

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/DPS/ 271 /2017]

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. R. S. Agarwal
(PAN No. AEGPG8285B)
Chairman, Emami Ltd,
Emami Tower, 687, Anandput,
E.M. Bypass, Kolkata - 700017

In the matter of M/s Amrutanjan Healthcare Ltd.

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') has initiated adjudicating proceeding against **Mr. R.S. Agarwal**, (hereinafter referred to as "**the Noticee / Mr. Agarwal**") for the alleged violations of the provisions of sub-sections (c) of section 12A of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') read with regulation 3(d), 4(1), 4(2)(e), and 4(2)(r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer under section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') vide order dated March 22, 2016, to inquire into and adjudge under section 15HA of the SEBI Act, the violations of the provisions of sub-sections (c) of section 12A of SEBI Act, read with regulation 3(d), 4(1), 4(2)(e), and 4(2)(r) of PFUTP Regulations.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. Show Cause Notice No. SEBI/HO/EAD/EAO/OW/P/2016/16442/1 dated June 7, 2016 (hereinafter referred to as "**SCN**") was issued to the Noticee under rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed under section 15HA of the SEBI Act for the aforesaid alleged violation of SEBI Act and PFUTP Regulations.
4. The observations made under the examination and the allegations levelled against the Noticee in the SCN are mentioned hereunder;
5. SEBI conducted investigation to ascertain whether there was any violation of the SEBI Act, PFUTP Regulations and PIT Regulations in the trading in the scrip of Amrutanjan Healthcare Ltd (hereinafter referred to as '**Scrip / Company / Amrutanjan / AHL**') for the period February 17, 2010 to April 19, 2010 (hereinafter referred to as '**Investigation Period**'). However, wherever deemed necessary, reference has been made to outside this period. The shares of the company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE). The details of alleged irregularities / violations by the Noticees are mentioned below:

6. During investigation it was observed that as per the media report (Times of India - Kolkata) dated April 3, 2010 (Saturday) (was provided as **Annexure – 2** of SCN) it was stated there was a buzz in the market that Emami Ltd. is acquiring the shares of AHL. Further, the news item also stated that when contacted, Emami Chairman, the Noticee / R.S.Agarwal confirmed his keenness to acquire Amrutanjan. The news article stated Noticee saying, *"Yes we are interested to buy Amrutanjan. Our group is looking for acquisition in the pharma and FMCG sectors. But, we do not know who is buying into that company."*
7. During investigation the Noticee / R.S.Agarwal, Chairman, Emami Ltd. made the following submission vide its letter dated June 25, 2015 (was provided as **Annexure 3** of SCN) he has stated that *"in order to achieve growth plans of the company both organically and inorganically, the company as a matter of routine exercise explores and evaluates multiple opportunities of acquisitions/ takeovers etc. of various companies/units having similar line of its business or which would provide synergy to the existing line of the business. With respect to the newsitem, I only expressed my desire for acquisitions in Pharma or FMCG sectors including Amrutanjan."* Noticee has also stated that board of Emami Ltd. did not make any plan of acquiring Amrutanjan either before the publication of the statement or after the publication of statement in the media. There was no formal or informal discussion in any board meeting or informal gathering where the matter to acquire shares of Amrutanjan Healthcare Ltd. were discussed with other members of the board of Emami Ltd.
8. AHL vide their letter dated May 31, 2011, Emami vide their letter dated June 8, 2011 and Chairman of Emami Ltd. vide letter dated June 25, 2015 have stated that there was no board meetings that were held by them during the period of investigation.
9. It is observed that on Monday, April 5, 2010, NSE in order to verify the accuracy of the information reported in the media and to inform the market place so that the interest of the investors is safeguarded, wrote to the officials of both the companies i.e. AHL and

Emami. AHL in reply to the verification sought by NSE clarified on the same day and disclosed in NSE website (during market hours i.e at 13:49 hours) that *"the said news item is false and without basis. The promoters of the company have no intention to sell out and the promoters do not foresee any reason to dilute their stake and exit from the company"*.

10. Emami also clarified to NSE on the same day i.e. April 5, 2010 and disclosed in NSE website (during market hours i.e. 13:51 hours) that *"Our group is interested in acquisition opportunities for Pharma and FMCG business in India and abroad for in-organic growth of the company. In the stated media report, our chairman has only expressed his desire to acquire any FMCG or Pharma business/company including Amrutanjan within the financial and operational resources of the company. We, however, do not hold any shares in that company"*. Further, when Emami Ltd was asked the basis for this news item, they replied vide their letter dated June 8, 2011 (was provided as **Annexure 4** of SCN) stating that *"In order to achieve growth plans of the company both organically or inorganically, the company as a matter of routine exercise, explores and evaluates multiple opportunities of acquisitions / takeovers etc. of various companies/units having similar line of its business or would provide synergy to the existing line of the company's business. Shri R.S.Agarwal, Chairman of the company had only expressed his desire for acquisition of FMCG or Pharma business/ company including Amrutanjan"*. They have also stated that none of their promoters, directors and PACs (promoter group) have traded in AHL during the period of investigation and also there was no understanding of any nature whatsoever of Emami Ltd. or its promoter/directors/ key management personnel with AHL or any of its promoters/ directors. Further, the company has also confirmed that no valuation of AHL was done neither any entity engaged for the purpose of valuation/ acquisition of AHL.

