<u>BEFORE THE ADJUDICATING OFFICER</u>

<u>SECURITIES AND EXCHANGE BOARD OF INDIA</u>

[ADJUDICATION ORDER NO. Order/SM/S./2022-23/20356-20372]

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

In respect of

Noticee No.	Noticee Name	PAN
1.	**Atul Maganlal Hemani**	**AAFPH5578P**
2.	**Amisha Hemani**	**AAJPH1738F**
3.	**Vidhi Hemani**	**ACIPH0949K**
4.	**Avinash Pitale HUF**	**AAIHA3468A**
5.	**Shubhangi Pitale**	**AAXPP0390F**
6.	**Sheetal Pitale**	**ARBPP1512C**
7.	**Nitish Pitale**	**ARBPP1640H**
8.	**Wintel Computers Private Limited**	**AAACW2123M**
9.	**Omnitech Technologies Private Limited**	**AAACO4042P**
10.	**Atul Maganlal Hemani (Huf)**	**AABHA3979H**
11.	**Avinash C Pitale**	**ABZPP3138Q**
12.	**Vanita Maganlal Hemani**	**AASPH3374G**
13.	**Maganlal Kunverji Hemani**	**AASPH8098R**
14.	**Bharat Maganlal Hemani**	**ABUPH3648E**
15.	**Yugal Bharat Hemani**	**ABUPH3649F**
16.	**Devarshi Dushyant Buch**	**AAEPB8698M**
17.	**Nirav Atul Hemani**	**ACIPH0950J**

(*"hereinafter referred to as* ***Noticees***")

In the matter of Omnitech Infosolutions Limited.

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI')** received a complaint alleging manipulations in scrip of Omnitech Infosolutions Ltd (hereinafter referred to as **'Omnitech/by name/the Company'**) by its promoters and their associates. Thereafter, SEBI conducted investigation in the matter of Omnitech for the period January 01, 2012 to December 31, 2014 (hereinafter referred to as **'Investigation Period/IP').** The Company was listed on BSE Ltd **('BSE')** and National Stock Exchange of India Ltd **('NSE').** Based on investigation, SEBI observed certain violations of provisions of SEBI (Prevention of Insider Trading) Regulations, 1992 (hereinafter referred to as **'PIT Regulations'**) and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as **'SAST Regulations'**).

APPOINTMENT OF ADJUDICATING OFFICER

2. Vide Order dated April 28, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'Adjudication Rules') to inquire into and adjudge the following violations in respect of trading in the scrip of Omnitech, under the provisions of-

    2.1. Section 15A(b) of the SEBI Act, the alleged violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations by Noticees 1 to 17;

    2.2. Section 15A(b) of the SEBI Act, the alleged violation of Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations by Noticees 1 to 8;

    2.3. Section 15A(b) of the SEBI Act, the alleged violation of Regulation 31(2) read with Regulation 31(3) of SAST Regulations by Noticee 9;

    2.4. Section 15A(b) of the SEBI Act, the alleged violation of Regulation 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations by Noticee 1;

    2.5. Section 15A(b) of the SEBI Act, the alleged violation of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations by Noticees 2 to 9.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A common Show Cause Notice dated November 16, 2021 (hereinafter referred to as '**SCN**') was issued to Noticees under Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be initiated against Noticees and penalty, if any, not be imposed upon them

under the provisions of Section 15A(b) of SEBI Act for the violations of various regulations, mentioned at paragraph 2 of this order, alleged to have been committed by them.

4. The allegations contained in the SCN are summarised as under:

*(a) It is alleged in the SCN that Noticees 1 to 9, as Persons Acting in Concert ("**PACs**"), had not disclosed the numerous instances of creation of pledge to company and stock exchanges in terms of Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations within seven days from the creation or invocation or release of encumbrance.*

(b) It is alleged in the SCN that Noticees 1 to 17, as PACs, had failed to make requisite disclosures in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations in respect of change in their shareholding in the Company as a result of numerous sale transactions by Noticees 1 to 17.

(c) It is alleged in the SCN that Noticees 1, being a promoter-director of the Company, and Noticees 2 to 9 have not made requisite applicable disclosures in terms of Regulations 13(4), 13(4A) and 13(5) of PIT Regulations as applicable on account of numerous sale transactions which satisfied the threshold provided in the aforesaid regulations.

(d) The aforesaid alleged violations, if established, make Noticees liable for monetary penalty under Section 15A(b) of SEBI Act. The text of Section 15A(b) of SEBI Act is reproduced hereunder:
*"**Section 15A(b) of SEBI Act:** to file any return or furnish any information, books or other documents within the time specified therefore 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 of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less"*

5. The SCN was duly served on Noticees 1-17 by Speed Post Acknowledgement Due ('**SPAD**'), and on all the Noticees through Digitally Signed Emails. Thereafter, vide their email dated November 25, 2021, Noticees 1-17 requested for an extension of time to file reply. Vide their emails dated December 04, 2021 and January 13, 2022, Noticees again requested for another extension of time to file reply. Thereafter, vide letter dated January 28, 2022, a common reply dated January 27, 2022, to the SCN was submitted on behalf of Noticees 1-17 by Noticee 11. In the aforesaid reply it was stated that Noticee 11 was authorised to represent

all Noticees and a letter of authority in favour of Noticee 11 was submitted as part of Annexures to the said reply. Subsequently, vide Hearing Notice dated July 15, 2022, which was duly served on Noticee 11 via SPAD and Digitally Signed Email, Noticees were granted an opportunity of hearing on August 03, 2022. Thereafter, vide their email dated August 02, 2022, CS Shailashri Bhaskar, the AR of Noticees 1-7, Noticees 10-11 and Noticees 15-17 confirmed that she shall appear for the hearing on behalf of the said Noticees. Thereafter, on the scheduled date the AR appeared for the hearing on the scheduled dated. During the course of hearing, AR of Noticees 1-7, Noticees 10-11 and Noticees 15-17 reiterated the submissions made in their common reply dated January 27, 2022.

