

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER NO. SO/SM/S./2022-23/6873]

UNDER SECTION 15JB OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 23(1) OF THE SEBI (SETTLEMENT OF ADMINISTRATIVE AND CIVIL PROCEEDINGS) REGULATIONS, 2018

In respect of:

Settlement application submitted by:

Name of Entity	PAN
Tarun Kumar Srivastava, Compliance Officer, Minda Industries Limited	ARIPS1676H

In the matter of Minda Industries Limited

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1. Securities and Exchange Board of India (herein after referred to as '**SEBI**'), conducted an investigation with respect to alleged irregularities of Minda Industries Limited (hereinafter referred to as "**Minda Industries Limited/Noticee 1/MIL**") during the period from 1st October, 2018, to 31st December, 2018 to ascertain the possible violation of provisions of SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "**PIT Regulations**"). Pursuant to the investigation, SEBI observed violations of Regulations 7(2)(b) and 9(3) of PIT Regulations alleged to have been committed by Noticee 1 and Shri. Tarun Kumar Srivastava (hereinafter referred to as "**Tarun Kumar Srivastava/Applicant**") respectively.
 2. Pursuant to the Investigation above, SEBI vide its order dated March 03, 2020, appointed Shri B. J. Dilip, as the Adjudicating Officer (hereinafter referred to as 'AO') under Section 19 read with Section 15-I of the SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'SEBI Adjudication Rules'), to inquire into and adjudge

under Sections 15A(b) and 15HB of the SEBI Act, the aforesaid alleged violations committed by Applicant and Noticee 1. Pursuant to transfer of Shri B J Dilip, the undersigned was appointed as the AO in the said matter by SEBI vide Order dated December 29, 2020.

3. In this regard, a Show Cause Notice dated September 11, 2020 (hereinafter referred to as 'SCN') was issued to Applicant and Noticee 1. The major observations and allegations levelled against the Applicant and Noticee 1 in the aforesaid SCN are given hereunder in brief:

a) Noticee 1 was required to file disclosures in respect of transactions mentioned at Regulation 7(2)(a) of PIT Regulations, within two trading days of receipt of the disclosure or from the date of becoming aware of such information. It was observed that there were two instances of delay in filing disclosure, by the Noticee 1, to the Exchanges as mentioned below:

Table-1

Name of the employee	Transaction date	Value of the transaction	Due date of reporting by the company*	Reported on	Delay in no. of days
Atul Swaroop	17/08/2018 to 29/08/2018	10,96,272	04/09/2018	29/09/2018	25
Jaikumar Menon	17/10/2018	40,98,321	23/10/2018	07/12/2018	45

b) It was observed that M/s LinkIntime India Private Limited, the Registrar and Transfer agent of the Noticee 1 (hereinafter Referred to as 'RTA'), had vide email dated September 24, 2019, submitted that weekly Benpos report is being provided to the company. Further, MIL, vide letter dated September 23, 2019, also stated that weekly Benpos Reports are received from the RTA. Thus, the Noticee 1 became aware of the aforesaid transactions of Mr. Atul Swaroop and Mr. Jaikumar Menon, within a week of transactions itself and was required to file disclosure in terms of Regulation 7(2)(b) of PIT Regulations, on time. However, it is alleged that it had filed delayed disclosure to the Exchanges as mentioned in Table 1, above."

c) Thus, it was alleged that the Noticee 1 has violated Regulation 7(2)(b) of PIT Regulations for making delayed disclosures on two (2) occasions.

- d) SEBI, vide its email dated September 24, 2019, had asked the MIL to state name and designation of the Compliance Officer who was designated to administer the code of conduct and other requirements with respect to PIT Regulations and who was also responsible for scrutinizing the weekly benpos reports received from RTA and for filing of disclosures to the stock exchanges. MIL, in its reply, vide letter dated September 27, 2019, had provided details of Compliance officer which is the Noticee 2.
- e) With respect to the transactions of Mr. Atul Swarup and Mr. Jaikumar Menon, mentioned in the Table 1 above, the disclosures were filed by the Noticee 2 with delay. The RTA to the Noticee 1, had informed it, about the transactions of Mr. Atul Swarup and Mr. Jaikumar Menon, while forwarding its periodical “Benpos” report to the company and the Noticee 2 has failed to file disclosures on time, on behalf of the Company. Therefore, there is lapse on the part of the Compliance Officer in regulatory compliance of provisions of PIT Regulations and the Code of conduct framed thereunder for its employees as envisaged under Regulation 9(3) of PIT Regulations.
- f) In view of the above facts and observations, it was alleged that the Noticee 2 has violated Regulation 9(3) of PIT Regulations.
4. I note from the records that pending adjudication proceedings, the Applicant and Noticee 1 proposed to settle the instant proceedings initiated against them, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement applications with SEBI in terms of Regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations 2018 (hereinafter referred to as “**Settlement Regulations**”). The details of the same are provided as under:

Name of Entity	PAN	Date of settlement application no.	Settlement reference No.
Minda Industries Limited	AAACM1152C	03/11/2020	4223/2020 & 6872/2022
Tarun Kumar Srivastava, Compliance	ARIPS1676H	03/11/2020	4224/2020 & 6873/2022

Name of Entity	PAN	Date of settlement application no.	Settlement reference No.
Officer, Minda Industries Limited			

5. After attending meeting with the Internal Committee of SEBI on March 17, 2021, in terms of the Settlement Regulations, the Applicant and Noticee 1 through their Authorized Representative proposed revised settlement terms vide email dated March 31, 2021. The High Powered Advisory Committee ('HPAC') in its meeting held on April 05, 2022 considered the revised settlement terms proposed and recommended that the case may be settled upon payment of following amounts by the Applicant and Noticee 1:-

S. No.	Name of Applicant	Settlement reference No.	Settlement Amount (in ₹)
1	Minda Industries Limited	4223/2020 & 6872/2022	5,47,188/-
2	Tarun Kumar Srivastava	4224/2020 & 6873/2022	10,62,500/-

6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on April 26, 2022 and the same was communicated by SEBI to the Applicant and Noticee 1 vide email dated May 05, 2022. Accordingly, as communicated by the Applicant and Noticee 1 to SEBI, the settlement amounts of Rs. 5,47,188/- (Rupees Five Lakh and Forty Seven Thousand and One Hundred and Eighty Eight only) from Noticee 1 viz. Minda Industries Limited and 10,62,500/- (Rupees Ten Lakh and Sixty Two Thousand and Five Hundred only) from Applicant viz. Tarun Kumar Srivastava were remitted to SEBI on May 09, 2022 and was duly received by SEBI.
7. Therefore, in view of the acceptance of the settlement terms and the receipt of above settlement amounts by SEBI, the instant adjudication proceedings initiated against Applicant by way of issuance of SCN vide ref. nos. SEBI/EAD/BJD/MKG/0015009/2020 in respect of Tarun Kumar Srivastava dated September 11, 2020 are disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations, on the basis of the settlement terms.

8. This order shall come into force with immediate effect. Further, in terms of Regulation 28 of the Settlement Regulations, this order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:
- i. Any representation made by Applicant in the settlement proceedings are subsequently discovered to be untrue; or
 - ii. Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.
9. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is sent to the Applicant viz. Tarun Kumar Srivastava and the order is also published on the website of SEBI.

Date: May 13, 2022

Place: Mumbai

SOMA MAJUMDER

Adjudicating Officer