11. It was, however, observed that the statement made by the Noticee / Chairman of Emami Ltd. on April 3, 2010 (Saturday) to the media expressing his interest to buy AHL

impacted its price and volume. The impact of the price and volume of the news clarification made on April 5, 2010 is as under:-

S. No	Date and Time* (*as per NSE Website)	Announcement/ News	Price Impact/Shares Traded	Remarks																																													
1	April 05, 2010 (Mon) @ 13:49 PM	News Verification: AHL clarifies w.r.t media reports on April 3, 2010 that Emami Limited may acquire shares of AHL. The company clarified that the said news item is false and without basis and the promoters of the company have no intention to sell out nor do they foresee any reason to dilute their stake and exit from the company.	<p>(Exchanges closed on 2nd, 3rd and 4th April 2010)</p> <p>01/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1030.1</td><td>1044.95</td><td>1001</td><td>1024.35</td></tr> <tr> <td>BSE</td><td>1043.7</td><td>1046</td><td>1005</td><td>1023.05</td></tr> </table> <p>No. of shares traded:: NSE(3,08,538); BSE (1,44,644)</p> <p>05/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1025.1</td><td>1229.25</td><td>1025.1</td><td>1225</td></tr> <tr> <td>BSE</td><td>1040</td><td>1227.65</td><td>1026.25</td><td>1223.95</td></tr> </table> <p>No. of shares traded: NSE(8,87,705); BSE (4,74,050)</p> <p>06/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1230</td><td>1340</td><td>1128.65</td><td>1138.6</td></tr> <tr> <td>BSE</td><td>1261.25</td><td>1345</td><td>1126</td><td>1136.85</td></tr> </table> <p>No. of shares traded: NSE(8,87,705); BSE (4,74,050)</p>		Open	High	Low	Close	NSE	1030.1	1044.95	1001	1024.35	BSE	1043.7	1046	1005	1023.05		Open	High	Low	Close	NSE	1025.1	1229.25	1025.1	1225	BSE	1040	1227.65	1026.25	1223.95		Open	High	Low	Close	NSE	1230	1340	1128.65	1138.6	BSE	1261.25	1345	1126	1136.85	<p>It is noted that on 5/4/2010 closing price of the scrip increased by 19.59% (NSE) and by 19.64% (BSE). Volumes increased by 187.71% (NSE) and by 227.74% (BSE).</p> <p>Whereas on 6/4/2010 the scrip closed lower by 7.05% (NSE) and by 7.12% (BSE) volumes were higher by 46.88% (NSE) and 23.81% (BSE).</p>
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12. It is observed that the closing price of AHL rose by almost 20% on April 5, 2010 after the media report on both NSE and BSE and the traded volumes also increased by 188% on NSE and by 228% on BSE on that day. Further, after the clarification given by the Noticee / Chairman of Emami Ltd. to the stock exchanges on April 5, 2010, the scrip closed lower by 7% the next day.

13. Further, the company (Emami Ltd) as well as the Noticee / Chairman of Emami Ltd. have confirmed that the board of directors of Emami Ltd. did not make any plan of acquiring AHL before the publication of the statement or after publication of the statement in the media. Further, the company (Emami Ltd) has also confirmed that no valuation of AHL was done neither any entity engaged for the purpose of valuation/ acquisition of AHL. Therefore, the desire expressed by the Noticee / Chairman of a listed company, without first discussing the same in its board is a reckless statement.

Further, as can be seen in the preceding para, the statement has also impacted the price of the scrip.

14. In view of the above, it is alleged that the statement given by the Noticee / R.S.Agarwal, Chairman, Emami Ltd., was not based on any discussion in the board / any valuation or other process initiated by the company and he categorically took the name of "Amrutanjan" in his statement which has also impacted the price of AHL, it is in the nature of planting false or misleading news which may induce sale or purchase of securities. Thus it is alleged that the Noticee has violated sub-sections (c) of section 12A of SEBI Act read with regulation 3(d), 4(1), 4(2)(e), and 4(2)(r) of PFUTP Regulations. The aforesaid regulations are reproduced as under;

PFUTP Regulations

Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

- d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

4. Prohibition of manipulative, fraudulent and unfair trade practices

- 1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- 2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-*
 - e) any act or omission amounting to manipulation of the price of a security;*
 - r) planting false or misleading news which may induce sale or purchase of securities.*

15. SCN was issued through Speed Post Acknowledgement Due (SPAD) to the Noticee on May 20, 2016 which was duly delivered to the Noticee. Noticee vide letter dated July 29, 2016 sought inspection of documents relied upon by SEBI while issuing the Show Cause Notice. In this regard, an opportunity of inspection was granted to Noticee vide notice dated August 10, 2016 to take up the inspection by August 31, 2016. However, vide email dated August 31, 2016, Noticee sought for convenient date and time for inspection. As Noticee has not taken up the inspection on or before August 31, 2016, second and final opportunity of inspection of relevant documents pertaining to the present adjudication proceedings, was provided to the Noticee and Noticee was asked to complete it by September 23, 2016 and submit its reply by September 30, 2016 vide notice dated September 2, 2016. Inspection was conducted by the Noticee on September 23, 2016 and Noticee submitted its reply to the said SCN vide letter dated September 30, 2016.

16. Noticee vide letter dated September 30, 2016 submitted its reply in the matter which inter alia stated as under:-

- a. The issue that arises for consideration in these proceedings is whether a comment made in good faith to the media about an intention to make acquisitions would amount to fraud in connection with dealing in securities, under the FUTP Regulations.
- b. At the outset, I deny the allegations in their entirety. For the reasons discussed below, I respectfully submit that the allegations in the SCN are not sustainable and these proceedings ought to be dropped at the threshold.
- c. At the outset, since SEBI's case is based exclusively on the reported contents of a brief telephonic conversation I had with a journalist from the Times of India, it would be relevant to extract the contents of the report of the Times of India published on April 3, 2010, incidentally a Saturday and therefore a trading holiday.
- d. The relevant extracts of the report titled "*Is Emami eyeing the buyout of Amrutanjan Health*" ("*Media Report*") is reproduced below:

“is Emami buying into Amrutanjan Health Care Ltd? Well, the buzz in the market is that the Kolkata-based FMCG major is acquiring shares of the makers of the Amrutanjan brand of pain relievers.

The rumour gained momentum following a bulk deal through which a Kolkata-based firm called Sweta Vanijya picked up over 4% stake in the Chennai-based Amrutanjan in the last week of March. Sweta Vanijya, which has a tiny office in central Kolkata, is run by Jai Kishore Agarwal. Approached by TOI, Agarwal, though, refused to divulge details of the deal.

