

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. EAD-12/SM/168-171/2018]**

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

In respect of:

Prashant Boorugu (PAN: AAOPB7558E)
Cronimet Mercon Invest Ltd. (PAN: AADCC3531C)
Metkore Alloys & Industries Ltd (PAN: Not Available)
Bhuma Infrastructure Pvt. Ltd. (PAN: AAFCB1776L)

In the matter of M/s. Metkore Alloys & Industries Ltd.

Facts of the Case:

1. Securities and Exchange Board of India ("SEBI") pursuant to examination of the scrip M/s. Metkore Alloys & Industries Limited had observed that:
 - 1.1 Prashant Boorugu (hereinafter referred to as "Noticee No. 1") had violated Regulation 29(1) read with 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 (hereinafter referred to as "SAST Regulation") and 7(2)(a) of Prohibition of Insider Trading Regulations, 2015 by (hereinafter referred to as "PIT 2015").
 - 1.2 Cronimet Mercon Invest Limited (hereinafter referred to as "Noticee No. 2") had violated Regulation 29(2) read with 29(3) of SAST Regulations and 7(2)(a) of PIT 2015.
 - 1.3 Metkore Alloys & Industries Ltd. (hereinafter referred to as "Noticee No. 3/Company") had violated Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT 2015 and Regulation 7(2)(b) of PIT 2015.
 - 1.4 Bhuma Infrastructure Pvt. Ltd (hereinafter referred to as "Noticee No. 4") had violated Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation.
2. The shares of Noticee No. 3 are listed on Bombay Stock Exchange Limited (hereinafter referred to as "**BSE**") and National Stock Exchange (hereinafter referred to as "**NSE**").

Prashant Boorugu (“Noticee No. 1”)

3. It was alleged that Noticee No. 1 had received 1,62,60,304 shares from Noticee No. 2 on July 02, 2015 and the same has increased the shareholding of Noticee No. 1 from 4.26% to 27.35%. As per Regulation 29(1) read with Regulation 29(3) of SAST Regulation, Noticee 1 was under an obligation to make disclosure about his increased shareholding in the company. However as per NSE website and from the BSE’s reply dated November 18, 2016, it was observed that Noticee No. 1 has not made disclosure and hence he was alleged to have violated regulation 29(1) read with regulation 29(3) of SAST 2011.
4. It was also observed that as per the closing price of the scrip of the company on July 02, 2015, the value of the above transaction between Noticee 1 and 2 was Rs 6.79 crores (1,62,60,304*4.18). Since the value of shares traded was more than Rs. 10 Lakhs hence as per Regulation 7(2)(a) of PIT 2015, Prashant was under an obligation to make disclosure to the company in this regard. However, there was nothing on record to substantiate that said disclosure was made by Noticee 1 to Noticee 3 and in turn made by Noticee 3 to the Stock Exchange. Hence it was alleged that Noticee 1 has violated under section 7(2)(a) of PIT 2015 by not making the required disclosure to the Company

Cronimet Mercon Invest Ltd (“Noticee No. 2”)

5. The changes in shareholding of Noticee No. 2 are as follows:

Date	Received/ Transfer	Transaction Volume (no. of shares)	Holding Post Transaction	Holding %	% Change
Initial Holding		43,292,205		61.47%	
11/05/2015	Transferred to Aimco Netcom India Limited	25,00,000	4,07,92,205	57.92%	-3.55
28/05/2015	Transferred to Noticee 4	45,00,000	3,62,92,205	51.53%	-6.39
25/06/2015	Received from Aimco	10,00,000	3,72,92,205	52.95%	1.42
02/07/2015	Transferred to Noticee 1	1,62,60,304	2,10,31,901	29.86%	23.09

May 11, 2015

6. Noticee No. 2 had transferred 25 lakh shares to Aimco Netcom India Ltd. Since the change in shareholding was more than 2%, as per Regulation 29(2) of SAST Regulations, Noticee 2 was under an obligation to make disclosure within two working days in this regard. It was alleged that No. 2 had made delayed disclosure in this regard

as it had filed disclosure to BSE and NSE on November 03, 2015 and November 04, 2015 respectively.

