

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/KS/PP/2020-21/9437]

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

In respect of:

Shri Arendra Kumar
[PAN : CMBPK9965M]
19B, Napier Road,
Ashford Middlesex, TW151TQ,
Middlesex, UK

In the matter of RACL Geartech Limited.

FACTS OF THE CASE

1. Securities and Exchange Board of India(hereinafter referred to as '**SEBI**') received a letter dated May 16, 2017 from BSE stating that the Exchange has carried out a snap investigation in the scrip of RACL Geartech Ltd (hereinafter referred to as '**RACL**'/ '**Company**') for the period January 27, 2016 to March 01,2016 , wherein it was observed that entity namely, Arendra Kumar (hereinafter referred to as '**Noticee**') did not make requisite disclosure as per Regulation 29(2) read with Regulation 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**SAST Regulations, 2011**"). On examination of details of trading by the Noticee in the scrip of RACL, it was *inter*

alia observed that Noticee by virtue of Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011, was required to make disclosures in relation to trading in the scrip of Target Company at three instances i.e. January 30, 2017, February 01, 2017 and February 03, 2017. However, it was observed that disclosures were not made by the Noticee on any of the aforesaid occasions and in view of the same it is alleged that the Noticee has violated the provisions of Regulations 29(2) read with Regulation 29(3) of SAST Regulations, 2011.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned has been appointed as Adjudicating Officer vide an order dated March 03, 2020 under Section 19 read with Section 15 I(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalty) Rules, 1995 (hereinafter referred to as the “**Adjudication Rules, 1995**”) to inquire into and adjudge under Sections 15A(b) of the SEBI Act, 1992, the violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011 alleged to have been committed by the Noticee in the scrip of RACL.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A Show Cause Notice (hereinafter referred to as “**SCN**”) dated March 23, 2020 with reference no. SEBI/HO/A&E/EAD/KS/JF/102041/2020 was issued to the Noticee under Rule 4(1) of the Adjudication Rules, 1995 calling upon to show cause as to why an inquiry should not be initiated against him in terms of Rule 4 of Adjudication Rules, 1995 read with Section 15 I of the SEBI Act, 1992 and why penalty, if any, should not be imposed on him in terms of the provisions of Sections 15A(b) of the SEBI Act, 1992.

4. The details in respect of non-compliance by the Noticees as alleged in the SCN are as given below:-

- a) *It was observed that Arendra Kumar was holding 10,00,000 (10.07%) shares of Target Company.*
- b) *On January 30, 2017 pursuant to sale of shares of Target Company on various dates, the shareholding of Arendra Kumar in the Target Company decreased to 8.06% from 10.07% (i.e more than 2%) The Noticee was obliged to make disclosure to BSE as stipulated under Regulation 29(2) of SAST Regulations, 2011. The disclosure was required to be made within 2 working days i.e by February 01, 2017 to BSE.*
- c) *On February 01, 2017 pursuant to sale of shares of Target Company on various dates, the shareholding of Arendra Kumar in the Target Company decreased to 6.05% from 8.06% (i.e more than 2%) The Noticee was obliged to make disclosure to BSE as stipulated under Regulation 29(2) of SAST Regulations, 2011. The disclosure was required to be made within 2 working days i.e by February 03, 2017 to BSE.*
- d) *On February 03, 2017 pursuant to sale of shares of Target Company on various dates, the shareholding of Arendra Kumar in the Target Company decreased to 3.52% from 6.05% (i.e more than 2%) The Noticee was obliged to make disclosure to BSE as stipulated under Regulation 29(2) of SAST Regulations, 2011. The disclosure was required to be made within 2 working days i.e by February 05, 2017 to BSE.*
- e) *Pursuant to the aforementioned changes in the shareholding of the Noticee due to sale of shares at the abovementioned three different dated i.e. January 30, 2017, February 01, 2017 and February 03,2017, Noticee was required to make disclosures, under Regulation 29(2) read with 29(3) of SAST*

Regulations, 2011 to the exchange where securities of the Target Company were listed and to the Target Company, within 2 working days from the date of change in shareholding i.e February 01,2017 (in first instance for January 30, 2017) by February 03,2017 (in second instance for February 01,2017) and by February 05,2017 (in third instance for February 03,2017). However, at no occasion any disclosure was made by the Noticee till date.

