BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/PM/AN/2021-22/13292-13297]

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

S.N.	Noticees	PAN
1	Ameen Khwaja	ARFPK4315A
2	Noorjahan A Khwaja	ACAPK3460G
3	Ashika Ali Khwaja	ADMPA1271E
4	Rozina Hirani Khwaja	ABQPH3900B
5	Shefali Ameen Khwaja	ADTPV2598L
6	Shahid Khwaja	ATXPK3603J

In the matter of Palred Technologies Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as ***"SEBI"***) conducted an investigation into the scrip of Palred Technologies Limited (hereinafter referred to as ***"PTL/ Company"***) for the period from September 18, 2012 to November 30, 2013 (hereinafter referred to as ***"the investigation period/ IP"***) to ascertain the possible violation of the provisions of the SEBI Act, 1992 (hereinafter referred to as ***"SEBI Act"***) and SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as ***"PIT Regulations 1992"***).

2. PTL was incorporated in the year 1999. The Company had changed its name from Four Soft Limited to PTL w.e.f. December 09, 2013. The scrip of PTL was listed on National Stock Exchange Limited (hereinafter referred to as ***"NSE"***) and Bombay

Stock Exchange (hereinafter referred to as ***"BSE"***). The names of the directors during the investigation period were as follows:

Directors 01-Sep-2012 to 31-Mar-2014			
Name	**Designation**	**Date of Joining**	**Date of Cessation**
Palem S. Reddy	Chairman & Managing Director	24.12.1999	NA
A. Mohan Krishna Reddy	Non-Executive Independent Director	19.06.2009	NA
T.R.Sivarama Krishnan	Non-Executive Independent Director	06.02.2009	NA
Edara Srinivas Prasad	Non-Executive Independent Director	19.03.2009	NA
Prof.Janat Shah	Non-Executive Independent Director	12.11.2010	01.10.2013
K.V.Ramakrishna	Nominee Director	11.10.2005	30.09.2013
P Soujanya Reddy	Non-Executive Director	09.08.2011	13.10.2013
A.Sridhar	Company Secretary and Compliance Officer	10.08.2012	09.03.2013
M. Raghuram		09.03.2013	NA

3. SEBI Investigation revealed that PTL made a corporate announcement of slump sale on August 10, 2013 of its software solutions business to Kewill group and a one-time special dividend post the closure of sale transaction on October 14, 2013. Both these information being price sensitive information, it was alleged in the investigation report that Palem Srikanth Reddy, the Chairman and Managing Director (CMD) of PTL, employees of PTL, past employees of PTL and certain other entities known to Palem Reddy including the Noticee, traded during the UPSI period that preceded the actual announcement to the public. The CMD of the company acquired shares from the beginning of discussions till the signing of non-binding offer between the Company and the buyers, and stopped trading thereafter. Moreover, it was also alleged that he communicated directly or indirectly the UPSI to other entities in the matter, who began trading in PTL shares beginning from June 2013 onwards and bought 4,25,615 shares till the announcement on August 10, 2013.

APPOINTMENT OF ADJUDICATING OFFICER

4. Pursuant to the investigation, Shri Nagendra Parekh was appointed as Adjudicating Officer (hereinafter referred to as ***"AO"***) SEBI Act read with Rule 3 of the SEBI (Procedure of Holding Inquire and Imposing Penalties by Adjudicating Officer) Rules, 1995, vide order dated June 02, 2016, to inquire into and adjudge against Ameen Khwaja (hereinafter referred to as ***"Noticee 1"***) in terms of Section