May 28, 2015

7. Noticee No. 2 had transferred 45 lakh shares to Noticee No. 4 but It was alleged that No. 2 had made delayed disclosure in this regard as it had filed disclosure to BSE and NSE on November 03, 2015 and November 04, 2015 respectively.

July 02, 2015

8. Noticee No. 2 had transferred 1, 62, 60,304 shares to Noticee No. 1 on July 02, 2015. Due to this, the holding of Noticee No. 2 has decreased from 52.95% to 29.86% but as per BSE and NSE website, Noticee No. 2 has not made disclosure in this regard.

Hence it was alleged that Noticee No. 2 has violated Regulation 29(2) read with regulation 29(3) of SAST 2011 for the above mentioned instances.

Metkore Alloys & Industries Ltd. ("Noticee No. 3")

9. Noticee No 3 has confirmed in its reply dated September 01, 2016 that it has received disclosure from Noticee No.2 under regulation 13(3) of PIT, 1992 on May 11, 2015 and has reported the same to stock exchanges on May 11, 2015. However, from the BSE website, it was observed that the disclosure under regulation 13(6) of PIT, 1992 read with regulation 12 of PIT, 2015 was filed on November 03, 2015 i.e. delayed disclosure and no disclosure has been found on NSE website in this regard. Hence it was alleged that Noticee No. 3 has violated regulation 13(6) of PIT, 1992 read with regulation 12 of PIT 2015.
10. With regards to the transaction dated May 28, 2015 between Noticee No. 2 and Noticee No. 4, Noticee No 3 has confirmed in its reply dated September 01, 2016, that it has received disclosure from Noticee No.2 under regulation 7(2) (a) of PIT, 2015 on June 02, 2015 and has reported the same to stock exchanges on June 02, 2015. However, from the BSE website, it was observed that the disclosure under regulation 7(2) (b) of PIT, 2015 has been reported on November 03, 2015 i.e. delayed disclosure by the company. No disclosure available on NSE. Hence it was alleged that Noticee No. 3 has violated of regulation 7(2) (b) of PIT 2015.

Bhuma Infrastructure Pvt. Ltd ("Noticee No. 4")

11. It was alleged that the holding of Noticee No. 4 has increased from nil to 6.39% on May 28, 2015 but as per BSE website no disclosure under regulation 29(1) of SAST has been filed.

12. The changes in shareholding of Noticee No. 4 are as follows:

Date	Transaction Volume (no. of shares)	Holding Post Transaction	Holding %
Initial Holding - Nil			
28/05/2015	45,00,000	45,00,000	6.39%
03/06/2015	4,65,000	30,05,000	4.27%

13. It was further alleged that the holding of Noticee No. 4 has decreased to 30,05,000 shares i.e. 4.27% of the paid up capital on June 03, 2015 but as per the BSE and NSE website, such change of more than 2% has not been disclosed by Noticee No. 4 under regulation 29(2) of SAST. Hence Noticee No. 4 has violated regulation 29(1) and 29(2) read with 29(3) of SAST 2011.

Appointment of Adjudicating Officer

14. SEBI had initiated adjudication proceedings against Prashant Boorugu, Cronimet Mercon Invest Ltd , Metkore Alloys & Industries Ltd. and Bhuma Infrastructure Pvt. Ltd and undersigned was appointed as Adjudicating Officer vide order dated May 22, 2017 under Section 15 I of SEBI Act read with Rule 3 of the SEBI AO Rules to inquire into and adjudge under Section 15A(b) of the SEBI Act for the alleged violation of Regulation 29(1) read with 29(3) of SAST Regulations and 7(2)(a) of PIT 2015 by Noticee 1, Regulation 29(2) read with 29(3) of SAST Regulations and 7(2)(a) of PIT 2015 by Noticee 2, Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT 2015 and Regulation 7(2)(b) of PIT 2015 by Noticee 3 and Regulation 29(1) and 29(2) read with 29(3) of SAST 2011 by Noticee 4.

