that the same has not been disputed by the promoter Noticees in the submissions made.

21. As per Regulation 11(1) of Takeover Regulations, 1997, as at the relevant point of time, no acquirer who, together with persons acting in concert with him held 15 per cent or more but less than 55 per cent of the shares or voting rights in a company, could acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than 5 per cent of the voting rights, in any financial year ending on 31st March, unless such acquirer made a public announcement to acquire shares in accordance with the Regulations. As per Regulation 14(1) of the Takeover Regulations, 1997, the open offer under Regulation 11(1) should be made within four working days of entering into the agreement for acquisition of such shares.
22. The acquisition by the promoter Noticee Mr. Kanak Somani of 19,900 shares (8.30%) and Master Tanay Somani of 22,600 shares (9.41%) by acting in concert with the other promoter Noticees, resulted in the shareholding of the Promoter group increasing from 38.33% to 46.63% and to 56.04%. Hence, the acquirers were falling within Regulation 11 (1) of the Takeover Regulations, 1997. Though the acquisitions by the acquirers acting in concert with the others in the promoter group far exceeded the 5% benchmark, they did not make any open offer in compliance with Regulation 11(1) read with 14(1) of the Takeover Regulations, 1997 till in the year 2010, when the company was sold off to M/s. Adinath Builders Pvt. Ltd.
23. Further as per Regulation 11(2) of the Takeover Regulations, 1997 as it stood at the relevant period of time, no acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, could acquire either by himself or through persons acting in concert with him any additional shares or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations.

24. In the extant case, I find that the acquisition of 10,000 shares (4.17%) by Mr. Rangnath Somani on December 08, 2005 by acting in concert with the other promoters resulted in the shareholding of the promoter group increasing from 56.04% to 60.21%, post the acquisition of shares. Hence, the acquisitions were falling within the ambit of Regulation 11(2) of the Takeover Regulations, 1997, however, they did not make any open offer in compliance with Regulation 11(2) read with 14(1) of the Takeover Regulations, 1997 till in the year 2010, when the company was sold off to M/s. Adinath Builders Pvt. Ltd.
25. Further acquisition of 10,300 shares (4.29%), 200 shares (0.08%) and 1,900 shares (0.79%) by the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani respectively on October 01, 2007 by acting in concert with the other promoters resulted in the promoter shareholding increasing from 60.21% to 64.50%, from 64.50% to 64.58% and from 64.58% to 65.37%. Thus again, though the acquisitions were falling within the ambit of Regulation 11(2) of the Takeover Regulations, 1997, however, they did not make any open offer in compliance with Regulation 11(2) read with 14(1) of the Takeover Regulations, 1997 till in the year 2010, when the company was sold off to M/s. Adinath Builders Pvt. Ltd.
26. These facts have not been disputed by the promoter Noticees. I find that the Noticees have stated that they did not make an open offer at the relevant point in time in 2005 and 2007 due to pure ignorance of the requirement. Thus, I note that the Noticees have admitted the violation of Regulations 11(1) and 11(2) read with Regulation 14(1), as applicable.
27. In view of the above, it stands established that the Noticees have violated the provisions of the Takeover Regulations, 1997, as per the details given below:

Sr. No	Name of the Noticee	Violation of Regulation
1	Ms. Kanak Somani	Regulation 7(1) and 7(1A) r/w 7(2) on 1 occasion each; Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions
2	Master Tanay Somani	Regulation 7(1) and 7(1A) r/w 7(2) on 1 occasion each; Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions
3	Mr. Rangnath Somani	Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions
4	Mrs. Sarla Somani	Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions
5	M/s Rangnath Somani HUF	Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions
6	Master Tanay Somani	Regulation 11(1) r/w 14(1) on 1 occasion; Regulation 11(2) r/w 14(1) on 2 occasions

28. The Hon'ble Supreme Court of India in the matter of *SEBI Vs. Shri Ram Mutual Fund* [2006] 68 SCL 216(SC) 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..."*. Further in the matter of *Ranjan Varghese v. SEBI* (Appeal No. 177 of 2009 and Order dated April 08, 2010), the Hon'ble SAT had observed *"Once it is established that the mandatory provisions of takeover code was violated the penalty must follow.*

29. In view of the foregoing, I am convinced that it is a fit case to impose monetary penalty under Section 15A(b) and 15H(ii) 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 thereunder,—*

(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.

Penalty for non-disclosure of acquisition of shares and takeovers.

