

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER Ref. No. ORDER/JS/RJ/2025-26/31517]

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

LCC Infotech Limited
PAN: AACCA2580J

In the matter of LCC Infotech Limited

BACKGROUND

1. LCC Infotech Limited (hereinafter referred to as "LCC"/ "Noticee") is a company whose shares have been listed on the BSE Ltd. (hereinafter referred to as "BSE") and National Stock Exchange Ltd. (hereinafter referred to as "NSE").
2. Securities and Exchange Board of India (hereinafter referred to as "SEBI") initiated the instant adjudication proceedings under section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") against the Noticee for the alleged violations of regulation 31(1) read with regulation 4(1) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "LODR Regulations").

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "AO"), vide order dated April 08, 2025, to inquire into and adjudge under section 15HB of the SEBI Act for the aforesaid violation alleged to have been committed by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice (hereinafter referred to as 'SCN') bearing No. SEBI/EAD/EAD-2/JS/RJ/2025/13781 dated May 21, 2025, was issued to the Noticee under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "Rules") to show cause as to why an inquiry should not be held and penalty, if any, should be not imposed against the Noticee under section 15HB of SEBI Act for the aforesaid alleged violations.

5. The said SCN dated May 21, 2025, *inter alia*, alleged the following qua Noticee:

“...Allegation

- a. *A draft letter of offer (hereinafter referred to as “DLOF”) with respect to the open offer being made by Mr. Shreeram Bagla and Ms. Rachna Suman Shaw to the shareholders of LCC was submitted to SEBI in the year 2024. On perusal of the said DLOF, it was observed that Mr. Siddhart Lakhota, one of the promoters of the Noticee, had sold 10,000 equity shares on January 01, 2018. However, the said sale of equity shares on January 01, 2018, was not reflected in the shareholding pattern filed under regulation 31(1) of the LODR Regulations by the Noticee for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019.*
- b. *In terms of regulation 31(1) read with regulation 4(1)(e) of LODR Regulations, a listed entity is obligated to submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities in the format as specified by SEBI and furthermore, the listed entity is required to ensure that disseminations made LODR Regulations are adequate and accurate.*
- c. *In this context, it is alleged that the Noticee filed an incorrect shareholding pattern under regulation 31(1) of the LODR Regulations for eight quarters i.e. for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019. Accordingly, the Noticee is alleged to have violated regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations....”*

6. The SCN was duly served upon the Noticee in consonance with the Rules.

7. In response, Noticee submitted its reply vide email dated May 22, 2025. The Noticee in its reply, *inter alia*, stated the following regarding violation of regulation 31 (1) of LODR Regulations:

- a. On July 4, 2018, BSE Ltd. passed a compulsory delisting order against the company and on August 8, 2018, a delisting order was passed by NSE and the shareholding details of the were blocked by NSDL and CDSL;
- b. The company challenged theses orders before Hon’ble Securities Appellate Tribunal (hereinafter referred to as “**Hon’ble SAT**”) and Hon’ble SAT vide its *order* changed the status of company from delisted to suspended. During that period data was not available. Thus, the details of sale of 10,000 by Sidharth Lakhota was not

available with the Company and inadvertently missed out in the shareholding patterns;

- c. This was an inadvertent and unintentional error and there was no profit/gain was made by Sidharth Lakhotia as the total sale proceed was Rs. 14,000/- only for sale of 10,000 shares whereas the acquisition cost was Rs. 9.1 per share. The same was rectified in the year 2020-21.

- 8. In line with the mandate of the Rules, an opportunity of hearing was granted to the Noticee vide Hearing Notice dated May 23, 2025. Authorized Representative of the Noticee attended the hearing on May 29, 2025 and reiterated the submissions made by it vide email dated May 22, 2025.

CONSIDERATION OF ISSUES AND FINDINGS

- 9. After careful perusal of the material on record, I note that the issues that arise for consideration in the present case are as follows:
 - I. Whether Noticee filed an incorrect shareholding pattern under regulation 31(1) of the LODR Regulations for eight quarters, i.e., for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019 and thereby violated regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations?
 - II. Does the violation, if any, on the part of Noticee attract a monetary penalty under section 15HB of the SEBI Act?
 - III. If so, what would be the monetary penalty that can be imposed upon Noticee, taking into consideration the factors stipulated in section 15J of the SEBI Act?
- 10. The relevant extracts of the provisions of law, allegedly violated by Noticee, are mentioned as under:

“LODR Regulations

Principles governing disclosures and obligations.

4. (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

(a)...

(e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language....

31. (1) The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities in the format specified by the Board from time to time

(a) ...

(b) on a quarterly basis, within twenty-one days from the end of each quarter; and, ...”

CONSIDERATION

I. Whether Noticee filed an incorrect shareholding pattern under regulation 31(1) of the LODR Regulations for eight quarters, i.e., for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019 and thereby violated regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations?

