

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

[ADJUDICATION ORDER No. Order/JS/N./2022-23/18699-18702]

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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) RULES, 1995 AND SECTION 23-I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF THE SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005.

*In respect of*

Sr. No.	Name	PAN
1	Aadhaar Ventures India Limited	AABCP4155F
2	Jils Raichand Madan	AGKPM3175A
3	Somabhai Sunderbhai Meena	BFYPM1247K
4	Jyoti Munver	ALSPM2060P

*In the matter of insider trading activities of certain entities in the scrip of Aadhaar Ventures India Ltd.*

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**BRIEF FACTS OF THE CASE**

1. Aadhaar Ventures India Limited (formerly known as Prraneta Industries Ltd. and hereinafter referred to as “AVIL” or “the Company” or “Noticee No. 1”) was incorporated on February 1, 1995 having Corporate Identification Number (CIN) as L67120GJ1995PLC024449 and was listed on BSE Ltd. (hereinafter referred to as “BSE”) on April 22, 1996. The scrip was last traded on January 04, 2019 and the closing price was Rs. 0.49. As on date, trading in the scrip is suspended on BSE on account of Graded Surveillance Measure (GSM) Stage VI owing to non-payment of Annual Listing Fees.

2. During the course of an earlier investigation for alleged price manipulation in the scrip of AVIL, it was observed that various corporate announcements were made on BSE website during July - August 2014 by AVIL regarding acquisition of a company in Africa and setting up an overseas subsidiary in Singapore. Therefore, a separate investigation was initiated to ascertain the possible violations of provisions of SEBI

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(Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as “PIT Regulations”) during the period of investigation - July 1, 2014 to September 30, 2014.

3. During the period of investigation, it was observed from the MCA website, Annual Reports of AVIL and information obtained from BSE that the Company had four directors, viz. Jils Raichand Madan (hereinafter referred to as “Noticee No.2”), Somabhai Sunderbhai Meena (hereinafter referred to as “Noticee No.3”), Jyoti Munver (hereinafter referred to as “Noticee No.4”) and Manish Bhupendra Thakkar. Except Manish Bhupendra Thakkar, all others still continue as directors of AVIL. The details of the board of directors and Key Managerial Persons (KMP) of the Company during 2014-2015 is as under:

Sr. No.	Name	Designation	Appointment Date	Cessation Date
1	Jils Raichand Madan	Director	08/05/2010	Till date
2	Ms. Jyoti Munver	Director	08/05/2010	Till date
3	Manish Bhupendra Thakkar	Director	19/05/2011	10/01/2017
4	Somabhai Sunderbhai Meena	Director	01/06/2013	Till date

\*Annual Report of AVIL for the year 2014-15, shows the above four directors as KMPs.

Further, as per the Annual Report of AVIL for 2014-2015, Noticee No.2 was shown as the managing director and Noticee No.3, as the director and compliance officer.

4. In order to ascertain the timeline of events related to corporate announcements on July 26, 2014, August 1, 2014, August 8, 2014 and August 14, 2014, information was sought from the noticees through various summons. However, despite giving several opportunities, none of the noticees complied with the summons and the required information was not provided. Due to such non-submission of information, investigation in the matter was hampered. Further, it was observed that the corporate announcements made by the Company as explained in paragraph 7 below did not fructify and no disclosures were made pertaining to withdrawal or cancellation of projects narrated in those announcements. In view of the same, it *prima facie* appeared that the noticees violated the relevant provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) dealing with furnishing of information required by the Investigating Authority and relevant provisions of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as “SCRA”) and the PIT Regulations dealing with failure to disclose information having a bearing on the performance/operations of the company as well as price sensitive information.

## **APPOINTMENT OF ADJUDICATING OFFICER**

5. SEBI initiated adjudication proceedings against the noticees in terms of:

- (i) section 15A(a) of SEBI Act for the alleged violation of sections 11 (2)(i) and 11C (3) read with section 11C (2) of SEBI Act;
- (ii) sections 23A(a) and 23E of SCRA for the alleged violation of clause 36 of the erstwhile Listing Agreement read with section 21 of SCRA;
- (ii) section 15HB of SEBI Act for the alleged violation of clauses 2.0, 2.1, 3.2 and 7.0(ii) of Schedule II-Code of Corporate Disclosure Practices for Prevention of Insider Trading read with regulation 12(2) of PIT Regulations.

The undersigned was appointed as the Adjudicating Officer in this matter vide communique dated August 20, 2021 to enquire into and adjudge the alleged violations as per rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "SEBI Rules") read with sub-sections (1) and (2) of section 15-I of the SEBI Act and rule 4 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred to as "SC(R) Rules") read with sub-sections (1) and (2) of section 23-I of the SCRA.

## **SHOW CAUSE NOTICE**

6. A common show cause notice dated October 28, 2021 (hereinafter referred to as "SCN") was issued to the noticees under rule 4 of the SEBI Rules read with sub-sections (1) and (2) of section 15-I of the SEBI Act and rule 4 of the SC(R) Rules read with sub-sections (1) and (2) of section 23-I of the SCRA to show cause as to why an inquiry should not be initiated against them and why penalty should not be imposed under sections 15A(a) and 15HB of SEBI Act and sections 23A(a) and 23E of SCRA for the alleged violations.

7. In the said SCN, it was alleged that the Company made the following major corporate announcements on BSE, during the period of investigation:

Sr.No.	Date and Time	Announcement/News
1.	26/07/2014 15:04:08 (BSE)	AVIL informed BSE that a meeting of the Board of Directors of the company will be held on August 01, 2014, to consider the proposal of overseas acquisition by the Company in Africa.