- f) It was observed that SEBI vide e-mail dated August 04, 2017 had sought information from CDSL dated August 16, 2017, statement of transaction of the Noticee for the aforesaid transaction carried out in the scrip of the Target Company. It was observed from the statement that there has been sale of shares of Target Company in the account of Noticee on various dates.*
- g) It was further observed that SEBI vide letter dated May 22, 2019 sought information from the Noticee, whether any disclosure has been made for the aforementioned change in shareholding of the Noticee.*
- h) The Noticee Vide letter dated June 14, 2019 submitted that he sold the shares of RACL through his broker SMC Global and not received any notice from his broker or SEBI to make any disclosure. The Noticee further submitted that 'I personally have not submitted any disclosure under Regulation 29(2) read with 29(3) of SEBI (SAST) Regulation 2011.'*
- i) Therefore, Noticee by virtue of Regulation 29(2) read with Regulation 29(3) of SAST 2011, was required to make disclosures in relation to trading in the scrip of Target Company at aforesaid three instances i.e. January 30, 2017, February 01, 2017 and February 03, 2017. However disclosures were not made by the Noticee, on any of the aforesaid occasion.*

5. In view of the prevailing COVID situation during the time of issuance of SCN, the service was undertaken by way of digitally signed email in terms of Rule 7(b) of

Adjudication Rules, 1995. Accordingly, the SCN was served on the Noticee vide digitally signed email dated July 29, 2020 sent at his email address arendra@yahoo.com which was available in the transaction statement of CDSL pertaining to the Noticee. However, no reply was received from the Noticee in respect of the SCN. In view of the same, vide notice dated August 20, 2020 the Noticee was granted a final opportunity to submit his reply to the SCN. Further, considering the facts and circumstances of the instant case, opining that an inquiry should be held in the matter, the Noticee was granted an opportunity of hearing on September 04, 2020 vide the aforesaid notice which was served by way of digitally signed email dated August 20, 2020. In reply, the Noticee vide his email dated August 20, 2020 acknowledging the receipt of aforementioned Notice of hearing dated August 20, 2020 stated as under:

“

1. I did not receive the SCN notice (Dated 20th Mar 2020), mentioned in the said email.
2. However, I received a letter on the same matter on 14th June 2019, referenced SEBI/HO/CFD/DCR2/OW/1290/2019
3. I replied to this letter on same date by email and also by post. However, I did not receive a reply to email and/or post.
4. I herewith attach the email reply which I send on 14th June 2019.

In view of that I did not receive the SCN notice, I hereby request you to send me the same SCN notice. I also request you to postpone the 'hearing' scheduled for 4th sept 2020.

I wait for your reply on the subject.

I wish to highlight the following facts which I included my reply of 14th June 2019.

1. I sold all shares of RACL through my broker, SMC Global
2. I did not receive any notice by broker or SEBI to make any disclosure during sale
3. My broker asked me for some details over phone, which I provided them
4. I specifically asked my broker to follow all regulatory requirements and my broker assured me to do so. In summary, I personally have not submitted any disclosure under 'Regulations 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011'. My broker promised me that all regulatory requirements have been taken care of by them.
5. I am happy to submit above mentioned disclosures or whatever regulatory information is required

”

6. In view of the request by the Noticee for a copy of the SCN, vide email dated August 21, 2020, the SCN along with the Annexures were sent again to the Noticee vide email dated August 21, 2020. Acknowledging the receipt of the SCN, the Noticee vide his return email dated August 21, 2020 *inter alia* submitted as under:

“

*On this issue, I wish to inform you that I sold all the shares through my broker “SMC Global Securities Limited” (refereed as **The Broker** hereafter). At each stage of the sell, I specifically asked The Broker to strictly follow all the regulatory requirements of SEBI and all other relevant agencies. The Broker asked me to sign the authorization, which I duly completed.*

2. The Broker expressly assured me that they are following and taking care of all regulatory procedures required for the sell. The Broker informed me that they have all the necessary permission from SEBI to sell the shares.

3. Being a simple person, I trusted The Broker for following all the regulations involved. I must admit that I was not familiar with all the regulatory requirements; otherwise I must have followed the same myself. I simply trusted The Broker and provided them all the information for whatever they asked me.

4. I shall contact the Broker to send SEBI all the relevant information on this subject.

5. I am willing to file all the required information retrospectively. I sincerely request you to consider my situation on this matter and advise me that what information/documents I should provide to close this case. I also request you to grant me some more time to collect all the necessary details from The Broker and ask them to provide all the information to the SEBI. I also request you to postpone the propose hearing on Sept 04, 2020.”

7. Acceding to Noticee’s request of additional time for reply and adjournment of the hearing, vide Notice of hearing dated August 24, 2020, the Noticee was granted further time to reply and an opportunity of hearing at 11 AM on September 11, 2020.