When contacted, Emami chairman R.S. Agarwal, however, confirmed his keenness to acquire Amrutanjan. “Yes, we are interested to buy Amrutanjan. Our group is looking for acquisitions in the pharma and FMCG sectors. But we do not know who is buying into that company,” he said. Amrutanjan Managing Director S Prasad could not be reached as he was “busy in a meeting”....

- e. The following are noteworthy:

The acquisition of AHL by Emami was a rumour that gathered momentum based on a bulk deal and not attributable to the statement made by me;

I was asked whether Emami was interested in acquiring AHL. I made a general and truthful comment that we at Emami are always interested in acquisition opportunities in the pharma and fast-moving consumer goods sector. Since the query was put to me about AHL, I said we would be interested in AHL;

I was asked if I knew who was buying into AHL leading to the price rally. I made it clear that I did not know who has buying into AHL, thereby clearly indicating that Emami was not already acquiring AHL but would be interested if AHL were in play.

- f. Indeed, on April 5, 2010 when the markets opened, the National Stock Exchange of India (“NSE”) also wrote to Emami and asked for confirmation of the news reports in the media on April 3, 2010. Emami responded on the very same day and its response was also published immediately on the website of the NSE at 13:51PM. The reply by Emami publicly announced by the NSE is extracted below:

The media had reports on April 03, 2010, that Emami Limited may acquire shares of Amrutanjan Health Care Limited. The Exchange, in order to verify the accuracy or otherwise of the information reported in the media and to inform the market place so that the interest of the investors is safeguard, had written to the officials of the company. Emami Limited has vide its letter inter-alia stated, “Our group is interested in acquisition opportunities for Pharma and FMCG business in India and abroad for in-organic growth of the company. In the stated media report, our chairman has only expressed his desire to acquire any FMCG or Pharma business/company including Amrutanjan within the financial and operational resources of the company. We, however, do not hold any shares in that company.”

- g. There could have been no doubt in the mind of any reasonable person about the facts – Emami had not already been buying AHL. Had any opportunity arisen, we would have been interested. Nothing arose. You may be aware that Emami has a history of organic and inorganic growth. We have in the past acquired Zandu Pharma through an unsolicited takeover. If AHL had been in play and there arose an opportunity to compete for it, or to support AHL in any potential defence, Emami would have well been interested. The question put to me and the answer given by me are all very clear and explicit.
- h. In any case, Emami had also clarified in writing to the NSE on identical lines.
- i. In fact, NSE also wrote to AHL on the April 5, 2010 to ascertain the accuracy of the report on April 3, 2010. AHL's reply which was posted on the website of the NSE at 13:49PM, stated that:
- "The media had reports on April 3, 2010 that Emami Limited may acquire shares of Amrutanjan Health Care Limited. The Exchange, in order to verify the accuracy or otherwise of the information reported in the media and to inform the market place so that the interest of the investors is safeguarded, had written to the officials of the company. Amrutanjan Health Care Limited has vide its letter inter-alia stated, "We would like to reply that the said news item is false and without basis. The promoters of the company have no intention to sell out and the promoters do not foresee any reason to dilute their stake and exit from the company."*
- j. In these circumstance, it is entirely untenable and surprising for SEBI to read the interview in the manner in which it is reading it, and initiating adjudication proceedings charging me with fraud. By no stretch can it be said that any reasonable man reading the Media Report would have concluded that Emami is in the process of acquiring AHL. It was clearly a generic comment in a general manner and there is no reasonable possibility for anyone to read a clarification of not being in play being read as an indication of being in play.
- k. SEBI's attempt to link the price movement to the publication of the media report is also flawed. In fact, the price of AHL scrip was showing significant movement even prior to the Media Report being published. The Media Report itself details the significant price movement in AHL scrip:
- Amrutanjan has a turnover of close to Rs.100 crore, profit of over Rs.20 crore and a paid up equity of only Rs.3 crore. The promoter group holds 47% stake. Public holding in the company is 36%. The scrip crossed the Rs.1,000 mark in March following hectic activity in the counter and recorded a high of Rs.1,054. The stock was hovering at Rs.550-565 level in the first week of March. Rajesh Agarwal of CD Equisearch said Amrutanjan has strong fundamentals and the EPS of the company may go up to Rs.50 in 2010-11."*

- l. The price and volume movement in the AHL scrip had been witnessing an increase since March 2010 and the movement in prices was consistent with how the prices had moved in the past. Indeed, on April 1, 2010, the scrip opened at Rs.1043.7, an increase of Rs.50 and Rs.26 from the previous day's opening price and closing price. In fact on April 5, 2010, the price movement was consistent with the price movement on the previous trading days. SEBI has sought to selectively focus on the "high price" on April 5, 2010 and April 6, 2010 without accounting for the erratic movement the scrip has witnessed intra-day since March 2010. Indeed, on March 31, 2010 there was a difference of Rs.100/- between the opening price and the high price. The table extracted below which shows the price movement on the BSE during the Investigation Period, clearly demonstrates that there was nothing unusual or extraordinary in the price movement on April 5, 2010 when viewed in the backdrop of the price movement during the Investigation Period.
- m. In fact, even on April 6 and April 7, 2010, there was erratic price movement in the scrip which shows that the price movement cannot be linked to the Media Report.
- n. Even SEBI's own investigation, does not explain the reason for the price movement and the investigation does not establish that persons who actually traded in the securities of AHL, were guilty of any wrongdoing. It is noteworthy that in an investigation period spanning three months i.e. SEBI has sought to attribute the price movement on one day i.e. on April 5, 2010 to my statement to the media and attempted to create a non-existent link between the two, with nothing to show for the movements of the same nature throughout the length of the period set out above.
- o. That Emami and AHL both issued clarifications on the very first trading day since the Media Report was published, that Emami was not acquiring AHL, has been completely ignored. Such an approach renders the entire proceedings without any foundation.
- p. Moreover, it is submitted that as the Chairman of Emami, my statement to the media that Emami was interested in acquisition opportunities in the FMCG and healthcare sector was consistent with the Emami's past track record. Indeed, the Media Report also refers to Emami's acquisition of Zandu. It is submitted that a general statement made by me on Emami's interest in acquisition opportunities in good faith, cannot be held as fraudulent or misleading.
- q. SEBI also wrongly concludes that my statement is fraudulent only because my general expression of interest relating to AHL was not discussed with the Board of Directors of Emami prior to my statement. The very foundation is flawed. If and when there would be anything specific to take to the Board of Directors, we would have done so. In fact, I have clearly stated that we have not bought any shares. If asked whether I would be interested if an opportunity presented itself, I would have to be truthful to say that as and when something presented itself, I would be interested. As the Chairman of Emami, for

me to speak about Emami's interest in acquisition opportunities does not need Board of Directors' approval.