6. In regard to the allegations made in the SCN, the submissions of Noticees 1-7, Noticees 10-11 and Noticees 15-17 made in their reply dated January 27, 2022, is as under:

(a) "*At the outset, I would like to mention that Mr. Maganlal Hemani (Noticee No: 13), Mrs. Vanita Hemani (Noticee No: 12) and Mr Bharat Hemani (Noticee No: 14) have expired and a copy of their death certificates is enclosed as Annexure 2. I request you to kindly drop all further proceedings against them.*"

(b) "*Omnitech Infosolutions Ltd was incorporated on January 30, 1990 by Mr. Atul Hemani & Mr. Avinash Pitale. Since its inception Omnitech has been empowering enterprises with its cutting edge technology solutions and services In its journey of 25 years, Omnitech have achieved several milestones and catalyzed some of the pioneering initiatives that led them to become a leading global destination for availability and continuity services. Omnitech made an initial public offer in July 2007 and its shares were listed on stock exchanges in India on August 14, 2007. In 2008, Omnitech opened second disaster recovery center (DRC) at Hyderabad and became India's first company to have a multi-location DR sites.*"

(c) "*However, the fortunes altered for the Company and the Company went into a liquidity crisis. The CDR package was approved on March 28, 2014 and it failed on May 17, 05, 2016. The petition for winding up was filed in the year 2014 which was accepted on March 18, 2015. Our Company Secretary resigned on September 11, 2015 and the Official Liquidator attached all the properties of our Company on September 15, 2016 and the Office was sealed by the Official Liquidator on June 02, 2018, however the books of accounts and files were sealed in 2014 itself. Due to this management is not having access to any information then.*"

(d) "*I would like to bring to your kind notice that management had made all efforts to remain align with compliance stated by SEBI during it's normal working which reflected into organisation getting "Best SME in corporate Governance" in the year 2009. Our* *pursuance in SEBI governance is also reflected by the fact that no non-compliance was reported till company was operating under normal conditions. However, during bad time, management of the Company was therefore taking all necessary steps to revive the Company and did not have employees to handle the other regulatory requirements which became applicable from time to time.*"

(e) "*It is humbly submitted that Noticee No: 3 Ms Vidhi Hemani, Noticee 9- Omnitech Technologies Private Limited, Noticee 10- Atul Maganlal Hemani HUF, Noticee 11 - Avinash Pitale, Noticee 15- Yugal Bharat Hemani, Noticee 16- Devarshi Dushyant Buch and Noticee 17 - Nirav Atul Hemani have not sold, bought or pledged any of their shares during the period of investigation as can be seen from the details given in Paragraph 9 of your show cause notice. I therefore request you to kindly drop all proceedings against them as they were not required to make any disclosure under Regulation 29(2) of the SAST Regulations, 2011 as they had not dealt in the shares of the company in any manner.*"

(f) "*With regard to your allegation in Paragraph 29 regarding the non-disclosure under Regulation 13(4)/ 13(4A) of the Prohibition of Insider Trading Regulations, 2015 by the noticees 1, 2 3, 4, 5 6, 7 and 9, I would like to reiterate the non-disclosures was due to the invocation and consequent sale by the pledgees of the shares. The Noticees did not make the disclosure only due to ignorance and oversight and concentration of all the efforts in reviving the operations of the Company.*"

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

7. I have carefully perused the charges levelled against Noticees in the SCN, common reply filed by Noticees 1-7, Noticees 10-11 and Noticees 15-17 as well as other documents/evidence available on record. The issues that arise for consideration in the present case are:

   1) Whether Noticees have violated the aforesaid provisions of SAST Regulations and PIT Regulations?

   2) Do the violations, if any, attract monetary penalty under Section 15A(b) of SEBI Act?

   3) If the answer to the aforesaid issues is in the affirmative, then what should be the quantum of monetary penalty?

8. I note from the SCN that the allegations against the Noticees, *inter alia*, pertain to the failure of the Noticees to make requisite disclosures, as applicable, under Regulations 29(2) read

with Regulation 29(3), 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations and Regulation 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations.

9. Before proceeding to examine the matter, I find it pertinent to reproduce the aforesaid regulatory provisions, which are as under:

<u>Relevant provisions of SAST Regulations:</u>

"Disclosure of encumbered shares.

<u>Regulation 31</u>

31 (1) *The promoter of every target company shall disclose details of shares in such target company encumbered by him or by persons acting in concert with him in such form as may be specified:*

(2) *The promoter of every target company shall disclose details of any invocation of such encumbrance or release of such encumbrance of shares in such form as may be specified:*

(3) *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the creation or invocation or release of encumbrance, as the case may be to,—*

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office."

"<u>Regulation 29(2)</u>

29 (2) *Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent 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 per cent, 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."*

"<u>Regulation 29(3)</u>

29(3) *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****"***

Relevant provisions of PIT Regulations

*"**Regulation 13(4)***
Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower"

*"**Regulation 13(4)***
Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower."

*"**Regulation 13(4A)***
Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing Agreement or under sub-regulation (2A) or under this sub-regulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

*"**Regulation 13(5)***
The disclosure mentioned in sub-regulations [(3), (4) and (4A)] shall be made within two working days of: (a) the receipts of intimation of allotment of shares, or (b) the acquisition or sale of shares or voting rights, as the case may be. Disclosure by company to stock exchanges."

<u>Issue No. 1 - Whether Noticees have violated the aforesaid provisions of SAST Regulations and PIT Regulations?</u>

(a) Alleged violation of Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations by Noticees 1 to 9

10. It is alleged in the SCN that Noticees 1 to 9, as Persons Acting in Concert ("**PACs**"), had not disclosed instances of creation of pledge to company and stock exchanges in terms of Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations within seven days from the creation or invocation or release of encumbrance. In this regard, I note from the Annual Report of the Company for the Financial Years 2011-12, 2012-13 and 2013-14, that Noticees 1-9 were promoters of the Company. I also note that in terms of Regulation 2(1)(q)(iv) of SAST Regulations, which provides the definition of PACs, promoters and members of the promoter group are deemed to be persons acting in concert. As noted from available records, Noticees 1-9 were promoters of the Company. Thus, I note that Noticees 1-9 were PACs in terms of Regulation 2(1)(q) of SAST Regulations. I further note that Noticees have not disputed that they were promoters, and consequently PACs, of the Company.