Show Cause Notice, Reply and Personal Hearing

15. Based on the findings, Show Cause Notice dated October 06, 2017 ("SCN") was issued to all the Noticees. SCN was duly delivered at addresses of Noticees except Noticee No. 2.

16. Noticee No. 1 vide letter dated January 19, 2018 inter alia stated the following:

16.1 I and Cronimet Mercon Invest Ltd was also the promoter of Mynah Industries Limited. M/s. Mynah Industries Limited was need for short term financial assistance and accordingly approached Reliance Capital Limited a NBFC. M/s. Reliance Capital Limited agreed to finance Mynah Industries Limited and the loan was disbursed. However for certain financial reason, Reliance Capital Limited wanted the Loan account of Mynah Industries Limited. Since it was not possible in a clear up the Loan accounts. Hence with mutual consent it was decided that Reliance Capital Market Limited will give a Loan Facility to Pentacle Infrastructure & Towers Private Limited. A group company, against pledge of shares of M/s. Metkore Alloys & Industries Limited.

- 16.2 Accordingly Pentacle Infrastructure & Towers Private Limited in order to meet its financial obligations with business and finance approached Reliance Capital limited to raise short-term loan against pledge of promoter shares of Metkore Alloys & Industries Limited held by Cronimet Mercon Invest Ltd. (CMIL) (promoter Group Company). CMIL agreed to pledge part of their holdings i.e. **16,260,302** equity shares representing **29.08%** of paid up share capital of the Company, to Reliance Capital Limited to avail the Loan. However since the "CMIL" is located abroad. Reliance Capital Limited in its meeting with the BOARD of Pentacle Infrastructure & Towers Private Limited & Mynah industries Limited expressed their inability to accept shares of Metkore Alloys & industries Limited held by the promoter CMIL as securities against pledge of shares for the Loan. So, the shares were transferred for limited purpose of use of the shares as collateral for the above said arrangement. The ownership, voting power etc. is still retained by Cronimet Mercon Invest Ltd.
- 16.3 Hence, on mutual consent for sake of convenience, CMIL for the above limited purpose transferred their entire holding of shares to me (Promoter) which in turn pledged the shares to M/S. Reliance Capital Limited.
- 16.4 The aforesaid transaction was not a sale of shares transaction or otherwise for the following reasons:
- The Ownership right was not transferred as the same was not a sale as per Sale of Goods Act, 1930. No sale consideration was passed.
 - The Voting rights still with CMIL.
 - Even after the said internal arrangement the shareholdings of the promoter group remain the same.
- 16.5 Pursuant to regulation 31(1) & (2) of SEBI (Substantial Acquisition of Shares and takeover) Regulation, 2011 I duly intimated stock exchanges (BSE/NSE) informing about creation of pledge. Hence, proper dissemination of information complied with.
- 16.6 I here again repeat since the transaction was not of sale or purchase, Regulation 13(3) of SEBI (Prohibition Of Insider Trading) 1992 or Regulation 7(2)(a) of SEBI 2015 (Prohibition Of Insider Trading) Regulations, 2015 not applicable to aforesaid transaction.
- 16.7 Hence Regulation 13(3) of SEBI (Prohibition Of Insider Trading) 1992 or Regulation 7(2)(a) of SEBI 2015 (Prohibition Of Insider Trading) Regulations, 2015 is not applicable to aforesaid transaction nor applicable to me or CMIL
- 16.8 The financial condition of mine is not good to meet with any penalty or prosecution.