- r. If the matter had been discussed with the Board of Emami, the same would have been more than a mere interest and would have warranted disclosures to the stock exchanges. If Emami were seriously planning to acquire AHL, I would not have made statements to the media without the matter first being considered by the Board of Emami. On the contrary, I would have then said that we are looking at specific ways and means to buying AHL instead of stating that we are unaware of who is buying.
- s. Indeed, it is for this reason that SEBI in its wisdom, has in the FUTP Regulations excluded general statements made in good faith, from the definition of "fraud" under.
- t. If SEBI's untenable and extreme position is accepted, no interviews can be given to the media by the executive management of a listed company on a company's future plans and interest since this would amount to fraud. Such manifestly absurd and untenable consequences could never have been the intent of the FUTP Regulations.
- u. Since my statement was a general statement made in good faith expressing merely an interest in acquisition opportunities including AHL and I made a reference to AHL since the question put to me was about whether Emami was interested in AHL, it cannot be said that I planted false or misleading information.
- v. The question of charging me with violation of Regulation 3 and 4 of the FUTP Regulations does not arise since "fraud" as a concept under the FUTP Regulations, excludes statements made in good faith.
- w. That fraud is incompatible with good faith has been a century old principle recognized by the Privy Council in *Hansraj Gupta & Ors. V Dehra Dun – Mussoorie Electric Tramway Co. Ltd.*, (AIR 1940 Privy Council 98) where it was observed that:
The party alleging fraud is bound to establish it by cogent evidence and suspicion cannot be accepted as proof. Unless therefore the proved circumstances are incompatible with the hypothesis of the person charged with fraud having acted in good faith, they cannot be accepted as affording sufficient proof of fraud.

17. During the period of instant proceeding, the Hon'ble Supreme Court of India vide judgment dated November 26, 2015 in the case of *SEBI vs. Roofit Industries Ltd.* held that Adjudicating Officer has no discretion in deciding quantum of penalty under Chapter VI A (except in u/s 15F(a) and 15HB of the SEBI Act). The issue involved in *Roofit* case was differently interpreted in case of *Sidharth Chaturvedi* (decided on March 14, 2016) and accordingly, the legal issue / matter was pending for Larger Bench of Hon'ble

Supreme Court of India. Meantime, as per “The Finance Act 2017” (Notified for Part VIII of Chapters VI came into effect from April 26, 2017) following has been *inter - alia* clarified in respect of adjudication under SEBI Act-

147. In section 15J of the principal Act, the following Explanation shall be inserted, namely:-

“Explanation- For the removal of the doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under section 15A to 15E and clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

18. Consequent to the clarity brought into the Finance Act, 2017, an opportunity of hearing was provided to the Noticee on October 11, 2017 vide notice dated September 8, 2017 through SPAD. The said notice was also communicated to the Noticee through email dated September 8, 2017, which was duly digitally signed by the undersigned. In this regard, Noticee vide letter dated September 22, 2017, requested to fix up the date of hearing around November 16, 2017. Accordingly as per the request of the Noticee, an opportunity of hearing was provided to the Noticee on November 21, 2017 vide notice dated October 26, 2017. Again Noticee vide email dated November 8, 2017 requested for rescheduling the date of hearing. Accordingly, once again opportunity of hearing was granted to the noticee on November 15, 2017 vide notice dated November 9, 2017. Noticee vide email dated November 9, 2017 requested to accommodate and schedule the hearing on November 20, 2017. As per the request, last and final opportunity of hearing was granted to the Noticee on November 20, 2017. Hearing on November 20, 2017 was attended by the Authorised Representatives (AR) of the Noticee. AR reiterated as submitted in its reply dated September 30, 2016 and submitted that we will be submitting additional submissions by November 22, 2017.

19. Noticee vide email dated November 22, 2017 submitted additional submission towards the SCN are being mentioned below:-

- A. *The news report in question (Annexure 2 to the SCN) was published in the Times of India on April 3, 2010 (a Saturday and a non-trading day) makes it abundantly clear that:*
- a. *A substantial stake of 4% in shares of Amrutanjan Healthcare Ltd. (“AHL”) had been bought by someone in Kolkata in the last week of March, leading to an increase in the price of the AHL scrip;*
 - b. *Since March 19, 2010, the price had been rising with the market believing that someone is acquiring substantial shares in AHL;*
 - c. *A research analyst also gave a bullish outlook of AHL.*
 - d. *The reporter had asked the Noticee if Emami Ltd. was behind the purchases;*
 - e. *The Noticee clarified that Emami was not buying shares of AHL.*
- B. *The NSE on 5th April 2010 sought clarification on this report from Emami – itself a listed company. The intent of stock exchanges seeking clarification is with respect to news for price discovery relating to Emami shares. The lack of involvement in AHL was reiterated by Emami and it was also clarified that the Chairman had only expressed generic interest in potential M&A growth but Emami was not buying AHL*
- C. *It is known from the SCN itself that a similar clarification was also issued by AHL on the same day (See paragraphs 7 and 8 of the SCN).*
- D. *Both public clarifications were sought on the same day and were published by the NSE at around 13:50 hours.*
- E. *The news report was published on a Saturday when there was no trading and the clarification was published on Monday well before the close of trading hours.*
- F. *The Noticee had been quoted in the news report as saying that Emami was not buying shares of AHL. Emami clarified yet again well before the market closed that Emami was not buying. Therefore, the rise in the closing price between Friday and Monday cannot be attributable to the Noticee (without prejudice to the fact that the Noticee in fact said Emami was not buying).*
- G. *The remarks made by the Noticee were true. Emami was not buying. They cannot be said to be false or misleading.*
- H. *Emami has a history of organic and inorganic growth. In the past, it had acquired Zandu Pharmaceuticals Ltd.. Therefore, the reporter’s curiosity about Emami is understandable but the Noticee clearly said Emami was not buying AHL. The Noticee’s statement that Emami is always open to inorganic growth through acquisitions is also factually accurate.*
- I. *The reference in the SCN to making of statements without calling for a Board Meeting of Emami is untenable – there was no proposal to buy AHL and therefore there was no question*

of taking any proposal to the Board of Directors of Emami. The very news report also said Emami is not buying shares of AHL. Merely because a generic interest in any M&A activity was quoted by the reporter in the context of the news report, the Noticee cannot be said to have purveyed false or misleading information.