11. In this regard, I have perused the transaction statements of National Securities Depository Ltd (**NSDL**), submitted to SEBI vide letter dated September 04, 2018, and Central Depository Services Ltd (**CDSL**), submitted to SEBI vide email dated September 04, 2018 in respect of pledge transactions of Noticees 1 to 9. I note that Noticees 1-9 pledged the shares of the Company in various quantities between January 02, 2012 and August 12, 2014.

12. I note from the records of investigation that the Noticees 1-9 had furnished details of disclosures made by them in respect of their transactions vide their email dated March 04, 2019. I have perused the aforesaid details of disclosures provided by Noticees 1-9 as well as their transaction statements submitted by NSDL and CDSL containing details of pledge transactions of Noticees 1 to 9. From the aforesaid details of disclosures furnished by the Noticees, I note that no records were found pertaining to disclosures for the following instances of pledge transactions by Noticees 1-9:

    (a) Noticee 1 had not disclosed 49 instances of creation of pledge to company as well as NSE and BSE. Thus, I observe that Noticee 1 had failed to comply with Regulation 31(1) read with Regulation 31(3) of SAST Regulations in 49 instances of creation of pledge. I also note that Noticee 1 had not disclosed 28 instances of release of pledge and 34 instances of invocation of pledge to company and stock exchanges. I further note that

Noticee 1 had made delayed disclosures in 7 instances related to release of pledge and the delay ranged from 1 to 9 days.

(b) Noticee 2 had not disclosed 12 instances of creation of pledge to the company as well as NSE and BSE, and made delayed disclosure in respect of 16 instances of creation of pledge where delay ranged from 2 to 70 days. Thus, I observe that Noticee 2 had failed to comply with Regulation 31(1) read with Regulation 31(3) of SAST Regulations in 28 instances. I further note that Noticee 2 had not disclosed 18 instances of release of pledge and 15 instances of invocation of pledge to company and stock exchanges. Apart from these, there were 2 instances of release of pledge wherein she had made delayed disclosures and the delay ranged from 7 to 16 days.

(c) Noticee 3 had not disclosed to 2 instances of creation of pledge to the company as well as NSE and BSE. Thus, I observe that Noticee 3 had failed to comply with Regulation 31(1) read with Regulation 31(3) of SAST Regulations in 2 instances. I further note that Noticee 3 had not disclosed 10 instances of invocation of pledge to the company and stock exchanges.

(d) Noticee 5 had not disclosed 64 instances of creation of pledge to the company as well as NSE and BSE and made delayed disclosure of creation of pledge in 3 instances wherein the delay ranged from 13 to 46 days. Thus, I observe that Noticee 5 had failed to comply with Regulation 31(1) read with Regulation 31(3) of SAST Regulations in 67 instances. I further note that Noticee 5 had not disclosed 43 instances of release and 61 instances of invocation of pledge to the company and stock exchanges and made delayed disclosure of release of pledge in 3 instances of release of pledge wherein the delay ranged from 13 to 46 days.

(e) Noticee 8, i.e., Wintel Computers Pvt Ltd, had not disclosed 39 instances of creation of pledge to the company as well as NSE and BSE and made delayed discourse of 6 instances of creation of pledge wherein the delay ranged from 3 to 27 days. Thus, I observe that Noticee 8 had failed to comply with Regulation 31(1) read with Regulation 31(3) of SAST Regulations in 45 instances. I further note that Noticee 8 had not disclosed 25 instances of release and 41 instances of invocation of pledge to the company and stock exchanges for the period and made delayed disclosure of 1 instance of release of pledge wherein there was a delay of 7 days..

(f) Noticees 6 and 7, respectively, had made had made delayed disclosure to company as well as NSE and BSE by 13 days w.r.t. one instance of creation of pledge and had not disclosed the one instance of invocation of pledge to company and stock exchanges.

(g) Noticee 4 had made delayed disclosure to the company as well as NSE and BSE by 11 days w.r.t. one instance of creation of pledge and had not disclosed one instance of invocation of pledge to the company and stock exchanges.

(h) Noticee 9 had not disclosed 1 instance of invocation of pledge to the company as well as NSE and BSE.

13. I have also perused the details of disclosures by Noticees 1-9 provided by NSE vide email dated March 07, 2019 as well as their transaction statements submitted by NSDL and CDSL containing details of pledge transactions of Noticees 1 to 9. I observe from the aforesaid records that the disclosures in respect of the aforementioned instances of creation/release/invocation of pledge had not been made by the aforesaid Noticees. Therefore, I find that Noticees 1-9 failed to make the requisite disclosures in terms of Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations.

(b) Alleged violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations by Noticees 1 to 17

14. It is alleged in the SCN that Noticees 1 to 17, as PACs, had failed to make requisite disclosures in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations in respect of change in its shareholding in the Company as it disposed of shares during the IP. In this regard, I note from the Annual Report of the Company for the Financial Years 2011-12, 2012-13 and 2013-14 that Noticees 1-17 were promoters of the Company. I also note that in terms of Regulation 2(1)(q)(iv) of SAST Regulations, which provides the definition of PACs, promoters and members of the promoter group are deemed to be persons acting in concert. As noted from available records, Noticees 1-17 were promoters of the Company. Thus, I note that Noticees 1-17 were PACs in terms of Regulation 2(1)(q) of SAST Regulations. I further note that Noticees have not disputed that they were promoters, and consequently PACs, of the Company. Thus, I note that Noticees 1-17 were PACs in terms of Regulation 2(1)(q) of SAST Regulations.