2.	01/08/2014 13:18:49 (BSE)	AVIL informed BSE that Board of Directors of the company at its meeting held on August 01, 2014, had approved the following: 1. To acquire an ongoing agriculture company in Zambia (Africa), subject to shareholders' approval and Legal Due Diligence. 2. To appoint a leading Global Management Consultancy firm for Due Diligence.
3.	08/08/2014 13:22:35(BSE)	AVIL informed BSE that a meeting of the Board of Directors of the company will be held on August 14, 2014, to consider the setting up a wholly owned subsidiary Company in Singapore, subject to all legal permissions are sought.
4.	14/08/2014 13:21:54(BSE)	AVIL informed BSE that Board of Directors of the company at its meeting held on August 14, 2014, had decided to form a company based in Singapore as a wholly owned subsidiary company subject to all prevalent legal provisions and sanctions.

8. The SCN also noted that in order to ascertain the timeline of events related to corporate announcements, information was sought from the company/its directors and the promoters with regard to the aforementioned announcements made in the stock exchange. The details of correspondence held with the company, the directors and the promoters during the period of investigation are as follows:

Sl.	Letter/ Summon Date  *issuance of summons starting from 27/09/2019	Name of Entity	Last date to submit reply	Details sought	Proof of Delivery	Reply Received
1	07/08/2018	Aadhar Ventures India Ltd., Jils Raichand Madan,	20/08/2018	Model Code of Conduct and certified copies of Board meeting	Speed post. Letter returned undelivered.	Quoting reference of the letter. Received e- mail dated

		Company Secretary and Compliance Officer		for the FY 2014-15	Remark "Left"	19/03/2020 from AVIL,-aadhaarviltd@gmail.com, seeking one month time for reply due to Covid pandemic.
2	21/08/2018	Registrar to Agent (RTA) of AVIL	20/08/2018	Contact details of AVIL, last correspondence and last payment details.	Hand delivery	Reply received from RTA vide letter dated 28/08/2018
3	28/08/2018	Aadhar Ventures India Ltd	August, 2018	Through RTA letter delivered to AVIL	India Post track consignment .	No
4	03/09/2018	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	14/09/2018	Enclosed copies of letter dated 07/08/2018	Letter returned undelivered with remark "left"	Quoting reference of the letter, received e-mail dated 19/03/2020 from AVIL,-aadhaarviltd@gmail.com, seeking one month time for reply due to Covid pandemic.
5	03/09/2018	Jyoti Munver, Non-Executive Independent	14/09/2018	Enclosed copies of letter dated 07/08/2018	Letter returned undelivered	No

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		Chairperson, AVIL			with remark "left"	
6	27/09/2018	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	08/10/2018	Enclosed copies of letter dated 07/08/2018 and 03/09/2018	Letter returned undelivered.	No
7	27/09/2018	Shri. Sombhai Sunderbhai Meena, Managing Director, AVIL	08/10/2018	Enclosed copies of letter dated 07/08/2018 and 03/09/2018	Letter returned undelivered.	No
8	07/06/2019	Jyoti Munver, Non- Executive Independent Chairperson, AVIL	20/06/2019	Enclosed copies of letter dated 07/08/2018 and 03/09/2018	Letter returned undelivered.	No
9	09/07/2019	Registrar to Agent (RTA) of AVIL	July 2019	Seeking the acknowledge ment copy of the letter addressed to AVIL dated 21/08/2018	Hand Delivery receipt	Yes, reply received from RTA on 12/07/2019
10	12/07/2019	Jils Raichand Madan, Company Secretary and Compliance	26/07/2019	Enclosed copies of letter dated 07/08/2018 and 03/09/2018	Duly signed Acknowledg ment card for delivery received back.	Quoting reference of the letter, received e- mail dated 19/03/2020

		Officer, AVIL				from AVIL,aadhaarvilt@gmail.com, seeking one month time for reply due to Covid pandemic.
11	01/08/2019	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	08/08/2019	Reminder- 1.Enclosed copies of letter dated 12/07/2019	Duly signed Acknowledgment card for delivery received back.	Partial reply received from (AVIL) aadhaarvilt@gmail.com vide E-mail dated 07/10/2019. Attached AVIL letter dated 03/10/2019. It was submitted that BOD in their meeting held on 04/05/2015 had formulated and adopted code for fair disclosure and code of conduct under PIT Regulations. No copy of the model code of Conduct was attached to
12	20/08/2019	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	27/08/2019	Reminder- 2.Enclosed copies of letter dated 01/08/2019	Duly signed Acknowledgment card for delivery received back.	

						<p>the e-mail. Further copy of the minutes proceeding of BOD for the FY 2014-15 not submitted.</p> <p>Received e-mail dated 19/03/2020 from AVIL, aadhaarvilt@gmail.com, seeking one month time for reply due to Covid pandemic.</p>
13	27/09/2019	Aadhar Ventures India Ltd.	11/10/2019	<p>Summons dated 27/09/2019 issued to AVIL seeking information on corporate announcement dated 26/07/2014 with regard to proposal of overseas acquisition by AVIL in Africa.</p> <p>Chronology of events starting from the BOD</p>	Duly signed Acknowledgment card for delivery received back.	<p>Quoting reference of the summons, received e-mail dated 19/03/2020 from AVIL, aadhaarvilt@gmail.com, seeking one month time for reply due to Covid pandemic</p>



				meeting to be held on dated August 01, 2014. Corporate announcement dated 08/08/2014 BOD to be held on 14/08/2014 with respect to approval of setting up of wholly owned subsidiary company in Singapore. It's Chronology of events. Details of persons including promoter/ directors/ employees and or any other persons who are having access to and or in possession of the said information.		
14	16/10/2019	Jils Raichand Madan, Company Secretary and Compliance	October 11,2019	Reminder-1 Summons addressed to AVIL	Speed Post AD-Not available	Quoting reference of the summons, received e-mail dated

		Officer, AVIL				19/03/2020 from AVIL- aadhaarvilt d@gmail.com, seeking one month time for reply due to Covid pandemic.
15	29/10/2019	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	24/10/2019	Reminder-2 Summons addressed to AVIL	Speed Post AD-Not available. E- mail dated 15/11/2019 received from aadhaarvilt d@gmail.com confirmation from AVIL with regard to receipt of reminder summons dated 29/10/2019.	
16	18/11/2019	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	21/11/2019	Final reminder- Summons addressed to AVIL. enclosed summons dated 27/09/2109, 16/10/2019 and 29/10/2019	Speed Post AD-Not available.	No.