J. There having been no trading in shares by the Noticee, there is no question of the charges as levelled in the SCN being sustainable.

K. The Noticee's remarks were truthful and there was no attempt to mislead. It was a statement made in good faith and in the nature of a general comment on acquisition opportunities. Such statements cannot constitute fraud under the PFUTP Regulations. Consequently, no penalty ought to be imposed on the Noticee.

CONSIDERATION OF ISSUES AND FINDINGS:-

20. I have carefully perused the written submissions of the Noticee and the documents available on record and the issues that arise for consideration in the present case are as under:-

- a. Whether the Noticee indulged in planting false or misleading news which impacted the price of AHL as stated at Para 4 – 12 of the SCN?
- b. If yes then, whether the Noticee is in violation of sub-sections (c) of section 12A of SEBI Act read with regulation 3(d), 4(1), 4(2)(e), and 4(2)(r) of PFUTP Regulations?
- c. If yes, then, does the violation, on the part of the Noticee attract monetary penalty under section 15HA of the SEBI Act?
- d. If yes, then, what would be the monetary penalty that can be imposed upon the Noticee?

21. It is alleged in the SCN, that as per the media report (Times of India - Kolkata) dated April 3, 2010 (Saturday), it was stated there was a buzz in the market that Emami Ltd. is acquiring the shares of AHL. Further, the news item also stated that when contacted, Emami Chairman, the Noticee / R.S. Agarwal confirmed his keenness to acquire

Amrutanjan. The news article stated Noticee saying, “Yes we are interested to buy Amrutanjan. Our group is looking for acquisition in the pharma and FMCG sectors. But, we do not know who is buying into that company.”

22.The statement made by the Noticee / Chairman of Emami Ltd. on April 3, 2010 (Saturday) to the media expressing his interest to buy AHL impacted its price and volume. The impact of the price and volume of the news clarification made on April 5, 2010 is as under:-

S. No	Date and Time* (*as per NSE Website)	Announcement/ News	Price Impact/Shares Traded	Remarks																																													
1	April 05, 2010 (Mon) @ 13:49 PM	News Verification: AHL clarifies w.r.t media reports on April 3, 2010 that Emami Limited may acquire shares of AHL. The company clarified that the said news item is false and without basis and the promoters of the company have no intention to sell out nor do they foresee any reason to dilute their stake and exit from the company.	<p>(Exchanges closed on 2nd, 3rd and 4th April 2010)</p> <p>01/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1030.1</td><td>1044.95</td><td>1001</td><td>1024.35</td></tr> <tr> <td>BSE</td><td>1043.7</td><td>1046</td><td>1005</td><td>1023.05</td></tr> </table> <p>No. of shares traded:: NSE(3,08,538); BSE (1,44,644)</p> <p>05/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1025.1</td><td>1229.25</td><td>1025.1</td><td>1225</td></tr> <tr> <td>BSE</td><td>1040</td><td>1227.65</td><td>1026.25</td><td>1223.95</td></tr> </table> <p>No. of shares traded: NSE(8,87,705); BSE (4,74,050)</p> <p>06/04/10</p> <table border="1"> <tr> <td></td><td>Open</td><td>High</td><td>Low</td><td>Close</td></tr> <tr> <td>NSE</td><td>1230</td><td>1340</td><td>1128.65</td><td>1138.6</td></tr> <tr> <td>BSE</td><td>1261.25</td><td>1345</td><td>1126</td><td>1136.85</td></tr> </table> <p>No. of shares traded: NSE(8,87,705); BSE (4,74,050)</p>		Open	High	Low	Close	NSE	1030.1	1044.95	1001	1024.35	BSE	1043.7	1046	1005	1023.05		Open	High	Low	Close	NSE	1025.1	1229.25	1025.1	1225	BSE	1040	1227.65	1026.25	1223.95		Open	High	Low	Close	NSE	1230	1340	1128.65	1138.6	BSE	1261.25	1345	1126	1136.85	<p>It is noted that on 5/4/2010 closing price of the scrip increased by 19.59% (NSE) and by 19.64% (BSE). Volumes increased by 187.71% (NSE) and by 227.74% (BSE).</p> <p>Whereas on 6/4/2010 the scrip closed lower by 7.05% (NSE) and by 7.12% (BSE) volumes were higher by 46.88% (NSE) and 23.81% (BSE).</p>
	Open	High	Low	Close																																													
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23.From the above, I note that the closing price of AHL rose by almost 20% on April 5, 2010 after the media report on both NSE and BSE and the traded volumes also increased by 188% on NSE and by 228% on BSE on that day. Further, after the clarification given by the Noticee / Chairman of Emami Ltd. to the stock exchanges on April 5, 2010, the scrip closed lower by 7% the next day.

24. Noticee in its reply dated September 30, 2016 submitted that, *“the acquisition of AHL by Emami was a rumour that gathered momentum based on a bulk deal and not attributable to the statement made by me; I was asked whether Emami was interested in acquiring AHL. I made a general and truthful comment that we at Emami are always interested in acquisition opportunities in the pharma and fast-moving consumer goods sector. Since the query was put to me about AHL, I said we would be interested in AHL. I was asked if I knew who was buying into AHL leading to the price rally. I made it clear that I did not know who has buying into AHL, thereby clearly indicating that Emami was not already acquiring AHL but would be interested if AHL were in play”*.