15. In this regard, I have perused the details of Shareholding pattern of the Company as available on the BSE website which shows the total share capital of the Company during the IP. I note that between March 2012 and December 2014, the shareholding pattern of the Company was as follows:

Table - A

Particular	Quarter ended March 2012			Quarter ended June 2012			Quarter ended Sep 2012		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	7932765	53.87	17	7932765	53.87	17	7900765	53.7
Non Promoter Holding	9339	6791891	46.13	9090	6791891	46.13	8776	6823891	46.3
Total share capital	**9356**	**14724656**	**100**	**9107**	**14724656**	**100**	**8793**	**14724656**	**100**
Particular	**Quarter ended Dec 2012**			**Quarter ended March 2013**			**Quarter ended June 2013**		

Particular	Quarter ended March 2012			Quarter ended June 2012			Quarter ended Sep 2012		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	7900765	52.66	17	7900765	52.66	17	7650765	51
Non Promoter Holding	7957	7101465	47.34	7457	7101465	47.34	7320	7356206	49
Total share capital	**7974**	**15002230**	**100**	**7474**	**15002230**	**100**	**7337**	**15006971**	**100**

Table - B

Particular	Quarter ended Sep 2013			Quarter ended Dec 2013			Quarter ended March 2014		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	6165423	41.08	17	5270379	35.12	17	5175024	34.5
Non Promoter Holding	7845	8841548	58.92	8736	9736592	64.88	8934	9831947	65.5
Total share capital	**7862**	**15006971**	**100**	**8753**	**15006971**	**100**	**8951**	**15006971**	**100**
Particular	**Quarter ended June 2014**			**Quarter ended Sep 2014**			**Quarter ended Dec 2014**		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	4677284	31.17	17	4672284	31.13	17	4672284	31.1
Non Promoter Holding	8959	10329687	68.83	8748	10334687	68.87	8663	10334687	68.9
Total share capital	**8976**	**15006971**	**100**	**8765**	**15006971**	**100**	**8680**	**15006971**	**100**

16. I have also perused the details of shareholding of promoters, available on the BSE website, as on April 26, 2013, August 13, 2013, August 16, 2013, September 13, 2013 October 15, 2013, November 21, 2013, December 11, 2013, and June 10, 2014. I note that the shareholding of promoters as PACs (as percentage of total share capital) on the aforesaid dates was as follows:

Date	Promoter name	PAN	Shareholding	%of share capital (as percentage of total share capital)
Holdings of PACs as on 1/1/2012			**7935765**	**53.89**%
26/04/2013	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	1168060	7.79%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%

	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1748261	11.65%
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%
	AMISHA ATUL HEMANI	AAJPH1738F	945764	6.30%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	1352338	9.01%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATULHEMANI	ACIPH0949K	76313	0.51%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**7757765**	**51.71**%
13/08/2013	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	990390	6.60%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1707477	11.38 %
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%
	AMISHA ATUL HEMANI	AAJPH1738F	945764	6.30%
	VANITA MAGANLAL HEMANI	AASPH3314G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	889861	5.93%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	76313	0.51%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**7076834**	**47.16%**
16/08/2013	OMNITECH TECHNOLOGIES LIMITED	AAAC04042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	953420	6.35%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1556069	-10.37 %
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%

	AMISHA ATUL HEMANI	AAJPH1738F	941264	6.27%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	773453	5.15%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	64313	0.43%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**6755548**	**45.02%**
13/09/2013	OMNITECH TECHNOLOGIES LIMITED	AAAC04042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	804595	5.36%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1496228	9.97%
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%
	AMISHA ATUL HEMANI	AAJPH1738F	928564	6.19%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	644982	4.30%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	64313	0.43%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**6405711**	**42.68%**
15/10/2013	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	692595	4.62%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1485228	9.90%
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%
	AMISHA ATUL HEMANI	AAJPH1738F	889113	5.92%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	538645	3.59%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%

	VIDHI ATUL HEMANI	ACIPH0949K	21313	0.14%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**6093923**	**40.61%**
21/11/2013	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	676455	4.51%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1426228	9.50%
	AVINASH PITALE (HUF)	AAIHA3468A	76313	0.51%
	AMISHA ATUL HEMANI	AAJPH1738F	801262	5.34%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	375645	2.50%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	21313	0.14%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	76313	0.51%
	NITISH AVINASH PITALE	ARBPP1640H	41313	0.28%
		Total	**5767932**	**38.44%**
11/12/2013	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	540455	3.60%
	ATUL MAGANLAL HEMANI (HUF)	AABHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	AAEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1376228	9.17%
	AVINASH PITALE (HUF)	AAIHA3468A	313	0.00%
	AMISHA ATUL HEMANI	AAJPH1738F	682709	4.55%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	375645	2.50%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	21313	0.14%
	NIRAV ATUL HEMANI	ACIPH0950J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	313	0.00%
	NITISH AVINASH PITALE	ARBPP1640H	313	0.00%
		Total	**5270379**	**35.12 %**

10/06/2014	OMNITECH TECHNOLOGIES LIMITED	AAACO4042P	500000	3.33%
	WINTEL COMPUTERS PRIVATE LIMITED	AAACW2123M	482505	3.22%
	ATUL MAGANLAL HEMANI (HUF}	MBHA3979H	19313	0.13%
	DEVARSHI DUSHYANT BUCH	MEPB8698M	355000	2.37%
	ATUL MAGANLAL HEMANI	AAFPH5578P	1370228	9.13%
	AVINASH PITALE (HUF)	MIHA3468A	313	0.00%
	AMISHA ATUL HEMANI	AAJPH1738F	666564	4.44%
	VANITA MAGANLAL HEMANI	AASPH3374G	10263	0.07%
	MAGANLAL KUNVERJI HEMANI	AASPH8098R	2000	0.01%
	SHUBHANGI AVINASH PITALE	AAXPP0390F	76645	0.51%
	BHARAT MAGANLAL HEMANI	ABUPH3648E	1000	0.01%
	YUGAL BHARAT HEMANI	ABUPH3649F	1000	0.01%
	AVINASH C PITALE	ABZPP3138Q	1308201	8.72%
	VIDHI ATUL HEMANI	ACIPH0949K	7313	0.05%
	NIRAV ATUL HEMANI	ACIPH09S0J	76313	0.51%
	SHEETAL AVINASH PITALE	ARBPP1512C	313	0.00%
	NITISH AVINASH PITALE	ARBPP1640H	313	0.00%
		Total	**4877284**	**32.50%**