15G of SEBI Act, for the alleged violation of Regulation 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of SEBI (Prevention of Insider Trading) Regulations, 2015 (hereinafter referred to as ***"PIT Regulations 2015"***) by the Noticee 1 and to inquire into and adjudge against Noorjahan A Khwaja (hereinafter referred to as ***"Noticee 2"***), Ashika Ali Khwaja (hereinafter referred to as ***"Noticee 3"***), Rozina Hirani Khwaja (hereinafter referred to as ***"Noticee 4"***), Shefali Ameen Khwaja (hereinafter referred to as ***"Noticee 5"***), Shahid Khwaja (hereinafter referred to as ***"Noticee 6"***) *(Noticee 2 to 6 hereinafter may also be referred to as **"Khwaja Group")***, in terms of Section 15G of SEBI Act, for the alleged violation of Regulation 3(i) and 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015 by the Noticees 2 to 6. Subsequently, the matter of conducting Adjudication Proceedings in the matter of PTL was assigned to the undersigned and the undersigned was appointed as AO vide Order dated May 18, 2017. The appointment of the undersigned as AO was communicated vide communique dated August 02, 2017. Further, all the aforesaid Noticees shall be Collectively hereinafter referred to as ***"Noticees"***.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Show Cause Notice No. SEBI/EAD/PM/RR/18352/2017, dated August 03, 2017 was issued to Noticee 1 and a common SCN dated August 03, 2017 was issued to Noticees no. 2 to 6 (hereinafter referred to as ***"SCN"***) in terms of Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as ***"Adjudication Rules"***).

   [# With effect from March 8, 2019, SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was amended to SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995]

6. The aforesaid SCNs placed the Unpublished Price Sensitive Information (UPSI) under two heads i.e. 'UPSI-I'- UPSI in respect of Slump sale of software solution business to Kewill group and 'UPSI- II'- UPSI in respect of Declaration of Interim Dividend of Rs. 29 per share and reduction of 50% of the capital of the Company by

paying a value of Rs. 29 per share. As per the SCN, UPSI-I came into existence on September 18, 2012, when the non-disclosure agreement ('NDA') was executed between the buyers and the company, and continued till the decision of the slump sale of the business was announced by the Company on August 10, 2013. Therefore, the period of UPSI-I was considered to be September 18, 2012 to August 10, 2013 and the Company informed that the trading window closure period was from August 08, 2013 to August 13, 2103. Similarly, UPSI-II came into existence on September 12, 2013 (the day when decision to refund by capital reduction was first initiated) and continued till October 14, 2013 (the day when the Company informed BSE that the BoD at their meeting held on October 13, 2013 had approved the dividend of Rs. 29/- per share and reduction of capital to the extent of 50% of paid up capital by paying Rs. 29/- per share). Therefore, the alleged UPSI-II period was September 12, 2013 to October 14, 2013 and the Company informed that the trading window closure period was from October 10, 2013 to October 15, 2013. SCNs to Noticees alleged that Noticee 1 was among the suspected group of entities. It was also alleged that the Noticee 1 was relative of Noticees 2 to 6. Relationship of Noticee 1 with Noticees 2 to 6 is as given below:

Sr.no.	**Name of the Noticee**	**Relationship**
1	Noorjahan A Khwaja	Mother of Ameen Khwaja
2	Ashka Ali Khwaja	Father of Ameen Khwaja
3	Rozina Hirani Khwaja	Sister-in-law of Ameen Khwaja
4	Shefali Ameen Khwaja	Wife of Ameen Khwaja
5	Shahid Khwaja	Brother of Ameen Khwaja

7. In addition, Noticee 1 and aforesaid Noticees 2 to 6 shared common address. It was also alleged that the Noticee 1 was a Director of Pal Premium Online Media Pvt Ltd, (POMPL) in which the CMD of the Company - Palem S. Reddy (now Late Palem S Reddy) was also a director. From Annual Report of 2012-13 of POMPL, it was observed that POMPL was named as *"Enterprise that significantly influenced by KMP or their relative"* and Noticee 1 was director of POMPL. Also that POMPL provided services to PTL during the period September 2011 to May 2013 (during UPSI-I period) in the nature of Search engine related service. As per submissions