8. In reply, the Authorised Representative (‘AR’) of Noticee, Shri Prithviraj Bhagat, Advocate submitted the reply dated September 07, 2020 vide his email dated September 08, 2020 *inter alia* stating as under:

“

With regard to shareholding of the Noticee as indicated in paragraphs 4, 5, 6 and 7 of the SCN, the same is summed up as under:

Date	Reduction in shareholding of the Noticee in RACL Geartech Ltd.
January 30, 2017	10.07% to 8.06%
February 01, 2017	8.06% to 6.05%
February 03, 2017	6.05% to 3.52%.

....

The disclosures as mandated under Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011, at that point in time, was applicable to 'acquisition' of shares alone and not to disposal thereof.

In connection with the allegations in paragraphs 11 and 12 of SCN, we wish to state that Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011, as they existed on the dates of disposal of shares by our client and which have also been reproduced by your good self at paragraph 12 of SCN, read as under:

.....

As envisaged under Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011, disclosure under these Regulations is mandated to 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.

In this regard, we further submit that the clause (b) of sub-regulation (1) of Regulation 2 of SAST Regulations, 2011 reads as under:

.....

Thus, clause (b) of sub-regulation (1) of Regulation 2 of SAST Regulations, 2011 defines the word "acquisition" as, directly or indirectly, 'acquiring' or agreeing to acquire shares or voting rights in, or control over, a target company. Thus, the Noticee is essentially required to do a positive act of 'acquiring' shares to be statutorily fastened with an obligation to disclose his 'acquisition' to the stock exchange or the target company (viz. RACL Geartech Limited in this case) at its registered office, as stipulated under Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011. As squarely brought out by you at paragraph 8 of SCN, admittedly, the SCN pertains to 'sale'/'disposal' of shares by the Noticee and not to any 'acquisition' of shares. Therefore, 'sale'/'disposal' of shares by

Noticee which have been referred in SCN does not fall within the scope and purview of the provisions of Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011 as they existed on the dates of disposal of shares by our client. Consequently, the SCN deserves to be disposed of without imposing any penalty upon our client.

It is further submitted that since the aforesaid statutory requirement does not require our client to disclose any 'sale'/'disposal' of shares, he was not liable to make any disclosures, as alleged in SCN. We would like to rely upon the order of the Hon'ble Securities Appellate Tribunal in the case of Ravi Mohan and Ors vs. Securities and Exchange Board of India, (Appeal No.97 of 2014 decided on 16/12/2015). The relevant extract of the judgment in the case of Ravi Mohan & Ors. vs. SEBI, is reproduced below:-

"...when the Takeover Regulations, 1997 provides that the disclosure obligation specified under regulation 7(1A) has to be discharged in the manner specified under regulation 7(1A) read with regulation 7(2) and regulation 7(2) does not provide for disclosure in relation to sale of shares in excess of the limits prescribed under regulation 7(1A), SEBI is not justified in holding that the appellants by failing to make disclosure of sale covered under regulation 7(1A) within the stipulated time, have violated regulation 7(1A) with regulation 7(2) of the Takeover Regulations, 1997. Consequently, SEBI is not justified in imposing penalty on the appellants."

We state that although the Regulations covered under the aforesaid judgement of the Hon'ble Securities Appellate Tribunal are SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the ratio stipulated in the said judgement is squarely applicable to the facts, circumstances and SAST Regulations, 2011 which have been stipulated in the SCN in this case. Therefore, when the SAST Regulations, 2011 provide that the disclosure obligation specified under Regulation 29(2) has to be discharged in the manner specified under Regulation 29(2) read with Regulation 29(3), and Regulation 29(3) does not provide for disclosure in relation to 'sale'/'disposal' of shares in excess of the limits prescribed under Regulation 29(2), SEBI is not justified in holding that our client by failing to make disclosure of sale covered under Regulation 29(2) within the stipulated time, has violated Regulation 29(2) read with Regulation 29(3) of the SAST Regulations, 2011. Consequently, conducting any Inquiry or imposing any penalty upon our client as envisaged in paragraph 14 read with

paragraph 13 of the SCN is not justified being bad in law and the SCN deserves to be disposed of without any penalty upon the Noticee

Further, it is brought to your kind notice that the disclosure requirements pertaining to the 'disposal' of shares has been inserted in the SAST Regulations, 2011 after over 19 months of the aforesaid disposal of shares by our client, vide the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018, with effect from 11.09.2018. Therefore, firstly, it is contended that SEBI itself has differentiated between "acquisition" and "disposal" of shares and has made the disclosure of disposal mandatory only with effect from September 11, 2018. Whereas, as per SCN the alleged violations by our client took place between January 30, 2017 and February 03, 2017. Thus, it is submitted that there was no requirement of disclosure by our client on the said dates. Secondly, the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018 do not provide for the retrospective application of the requirement of "sale/disposal" of shares. This is also made clear by the text of the amendment which stipulates that amended regulations had come in force from the 11th of September 2018.