16.9 *The sale of share mainly governed by three main Act namely the Contract Act, the Sale of Goods Act and the Companies Ac. Hence, Sale of shares only completed if the sale consideration duly passed to the seller under the sale of goods act as the shares are the moveable property and the tile properly free from all encumbrance passed to the purchaser, save and except for gift, or transmission of the shares by operation of law, or transfer of the title by an order of the competent authority.*

16.10 *In the Present case the transfer of the shares was not a sale. The transfer was as part of a loan understanding. The Transfer of the shares was with a condition that the owner /the transferor retains the right of voting and at the time of voting with proper consent from the Noticees , I can only-exercise the power. Share was given as a collateral as part of the loan of the group Concern hence it was not a sale and the beneficial ownership purely lies with the Original holder under proper intimation to the Company. This fact properly intimated to the Company and also the company at its meeting noted the said facts.*

16.11 *During the course of personal hearing the AO CS Sahil Malik would like to know various circumstances wherein the share even after transfer, the owner become trustee and exercise the voting power strictly in accordance with the direction of the Original beneficial owner. In this connection I would like to inform And like to humbly submit that:*

The Companies Act, 2013 ("CA 13"), recognizes the concept of beneficial interest in a share of the company. Declarations of beneficial interest in a share are to be given by both the legal owner and the person holding beneficial interest under Section 89 of Companies Act 2013. We would like to also draw your attention to the definition "control" under section 2(27) of the Companies Act, 2013.

16.12 *The issue of identification and reporting of beneficial ownership is also dealt in PMLA*

Noticee 2

17. The SCN and hearing notice sent to Noticee 2 were returned undelivered, attempts were made to serve the Noticee through Noticee 3 (as Noticee 2 was the promoter of Noticee 3), however Noticee 3 provided the same address as available with SEBI. Coordinates of Noticee 2 were cull out from Depository Database, it also had the same address and Indian contact number was 9845485963. A call was made on this number and Shri Prashant Boroogu (Noticee 1) was found available on this number and he had agreed to provide the latest address of Noticee 2, however he never provided the latest address. Several calls made on this number were unanswered. Noticee 2 was

again granted an opportunity of personal hearing on December 12, 2017 and the same was returned undelivered. The details of the said hearing notice was also published in Times of India on November 23 2017, in terms of Rule 7(d) of AO rules and also made available on SEBI website. In view of the attempts made by SEBI in serving the Notice, I am convinced that sufficient opportunities have been granted to Noticee 2 and I deem it appropriate to decide the matter on the basis of material available on record and hence I proceed further.

18. Noticee No. 3 vide letter dated January 19, 2018 has inter alia made the following submissions:

18.1 We hereby submit that on 11th May 2015 we have submitted the disclosures to BSE and NSE under the PIT Regulation. However could not able to substantiate the same as we have not any acknowledged copies.

18.2 The delay was on want of AD copy and un-intentional before issue of SCN. We hereby request you considering the financial position of the company and capacity to pay any penalty, please adjudicate this SCN on a practical manner.

19. Noticee No. 4 vide reply dated January 30, 2018 inter alia stated that :

19.1 I have discussed this subject to the Company people (Metkore Alloys and Industries Ltd.) but I could not able to hear any reply from them. At the time of the transaction we have informed the company about the said transaction and they have given the disclosure to BSE and it is there on BSE site.

19.2 We have not made any speculation in the transaction nor we did any insider trading in the scrip and we are also not the promoters of the company and not holding any directorship.

19.3 In this regard I make request to you that kindly consider that the transaction what we did with the company is legitimate one and is not any speculative in nature. The only thing is that our letter has not reached BSE. As our intention is not to hide anything we did the legitimate transaction with the company.

Hearing:

20. In order to comply with the principles of natural justice, an opportunity of personal hearing was granted to the Noticees on January 15, 2018 vide notice dated December 15, 2017. The authorized representatives appeared on behalf of Noticee No. 1 and 3. The authorized representatives of Noticee No.1 and 3 has given oral submission and further submitted additional submission dated January 22, 2018. Noticee 4 sought an extension and therefore he was granted another hearing before me on January 31,

2018. The authorized representative of Noticee No. 4 has admitted that he did not make the requisite disclosure as he was not aware of the same.