made by the Company, it had informed shareholders in the Board meeting held on August 10, 2013 itself that the Company after sale of business would venture in Media and Entertainment Industry. Further, post the slump sale of business by the Company to Kewill group, discussions pertaining to merger of Palred Media and Entertainment Pvt. Ltd. (PMEPL) and POMPL with PTL began on December 19, 2013 which got approved by Board of Directors and public announcement made on 08-Jan-2014. As per corporate announcement made by the Company on January 08, 2014, it acquired Deals15.com from Premium Web Services Pvt. Ltd. (PWSPL) where Ameen Khwaja was Managing Director and his mother Noorjahan Ashik Khwaja and father- Ashik Ali Khwaja, were directors of PWSPL. From KYC details of Khwaja group entities, it was observed that their income level varied from Rs. 1 lac to Rs. 5 lacs. From the aforesaid facts, it was alleged that the Noticee 1, through his association with Palem S. Reddy and the Company, was aware of the plans of PTL during UPSI-I period. Though he had not traded in the shares of the Company or any other scrips in BSE/NSE during the one year period prior to the slump sale business of the Company, in order to avoid detection, he had made his immediate family members (i.e. Noticees 2 to 6) trade in the UPSI-I period by communicating or counselled the information regarding UPSI-I to his family members (i.e. Noticees 2 to 6). In addition, it was observed that the Noticee 1 was connected to Pirani Amyn Abdul Aziz (one of the suspected entities) through mutual friends on Facebook. It is also alleged that the Noticee 1 communicated and counselled UPSI directly or indirectly to Pirani Amyn Abdul Aziz who was found to be trading in shares of the Company during UPSI-I and UPSI-II period. Further, from the trading pattern of the Noticees 2 to 6, it was observed that they had purchased substantial quantity of shares of the Company during UPSI-I and sold only few shares during UPSI-II. Moreover, the Noticees (i.e. Noticees 2 to 6) except Noticee No 2 did not trade at all in any scrip since 01.04.2011 to 17.09.2012. During this period, maximum purchase value by Noticee 2 in BSE/NSE was Rs. 2.13 lacs in seven scrips which is in sharp contrast to amount of Rs. 16.62 lacs that she invested in the shares of the Company which is not-so-frequently traded scrip during the relevant period. Further, subsequent to trading in shares of the Company, Noticee 2 had not traded in any other scrip during period January 1, 2013 to December 9, 2013. From above trading related facts, it could be concluded that trading pattern of Noticees 2 to 6, was in clear deviation from their own established trading pattern. In reply to query for rationale/reasoning for investment in shares of PTL during UPSI-I period, Noticees 2 to 6 replied that on advice of family members, investment was made in shares of the Company. From the analysis of bank statements of the Noticees 2 to 6 and from the reply received from the Noticees, it was observed that the amount invested in purchase of shares of the Company was considerably higher than their annual income. For instance, as per KYC records (submitted with TM-India Infoline), annual income of Noticee 2 was stated to be less than Rs.1 lac whereas she purchased shares of the Company worth Rs. 16.62 lacs during UPSI-I period. The source of funds for such investments was stated to be sale of property owned by the family/FDs. Further the Noticees submitted that since they had surplus cash in fixed deposits, investment were made and that they continued to hold shares in the Company. From the above, it was established that the Noticees who had not traded in any scrip before the UPSI-I, suddenly liquidated their property/fixed deposits to invest in the shares of the Company. Such behavior on the part of the Khwaja family was seen to be a result of certain insider information of making gains which they evidently were in possession of. Further in their reply, the Noticees have stated that it was a family decision to invest surplus funds in shares of the Company. Therefore, it was clear that Noticee 1 being a part of the family and being an insider, having possession of UPSI-I, had taken the decision for his family members to invest in shares of the Company. This is further substantiated by the fact that trading accounts with India Infoline Limited was opened by four members of Khwaja family on 26-Jun-2013, 27-Jun-2013, 10-Jul-2013 and 12-Jul-2013 i.e. during UPSI-I period for the specific purpose of investing in the scrip of the Company. In view of above, Noticee 1 was alleged to be an "insider" in terms of Reg. 2(c) and 2(e) of the PIT Regulations, 1992 and alleged to have violated Regulation 3(ii) of SEBI PIT Regulations, 1992 and Regulation 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of SEBI PIT Regulations, 2015. Noticees 2 to 6 being relatives of Noticee 1, were "deemed connected person" in terms of the provisions of Reg. 2(h)(viii) of the PIT Regulations, 1992. Hence, Noticees 2 to 6 fall under the definition of "insider" as stated under Reg. 2(e) of the PIT Regulations, 1992 and they have traded on the basis of inside information. Therefore, the Noticees 2 to 6 were alleged to have violated the provisions of Regulation 3(i) and 3(ii) of SEBI PIT Regulations, 1992 and Regulation 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of SEBI PIT Regulations, 2015.