17. From the aforesaid details, I note that there were 8 instances in which the shareholding of Noticees 1-17, cumulatively as PAC, underwent change exceeding 2% of total shareholding of the company which are as under:

i) On 26/4/2013, Noticees 1-17 sold 1,78,000 shares due to which there was a decrease in their total shareholding from 79,35,765 shares (i.e. 53.89% of total share capital) to 77,57,765 shares (i.e. 51.71% of total share capital), which amounted to a net change of 2.18% in their shareholding, and was greater than 2% of total shareholding in the Company.

ii) On 13/08/2013, Noticees 1-17 sold 6,80,931 shares due to which there was a decrease in the total shareholding from 77,57,765 shares i.e. (51.71% of total share capital) to 70,76,834 shares i.e. (47.16% of total share capital) which amounted to a net change of 4.55% in their shareholding, and was greater than 2% of total shareholding in the Company.

iii) On 16/08/2013 Noticees 1-17 sold 3,21,286 shares due to which there was a decrease in their total shareholding from 70,76,834 shares i.e. (47.16% of total share capital) to 67,55,548 shares i.e. (45.02% of total share capital) which amounted to a net change of 2.14% in their shareholding, and was greater than 2% of total shareholding in the Company.

iv) On 13/09/2013 Noticees 1-17 sold 3,49,837 shares due to which there was a decrease in their total shareholding from 67,55,548 shares i.e. (45.02% of total share capital) to 64,05,711 shares (i.e. 42.68% of total share capital) which amounted to a net change of 2.34% in their shareholding, and was greater than 2% of total shareholding in the Company.

v) On 15/10/2013 Noticees 1-17 sold 3,11,788 shares due to which there was a decrease in their total shareholding from 64,05,711 shares (i.e. 42.68% of total share capital) to 60,93,923 shares (i.e. 40.61% of total share capital) which amounted to net change of 2.07% in their shareholding, and was greater than 2% of total shareholding in the Company.

vi) On 21/11/2013 Noticees 1-17 sold 3,25,991 shares due to which there was a decrease in their total shareholding from 60,93,923 shares (i.e. 40.61% of total share capital) to 57,67,932 shares (i.e. 38.44% of total share capital) which amounted to net change of 2.17% in their shareholding, and was greater than 2% of total shareholding in the Company.

vii) On 11/12/2013 Noticees 1-17 sold 4,97,553 shares due to which there was a decrease in their total shareholding from 57,67,932 shares (i.e. 38.44% of total share capital) to 52,70,379 shares (i.e. 35.12% of total share capital) which amounted to net change of 3.32% in their shareholding, and was greater than 2% of total shareholding in the Company.

viii) On 10/06/2014 Noticees 1-17 sold 3,93,095 shares due to which there was decrease in their total shareholding from 52,70,379 shares (i.e. 35.12% of total share capital) to 48,77,284 shares (i.e. 32.50% of total share capital) which amounted to net change of 2.62% in their shareholding, and was greater than 2% of total shareholding in the Company.

18. In this regard, I note that the aforementioned sale transactions led to a change in shareholding of Noticees 1-17 as PACs which exceeded two per cent of total shareholding in the Company. In regard to the aforesaid allegation pertaining to violation of Regulation 29(2) r/w Regulation 29(3) of SAST Regulations by Noticees 1-17, I note that Regulation 29 (2) of SAST Regulations specifically mentions about disclosure of acquisition as well as disposal of shares. Therefore, I note that Noticees 1-17 were under an obligation to disclose the aforesaid transactions. However, I observe that Regulation 29 (3) of SAST Regulations, as applicable at the time of the impugned transactions, mentions the timelines for disclosures in case of acquisition of shares only and states that acquisitions must be disclosed within 2 working days from the date of transaction. However, no such timeline is provided with respect to disposal of shares.

19. In this context, I would further like to rely upon judgment of Hon'ble SAT in the matter of the Ravi Mohan vs. SEBI (Appeal No. 97 of 2014, decided on December 16, 2015) involving the interpretation of provisions of Regulation 7 (1A) of the erstwhile Takeover Regulations 1997, which is similar to Regulation 29 (2) and 29 (3) of SAST Regulations. The Hon'ble SAT in the aforesaid decision had held as follows:

"………

27. It is relevant to note that while inserting regulation 7(1A), SEBI has deemed it proper to amend regulation 7(2) with effect from 09.09.2002 by providing that the disclosure obligation under regulation 7(1) and 7(1A) shall be discharged within two days of the events specified under regulation 7(2). Thus, as a result of insertion of regulation 7(1A) and amendment of regulation 7(2), the disclosure obligation in relation to purchase or sale of shares referred to in regulation 7(1A) has to be made within two days of the events specified in regulation 7(2). On perusal of regulation 7(2) it is seen that the events enumerated therein relate only to acquisition of shares and do not relate to sale of shares or voting rights in excess of the limits prescribed under regulation 7(1A). As a result, even though regulation 7(1A) contemplates that an acquirer together with persons acting in concert with him when sell shares of the target company in excess of the limits prescribed under regulation 7(1A) must make disclosure within two days of such sale, in view of the amendment to regulation 7(2), the disclosure obligation under regulation 7(1A) has to be discharged within two days of the events specified under regulation 7(2). Since regulation 7(2) as amended does not contemplate any obligation to disclose sale of shares by an acquirer covered under regulation 7(1A), the question of discharging that obligation arising under regulation 7(1A) read with regulation 7(2) does not arise at all.

28............ *Thus, by 2002 amendment it is made clear that although disclosure of purchase or sale referred to under regulation 7(1A) has to discharged within two days of purchase or sale, of shares referred to therein, by amending regulation 7(2) it is provided that two days time to make disclosure under regulation 7(1A) shall commence on the happening of events specified under regulation 7(2). Since regulation 7(2) (as amended) does not set out any event relating to sale of shares specified under regulation 7(1A), the question of complying with regulation 7(1A) within two days of sale of shares does not arise at all*.