17	28/02/2020	Jyoti Munver, Non-Executive Independent Chairperson, AVIL	06/03/2020	Summons dated 28/02/2020 issued seeking information on corporate announcement dated 26/07/2014 with regard to proposal of overseas acquisition by AVIL in Africa. Chronology of events starting from the BOD meeting to be held on dated 01/08/2014. Corporate announcement dated 08/08/2014	Duly signed Acknowledgment card for delivery received back and India post acknowledgment-track consignment Item delivered.	No.
18	28/02/2020	Sombhai Sunderbhai Meena, Managing Director, AVIL	06/03/2020	BOD to be held on 14/08/2014 with respect to approval of setting up of wholly owned subsidiary company in Singapore. It's Chronology of events. Details of persons including promoter/ directors/	India post acknowledgment-track consignment Item delivered.	No.
19	28/02/2020	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	06/03/2020		Summons returned undelivered.	No

				employees and or any other persons who are having access to and or in possession of the said information.		
20	06/03/2020	Sombhai Sunderbhai Meena, Managing Director, AVIL	13/03/2020	Reminder to the summons dated 28/02/2020	Speed Post AD-Not available.	No
21	06/03/2020	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	13/03/2020	Reminder to the summons dated 28/02/2020	Summons returned undelivered.	No
22	06/03/2020	Jyoti Munver, Non-Executive Independent Chairperson, AVIL	13/03/2020	Reminder to the summons dated 28/02/2020	Speed Post AD-Not available.	No
23	13/03/2020	Jyoti Munver, Non-Executive Independent Chairperson, AVIL	13/03/2020	Reminder to the summons dated 28/02/2020 and 06/03/2020	Duly signed Acknowledgment card for delivery received	No

24	13/03/2020	Jils Raichand Madan, Company Secretary and Compliance Officer, AVIL	20/03/2020	Reminder to the summons dated 28/02/2020 and 06/03/2020	Summons returned undelivered.	No
25	13/03/2020	Shri. Sombhai Sunderbhai Meena, Managing Director, AVIL	20/03/2020	Reminder to the summons dated 28/02/2020 and 06/03/2020	Speed Post AD-Not available.	No
26	19/03/2020	e-mails sent to AVIL,aadhaarvilt@gmail.com	18/04/2020	Reminder to the summons dated 28/02/2020 and 06/03/2020	copy of e-mail	No
27	21/05/2020	Reminder e-mails sent to AVIL,aadhaarvilt@gmail.com	Immediate reply	Reminder to the summons dated 28/02/2020 and 06/03/2020	copy of e-mail	No
28	13/01/2021	Jyoti Munver, Non-Executive Independent Chairperson, AVIL	20/03/2020	Last and Final Reminder Summons.	Speed post/AD. Letter returned undelivered with stated reason "Refused"	No

29	13/01/2021	Sombhai Sunderbhai Meena, Director, AVIL	20/03/2020	Last and Final Reminder Summons	Speed post/ AD. Letter returned undelivered with stated reason "insufficient address"	No
30	13/01/2021	Aadhar Ventures India Ltd.  E- mail:aadhaar vilt@gmail. com and aadhaarvent ures@gmail.c om	20/03/2020	Last and Final Reminder Summons	Speed post/ AD. Letter returned undelivered with stated reason "Item returned addressee left without instructions" . E-mail delivered to aadhaarvilt d@gmail.com and aadhaarvent ures@gmail. com	E-mail reply dated 20/01/2021 received from AVIL, aadhaarvilt d@gmail.com seeking 45 days' time for reply due to Covid pandemic
31	21/01/2021	E-mails sent to AVIL,aadhaa rvilt@gmail .com and aadhaarvent ures@gmail.c om	27/03/2020	Urgent reply on the summons as last and final opportunity to produce the information/d ocuments by 27/01/2021.	copy of e- mail	No
32	03/05/2021	Rajshree Omprakash	11/05/2021	Sought requisite	Copy of e- mail and	Yes

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		Khandelwal, Promoter- AVIL		information from Promoter- AVIL as last and final opportunity by 11/05/2021	delivery receipt.	
33	03/05/2021	EMOI Garments Pvt. Ltd, Promoter- AVIL	11/05/2021	Sought requisite information from Promoter- AVIL as last and final opportunity by 11/05/2021	Copy of e- mail and delivery receipt.	No
34	03/05/2021	Omprakash Khandelwal, Promoter- AVIL	11/05/2021	Sought requisite information from Promoter- AVIL as last and final opportunity by 11/05/2021	Copy of e- mail and delivery receipt.	Yes
35	03/05/2021	Jils Raichand Madan, Director, AVIL	11/05/2021	Sought requisite information as last and final opportunity by 11/05/2021	Copy of e- mail and delivery receipt.	No
36	03/05/2021	Shri. Sombhai Sunderbhai Meena, Director, AVIL	11/05/2021	Sought requisite information as last and final opportunity by 11/05/2021	Copy of e- mail and delivery receipt.	No

37	03/06/2021	Shri. Manish Bhupendra Thakkar, Director, AVIL	17/06/2021	Summons dated 03/06/2021 issued seeking information on corporate announcement dated 26/07/2014 with regard to proposal of overseas acquisition by AVIL in Africa. Chronology of events starting from the BOD meeting to be held on dated 01/08/2014. Corporate announcement dated 08/08/2014 BOD to be held on 14/08/2014 with respect to approval of setting up of wholly owned subsidiary company in Singapore. It's Chronology of events. Details of persons including promoter/ directors/	Speed post/ AD. India post track consignment status stated reason "door locked"- "item returned unclaimed"	No
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				employees and or any other persons who are having access to and or in possession of the said information.		
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9. Thus, the following was alleged in the SCN in respect of the correspondence held in this matter:

(i) Noticee No. 1: Summons dated September 27, 2019, October 16, 2019, October 29, 2019, March 19, 2020, May 21, 2020, January 13, 2021 and January 21, 2021 were issued and delivered to the Company. AVIL vide letter dated October 3, 2019 provided incomplete reply and vide e-mails dated March 19, 2020 and January 20, 2021 sought extension of time for reply to various summons. As a last and final opportunity, AVIL was advised to submit information on or before January 27, 2021. However, AVIL did not provide the required information in the matter and did not comply with summons;

(ii) Noticee No. 2: Letters dated July 12, 2019, August 01, 2019 and August 20, 2019 and summons dated October 16, 2019, October 29, 2019 and May 03, 2021 were issued and delivered to the Noticee. As a last and final opportunity, he was advised to submit information on or before May 11, 2021. However, he did not provide the required information in the matter and did not comply with summons;

(iii) Noticee No. 3: Summons dated February 28, 2020 and May 03, 2021 was issued and delivered to the Noticee. As a last and final opportunity, he was advised to submit information as on or before May 11, 2021. However, he did not provide the required information in the matter and did not comply with summons;

(iv) Noticee No. 4: Summons dated February 28, 2020, March 13, 2020 and January 13, 2021 were issued and delivered to the Noticee. As a last and final opportunity, she was advised to submit information on or before January 20, 2021. However, she did not provide the required information in the matter and did not comply with summons.

10. Thus, even after granting several opportunities, the noticees failed to provide the required information to proceed further in the matter to analyse the potential insider trading violations in the scrip of AVIL during the period of investigation. The information sought through the summons with regard to chronology of events related to the corporate announcements, details of entities who were privy to the Unpublished Price Sensitive

Information (“UPSI”), the details of persons who had access to and/or in possession of the UPSI, was necessary for the investigation to ascertain whether such corporate announcement were made to mislead the investors about the market depth in the scrip of AVIL by adding significantly to the liquidity and any violation of the provisions of PIT Regulations. Thus, it was alleged that due to non-submission of information by noticees, the investigation in the matter was hampered.

11. Further, it was alleged that AVIL failed to provide any information on the said corporate announcements. It was observed from the Annual Report for the years 2014-15 and 2015-16, that there were no major announcements/ update with regard to any overseas acquisition and the Company had no subsidiary, joint venture and associate company. It was also observed from the Annual Report for the year 2019-20 that AVIL had no holding, subsidiary and associate company. Further, it was observed that no subsequent update was made regarding acquisition of a company in Africa by AVIL, i.e. name of the company being acquired, mode of acquisition/material development and setting up an overseas subsidiary in Singapore under the corporate announcements of BSE in the subsequent years.

12. However, AVIL did not submit any information sought by Investigating Authority vide various letters and summons and thus, the veracity of announcements made by AVIL could not be analysed. Nonetheless, it was gathered from the Annual Reports that the announcements made on August 1, 2014 and August 14, 2014 did not fructify. Incidentally, it was observed that there was no substantial movement in price of the scrip as a result of the said announcements.

13. It was alleged vide the said SCN that AVIL did not comply with the requirement of prompt disclosure of price sensitive information, i.e., its failure to acquire a company in Africa and setting up an overseas subsidiary in Singapore, which could have an impact on the performance/ operations of AVIL.

14. The SCN was served on Noticees Nos. 1, 2 and 3 by means of electronic mails digitally signed by the Adjudicating Officer and the proofs of service are on record. The SCN in respect of Noticee No. 4 was issued through speed post acknowledgment due (SPAD) at her last known address. However, the same could not be served on Noticee No. 4 and thereafter, the SCN was served upon her by means of affixture on August 5, 2022 and the affixture report is on record.

15. In the aforesaid SCN, it was specified that in case of failure to submit reply to the SCN, it shall be presumed that the noticees have no reply to submit and the matter would be proceeded with on the basis of the evidence available on record. In view of the above, I am of the view that the SCN was duly served on the noticees in terms of SEBI Rules and SC(R) Rules, however, the noticees failed to reply and they did not seek an opportunity of personal hearing.

## **CONSIDERATION OF ISSUES AND FINDINGS**

16. I have perused the allegations levelled against the noticees and the material available on record to decide the case on merits. The issues that arise for consideration in this regard are as follows:

*Issue No. I: (a) Whether Noticee Nos. 1 to 4 have violated sections 11 (2)(i) and 11C (3) read with 11C (2) of SEBI Act?*

*(b) Whether Noticee No. 1 has violated clause 36 of the erstwhile Listing Agreement read with section 21 of SCRA?*

*(c) Whether Noticee Nos. 1 and 3 have violated clauses 2.0, 2.1, 3.2 and 7.0(ii) of Schedule II-Code of Corporate Disclosure Practices for Prevention of Insider Trading read with regulation 12(2) of PIT Regulations?*

*Issue No. II: Does the violation, if any, attract monetary penalty under sections 15A(a) and 15HB of the SEBI Act and sections 23A(a) and 23E of SCRA?*

*Issue No. III: If so, what would be the quantum of monetary penalty that can be imposed on the noticees after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992 and section 23J of SCRA?*

**Issue No. I (a): Whether Noticee Nos. 1 to 4 have violated sections 11 (2)(i) and 11C (3) read with 11C (2) of SEBI Act?**

17. In this regard, the relevant statutory provisions alleged to have been violated by the noticees read as under:

### **SEBI Act**

#### ***"Functions of Board.***

**11. (1) ...**

**(2) ...**

*(i) calling for information from, undertaking inspection, conducting inquiries and audits of the stock exchanges, mutual funds, other persons associated with the securities market, intermediaries and self-regulatory organisations in the securities market;*

*..."*

#### ***"Investigation.***

**11C. (1) ...**

(2) Without prejudice to the provisions of sections 235 to 241 of the Companies Act, 1956 (1 of 1956), it shall be the duty of every manager, managing director, officer and other employee of the company and every intermediary referred to in section 12 or every person associated with the securities market to preserve and to produce to the Investigating Authority or any person authorised by it in this behalf, all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power.