8. I note that the SCN was served to the Noticees. Noticees requested for complete investigation report and inspection of documents. In this regard, it was informed to the notices that the relied upon documents have been provided alongwith the SCN. Subsequently, considering Covid- 19 situation prevailing in the country and in the interest of everyone concerned and in line with the principles of natural justice, an opportunity of personal hearing to Noticees were provided on March 05, 2021 (Noticees 1 to 4), March 09, 2021 (Noticee 5) and March 12, 2021 (Noticee 6). It is noted that the Noticee 1 replied for self and on behalf of the Khwaja group and requested to postpone the hearing. Upon request of their postponement of hearing, the hearing was concluded on April 22, 2021. During the hearing, the Noticees were represented by their Authorised Representative(s) (AR(s)). I also note that the Noticee 1 vide his email dated April 19, 2021 submitted reply for himself and also on behalf of Khwaja group. The Noticees have not submitted any post hearing submissions. Submissions of the Noticees are briefly summarized as hereunder:

<u>*Reply of Noticee 1*</u>

a. *That the Noticee denies each and every allegation or contention or conclusion sought to be drawn in the said SCN*
b. *That SEBI has wrongly drawn an inference that the Noticee becomes an 'Insider' and 'Connected Person' based on the fact that he was a common director with Mr. Palem Srikanth Reddy or that both of them appear in the promoter category of Pal. It is submitted that a person being a common director or a common promoter in another company with an insider of a company cannot be treated as an 'Insider' or 'Connected Person' during the Investigation Period as per the provisions of regulation 2 (e) and/or 2 (c).*

c. That the Noticee also cannot be considered as an 'Insider' and 'Connected Person' in terms of regulation 2 (c) and 2 (e) based on the allegation that the Noticee was part of the discussions started on December 19, 2013 (i.e. after the investigation period) with regard to the merger of Palred Media and Entertainment Private Limited and Pal with the Company. Any such discussions which have taken place after the Investigation Period can have no relevance for determining the status of person as an 'Insider' or 'Connected Person' in terms of regulation 2 (c) and 2 (e) of PIT Regulations.

d. That the Noticee's knowledge about (i) the merger of Pal with the Company and (ii) acquisition of Deals15.com, has no connection with the UPSI with respect to Slump Sale of business. The Noticee had no knowledge whatsoever about the UPSI.

e. That the discussions to merge Pal have started on December 19, 2013 and discussions to acquire Deals15.com have started on November 08, 2013. The Noticee cannot be considered as an 'Insider' and 'Connected Person' in terms of regulation 2 (c) and 2 (e) based on the allegation that the Noticee was part of the discussions started on December 19, 2013 (i.e. after the investigation period) with regard to the merger of Palred Media and Entertainment Private Limited and Pal with the Company.

f. that SEBI has not provided any evidence whatsoever to prove the communication of UPSI from Srikanth Reddy to the Noticee. The whole case is based on a single fact that the Noticee was a director of POMPL where Srikanth Reddy was also a director. The Noticee emphatically denies any such allegation or conclusion based on his aforesaid relationship with Srikanth Reddy. The serious allegation of insider trading cannot be based on mere suspicion, surmises or hypothesis.

g. That as per para 8 of the SCN, agreement for providing services was entered into between PTL and POMPL and hence, it was POMPL (and not Ameen Khwaja) who was providing services to PTL during the relevant period and it was POMPL (and not Ameen Khwaja) who was in contact with Narendra P. Nargundkar, Senior Marketing Officer of the Company. In view of this, it was POMPL who could be considered as a connected person and not Ameen Khwaja.

h. That SEBI has committed a grave error in appreciating the factual background of the case and in interpreting the legal provisions pertaining to the connected person. It is clear from the factual background as well as aforementioned legal provisions that Ameen Khwaja being a director of POMPL could not be treated as a connected person. It was POMPL, which could be treated as connected person.