25. Noticee in its additional submissions vide email dated November 22, 2017 submitted that, *“The news report in question (Annexure 2 to the SCN) was published in the Times of India on April 3, 2010 (a Saturday and a non-trading day) makes it abundantly clear that: A substantial stake of 4% in shares of Amrutanjan Healthcare Ltd. (“AHL”) had been bought by someone in Kolkata in the last week of March, leading to an increase in the price of the AHL scrip and Noticee also submitted that, “since March 19, 2010, the price had been rising with the market believing that someone is acquiring substantial shares in AHL”;*

26. However as per the price volume data of NSE and BSE, I note that the closing price of the scrip has decreased from March 19, 2010 to March 29, 2010 (i.e. from 808 to 844) on both exchanges and the details are given below:-

NSE						BSE				
Date	Open Price	High Price	Low Price	Close Price	Total Traded Quantity	Open Price	High Price	Low Price	Close Price	No. of Shares
17-Feb-10	527	548	519.1	525.15	8961	525	549	500	527.9	10455
18-Feb-10	520	541	511	534.35	8662	535.1	541	531.5	536.05	6564
19-Feb-10	538	564	532	547.75	7982	530	565	530	547.9	9539
22-Feb-10	550.25	557	537.1	542.65	8307	550	556	538.2	542.05	6955
23-Feb-10	547	565	546	562.2	10452	541.1	564.9	540	561.9	11579
24-Feb-10	559	566.9	553	560.15	7403	552.5	565	552.3	561.15	7804
25-Feb-10	557.5	564.95	555	559.1	3952	553	562	553	560.35	7151

26-Feb-10	556	572	556	565.2	5452	560	570.6	555	565.05	4124
02-Mar-10	566.5	578.9	566.5	575.6	4803	567	580	566.05	575.6	5310
03-Mar-10	575	584.85	560	583	1568	565	585	565	580.05	2850
04-Mar-10	586	586.4	580	580.5	1555	580	585	580	583.3	1827
05-Mar-10	592.85	696.6	581	696.6	82250	589.7	699.95	580.35	699.95	79303
08-Mar-10	749.7	808	693.95	704.25	88025	710	756	690.1	701.05	70696
09-Mar-10	714.9	799.9	686	755.3	187505	704	799.6	685	752.25	128367
10-Mar-10	751	803.7	736	776.6	129606	716.05	801	716.05	774.4	82190
11-Mar-10	766	789	762	768.1	44147	774	798	760.1	765.95	30336
12-Mar-10	799.9	799.9	740.1	744.4	22032	767.9	779.95	736	742.45	15215
15-Mar-10	769.5	769.5	728	733.05	22229	748.2	766	726.05	731.7	14787
16-Mar-10	735	751	727.3	734.2	14812	733	751	731	734.45	7065
17-Mar-10	728	767	705.5	735.1	36137	743.5	768	711.5	737	23487
18-Mar-10	744.5	766	730.1	745.95	23845	726.5	767	726.5	747	13523
19-Mar-10	736	845	736	808.25	410671	750	844.45	749.9	809.25	159868
22-Mar-10	810	826.95	781.55	788.45	57519	800	830	783.1	789.3	34482
23-Mar-10	788.45	825	788.45	800.05	36542	794	825	794	798.6	21283
25-Mar-10	800	817.95	792	796	14158	801.1	817.9	790	793.35	7211
26-Mar-10	798	810.95	779	785.8	32266	788	811.45	775.35	786.05	18839
29-Mar-10	799.9	905	781.5	848.2	398139	790	900	790	844.3	199012
30-Mar-10	854.9	989	848.1	949.3	489648	850	981	850	948.8	270742
31-Mar-10	950	1054	937.5	1020.5	834070	950	1050	946.5	1017.65	393896
01-Apr-10	1030.1	1044.95	1001	1024.35	308538	1043.7	1046	1005	1023.05	144644
05-Apr-10	1025.1	1229.25	1025.1	1225	887705	1040	1227.65	1026.25	1223.95	474050
06-Apr-10	1230	1340	1128.65	1138.65	1303897	1261.25	1345	1126	1136.85	586940
07-Apr-10	1145	1208.95	1101.5	1178.35	491038	1141	1207	1120	1178.7	246150
08-Apr-10	1164	1243.7	1154.1	1204.8	439471	1180	1242	1160	1204.4	208307
09-Apr-10	1215.1	1235.4	1165	1181.75	221501	1215	1236	1166.4	1181.15	90269
12-Apr-10	1198.65	1198.65	1063.6	1072.7	249476	1199.85	1220	1065	1073.95	122506
13-Apr-10	1073	1073	965.45	965.45	309163	1071	1073	966.6	966.6	151825
15-Apr-10	970	970	868.9	868.9	665211	950	950	869.95	870.2	328052
16-Apr-10	825.45	893.9	825.45	850.2	576683	845.1	895.45	832.4	852.6	217173
19-Apr-10	840.1	879.3	832.35	853.55	288592	845.1	879.45	830.55	856.5	142785

27. I note that there were no bulk deals during the month of March 2010 on BSE as per the BSE website, bulk deals only started from April 5, 2010, details are given below:-

Date	Client Name	Deal Type	Quantity	Price
05/04/2010	Opg Securities P Ltd	P	59865	1129.86
05/04/2010	Jmp Securities Pvt Ltd	S	25532	1205.84
06/04/2010	Smart Equity Brokers Private Limited	S	21760	1249.53