(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.

..."

18. Section 11(2)(i) read with section 11C(3) of SEBI Act, *inter alia*, empowers the Investigating Authority to require any person associated with securities market in any manner to furnish such information as it may consider necessary if furnishing of such information is relevant or necessary for the purposes of its investigation. Further, section 11C(2) of SEBI Act, *inter alia*, provides that it shall be the duty of every manager, managing director, officer and other employee of the company and every intermediary referred to in section 12 or every person associated with the securities market to preserve and to produce all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power.

19. As explained above, the noticees were issued summons seeking information with regard to chronology of events related to the corporate announcements, details of entities who were privy to the UPSI, the details of persons who had access to and/or in possession of the UPSI. As per the records, the noticees did not respond to the summons and the required information was not provided. The Hon'ble Securities Appellate Tribunal (hereinafter referred to as "Hon'ble SAT") vide order dated January 07, 2009 had recognized the importance of compliance of summons and in the matter of *DKG Buildcon Pvt. Ltd. vs. SEBI* (Appeal No. 106 of 2006) as under:

"...It is of utmost importance that every person from whom information is sought should fully co-operate with the investigating officer and promptly produce all documents, records, information as may be necessary for the investigations. If persons are allowed to flout the summons issued to them during the course of the investigations, the Board as the watchdog of the securities market will not be able to perform its duties in protecting the interests of the investors and safeguarding the integrity of the securities market."

20. In this context, it is necessary to advert to the order of Hon'ble SAT dated October 22, 2013 in the matter of *Rich Capital & Financial Services Limited and Mr. Shashwat Agarwal vs. SEBI* (Appeal No. 51 of 2013), which, *inter alia*, held that:

*"We note that requisite information and relevant records are pre-requisites for a meaningful investigation. In the absence of cooperation by the concerned company, the SEBI cannot move an inch. Therefore, every company is obliged to reasonably respond to any letters or summons to be issued by the regulator by furnishing the required information and/or documents for a smooth investigation, unless such a request/demand by the regulator is shown to be the outcome of ill-will, or is tainted with malice and/or is otherwise arbitrary in the fact situation of a given case. If companies are allowed to take the statutory summons, letters or other statutory commands of the Regulator lightly, every investigation will be thwarted even before it begins."*

21. It is also pertinent to refer to order of Hon'ble SAT in the matter of *Asian Films Production and Distribution Ltd. (earlier known as K.C. Bokadia Films) vs. SEBI* (Appeal No.203 of 2010) dated January 19, 2011, which, *inter alia*, held that:

*"Non-compliance with summons is, indeed, a serious matter and cannot be viewed lightly. The respondent Board is the market regulator and has to regulate the securities market and the law provides that every person associated with the market in any manner should cooperate in the matter of carrying out investigations. In the year 2002, the provisions of the Act were amended and penalty for non-compliance with summons was enhanced considerably to make it more deterrent. Market players who do not cooperate with the regulator in the matter of investigations commit a serious wrong which can have serious repercussions in the market."*

22. Since the summons were not complied with by the noticees even after repeated reminders and in the absence of any justification on record for such non-compliance, I am of the view that the Noticee Nos. 1 to 4 have violated the provisions of sections 11 (2)(i) and 11C (3) read with 11C (2) of SEBI Act.

**Issue No. I (b): Whether Noticee No. 1 has violated clause 36 of the erstwhile Listing Agreement read with section 21 of SCRA?**

23. In this regard, the relevant statutory provisions alleged to have been violated by the Noticee No. 1 read as under:

**Listing Agreement**

*"36. Apart from complying with all specific requirements, the Issuer will intimate to the Stock Exchanges, where the company is listed immediately of events such as strikes, lock outs, closure on account of power cuts, etc. and all events which will have a bearing on the performance / operations of the company as well as price sensitive information both at the time*

*of occurrence of the event and subsequently after the cessation of the event in order to enable the security holders and the public to appraise the position of the Issuer and to avoid the establishment of a false market in its securities. In addition, the Issuer will furnish to stock exchange(s) on request such information concerning the Issuer as the stock exchange(s) may reasonably require. The material events may be events such as:*

*1. Change in the general character or nature of business.*

*Without prejudice to the generality of Clause 29 of the Listing Agreement, the Company will promptly notify the Exchange of any material change in the general character or nature of its business where such change is brought about by the Company entering into or proposing to enter into any arrangement for technical, manufacturing, marketing or financial tie-up or by reason of the Company, selling or disposing of or agreeing to sell or dispose of any unit or division or by the Company, enlarging, restricting or closing the operations of any unit or division or proposing to enlarge, restrict or close the operations of any unit or division or otherwise.*

*2. Disruption of operations due to natural calamity*

*The Company will soon after the occurrence of any natural calamity like earthquake, flood or fire disruptive of the operation of any one or more units of the Company keep the Exchange informed of the details of the damage caused to the unit thereby and whether the loss/damage has been covered by insurance, and without delay furnish to the Exchange an estimate of the loss in revenue or production arising therefrom, and the steps taken to restore normalcy, in order to enable the security holders and the public to appraise the position of the issue and to avoid the establishment of a false market in its securities*

*3. Commencement of Commercial Production/Commercial Operations*

*The Company will promptly notify the Exchange the commencement of commercial/production or the commencement of commercial operations of any unit/division where revenue from the unit/division for a full year of production or operations is estimated to be not less than ten per cent of the revenues of the Company for the year.*

*4. Developments with respect to pricing/realisation arising out of change in the regulatory framework*

*The Company will promptly inform the Exchange of the developments with respect to pricing of or in realisation on its goods or services (which are subject to price or distribution control/restriction by the Government or other statutory authorities, whether by way of quota, fixed rate of return, or otherwise) arising out of modification or change in Government's or other authority's policies provided the change can reasonably be expected to have a material impact on its present or future operations or its profitability.*

*5. Litigation /dispute with a material impact*

*The Company will promptly after the event inform the Exchange of the developments with respect to any dispute in conciliation proceedings, litigation, assessment, adjudication or*