15H. *If any person, who is required under this Act or any rules or regulations made thereunder, fails to,—*

(i).....; or

(ii) make a public announcement to acquire shares at a minimum price; or

(iii).....; or

(iv).....,

he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.

30. While determining the quantum of monetary penalty under Sections 15 A(b) and 15H(ii), I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:-

Factors to be taken into account by the adjudicating officer

15J. *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.

31. In view of the charges as established, the facts and circumstances of the case and the judgments referred to and mentioned hereinabove, the quantum of penalty would depend on the factors referred in Section 15-J of SEBI Act and stated as above. It is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such default by the Noticees. Further from the material available on record, it may not be possible to ascertain the exact monetary loss to the investors on account of default by the Noticees. However, the main objective of the Takeover Regulations is to afford fair treatment for shareholders who are affected by the change in control. The Regulation seeks to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change in control. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well-informed decision. Thus, the cornerstone of the Takeover regulations is investor protection.
32. As per Section 15A (b) of the SEBI Act, the Noticee is liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less. Section 15 H (ii) of SEBI Act provides for imposition of monetary penalty of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher, if any person, who is required under the Act or any rules or regulations made there under, fails to make a public announcement to acquire shares at a minimum price. Further, under Section 15-I of the SEBI Act, the adjudicating officer has to give due regard to certain factors which have been stated as above while adjudging the quantum of penalty. It is noted that no quantifiable figures are available

to assess the disproportionate gain or unfair advantage made as a result of such non-compliances by the Noticees. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors on account of non-compliances by the Noticees.

33. I note here that the promoter Noticees in their submissions have highlighted the fact that the shareholders of the company did not lose due to the promoter Noticees not coming out with the open offers in 2005 and 2007. The Noticees have stated that had the promoters made the open offer in 2005 or in 2007, the open offer price would have been only Rs. 2/- per share or even less, whereas, the shareholders were provided with a good exit opportunity at Rs. 9,725/- per share when they finally sold off the company to M/s. Adinath Builders Private Limited in 2010. Also that the Noticee promoters did not gain due to the omission. In this regard, I note that ***the Hon'ble Securities Appellate Tribunal (SAT) in the matter of Komal Nahata Vs. SEBI (Date of judgment- January 27, 2014)*** has observed that:

“Argument that no investor has suffered on account of non disclosure and that the AO has not considered the mitigating factors set out under Section 15J of SEBI Act, 1992 is without any merit because firstly penalty for non compliance of Takeover Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non disclosure.”

In view of the same, the argument put forth by the promoter Noticees that their violation/ non-compliance did not result in loss to the shareholders of the company is not relevant for the given case.

34. In the matter, I also note that in ***Appeal No. 78 of 2014 of Akriti Global Traders Ltd. Vs. SEBI, the Hon'ble Securities Appellate Tribunal (SAT) vide Order dated September 30, 2014*** had 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.”

In view of the same, the argument put forth by the Noticees that the promoter Noticees did not gain due to the omission and there was no malafide intention is also not relevant for the given case.

35. As regards the non-disclosures under Regulation 7(1) and Regulation 7(1A) read with Regulation 7(2) of the Takeover Regulations, 1997, as applicable, I note that the Noticees have *inter alia* submitted that the only reason for the non compliance of the relevant regulations on time was that since the stock exchange was closed and all correspondence would return undelivered, they were not in a position to file these returns. I, however, find that during the period of non-compliance, UPSE was recognized as a stock Exchange. I find that the Noticees have neither provided any documental proof substantiating its claim, nor, have the Noticees demonstrated that they had indeed made an attempt to file the disclosures with UPSE within the due dates, and that the same were returned undelivered.
36. I also note that by not making the public announcement, the Noticees had resulted in denying the statutory right of the shareholders of the company to exit through open offer mechanism at the respective point of time. I believe that investor confidence in the securities market can be sustained largely by ensuring investors protection. It, thus, becomes imperative to impose monetary penalty for violation of the provisions of Takeover Regulations. In this regard, I note from the details of the number of shareholders and public shareholding for the quarters ended June 30, 2006 to December 31, 2010 as per clause 35 of the listing agreement provided by the Noticees vide letter dated July 21, 2014, that there were about 38 public shareholders holding 79,500 shares i.e. approx. 33% out of the total shareholding of 2,40,000 shares, and who were deprived of an exit opportunity due to failure of the promoter Noticees to make

an public announcement of the open offer disclosing their intention to acquire shares of the company from the existing shareholders. I find that the Noticees have submitted that when the company was sold off, an opportunity was given to the share holders by way of an open offer, which covered the earlier non compliances also, and the open offer was made at a price of Rs.9,725/- per share, thereby providing an exit opportunity for all the shareholders. However, I note from the details of the number of shareholders and public shareholding for the quarters ended June 30, 2006 to December 31, 2010 as per clause 35 of the listing agreement provided by the Noticees that the number of public shareholders had reduced from 38 public shareholders holding 79,500 shares to 20 public shareholders holding 57,350 shares from the quarter ended December 2007. Thus, I note that these 10 public shareholders who had sold their shares, were also deprived of the exit opportunity provided by the Noticee promoters when the company was sold off in 2010.