29.......... *Therefore, 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 sales covered under regulation 7(1A) within the stipulated time, have violated regulation 7(1A) read with regulation 7(2) of the Takeover Regulations, 1997. Consequently, SEBI is not justified in imposing penalty on the appellants*. ....

For all the aforesaid reasons, the issues raised in these appeals are answered as follows:-

a)...

b) Disclosure obligation under regulation 7(1A) has to be discharged in accordance with regulation 7(1A) read with regulation 7(2). Since regulation 7(2) does not contemplate for disclosure relating to sale of shares in excess of the limits set out under regulation 7(1A), appellants herein cannot be said to have failed to comply with regulation 7(1A) within the time stipulated under regulation 7(1A) read with regulation 7(2). Consequently penalty imposed on the appellants cannot be sustained ...."

20. I further note that the aforesaid judgement was reaffirmed by Hon'ble SAT in Rakesh Kathotia vs. SEBI (Appeal No. 7 of 2016, decided on May 27, 2019) wherein it was held as follows:

"*However, the appellants cannot be faulted and penalised on this score at this stage. They have a decision in their favour in the case of Ravi Mohan (supra) which is still valid till date and has not been set aside by a superior forum. Further, the respondent SEBI has accepted the decision of this Tribunal in the case of Ravi Mohan (supra) which can be seen from the fact that a similar provision, namely, Regulation 29 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was amended after Ravi Mohan's decision was given by this Tribunal in 2015…*

Regulation 29 of the Takeover Regulations, 2011 in more or less pari materia with the provision of Regulation 7 of the Takeover Regulations, 1997. The words "or the disposal" were added in Regulation 29(3) by an amendment w.e.f. September 11, 2018 after the decision of this Tribunal in Ravi Mohan's case (supra) decided in the year 2015."

21. I further note that the aforesaid rulings of Hon'ble SAT were further affirmed in its judgement in the matter of Murali Srinivasan Venkatraman vs. SEBI (Appeal No. 363 of 2017; Decided on July 02, 2019) in which it was held as follows:

"Admittedly, the disclosure of the sale of the shares was not made by the appellants within the stipulated period as provided under Regulations 29(3) of the Takeover Regulations. However, no penalty could be imposed in view of the decisions of this Tribunal in Mr. Ravi Mohan and Ors. vs. SEBI in Appeal No. 97 of 2014 and other companion appeals decided on December 16, 2015 and in Appeal No. 7 of 2016, Mr. Rakesh Kathotia & Ors. vs. SEBI decided on May 27, 2019. In our view, the controversy involved in the present case is squarely covered by the aforesaid decisions."

22. Thus, placing reliance on the aforesaid judgments and observations in the foregoing paragraphs, I find that the words "or the disposal" were not part of the pre-amendment

provision of Regulation 29(3) of SAST Regulations which was in force at the time of the aforesaid sale transactions of the said Noticees, and the said phrase was inserted only subsequently in Regulation 29(3) by an amendment w.e.f. September 11, 2018. Therefore, I find that the un-amended provisions of Regulation 29 (2) read with Regulation 29(3) of SAST Regulations were not applicable to the aforesaid disposal of shares by Noticees 1-17. Therefore, I find that the allegation that Noticees 1-17 have violated the provisions of Regulations 29(2) read with 29(3) of the SAST Regulations w.r.t. the aforesaid disposal of shares does not stand established.

(c) Alleged violation of Regulation 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations by Noticees 1 to 9

23. It has been alleged in the SCN that Noticees 1, being a promoter-director of the Company, and Noticees 2 to 9 have not made requisite applicable disclosures in terms of Regulations 13(4), 13(4A) and 13(5) of PIT Regulations. I note that under Regulations 13(4) & 13(4A) read with Regulation 13(5) of PIT Regulations, promoter-directors are required to disclose for changes in holding exceeding Rs 5 lakhs in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower. I also note that the promoters are required to make similar disclosure under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations. I note that under Regulation 13(5) of PIT Regulations, the aforesaid disclosures shall be made within two working days of the acquisition or sale of shares of the Company.

24. I note that from the Annual Report of the Company for the Financial Years 2011-12, 2012-13 and 2013-14 that Noticees 1 was a promoter and director of the Company and Noticees 2 to 9 were promoters of the Company. W.r.t. the aforesaid allegations against Noticees 1 and Noticees 2 to 9, I have perused the details of Shareholding pattern of the Company as available on the BSE website. I note that between quarter ended March 2012 and quarter ended December 2014, the total shareholding of the Company was as follows:

Table - C

Particular	Quarter ended March 2012			Quarter ended June 2012			Quarter ended Sep 2012		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	7932765	53.87	17	7932765	53.87	17	7900765	53.7
Non Promoter Holding	9339	6791891	46.13	9090	6791891	46.13	8776	6823891	46.3
Total share capital	**9356**	**14724656**	**100**	**9107**	**14724656**	**100**	**8793**	**14724656**	**100**
Particular	**Quarter ended Dec 2012**			**Quarter ended March 2013**			**Quarter ended June 2013**		
	No. of share holders	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**	**No. of share holders**	**No. Of shares**	**%**

Particular	Quarter ended March 2012			Quarter ended June 2012			Quarter ended Sep 2012		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	7900765	52.66	17	7900765	52.66	17	7650765	51
Non Promoter Holding	7957	7101465	47.34	7457	7101465	47.34	7320	7356206	49
Total share capital	**7974**	**15002230**	**100**	**7474**	**15002230**	**100**	**7337**	**15006971**	**100**

Table - D

Particular	Quarter ended Sep 2013			Quarter ended Dec 2013			Quarter ended March 2014		
	No. of share holders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	17	6165423	41.08	17	5270379	35.12	17	5175024	34.5
Non Promoter Holding	7845	8841548	58.92	8736	9736592	64.88	8934	9831947	65.5
Total share capital	**7862**	**15006971**	**100**	**8753**	**15006971**	**100**	**8951**	**15006971**	**100**
Particular	**Quarter ended June 2014**			**Quarter ended Sep 2014**			**Quarter ended Dec 2014**		
	No. of share holders	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**	**No. of share holders**	**No. Of shares**	**%**
Promoter Holding	17	4677284	31.17	17	4672284	31.13	17	4672284	31.1
Non Promoter Holding	8959	10329687	68.83	8748	10334687	68.87	8663	10334687	68.9
Total share capital	**8976**	**15006971**	**100**	**8765**	**15006971**	**100**	**8680**	**15006971**	**100**