11. In the SCN, it was alleged that Mr. Siddhart Lakhotia, one of the promoters of the Noticee, had sold 10,000 equity shares of Noticee on January 01, 2018. However, the said sale of equity shares on January 01, 2018, was not reflected in the shareholding pattern filed under regulation 31(1) of the LODR Regulations by the Noticee for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019.
12. I note that the Noticee in its reply has admitted that the disclosure filed by the Noticee for the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019 did not factor in the sale of equity shares on January 01, 2018 by Mr. Siddhart Lakhotia.
13. The Noticee has attributed the said lapse to inadvertent and unintentional omission. Noticee has argued the lapses happened on account of the delisting orders issued by the stock exchanges and their subsequent ramifications.
14. In this regard, it is noted from the submission of the Noticee that the said delisting orders of stock exchanges were appealed before Hon'ble SAT whereby the delisting order was modified to a suspension of trading in the scrip of LCC. As such, the Noticee was not delisted from the stock exchanges in the period from the quarter ended March 31, 2018 to the quarter ended December 31, 2019.
15. As stated above, despite the orders of stock exchanges and their ramifications, Noticee remained listed on the stock exchanges, that being so, it was incumbent on the Noticee to comply with the mandate of LODR Regulations including that of regulation 31 in letter and spirit in terms of regulation 15(1) read with 3(1) of the LODR Regulations. In this regard, I

note that Hon'ble SAT in the matter of *Premchand Shah and Others v. SEBI*¹, *inter alia*, held as under: "...When a law prescribes a manner in which a thing is to be done, it must be done only in that manner..."

16. Further, I note that the instant violations starts from the first quarter of FY19 (i.e., April 1, 2018) whereas the first delisting order was passed by BSE came into force only on July 04, 2018. Thus, even if the contention of the Noticee that it was unable to comply with the mandate of regulation 31 of LODR on the ground that it was under regulatory action by stock exchanges is accepted, there lies no justification of the wrongful statement submitted in terms of regulation 31(1) of LODR for the period prior to the commencement of the said stock exchange action. Therefore, the instant submission of the Noticee cannot be accepted.
17. Therefore, I find that Noticee violated regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations.

II. Does the violation, if any, on the part of Noticee attract a monetary penalty under section 15HB of the SEBI Act?

III. If so, what would be the monetary penalty that can be imposed upon Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act?

18. From the previous paragraphs, it has been established that Noticee violated regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations.
19. Accordingly, Noticee is liable for payment of a monetary penalty in terms of section 15HB of the SEBI Act.
20. The text of the abovesaid section 15HB of the SEBI Act is reproduced below:
"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 shall not be less than one lakh rupees but which may extend to one crore rupees."
21. While determining the quantum of penalty under section 15HB of the SEBI Act, the following factors stipulated in section 15J of the SEBI Act have to be given due regard:

¹ Appeal No. 192 of 2010.

“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.”*

22. The available records neither specify disproportionate gains/unfair advantage made by Noticee nor the loss, if any, suffered by the investors due to such violations.
23. However, I take note of the fact that SEBI has imposed monetary penalties on Noticee earlier for violations of LODR and Listing Agreement vide SEBI orders dated November 12, 2004 and November 29, 2004. Thus, the violations are repetitive.
24. I note from the records that corrective actions have been taken by the Noticee wherein it has rectified the discrepancy in the shareholding statement which had occurred from quarter ended March 31, 2018 to the quarter ended December 31, 2019 in the year 2020-21.
25. In this context, reference is drawn to the order of Hon’ble SAT in the matter of *Coimbatore Flavors & Fragrances Ltd. v. SEBI*³ wherein it was held that *“True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same.”* I also note of the observation of the Hon’ble SAT in the matter of *Milan Mahendra Securities Pvt Ltd. v. SEBI*⁴ wherein it was held that *“the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market”*.
26. The aforementioned factors have been taken into consideration while adjudging the penalty.

ORDER

27. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in preceding paragraphs and in the exercise of powers

³Appeal No. 209 of 2014.

⁴Appeal No. 66 of 2003.

conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Adjudication Rules, I, hereby, impose the following penalty on Noticee:

Noticee Name	Violations	Penalty Provision	Penalty
LCC Infotech Limited	Regulation 31(1) read with regulation 4(1)(e) of the LODR Regulations	Section 15HB of the SEBI Act	Rs. 1,00,000/- (Rupees One Lakh only)

28. I am of the view that the said penalty is commensurate with the lapses/omissions on the part of Noticee.
29. Noticee shall remit/pay the said amount of penalty within 45 days of receipt of this order through 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.
30. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticee and also to the Securities and Exchange Board of India.

Date: July 04, 2025

Place: Mumbai

**JAI SEBASTIAN
ADJUDICATING OFFICER**