37. As has been brought out above the argument that violation/ non-compliance of making the open offers at the relevant point of time did not result in any loss to the investors is not relevant for the given case. Besides, public announcement as envisaged under Regulation 11(1) and 11(2) of the Takeover Regulations is the announcement of the open offer by the acquirers and the persons acting in concert, primarily disclosing their intention to acquire shares of the target company from the existing shareholders, thereby giving an opportunity of exit to the public shareholders at a specified price during a specified time. In fact, I find that the penalty provision under Section 15H (ii) of the SEBI Act also specifically refers to failure to: *“make a public announcement to acquire shares at a minimum price”*. Thus, I conclude that failure to make public announcement to acquire shares at a minimum price is a serious matter, even if the transaction is otherwise in compliance, since the shareholders/ investors were deprived of an exit opportunity at the relevant point of time.

38. I find that Chapter VI-A of the SEBI Act provides for Penalties and Adjudication. In particular, Sections 15A to Section 15 H (ii) are in the form of mandatory provisions imposing penalty in default of the provisions of the SEBI Act and Regulations. The provisions of penalty for non-compliance of the mandate of the Act are with an objective to have an effective deterrent to ensure better compliance of the provisions of the SEBI Act and Regulations, which is crucial for SEBI in order to protect the interests of investors in securities and to promote the development of the securities market. Besides, in the extant case, I find that the violations are repetitive in nature. I note here that the Act has not included mens rea or deliberate or willful nature of the default as a factor to be considered by the Adjudicating Officer in determining the quantum.

ORDER

39. After taking into consideration all the facts and circumstances of the case, I impose the following penalties on the Noticees under Section 15 A(b) and/ or Section 15H(ii), as applicable, which will be commensurate with the violations committed by the Noticees:

Sr. No.	Name of entity	Regulation(s) Violated	Penalty imposed under Section	Penalty (Rs.)
1	Ms. Kanak Somani	7(1) r/w 7(2)	15A(b)	Rs. 3,50,000/-
		7(1A) r/w 7(2)		Rs. 3,50,000/-
2	Master Tanay Somani	7(1) r/w 7(2)	15A(b)	Rs. 3,50,000/-
		7(1A) r/w 7(2)		Rs. 3,50,000/-
3	Ms. Kanak Somani, Master Tanay Somani, Mr. Rangnath Somani, Ms. Sarla Somani, M/s. Rangnath Somani HUF and Mr. Madhur Somani (Noticees)	11(1) r/w 14(1)	15H(ii)	Rs. 8,00,000/- <i>(payable jointly and severally)</i>
		11(2) r/w 14(1)		Rs. 18,00,000/- <i>(payable jointly and severally)</i>

40. Further, considering the facts and circumstances of the case as discussed in the Order, I do not find the instant matter fit for imposition of penalty for violation under Regulation 7(1A) read with 7(2) of the Takeover Regulation against the Noticee Mr. Rangnath Somani for acquisition of 10,000 shares (4.17%) of the company on December 08, 2005 and sale of 5,500 shares (2.29%) on September 29, 2009, against Noticee Mr. Madhur Somani for sale of 10,000 shares (4.17%) done on September 23, 2009 and against the Noticees viz. Ms. Sarla Somani, M/s. Rangnath Somani HUF and Master Tanay Somani for acquisition of 10,300 shares (4.29%), 200 shares (0.08%) and 1,900 shares (0.79%) respectively on October 01, 2007.
41. The Noticees shall pay the said amount of penalty by way of demand draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to Shri V S Sundaresan, Chief General Manager, Corporation Finance Department, SEBI Bhavan, Plot No. C – 4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
42. In terms of rule 6 of the Rules, copies of this order are sent to the Noticees and also to the Securities and Exchange Board of India.

Date: March 27, 2015

Place: Mumbai

Anita Kenkare
Adjudicating Officer