.....

Notwithstanding our submissions in the aforesaid paragraphs, we further state that by profession our client is a technical person engaged in a service. He is a casual investor in the securities market. The SCN has also not brought out that by not making any disclosure as alleged, our client has caused any loss to any investor. He has also not made any profit as a result of his alleged failure to make disclosure(s). Our client has not violated any provision of securities law, present or past.

....”

9. Further on the final opportunity of hearing granted on September 11, 2020, the Noticee was granted hearing through Video Conference mode using Webex platform and the AR appearing on behalf of the Noticee reiterated earlier submissions of the Noticee noted in the preceding paragraphs above. The hearing proceedings were concluded therewith.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have carefully perused the written submissions of the Noticees and the documents available on record. The issues that arise for consideration in the present case are :

- a) Whether the Noticee violated the provisions of Regulation 29(2) read with Regulation 29(3) of the SAST Regulations, 2011?***
- b) Whether the Noticee is liable for monetary penalty under section 15A (b) of the SEBI Act, 1992?***
- c) If so, what quantum of monetary penalty should be imposed on the Noticee?***

11. With respect to the allegations against the Noticee, the Noticee has not disputed the fact that he held 10,00,000 shares forming 10.07% of the total shareholding on RACL and that pursuant to sale of shares on various dates, the shareholding of the Noticee reduced from 10.07% to 8.06% on January 30, 2017, further to 6.05% on February 01, 2017 and from 6.05% to 3.52% on February 03, 2017. However, it has been primarily contended by the Noticee before me that the sale/disposal of shares by Noticee which have been referred in the SCN does not fall within the scope and purview of the provisions of Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011 as they existed on the date of disposal of shares by him.

12. Further, I also note that the Noticee in support of his contention referred to the following observations of Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**') made in the matter of *Ravi Mohan and Ors vs. Securities and Exchange Board of India*, (Appeal No.97 of 2014 decided on 16/12/2015) :-

"... ..when the Takeover Regulations, 1997 provides that the disclosure obligation specified under regulation 7(1A) has to be discharged in the manner specified under regulation 7(1A) read with regulation 7(2) and regulation 7(2) does not provide for disclosure in relation to sale of shares in excess of the limits prescribed under regulation 7(1A), SEBI is not justified in holding that the appellants by failing to make disclosure of sale covered under regulation 7(1A) within the stipulated time, have violated regulation 7(1A) with regulation 7(2) of the Takeover Regulations, 1997. Consequently, SEBI is not justified in imposing penalty on the appellants."

13. Citing the above, the Noticee has contended that the ratio stipulated in the aforesaid Judgment is squarely applicable in the instant case as well.

14. In light of the aforesaid submissions, I refer to the provisions of Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011 relevant to the period of Noticee's trades pertaining to the allegation. The provisions as on the dates stood as under:

Regulation 29(2) of SEBI (SAST) Regulations, 2011

Any person who together with persons acting in concert with him, holds shares or voting rights entitling them to five percent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights even if such change results in shareholding falling below five percent, if there has been change in such holdings, from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

Regulation 29(3) of SEBI (SAST) Regulations, 2011

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.

15.I note from the above that as per the provisions of Regulation 29(2) of SAST Regulations, 2011, a person who along with PAC holds 5% or more shares in a company, on a change in his shareholding exceeding 2 percent shall mandatorily disclose such change. However, it is also noted that the disclosure under Regulation 29(3), as it stood on the dates relevant in respect of the allegation against the Noticee, was mandated to be made within two working days of the receipt of intimation or allotment of shares or the acquisition of shares or voting rights in the target company. As also mentioned by the Noticee in his submissions, the Regulation 29(3) of SAST Regulations, 2011 was subsequently amended vide SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018 (hereinafter referred to as “**Amendment Regulations, 2011**”) whereby the specified time for disclosure obligations referred *inter alia* in Regulation 29(2) of SAST Regulations, 2011 were extended to disposal of shares. The said amendment was made effective from September 11, 2018 i.e. after more than a year and half from the period of Noticee’s disposal of shares.