*arbitration to which it is a party or the outcome of which can reasonably be expected to have a material impact on its present or future operations or its profitability or financials.*

**6. Revision in Ratings**

*The Company will promptly notify the Exchange, the details of any rating or revision in rating assigned to any debt or equity instrument of the Company or to any fixed deposit programme or to any scheme or proposal of the Company involving mobilisation of funds whether in India or abroad provided the rating so assigned has been quoted, referred to, reported, relied upon or otherwise used by or on behalf of the Company.*

*7. Any other information having bearing on the operation/performance of the company as well as price sensitive information which includes but not restricted to:*

*(i) Issue of any class of securities.*

*(ii) Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off of setting divisions of the company, etc.*

*(iii) Change in market lot of the company's shares, sub-division of equity shares of the company.*

*(iv) Voluntary delisting by the company from the stock exchange(s).*

*(v) Forfeiture of shares.*

*(vi) Any action which will result in alteration in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the company.*

*(vii) Information regarding opening, closing of status of ADR, GDR or any other class of securities to be issued abroad.*

*(viii) Cancellation of dividend/rights/bonus, etc.*

*The above information should be made public immediately." (underline supplied)*

**SCRA**

***"Conditions for listing.***

*21. Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange."*

*24. Section 21 of SCRA enjoins listed companies to comply with the conditions of the Listing Agreement with the stock exchange. Clause 36 of the Listing Agreement is sweeping in nature as it mandates various disclosures to enable the shareholders and the public to take informed decisions while dealing in the securities of a company. It, *inter alia*, requires that a listed company shall also immediately inform the stock exchange of all the events which will have bearing on the performance/ operations of the company as well as price sensitive information. Sub-clause 7 specifically mandates disclosure of any other information having bearing on the operation/performance of the company as*

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*Adjudication Order in respect of insider trading activities of certain entities in the scrip of Aadhaar Ventures India Ltd.*

well as price sensitive information, which includes but not restricted to the specified events mentioned therein, including acquisition, merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the company, etc.

25. Further, the term "price sensitive information" is defined in regulation 2(ha) of PIT Regulations as under:

*"(ha) "price sensitive information" means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company.*

*Explanation. – The following shall be deemed to be price sensitive information: –*

- (i) periodical financial results of the company;*
- (ii) intended declaration of dividends (both interim and final);*
- (iii) issue of securities or buy-back of securities;*
- (iv) any major expansion plans or execution of new projects;*
- (v) amalgamation, mergers or takeovers;*
- (vi) disposal of the whole or substantial part of the undertaking;*
- (vii) and significant changes in policies, plans or operations of the company;" (underlines supplied)*

26. Coming to the facts of the present case, I note that AVIL made corporate announcements dated August 1, 2014 and August 14, 2014 with respect to acquisition of a company in Africa and setting up an overseas subsidiary in Singapore. The said corporate announcements pertaining to acquisition of a company and setting up of a subsidiary deal with major expansion plans, execution of new projects and significant changes in the plans or operations of the company and are, thus, deemed to be "price sensitive information".

27. BSE vide emails dated February 19, 2021 and April 27, 2021, *inter alia*, submitted that it had sought information from the Company with regard to the said corporate announcements, however, in spite of several reminders, AVIL did not provide the required information. Further, BSE vide email dated May 26, 2021 submitted that the Company neither submitted any further details/minutes of any board meeting/ notice with regard to the corporate announcements nor any update/ subsequent announcement in this regard. As noted in the paragraphs above, according to the Annual Reports, the announcements made on August 1, 2014 and August 14, 2014 did not fructify. However, the company did not make any such disclosures pertaining to withdrawal or cancellation of these announcements.



28. I am of the view that though the acquisition of a company by AVIL in Africa and setting up an overseas subsidiary in Singapore did not materialise, it had an impact on the performance/operations of the company and such price sensitive information is liable to be given by AVIL to the stock exchange and disseminated on a continuous and immediate basis.

29. Further, the Hon'ble SAT in its order in Appeal No. 583 of 2019 dated July 8, 2020 in the matter of *ICICI Bank Limited vs. SEBI* had held that when in doubt as to whether a particular event is material or not warranting disclosure under clause 36 of the Listing Agreement, the way out is to disclose in order to avoid any violation. Hon'ble SAT in this regard held that:

*"The purpose and spirit of disclosure in a disclosure-based regulatory regime is simple and clear; disclose all material and price sensitive events/information and disclose even when one is in doubt. It does not have to be tested with finer legal examination, hairsplitting arguments or semantics."*

30. Thus, AVIL failed to disclose immediately to the stock exchange on the events/information which had a bearing on the performance/operations of the Company as well as price sensitive information and thus, failed to comply with the requirement of clause 36 (7) of the Listing Agreement. Hence, the Company has committed violation of clause 36 of the erstwhile Listing Agreement read with section 21 of SCRA.

**Issue No. I (c): Whether Noticee Nos. 1 and 3 have violated clauses 2.0, 2.1, 3.2 and 7.0(ii) of Schedule II-Code of Corporate Disclosure Practices for Prevention of Insider Trading read with regulation 12(2) of PIT Regulations?**

31. Before examining the present issue, the relevant statutory provisions alleged to have been violated by the noticee are enumerated as under:

**PIT Regulations**

*"Code of internal procedures and conduct for listed companies and other entities.*

**12. (1)...**

*(2) The entities mentioned in sub-regulation (1), shall abide by the code of Corporate Disclosure Practices as specified in Schedule II of these Regulations."*

**Schedule II**

***Code of Corporate Disclosure Practices for Prevention of Insider Trading***

***2.0 Prompt disclosure of price sensitive information***

***2.1 Price sensitive information shall be given by listed companies to stock exchanges and disseminated on a continuous and immediate basis.***

...