Consideration of Issues, Evidence and Findings

21. I have carefully perused the charge levelled against Noticees in the SCN and all the documents available on record. In the instant matter, the following issues arise for consideration and determination in respect of

I. Whether Noticee:

- a. No. 1 has violated Regulation 29(1) read with 29(3) of SAST Regulations and 7(2) (a) of PIT, 2015?
- b. No.2 has violated Regulation 29(2) read with 29(3) of SAST Regulations and 7(2) (a) of PIT 2015?
- c. No. 3 has violated Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT 2015 and Regulation 7(2)(b) of PIT 2015?
- d. No. 4 has violated Regulation 29(1) and 29(2) read with 29(3) of SAST 2011?

II. Does the violation, if any, on the part of Noticees attract monetary penalty under Section 15A (b) of the Act?

III. If so, what would be the quantum of monetary penalty that can be imposed on Noticees taking into consideration the factors mentioned in Section 15J of the Act?

22. Before proceeding further, I would like to refer to the relevant provisions of the SAST regulations which read as under:

Relevant provisions of SAST Regulations 2011

Disclosure of acquisition and disposal

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

29.(2) Any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose every acquisition or disposal of shares of such target company

representing two per cent or more of the shares or voting rights in such target company in such form as may be specified.

29.(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares or the acquisition of shares or voting rights in the target company to,—

- (a) every stock exchange where the shares of the target company are listed; and
- (b) the target company at its registered office.

Relevant provisions of PIT Regulation 1992

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

Continual disclosure

13(6) Every listed company, within two working days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under sub-regulations [(1), (2), (2A), (3), (4) and (4A)]

Relevant provisions of PIT Regulation 2015

7(2) Continual Disclosures

- (a) Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- (b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

Findings:

Noticee 1

23. Noticee 1 has claimed that despite transfer of 16260302 shares by Noticee 2 to Noticee 1, beneficial ownership and voting rights were still retained by Noticee 2. During hearing AR has reiterated the same, on which they were asked to substantiate how

Noticee 2 could retain voting rights and beneficial ownership of shares however AR couldn't substantiate their claim.

24. I am inclined to refer Section 89 of Companies Act, 2013 (CA 2013) which mandates the requirement of declaration in respect of beneficial interest in any share.

- (1) Where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration within such time and in such form as may be prescribed** to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
- (2) Every person who holds or acquires a beneficial interest in share of a company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars as may be prescribed.
- (3) Where any change occurs in the beneficial interest in such shares, the person referred to in sub-section (1) and the beneficial owner specified in sub-section (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars as may be prescribed.
- (4) Where any declaration under this section is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be prescribed.
- (5) No right in relation to any share in respect of which a declaration is required to be made under this section but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

** Rule 9 and Form No MGT4 of the Companies (Management and Administration) Rules 2014

25. There is nothing on record evidencing that Noticee 1, 2 and 3 have made declaration as mandated under Section 89(1), 89(2) and 89(6) of CA 2013 respectively. In the absence of such evidence, and since Noticee 1, 2 and 3 has not complied with conditions attached with beneficial ownership of shares, I am not inclined to buy the theory of Noticee 1. It appears that all the defense put forth by Noticee 1 is after thought as it has not produced any document to substantiate its argument.

26. Also I note that since Noticee 2 (claimed as beneficial owner of the shares) has not made declaration as per Section 89(2) of the CA 2013, therefore as per Section 89(8) of the CA 2013, Noticee 2 or any person claiming through it cannot exercise any right. Hence even if Noticee 2 continued to be beneficial owner of the shares it was not competent to exercise any right as it didn't comply Section 89(2) of CA, 2013.
27. Therefore in the light of the above, I note that for all practical purposes, the beneficial ownership was transferred from Noticee 2 to Noticee 1 and even company itself in its disclosed shareholding pattern on Stock Exchange has acknowledged the change in shareholding.
28. I conclude that Noticee 1 has violated Regulation 29(1) read with 29(3) of SAST Regulation and Regulation 7(2) (a) of PIT 2015.