16. In the background of above facts, I have also perused the observations of Hon’ble SAT in the matter of *Ravi Mohan and Ors vs. Securities and Exchange Board of India* as submitted by the Noticee before me. I note that disclosure requirement that Regulation 29(2) mandates is quite clear in its import whereby it has even been clarified that the disclosure requirement would be applicable even if the shareholding of the person falls below 5% pursuant to disposal. Therefore, the transactions leading to a change of more than 2% pursuant to disposal of shares are subjected to the provisions of Regulation 29(2). However, the provisions of

Regulation 29(3) which prescribes the time limit for such disclosures came into effect from the aforementioned effective date of amendment. Therefore, the period for disclosure on disposal of shares not being stipulated in the Regulations prior to the amendment, effectively renders all disclosure made under Regulation 29(2) of SAST Regulations, 2011 irrespective of the date of such disclosures a valid compliance of Regulation 29(2) in connection with the disposal transactions dating prior to the amendment. In this context, while in the case of Ravi Mohan and Ors vs. Securities and Exchange Board of India, I note that the disclosures were made with a delay by the appellants therein. However, in the instant case, admittedly there has been no disclosure filed by the Noticee with respect to his disposal of shares even till date. Therefore, the Noticee by his failure to disclose has continued to act in violation of Regulation 29(2) of the SAST Regulations, 2011.

17. Further, with respect to the allegations against him, the Noticee has also submitted that the default on his part did not cause loss to any investor and that he did not make any profit out of such default. In this regard, I find it relevant to refer to the observations of Hon'ble SAT in the case of Mrs. Komal Nahata vs. SEBI (Appeal No. 5 of 2014 decided on January 27, 2014): "*...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 SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non-disclosure.* " Further, I also note the following observation made by Hon'ble SAT in the matter of Akriti Global Traders Ltd. Vs. SEBI (Appeal No. 78 of 2014 decided on September 30, 2014):

“... 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..”

18. Therefore the aforementioned contention of the Noticee is not tenable in the instant matter. At this juncture, I also find it pertinent to refer to the Order of the Hon'ble Supreme Court in the matter of Chairman, SEBI Vs. Shriram Mutual Fund {[2006]5 SCC 361} – where the Hon'ble Supreme Court 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.....”*

19. As the violation of the statutory obligation by the Noticee under Regulation 29(2) of SAST Regulations stands established, I further conclude that the Noticee is liable for monetary penalty under section 15A (b) of the SEBI Act. The text of the said provision is as follows:

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,-*

(a)

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees

but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.

20. While determining the quantum of monetary penalty, it is important to consider the factors stipulated in Section 15 J of the SEBI Act, which reads as under:

SEBI Act

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 a group of investors as a result of the default ;*
- c) the repetitive nature of the default*

21. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors referred in Section 15J of the SEBI Act, 1992 stated as above. No quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such default by the Noticee. Further, no monetary loss to investors has been brought on record and it may not be possible to ascertain the exact monetary loss, if any, to the investors on account of default by the Noticee. However, I note that the Noticee had failed to make disclosure under the provisions of Regulations 29(2) read with 29(3) of SAST Regulations, 2011 on three different occasions during the

investigation period. This clearly shows that there was a repetition of violation by the Noticee.

ORDER

22. In exercise of the powers conferred under Section 15 I of the Securities and Exchange Board of India Act, 1992, and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, I hereby impose a penalty of Rs. 1,10,000/- (Rupees One Lakh Ten Thousand only) on Shri Arendra Kumar in terms of the provisions of Section 15A(b) of the Securities and Exchange Board of India Act, 1992 for the violation of Regulation 29(2) r/w Regulation 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by him. I am of the view that the said penalty is commensurate with the lapse on the part of Shri Arendra Kumar.

23. Shri Arendra Kumar shall remit / pay the said amount of penalty within 45 days of receipt of this order through Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, or the online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, he may contact the support at portalhelp@sebi.gov.in.

24. Shri Arendra Kumar shall forward said Demand Draft or the details/confirmation of penalty so paid to the Enforcement Department of SEBI. He shall provide the following details while forwarding DD/payment information:

a) Name and PAN of the entity (Noticee)

- b) Name of the case / matter
- c) Purpose of Payment –Payment of penalty under AO proceedings
- d) Bank Name and Account Number
- e) Transaction Number

25. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties

26. In terms of Rule 6 of the Adjudication Rules, 1995, copy of this order is sent to Shri Arendra Kumar and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: October 23, 2020

**K SARAVANAN
ADJUDICATING OFFICER**