*3.1 Listed companies shall designate a senior official (such as compliance officer) to oversee corporate disclosure.*

*3.2 This official shall be responsible for ensuring that the company complies with continuous disclosure requirements. Overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.*

***7.0 Medium of disclosure/dissemination***

*(i) ...*

*(ii) Corporates shall ensure that disclosure to stock exchanges is made promptly."*

32. As per regulation 12(2) of the PIT Regulations, a company shall abide by the code of Corporate Disclosure Practices as specified in Schedule II of PIT Regulations. In this regard, it is held in the previous paragraphs that the fact of non-materialising of the corporate announcements relating to acquisition of a company by AVIL in Africa and setting up of a subsidiary in Singapore was "price sensitive information" as defined under regulation 2(ha) of PIT Regulations. As per clause 2.1 of and clause 7.0 (ii) of Schedule II of PIT Regulations, the Company had an obligation to inform the stock exchange about price sensitive information promptly and disseminate the same on a continuous and immediate basis which as per the records, the Company failed to do.

33. Clause 3 of Schedule II of PIT Regulations refers to overseeing and co-ordinating disclosure. Clause 3.2 fixes the responsibility of compliance with the continuous disclosure requirements on the designated Compliance Officer. The role of Compliance Officer is to independently identify all events which are price sensitive in nature and guide the Board to ensure continuous disclosure. As per the Annual Report of AVIL for 2014-2015, Noticee No. 3 was the director and Compliance Officer of AVIL. However, he failed to ensure that the Company had complied with continuous disclosure requirements.

34. In view of the same, I am of the view that Noticee Nos. 1 and 3 have violated clauses 2.0, 2.1, 3.2 and 7.0 (ii) of Schedule II of PIT Regulations read with regulation 12(2) of PIT Regulations.

35. In view of the aforesaid findings, I conclude that:

(a) Noticee Nos. 1 to 4 have violated sections 11 (2)(i) and 11C (3) read with 11C (2) of SEBI Act;

(b) Noticee No. 1 has violated clause 36 of the erstwhile Listing Agreement read with section 21 of SCRA;

(c) Noticee Nos. 1 and 3 have violated clauses 2.0, 2.1, 3.2 and 7.0(ii) of Schedule II-Code of Corporate Disclosure Practices for Prevention of Insider Trading read with regulation 12(2) of PIT Regulations.

**Issue No. II: Does the violation, if any, attract monetary penalty under sections 15A(a) and section 15HB of the SEBI Act and sections 23A(a) and 23E of SCRA?**

36. The aforesaid violation of sections 11 (2)(i) and 11C (3) read with 11C (2) of SEBI Act by the noticees attracts penalty under section 15A(a) of SEBI Act and the relevant extract of section 15A reads as under:

***“Penalty for failure to furnish information, return, etc.***

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

*(a) to furnish any document, return or report to the Board, fails to furnish the same, 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.”*

37. Further, violation of clauses 2.0, 2.1, 3.2 and 7.0(ii) of Schedule II-Code of Corporate Disclosure Practices for Prevention of Insider Trading read with regulation 12(2) of PIT Regulations by of Noticee Nos. 1 and 3 attracts penalty under section 15HB of SEBI Act and the said section reads as under:

***“15HB.Penalty for contravention where no separate penalty has been provided.-***

*Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.”*

38. Similarly, violation of provisions of clause 36 of Listing Agreement and section 21 of SCRA attracts monetary penalty under section 23A(a) and 23E of SCRA. Relevant extracts of sections 23A and 23E read as under:

***“23A. Penalty for failure to furnish information, return, etc.***

*Any person, who is required under this Act or any rules made thereunder, –*

*(a) to furnish any information, document, books, returns or report to a recognised stock exchange, fails to furnish the same within the time specified therefor in the listing agreement or conditions or bye-laws of the recognised stock exchange, shall be liable to a penalty of one lakh rupees for each day during such failure continues or one crore rupees, whichever is less for each such failure.”*

***“23E Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.***

*If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty not exceeding to twenty five crore rupees."*

39. However, with respect to the violation of section 23E of SCRA, the Hon'ble SAT in the matter of *Suzlon Energy Ltd. and Anr. vs. SEBI* (Appeal No. 201 of 2018) dated May 03, 2021 had held as follows:

*"17. The AO held that since Clause 36 of the Listing Agreement was violated, in addition to the penalty imposed under Section 23A(a), the provisions of Section 23E of the SCRA is also invoked. In our view, the imposition of penalty under Section 23E is patently erroneous. The AO has committed a manifest error in invoking Section 23E of the SCRA, 1956*

*18. Section 23E has nothing to do with the violation of the provisions of the Listing Agreement especially Clause 36. Section 23E provides that where a Company fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof then penalty would be a minimum of Rs. 5 lakh upto maximum of Rs. 25 crore. The words "fails to comply with the listing conditions" cannot mean failure to comply with the conditions in the Listing Agreement. One of the requirements in the Listing Agreement which is required to be complied with is Clause 36 whereas Section 23E refers to the conditions which are imposed upon a Company when it is applying for its shares to be listed on the stock exchange platform. Section 23E has to be read along with Rule 19 of the Securities Contracts (Regulation) Rules, 1957 ('SCRR' for short). Rule 19 of the SCRR provides certain requirements with respect to a listing of securities on a recognized stock exchange. Rule 19A provides that a Company has to continuously maintain listing requirements. Rule 21 provides conditions for delisting of securities. Failure to comply with the listing conditions which are stated in Rule 19 would entail a penalty as provided under Section 23E. Thus, in our view violation of Clause 36 of the Listing Agreement will attract Section 23A(a) of the SCRA and will not attract Section 23E....." (underline supplied)*

40. I note that a stay application was filed before the Hon'ble Supreme Court by SEBI with respect to the findings of Hon'ble SAT in paragraphs 17 and 18 of the aforesaid order. Further, I note that an appeal was filed before the Hon'ble Supreme Court against the aforesaid order vide Civil Appeal No. 4741 of 2021. I note that the aforesaid stay application and the appeal are pending. It is important to highlight that vide orders in the matter of *M/s NDTV vs. SEBI* (Appeal No. 358 of 2015) dated August 07, 2019, and *Oasis Securities Ltd. & Ors. Vs. SEBI* (Appeal No. 316 of 2018) dated March 17, 2020, the Hon'ble SAT had upheld the imposition of penalty under section 23E of SCRA on the appellant companies therein for the violation of clauses of the Listing Agreement. The limited purpose of going into the issue of violation of Listing Agreement by the Company is to determine if the Company has violated the provisions of the listing agreement, and if so, to impose penalty, however, the enforcement of penalty with respect to the violation under section 23E of SCRA shall be subject to the outcome of the aforesaid appeal before the Hon'ble Supreme Court.