25. In this regard, I have perused the details of shareholding of promoters, available on the BSE website in relation to change in the shareholding of Noticee 1 and Noticees 2 to 9 (as percentage of total shareholding) between January 01, 2012 and November 12, 2014. I have also perused the transaction statements for the time period of January 01, 2012 to December 31, 2014 submitted to SEBI by National Securities Depository Ltd (**NSDL**), vide letter dated September 04, 2018, and by Central Depository Services Ltd (**CDSL**) vide email dated September 04, 2018, as placed on record, in respect of sale and acquisition of shares of the Company by Noticee 1 and Noticees 2 to 9. I observe from the aforesaid records that between January 01, 2012 and December 31, 2014, the change in the shareholding of Noticee 1 and Noticees 2 to 9 had exceeded the prescribed threshold under Regulations 13(4), 13(4A) and 13(5) of PIT Regulations on account of sale/acquisition of shares by the aforesaid Noticees.

26. I note from the records of investigation that the Noticees 1-9 had furnished details of disclosures made by them in respect of their transactions vide their email dated March 04, 2019. I have perused the aforesaid details of disclosures provided by Noticees 1-9 as well as their transaction statements submitted by NSDL and CDSL containing details of sale/acquisition of shares by Noticees 1 to 9. From the aforesaid details of disclosures provided by Noticees 1-9, I note that no records were found pertaining to disclosures for the following instances of sale/acquisition of shares by Noticees 1 as per Regulations 13(4),

13(4A) and 13(5) of PIT Regulations, and Noticees 2 to 9, as per Regulations 13(4A) and 13(5) of PIT Regulations:

(a) Noticee 1 had not made disclosures to the company as well as NSE and BSE under Regulations 13(4) & 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in his shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 1 had undertaken 7 sale transactions due to which there was a change in shareholding exceeding Rs 5 lacs and 3 sale transactions due to which there was a change in shareholding exceeding 25000 shares.

(b) Noticee 2 had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in her shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 2 had undertaken 2 sale transactions due to which there was a change in shareholding exceeding Rs 5 lacs and 3 sale transactions due to which there was a change in shareholding exceeding 25,000 shares.

(c) Noticee 5 had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in her shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 5 had undertaken 21 sale transactions due to which there was a change in shareholding exceeding Rs 5 lacs.

(d) Noticee 8 had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in the shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 8 had undertaken 18 sale transactions due to which there was a change in shareholding exceeding Rs 5 lacs and 2 sale transactions due to which there was a change in shareholding exceeding 25,000 shares.

(e) Noticee 3 had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations regarding change in the shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 3 had undertaken 1 sale transaction due to which there was a change in shareholding exceeding Rs 5 lacs and 1 sale transaction due to which there was a change in shareholding exceeding 25,000 shares.

(f) Noticees 4, 6 and 9 had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in their shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticees 4, 6 and 9 had undertaken 1 sale transaction each, due to which there was a change in shareholding exceeding Rs 5 lacs.

(g) Noticee 7, had not made disclosures to the company as well as NSE and BSE under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, regarding change in the shareholding which was in excess of the threshold limit specified in the aforesaid regulations. I note that Noticee 7 had undertaken 3 sale transactions due to which there was a change in shareholding exceeding Rs 5 lacs.

27. I have also perused the details of disclosures by Noticees 1-9 provided by NSE vide email dated March 07, 2019 as well as the transaction statements submitted by NSDL and CDSL containing details of pledge transactions of Noticees 1 to 9. I observe from the aforesaid records that the disclosures in respect of the aforementioned instances of sale/acquisition of shares had not been made by the aforesaid Noticees. Therefore, I find that Noticees 1 failed to make the requisite disclosures as per Regulations 13(4), 13(4A) and 13(5) of PIT Regulations, and Noticees 2 to 9 failed to make the requisite disclosures as per Regulations 13(4A) and 13(5) of PIT Regulations.

28. In this regard, I note that Noticees 1-7, Noticees 10-11 and Noticees 15-17 have submitted common reply to the SCN in their letter submitted vide enclosing email dated January 28, 2022. I note that the said Noticees have admitted to the alleged violations of SAST Regulations and PIT Regulations as stated in the SCN. In their submission, the aforesaid Noticees have sought to explain the non-disclosure by stating that the Company has suffered a liquidity crisis and did not have employees to handle the other regulatory requirements which became applicable from time to time and due to invocation of pledge on the shares by pledgees. However, I note that the purpose of these disclosures is to bring about transparency in the transactions of Directors/Promoters/Acquirers/employees and assist the Regulator to effectively monitor the transactions in the market and the aforesaid disclosure obligations do not allow any exception. In this regard, I find it pertinent to refer to the judgement of Hon'ble SAT in the matter of M/s. Coimbatore Flavors & Fragrances Ltd. & Ors vs. SEBI (Appeal No. 209 of 2014 order dated August 11, 2014) in which it was held as follows:

"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. 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."

29. I also find it pertinent to refer to the judgement of Hon'ble SAT in the matter of Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 order dated October 14, 2014), wherein

Hon'ble SAT held that "*obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation. Similarly, argument that the failure to make disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make disclosures*."

30. Thus, placing reliance upon the aforesaid judgements, I find that the aforesaid violations were detrimental to orderly flow of information in the securities market and therefore, I do not find any merit in the aforesaid contentions of made in the aforesaid common reply submitted by Noticees 1-7, Noticees 10-11 and Noticees 15-17.