06/04/2010	Smart Equity Brokers Private Limited	P	21760	1248.21
06/04/2010	A K G Stock Brokers Private Limited	S	16130	1215.28
06/04/2010	Interactive Securities Private Limited	P	18526	1229.09
06/04/2010	Chandarana Intermediary Brokers Pvt Ltd	P	18209	1217.9
06/04/2010	Marwadi Shares And Finance Ltd.	S	21835	1215.83
06/04/2010	Marwadi Shares And Finance Ltd.	P	21835	1215.6
06/04/2010	Opg Securities P Ltd	S	50555	1234.78
06/04/2010	Opg Securities P Ltd	P	50555	1233.57
06/04/2010	Interactive Securities Private Limited	S	18476	1229.5
06/04/2010	A K G Stock Brokers Private Limited	P	16130	1217.49
06/04/2010	Blue Peacock Securities Pvt Lt	S	17102	1223.6
06/04/2010	Blue Peacock Securities Pvt Lt	P	17102	1188.62
06/04/2010	Matrix Equitrade Private Limited Limited	S	17391	1252.76
06/04/2010	Matrix Equitrade Private Limited Limited	P	17331	1251.18
06/04/2010	Chandarana Intermediary Brokers Pvt Ltd	S	18209	1215.91
07/04/2010	Opg Securities P Ltd	S	19416	1188.16
07/04/2010	Opg Securities P Ltd	P	19416	1187.02
08/04/2010	Opg Securities P Ltd	S	18161	1212.87
08/04/2010	Opg Securities P Ltd	P	18161	1214
15/04/2010	Ramkrishna Agarwal	S	38770	880.55
15/04/2010	Marwadi Shares And Finance Ltd.	S	20138	892.2
15/04/2010	Marwadi Shares And Finance Ltd.	P	20138	892.93

28. I further note that there were bulk deals during the month of March 2010 on NSE as per the NSE website, bulk deals only started from April 5, 2010, details are given below:-

Date	Client Name	Deal Type	Quantity	Price
19-Mar-10	Anil Kumar Goel	BUY	1,175	782.52
19-Mar-10	Anil Kumar Goel	SELL	50,503	810
19-Mar-10	Seema Goel	SELL	15,500	810
19-Mar-10	Shweta Vanijya Pvt Ltd	BUY	1,37,000	809.68
30-Mar-10	Nile Enterprises Pvt Ltd	BUY	28,353	881.65
30-Mar-10	Sanghai Ashutosh Omprakash	BUY	10,036	903.04
30-Mar-10	Sanghai Ashutosh Omprakash	SELL	18,979	882.51
31-Mar-10	Adroit Financial Services Private Limited	BUY	16,429	1005.24
31-Mar-10	Adroit Financial Services Private Limited	SELL	16,429	1006.07
31-Mar-10	Bp Fintrade Private Limited	BUY	17,964	1016.01

31-Mar-10	Bp Fintrade Private Limited	SELL	17,964	1017.54
31-Mar-10	Maniput Investments Pvt. Ltd.	BUY	16,461	1011.86
31-Mar-10	Maniput Investments Pvt. Ltd.	SELL	16,461	1014.19
05-Apr-10	Bp Fintrade Private Limited	BUY	44,111	1133.5
05-Apr-10	Bp Fintrade Private Limited	SELL	42,419	1134.01
05-Apr-10	Chandarana Intermediaries Brokers P. Ltd	BUY	17,183	1121.78
05-Apr-10	Chandarana Intermediaries Brokers P. Ltd	SELL	17,183	1123.83
05-Apr-10	Jmp Securities Pvt Ltd	BUY	18,928	1175.6
05-Apr-10	Jmp Securities Pvt Ltd	SELL	13,878	1165.49
05-Apr-10	Maniput Investments Pvt. Ltd.	BUY	21,374	1154.26
05-Apr-10	Maniput Investments Pvt. Ltd.	SELL	21,374	1155.46
05-Apr-10	Marwadi Shares And Finance Limited	BUY	21,217	1123.86
05-Apr-10	Marwadi Shares And Finance Limited	SELL	21,217	1126.64
05-Apr-10	NAMAN SECURITIES & FINANCE PVT. LTD	BUY	16,455	1168.12
05-Apr-10	NAMAN SECURITIES & FINANCE PVT. LTD	SELL	11,135	1156.17
06-Apr-10	Adroit Financial Services Private Limited	BUY	17,024	1211.14
06-Apr-10	Adroit Financial Services Private Limited	SELL	17,024	1215.1
06-Apr-10	Ashutosh Omprakash Sanghai	SELL	15,836	1204.46
06-Apr-10	Blue Peacock Securities Pvt Lt	BUY	36,855	1171.11
06-Apr-10	Blue Peacock Securities Pvt Lt	SELL	36,855	1238.5
06-Apr-10	Chandarana Intermediaries Brokers P. Ltd	BUY	19,223	1214.37
06-Apr-10	Chandarana Intermediaries Brokers P. Ltd	SELL	19,223	1216.77
06-Apr-10	Interactive Securities Pvt Ltd	BUY	18,380	1228.95
06-Apr-10	Interactive Securities Pvt Ltd	SELL	18,360	1229.94
06-Apr-10	Lpc Securities Ltd	BUY	15,597	1217.74
06-Apr-10	Lpc Securities Ltd	SELL	15,597	1219.3
06-Apr-10	Maniput Investments Pvt. Ltd.	BUY	32,989	1235.41
06-Apr-10	Maniput Investments Pvt. Ltd.	SELL	32,989	1237.81
06-Apr-10	Marwadi Shares And Finance Limited	BUY	35,463	1210.01
06-Apr-10	Marwadi Shares And Finance Limited	SELL	35,463	1212.14
06-Apr-10	Nikunj K Shah	BUY	22,592	1247.77
06-Apr-10	Nikunj K Shah	SELL	22,592	1250.14
06-Apr-10	Nile Enterprises Pvt Ltd	SELL	27,829	1141.06
06-Apr-10	Prb Securities Private Ltd.	BUY	16,915	1236.56
06-Apr-10	Prb Securities Private Ltd.	SELL	17,015	1237.8
06-Apr-10	Sanghai Ashutosh Omprakash	SELL	15,843	1183.76
06-Apr-10	Smita M Patel	BUY	22,544	1204.21
06-Apr-10	Smita M Patel	SELL	22,544	1208.9