i. *That further, for treating any person as a connected person it is also necessary to establish that the person having business or professional relationship with the company was reasonably expected to have access to the UPSI related to the company. In the instant case, it may be observed that POMPL or Ameen Khwaja had nothing to do with the UPSI-I as they were engaged in providing technical services and for that purpose as per the SCN, they were in touch with the marketing department of the company. SEBI has not provided any evidence whatsoever to prove that POMPL or Ameen Khwaja had any access to UPSI-I.*

j. *That the case of SEBI against the Noticee is illogical and misconceived. If the Noticee could allegedly communicate the UPSI to the members of Khwaja Group for the purpose of trading by them in the scrip of the Company then why the Noticee himself could not trade in the scrip. The whole case of SEBI is misconceived.*

k. *That As per SEBI's SCN the trading pattern of the Khwaja Group suggest that they had traded on PSI from the Noticee. It is submitted that the said inference drawn by SEBI is entirely based on conjectures and surmises. Firstly, the Noticee did not have in his possession any UPSI relating to the Company and therefore the question of his communicating such UPSI to the members of Khwaja Group and Mr. Aziz does not arise. Secondly, there is no evidence whatsoever to show that the Noticee has communicated any UPSI to the Khwaja Group and Mr. Aziz. There is no assumption under law that the insider shall be assumed to have communicated UPSI in his possession to his relatives and friends. It was submitted that since the charge of insider trading is one of the most serious charges in the Securities Market, higher must be the preponderance of probabilities in establishing the same. There is no record of any telephonic conversation, SMS, email or any other kind of communication to support the allegation. Further, no person examined during investigation has made any allegation to this effect against the Noticee.*

l. *Case law referred by the Noticee 1 is Samir Arora vs. SEBI dated October 15, 2004*

Reply of Khwaja Group

a. *That SEBI has made an allegation that the trading pattern of Khwaja Group suggest that they had traded based on PSI received from Mr. Ameen Khwaja. This allegation is entirely based upon conjectures, surmises and hypothesis. SEBI has not produced even a shred of evidence to show that Mr. Ameen Khwaja has communicated/counselled any UPSI to the Khwaja Group Noticees.*

b. *That the Khwaja Group Noticees have known about the Company and its financials from the information available in the public domain as also from Mr. Ameen Khwaja who was personally known to Mr. Palem Shrikanth Reddy,* *Chairman and Managing Director of the Company. The Noticees were of the view that the Company has good future prospects and based on their own analysis and judgment they made investment in the scrip of the Company.*

c. *That the Khwaja Group Noticees namely Ms. Noorjahan Khwaja, Mr. Ashik Ali Khwaja and Mr. Shahid Khwaja along with Mr. Ameen Khwaja had sold their property vide Sale deed dated April 16, 2012 for a total consideration of Rs. 48 Lakhs out of which each of them had received a sum of Rs. 12 Lakhs. The said sale proceeds were used by the Noticees for purchase of the Company's shares during the period from July 2013 to August 2013. The Noticees invested the sale proceeds as they considered the said investment as a good investment.*

d. *That the Khwaja Group Noticees purchased the shares of the Company based on UPSI received from Mr. Ameen Khwaja. In this connection, it is submitted that as per SEBI Order, Pal Premium Online Media Private Limited ('Pal') of which Mr. Ameen Khwaja was one of the directors had provided services related to 'Search Engine' to the Company during the period September 2011 to May 2013 i.e. during the period of UPSI. If it is assumed that the Khwaja Group Noticees had traded based on UPSI received from Mr. Ameen Khwaja then the Noticees should have traded much earlier i.e. anytime between September 18, 2012 to May 2013, when Pal was providing services to the Company but the Noticees had infact traded from July 2013 i.e. after Pal stopped providing services to the Company. If SEBI's theory is accepted then there is no logic as to why the Khwaja Group Noticees would not invest soon after receiving UPSI from Mr. Ameen Khwaja instead of waiting till July 2013. Sale proceeds were lying with them since April 2012. Further, why Ameen khwaja did not himself trade based on UPSI instead of passing it on to his relatives and friends.*

