

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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SETTLEMENT ORDER  
IN SETTLEMENT APPLICATION NO. 6319 OF 2021  
FILED BY BAADER BANK AKTIENGESELLSCHAFT [PAN: AACCB9355L]  
IN THE MATTER OF PAROLI CORPORATION LTD.

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1. Baader Bank Aktiengesellschaft ("**Applicant**"), had filed a *suo motu* Settlement Application ("**Application**") in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("**Settlement Regulations**") proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order, the enforcement proceedings that may be initiated against it, for the alleged violations of:
  - a. Regulation 7(1A) read with Regulation 7(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**Takeover Regulations, 1997**")
  - b. Regulation 8(1) of the Takeover Regulations 1997, and
  - c. Regulation 13(3) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("**PIT Regulations, 1992**")

The Takeover Regulations, 1997 has now been repealed and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations, 2011**") has been introduced. The corresponding regulations under the Takeover Regulations 2011 for the alleged violations mentioned at paragraph 1.a and 1.b are Regulation 29 and Regulation 30 respectively.

Similarly, The PIT Regulations, 1992 has now been repealed and SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations, 2015**") has been introduced. The corresponding regulation under the PIT Regulations, 2015 for the alleged violations mentioned at paragraph 1.c is Regulation 7.

In view of this, the present application is being considered under the above mentioned Regulations.

2. The facts in brief are as follows:

- a. Violations of the provisions of the Takeover Regulations, 1997 read with Takeover Regulations, 2011** – On December 11, 2009, the Applicant received an intimation of allotment of 10,48,417 (3.74%) shares of Parsoli Corporation Limited (“**Target Company**”) necessitating the following disclosures:
- i.* Disclosure under Regulation 7(1A) read with Regulation 7(2) of the Takeover Regulations, 1997 to be made to the Target Company and the Stock Exchanges on which the Target Company was listed. However, the aforesaid disclosure was made to the Target Company only on December 18, 2009 i.e. with a delay of 5 days, and to the Stock Exchanges on December 15, 2009 i.e. with a delay of 2 days.
  - ii.* For the Financial Years 2009–10 and 2010–11, in terms of Regulation 8(1) of the Takeover Regulations, 1997, the Applicant was required to make disclosure to the Target Company by April 21, 2010 and April 21, 2011, respectively. However, the Applicant made the aforesaid disclosures only on January 7, 2021 i.e. with a delay of 3914 and 3549 days respectively.
  - iii.* In view of the above, the Applicant is alleged to have violated Regulation 7(1A) read with Regulation 7(2) of Takeover Regulations, 1997 read with Regulation 29 of Takeover Regulations, 2011 and Regulation 8(1) of the Takeover Regulations, 1997 read with Regulation 30 of the Takeover Regulations, 2011.
- b. Violations of the provisions of the PIT Regulations, 1992 read with the PIT Regulations, 2015** – The Applicant had cumulatively sold 8,00,000 (2.97%) shares of the Target Company in three different tranches i.e. on September 20, 2007, September 27, 2007 and October 5, 2007, necessitating the following disclosures:

- i.* Disclosure under Regulation 13(3) of PIT Regulations, 1992 by October 11, 2007. However, the aforesaid disclosure was made only on January 7, 2021 i.e. with a delay of 4837 days.
  - ii.* Further, on December 11, 2009, when the Applicant had received intimation of the allotment of 10,48,417 (3.74%) shares of the Target Company, it was required to make a disclosure under Regulation 13(3) of PIT Regulations, 1992 by December 15, 2009. However, the Applicant made the aforesaid disclosure to the Target Company only on December 18, 2009 i.e. with a delay of 3 days.
  - iii.* In view thereof, the Applicant is alleged to have violated Regulation 13(3) of the PIT Regulations, 1992 read with Regulation 7 of the PIT Regulations, 2015.
3. Pursuant to receipt of the Application, the authorized representative of the Applicant had a meeting with the Internal Committee of SEBI on September 27, 2021 and deliberated on the terms of the settlement. Thereafter, the Applicant vide e-mails dated October 8, 2021 and November 26, 2021, proposed revised settlement terms to settle the proceedings that may be initiated against it.
4. The High Powered Advisory Committee (“HPAC”) in its meeting held on December 29, 2021, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹ 18,22,149/- (Rupees Eighteen Lakhs Twenty Two Thousand One Hundred and Forty Nine only). The aforesaid amount was remitted by the Applicant on February 14, 2022. The receipt of the above payment to SEBI is confirmed.
5. In view of the above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the alleged defaults as mentioned at paragraph 1 above are settled *qua* the Applicant as per the following terms:

- i.* SEBI shall not initiate enforcement action against the Applicant for the said default;
  - ii.* this Order disposes of the proceedings that may be initiated for the said default as mentioned above, in respect of the Applicant; and
  - iii.* passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including commencing proceedings against the Applicant, if SEBI finds that:
    - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
    - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - (c) there was a discrepancy while arriving at the settlement terms.
6. This Settlement Order is passed on this 11th day of March, 2022 and shall come into force with immediate effect.
7. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

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**S.K. MOHANTY**  
**WHOLE TIME MEMBER**

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**ANANTA BARUA**  
**WHOLE TIME MEMBER**