Noticee 2

29. No reply received from Noticee 2 and in the absence of any reply I find Noticee 2 guilty of violating Regulation 29(2) read with 29(3) of SAST Regulations and 7(2)(a) of PIT 2015.

Noticee 3

30. Noticee 3 though has claimed that it has submitted the disclosure to both exchanges on May 11, 2015, however it has shown its inability to substantiate the same as it did not have any acknowledged copies thereof, in the absence of any evidence and non-availability of any disclosure on BSE and NSE, I conclude that Noticee 3 did not make any disclosure to the Stock Exchanges and hence violated 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT 2015 and Regulation 7(2)(b) of PIT 2015.

Noticee 4

31. Noticee 4 has informed that it has informed the company about the said transaction and reportedly company has given the disclosure to NSE and BSE. Hence I find that Noticee 4 has not produced any evidence to substantiate its claim and due to non-availability of required disclosure on NSE and BSE, I find Noticee 4 has violated Regulation 29(1) and 29(2) read with 29(3) of SAST Regulation
32. Section 15A(b) of the SEBI Act, 1992 reads as under

Penalty for failure to furnish information, return, etc.-

15A.*If any person, who is required under this Act or any rules or regulations made there under,--*

(b)*to file any return or furnish any information, books or other documents within the time specified there for in the regulations, fails to file return or furnish the same within*

the time specified there for 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.

33. I find all Noticees guilty of not making required disclosure and I held them liable for penalty under Section 15A (b) of SEBI Act, 1992.

34. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, 1992, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992 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.

Explanation: For removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under Sections 15A to 15E, 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.

35. I observe that, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the default cannot be computed. I note that the default of the Noticees are not repetitive in nature (except of Noticee 2). I note that correct and timely disclosures play an essential role in the proper functioning of the securities market and failure to do so results in depriving the investors from taking well informed investment decision. I, therefore, conclude that the Noticees, by failing to make the necessary disclosures as required under the SAST Regulation and PIT 1992 and PIT 2015 are liable for monetary penalties under the SEBI Act, 1992.

ORDER

36. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I (2) of the SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, I hereby impose the following monetary penalties on the Noticees:

Noticee No.	Name of the Noticee	Provisions of Law Violated	Penalty Provision	Penalty Amount (in Rs.)
1	Prashant Boorugu	Regulation 29(1) read with 29(3) of SAST Regulations and 7(2)(a) of PIT, 2015	Section 15A(b) of the SEBI Act	4,00,000 (Rs Four Lakhs only)
2	Cronimet Mercon Invest Ltd.	Regulation 29(2) read with 29(3) of SAST Regulations and 7(2)(a) of PIT 2015		6,00,000 (Rs Six Lakhs only)
3	Metkore Alloys & Industries Ltd	Regulation 13(6) of PIT Regulations, 1992 read with Regulation 12 of PIT 2015 and Regulation 7(2)(b) of PIT 2015		4,00,000 (Rs Four Lakhs only)
4.	Bhuma Infrastructure Pvt. Ltd	Regulation 29(1) and 29(2) read with 29(3) of SAST 2011		4,00,000 (Rs Four Lakhs only)

37. Noticees shall remit/pay the said amount of penalty shall be paid 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 by e-payment facility into Bank account the details of which are given below:

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 said demand draft or forwarding details and confirmation of e-payment made in the format as given in table below should be forwarded to " General Manager (Enforcement Department - DRA- I), Securities and Exchange Board of India, SEBI Bhavan, Plot no C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 052.

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

39. 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: February 08, 2018

**SAHIL MALIK
ADJUDICATING OFFICER**