13-Apr-10	Nile Enterprises Pvt Ltd	SELL	31,634	980.43
15-Apr-10	Marwadi Shares And Finance Limited	BUY	26,085	891.23
15-Apr-10	Marwadi Shares And Finance Limited	SELL	26,085	893.4
15-Apr-10	Ramkrishna Agarwal	SELL	1,03,230	881.82
15-Apr-10	Ranjit Kumar Jain	BUY	28,547	880.76
15-Apr-10	Ranjit Kumar Jain	SELL	28,547	885.84

29. Thus from the para 27 and 28, I note that there were no bulk deals during the month of March 2010 on BSE as per the BSE website, bulk deals only started from April 5, 2010 on BSE and as for NSE bulk deals took place on March 19, 2010, March 30 & 31, 2010, and on April 5, 2010 onwards. The bulk deals were in few in number when compared to number of deals & the quantity in the month of March 2010 vis-a-vis April 2010 i.e. post announcement. The bulk deal on NSE were done on March 31, 2010 for purchase / sell 50,854 Share ₹1005.24 – ₹1016.01 price.

30. I also note that there were no bulk deal on April 1, 2010 on BSE as well as on NSE. Bulk deal took place on both BSE and NSE only subsequent to Noticee announcement to buy AHL on April 3, 2010 i.e. bulk deal took place on April 5-6, 2010 on both BSE and NSE. I also note that the bulk deal took place after April 6, 2010 on April 13, 2010 on NSE and on April 7, 8 and 15, 2010 on BSE. The price fell from ₹1250.14 on April 6, 2010 to ₹980.43 on April 13, 2010 on NSE and ₹1252.76 on April 6, 2010 to ₹892.93 on April 15, 2010 on BSE. I also note that the information disseminated by the exchange in afternoon of April 5, 2010. There was a subsequent jump in price as well as the quantity post announcement made by the Noticee and a drastic fell post clarification.

31. The bulk deal as relied upon by the Noticee in its reply and the price rise of the scrip was due to bulk deal as contested by the Noticee was executed on March 19, 2010 on NSE and on March 30 & 31, 2010 on NSE and no bulk deal happened on BSE in the month of March. Further, both quantity and price of the scrip rose subsequent to the announcement made by the Noticee. Thus the price rise cannot be attributed to the bulk

deal as contested by the Noticee in its submissions. From the above it is clear that the Noticee statement made on April 3, 2010 to the media expressing his interest to buy AHL, induced the public for selling or purchasing securities, as it can be seen that the bulk deal started happening on BSE only after Noticee reckless statement and on NSE number of bulk deals also increased on April 5 and 6, 2010.

32. I also note that company (Emami Ltd) as well as the Noticee / Chairman of Emami Ltd. have confirmed that the board of directors of Emami Ltd. did not make any plan of acquiring AHL before the publication of the statement or after publication of the statement in the media. Further, I note that the company (Emami Ltd) has also confirmed that no valuation of AHL was done neither any entity engaged for the purpose of valuation/ acquisition of AHL. Therefore, the desire expressed by the Noticee / Chairman of a listed company, without first discussing the same in its board is a reckless statement and the statement had impacted the closing price of AHL risen by almost 20% on April 5, 2010 after the media report on both NSE and BSE and the traded volumes also increased by 188% on NSE and by 228% on BSE on that day. Further, after the clarification given by the Noticee / Chairman of Emami Ltd. to the stock exchanges on April 5, 2010, the scrip closed lower by 7% the next day.

33. In view of the aforesaid observation and established violations against the Noticee, it is a fit case for imposing monetary penalty upon the Noticee under Section 15HA of the SEBI Act which read as follows:

SEBI Act:

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

34. While determining the quantum of penalty under section 15HA, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

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

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

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.”*

35. The available records neither reveals specify disproportionate gains/ unfair advantage made by the Noticees, the specific loss suffered by the investors due to such violations; nor the violations as repetitive in nature. Thus before arriving to the quantum of penalty in the matter, I note that the provisions of regulations 3 and 4 of PFUTP were violated. These regulations, prohibit persons from engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities that are listed on stock exchanges. These regulations also prohibit persons from indulging in a fraudulent or unfair trade practice in securities which includes publishing any information which is not true or which he does not believe to be true. Any advertisement that is misleading or contains information in a distorted manner which may influence the decision of the investors is also an unfair trade practice in securities which is prohibited. The regulations also make it clear that planting false or misleading news which may induce the public for selling or purchasing securities would also come within the ambit of unfair trade practice in securities. Therefore I note that the desire expressed by the Noticee / Chairman of a listed company (Emami Ltd) to buy AHL, without first discussing the same in its board is a reckless statement, which impacted the trading as well as the price of the scrip. Therefore, taking into consideration the facts / circumstance of the case and the factors,

I am of the view that a justifiable penalty needs to be imposed upon the Noticee to meet the ends of justice.

ORDER

36. After taking into consideration all the aforesaid facts and circumstances of the case, the mitigating factors mentioned above, I, hereby impose a penalty of ₹ 8,00,000/- (Rupees Eight Lakh only) on the Noticee / Mr. R. S. Agarwal, in terms of the provisions of Section 15HA of the SEBI Act. I am of the view, that the said penalty would commensurate with the violations committed by the Noticee.

37. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI – Penalties Remittable to Government of India”, payable at Mumbai, or through e-payment facility into Bank Account the details of which are given below;

Account No. for remittance of penalties levied by Adjudication Officer	
Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

38. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Enforcement Department (DRA IV) of SEBI. The Format for forwarding details / confirmations of e-payments shall be made in the following tabulated form as provided in SEBI Circular No. SEBI/HO/GSD/T&A/CIR/P/2017/42 dated May 16, 2017 and details of such payment shall be intimated at e-mail ID - tad@sebi.gov.in.

Date	Department of SEBI	Name of Intermediary/ Other Entities	Type of Intermediary	SEBI Registration Number (if any)	PAN	Amount (in Rs.)	Purpose of Payment (including the period for which payment was made e.g. quarterly, annually)	Bank name and Account number from which payment is remitted	UTR No

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

DATE: DECEMBER 27, 2017

PLACE: MUMBAI

RACHNA ANAND

ADJUDICATING OFFICER