41. With respect to the issue whether the violations as above attract penalty under sections 15A(a) and 15HB of the SEBI Act and sections 23A(a) and 23E of SCRA, it is found that in view of the facts and circumstances of the case and the material available on record, the aforesaid noticees have contravened the provisions listed in para 35 above. In view of the same, it is a fit case for imposition of monetary penalty on the noticees under sections 15A(a) and 15HB of the SEBI Act and sections 23A(a) and 23E of SCRA and in terms of the judgment of Hon'ble Supreme Court in the matter of *Chairman, SEBI vs. Shriram Mutual Fund & Anr.* reported in (2006) 5 SCC 361 holding as follows:

*"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."*

**Issue No. III: If so, what would be the quantum of monetary penalty that can be imposed on the noticees after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992 and section 23J of SCRA, 1956?**

42. With respect to the quantum of monetary penalty that can be imposed on the noticees, it is important to consider the factors as stipulated in section 15J of the SEBI Act which reads as under:

*"Factors to be taken into account by the adjudicating officer.*

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

*(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*

*(b) the amount of loss caused to an investor or group of investors as a result of the default;*

*(c) the repetitive nature of the default.*

*Explanation. – For the 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."*

43. In this matter, as noted earlier, there was no substantial movement in the price of the scrip owing to the corporate announcements dated August 1, 2014 and August 14, 2014. Further, no trading activity by the promoters/directors and key personnel of the company was observed in the scrip on BSE during the period of investigation. No off-market transactions were observed between the promoters/directors/company. However, the information regarding non-materialisation of the corporate announcements was not disclosed and it is difficult to quantify the potential movement in the price of the scrip owing thereto. However, in a disclosure based regime, the disclosures of material information related to the performance/operation of the company which is price sensitive enables the investors to take informed decisions while dealing in the securities of the company.

44. With respect to the significance of disclosure of price sensitive information, Hon'ble SAT vide order dated November 16, 2011 in *M/s. Helios and Matheson Information Technology Limited vs. SEBI* (Appeal No. 69 of 2011), observed as follows:

*"Price sensitive information when published is likely to materially affect the price of the securities of a company and it is for this reason that clause 36 of the listing agreement mandates that such information should be made public at the earliest. This is also the requirement of clause 2.1 of the Code of Corporate Disclosure Practices for Prevention of Insider Trading in schedule II to the PIT regulations which provides that "price sensitive information shall be given by listed companies to stock exchanges and disseminated on a continuous and immediate basis". Disclosure of such information prevents insider trading. It is pertinent to mention that PIT regulations prohibit a person from trading when he is in possession of unpublished price sensitive information. Non-disclosure of price sensitive information is, thus, viewed seriously."*

45. Further, it is noted that the vide order No. EAD-2/DSR/RG/686-781/2017 dated August 2, 2017, a penalty of Rs. 1 Lakh for violation of section 15A(a) of SEBI Act and vide order No. Order/BM/JR/2022-23/18258 -18279 dated July 29, 2022, a penalty of Rs. 2 lakh for violation of section 15HA of SEBI Act, was imposed on AVIL and thus the default is repetitive in nature.

### **ORDER**

46. In exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the SEBI Rules and section 23-I of Securities Contracts (Regulation) Act, 1956 read with rule 5 of the SC(R)Rules, I impose penalty on the noticees as under:

- (a) a penalty of Rs. 10,00,000/- (Rupees Ten Lakh only) jointly and severally on Aadhaar Ventures India Limited, Jils Raichand Madan, Somabhai Sunderbhai Meena and Jyoti Munver for violation of section 15A(a) of SEBI Act;
- (b) a penalty of Rs. 5,00,000/- (Rupees Five Lakh only) jointly and severally on Aadhaar Ventures India Limited and Somabhai Sunderbhai Meena for violation of section 15HB of SEBI Act;
- (c) a penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Aadhaar Ventures India Limited for violation of section 23A(a) of SCRA;
- (d) a penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Aadhaar Ventures India Limited for violation of section 23E of SCRA;

In the facts and circumstances of the case, I am of the view that the said penalty is commensurate with the violations committed by noticees. Further, as noted above, in light of the fact that an appeal has been before the Hon'ble Supreme Court in the Suzlon Energy (*supra*) matter, the monetary penalty imposed on the Company under section 23E of the SCRA shall be payable depending upon the outcome of the aforesaid appeal before the Hon'ble Supreme Court.

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*Adjudication Order in respect of insider trading activities of certain entities in the scrip of Aadhaar Ventures India Ltd.*

47. The noticees 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 online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link: **ENFORCEMENT > Orders > Orders of AO > PAY NOW**

48. The noticees shall forward the said demand draft or the details/confirmation of penalty so paid to 'The Division Chief (Enforcement Department 1, DRA-1), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C-4 A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051'. The noticees shall also provide the following details while forwarding the demand draft/payment information:

- Name and PAN of the noticees;
- Name of the case/matter;
- Purpose of Payment – Payment of penalty under AO proceedings;
- Bank Name and Account Number;
- Transaction Number.

49. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

50. In terms of rule 6 of the SEBI Rules/SC(R) Rules, a copy of this order is being sent to the noticees and also to the Securities and Exchange Board of India.

**Date: August 29, 2022**  
**Place: Mumbai**

**JAI SEBASTIAN**  
**ADJUDICATING OFFICER**