31. In the aforesaid reply, it has also been submitted that Mr. Maganlal Hemani (Noticee 13), Mrs. Vanita Hemani (Noticee 12) and Mr Bharat Hemani (Noticee 14) have expired. In this regard, the copies of the death certificates of Noticees 12-14 have been have been submitted as part of Annexures to the said reply. I have perused the aforesaid records. I also note that in this context, the Hon'ble Supreme Court has observed in the Girijanandini vs. Bijendra Narain (AIR 1967 SC 2110) that in case of personal actions, i.e. the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives and in such cases the maxim actio personalis moritur cum persona (personal action dies with the death of the person) would apply. I also find it pertinent to refer to the judgement of Hon'ble Securities Appellate Tribunal in in Chandravadan J Dalal vs. SEBI (Appeal No. 35 of 2004; Decided on June 15, 2005) in which it was held that, "*The appeal abates since the appellant during the pendency of the appeal died on 29th November, 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates."* Therefore, having regard to the aforementioned, I find that the present adjudication proceedings as against Noticees 12 to 14 stand abated.

32. In the aforesaid reply, it has also been stated that Wintel Computers Private Limited, (Noticee 8) and Omnitech Technologies Limited (Noticee 9) have been struck off from the list of Registrar of Companies ("**RoC list**") by MCA. In respect of Noticees 8 and 9, the status of the said companies as shown in the MCA website has been submitted as part of Annexures to the said reply. I have perused the aforesaid documents furnished along with the aforesaid reply. I note that it is an established fact that when a company's name is struck-off from the RoC list and the company is also dissolved, it is a non-existing company and the adjudication proceedings against the non-existing company is thus nullity. In this context, I would like to rely upon the judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income

Tax (CIT) vs. Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 in which it was held that - *"When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."* Further, I note that Black's Law Dictionary explains 'dissolution' as termination or winding up. It further clarifies that the dissolution of a corporation is the termination of its legal existence. Strike off essentially means removing the name of the company from the Register maintained by the Registrar of Companies, i.e., it is like closure of the company and the company will not be in existence after being struck- off and cannot perform any operations.

33. Therefore, in view of the facts noted in the preceding paragraph and placing reliance on the aforesaid judgement, I conclude that the present adjudication proceedings initiated against the Noticees 8 and 9, vide SCN dated November 16, 2021, stand abated.

34. Therefore, in view of the foregoing findings and observations in the foregoing paragraphs, I find that the allegation that Noticee 1 has violated Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations and Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations, and the allegation that Noticees 2 to 7 have violated Regulations 13(4A) read with Regulation 13(5) of PIT Regulations and Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations stand established.

Issue No. 2- Do the violations, if any, attract monetary penalty under Sections 15A(b) of SEBI Act?

35. It has been established in the foregoing paragraphs that Noticee 1 has violated Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations and Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations and Noticees 2 to 7 have violated Regulations 13(4A) read with Regulation 13(5) of PIT Regulations and Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations. In context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court had 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……"

36. Therefore, in view of the findings and placing reliance on the above judgment of Hon'ble Supreme Court, I find that the aforesaid violations of Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations and Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations by the aforementioned Noticees will attract monetary penalty under Section 15A(b) of the SEBI Act. The respective provisions as applicable at the time of the violations are reproduced as under:

"Section 15A(b) of SEBI Act:

Penalty for contravention where no separate penalty has been provided

If any person, who is required under this Act or any rules or regulations made thereunder,—

(b) to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shallbe liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less."

<u>Issue No.3 - What should be the quantum of monetary penalty</u>?

37. While determining the quantum of penalty under 15A(b) of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:-

<u>SEBI Act</u>

Factors to be taken into account by the adjudicating officer.

Section 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.

38. In the present matter, I note that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the defaults by Noticees 1-7.

Further, from the material available on record, it is not possible to ascertain the exact monetary loss to the investors as a result of failure in making disclosures. I also note that it is not possible from the material on record to establish repetitive default on the part of Noticees 1-7. However, I note that the purpose of these disclosures is to bring about transparency in the transactions of Directors/Promoters/Acquirers/employees and assist the Regulator to effectively monitor the transactions in the market, as ruled by Hon'ble SAT in the case of M/s. Coimbatore Flavors & Fragrances Ltd. & Ors vs. SEBI (Appeal No. 209 of 2014 order dated August 11, 2014). Thus, I find that the aforesaid violations were detrimental to orderly flow of information in the securities market and therefore, the quantum of penalty must be commensurate with the serious nature of the aforesaid regulatory violations in order to serve as a deterrent example against such violations.

39. In view of the foregoing findings and placing reliance on the aforesaid judgement, I find that an appropriate penalty should be imposed on Noticees 1-7, so as to serve as a deterrent against the aforesaid violation, considering the interest of investors and integrity of the securities market.

ORDER

40. Having considered all the facts and circumstances of the case, the material available on record, the submissions made on behalf of the Noticees and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in the exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose the following penalties on Noticees 1-7 under Section 15A(b) of SEBI Act:

Noticee No.	Name of the Noticee	For the violation of the following provisions	Penalty under Section 15A(b) of SEBI Act
1.	Atul Maganlal Hemani	Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations. Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations.	Rs. 4,00,000
2.	Amisha Hemani	Regulations 13(4A) read with Regulation 13(5) of PIT Regulations.	Rs. 4,00,000
3.	Vidhi Hemani		Rs. 4,00,000
4.	Avinash Pitale HUF		Rs. 4,00,000
5.	Shubhangi Pitale		Rs. 4,00,000
6.	Sheetal Pitale		Rs. 4,00,000

7.	Nitish Pitale	Regulations 31(1) and 31(2) read with Regulation 31(3) of SAST Regulations.	Rs. 4,00,000

41. Noticees 1-7 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 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, said Noticees may contact the support at portalhelp@sebi.gov.in.

42. The Noticees 1-7 shall forward said Demand Draft or the said confirmation of e-payment made in the format as given in table below which should be sent to "The Division Chief, EFD – DRA - 1, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

43. 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 of Noticees 1-7.

44. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees and also to SEBI.

Place: Mumbai **SOMA MAJUMDER**

Date: October 17, 2022 **ADJUDICATING OFFICER**