e. *That SEBI has placed undue reliance on the fact that the Khwaja Group Noticees except Ms. Noorjahan Khwaja had opened the trading accounts in June/July 2013. As stated above, the Noticees namely Ms. Noorjahan Khwaja, Mr. Ashik Ali Khwaja and Mr. Shahid Khwaja received the Sale consideration in April 2012 and they decided to invest the same in the real estate in Hyderabad as they usually do. But at that time the agitation in Hyderabad for separate state of Telangana was at its peak and therefore the Khwaja Group Noticees had kept their money in fixed deposits. As the agitation and unrest continued even in 2013, the Khwaja Group Noticees decided to invest into the capital markets and accordingly opened trading accounts in June/July 2013. If the Khwaja Group Noticees had any knowledge of alleged UPSI received from Mr. Ameen Khwaja then they would have invested the sale proceeds in the scrip of the Company during September 18, 2012 to May 2013, when Pal was providing services to the Company instead of waiting till July 2013.*

f. *That the Khwaja Group Noticees hereby deny that the amount invested by them was considerably higher than their annual income. The total investments made by the members of Khwaja Group were as follows:*

Sr. No.	Name of the Khwaja Group Entity	Amount invested in the shares of the Company
1	Ms. Noorjahan Khwaja	16,61,672
2	Mr. Ashik Ali Khwaja	10,10,859
3	Ms. Rozina Hirani Khwaja	6,36,791
4	Ms. Shefali Khwaja	7,01,616
5	Mr. Shahid Khwaja	9,14,136

g. *That Ms. Noorjahan Khwaja, Mr. Ashik Ali Khwaja and Mr. Shahid Khwaja had received a sum of Rs. 12 Lakhs each upon sale of a property on April 16, 2012. Mr. Ashik Ali Khwaja and Mr. Shahid Khwaja had made investments in the shares of the Company from such investments. Further in addition to Rs. 12 lakhs, Ms. Noorjahan Khwaja had also received Rs. 5,00,000 on November 24, 2012 from Maruthi Infra real estate investment and such amount was invested by her in the shares of the Company. Ms. Shefali Khwaja was working as web analyst in Premium Web Services since 2007 and had also received Rs 4,00,000 from Maruthi Infra real estate investment on November 16, 2012. That the above that the investments made by Khwaja group members were not higher than their respective annual income.*

h. *That the Khwaja Group had not traded in the scrip of the Company on the basis of any Price Sensitive Information. Further, Ameen Khwaja who, according to SEBI, had counselled or communicated UPSI to the Khwaja Group Noticees had not traded in the scrip. It is submitted that the charges levelled against the Khwaja Group Noticees are purely based on assumptions and surmises and liable to be set aside.*

CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully perused the charges levelled against the Noticees, their reply dated April 19, 2021, presentation made during the hearing and the documents/ material available on record. The issues that arise for consideration in the present case are:

Issue No. I: Whether the Noticee 1 has violated the provisions of Regulation 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the

SEBI Act read with Regulation 12 of PIT Regulations, 2015 and Noticee 2 to 6 (i.e. Khwaja Group) has violated the provisions of Regulation 3(i) and 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015?

Issue No. II: If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15G of the SEBI Act, for the violation as mentioned in Issue No. I?

Issue No. III: If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of SEBI Act?

10. Before proceeding further, I would like to refer to the relevant provisions of PIT Regulations, 1992, PIT Regulations 2015 and SEBI Act as alleged to have been violated by the Noticee:

Relevant provisions of PIT Regulations, 1992:
Definitions
Regulation2(c) "connected person" means any person who—

(i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956), of a company, or is deemed to be a director of that company by virtue of sub-clause (10) of section 307 of that Act or

(ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company [whether temporary or permanent] and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company:

[Explanation:—For the purpose of clause (c), the words "connected person" shall[mean] any person who is a connected person six months prior to an act of insider trading;]

Regulation 2(e) "insider" means any person who –

i. is or was connected with the company or is deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or

ii. has received or has had access to such unpublished price sensitive information;

Regulation 2(h) "person is deemed to be a connected person", if such person—

(viii) relatives of the connected person;

Prohibition on dealing, communicating or counselling on matters relating to insider trading.

Regulation 3. No insider shall—

i. either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange [when in possession of] any unpublished price sensitive information; or

ii. communicate [or] counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities :

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business [or profession or employment] or under any law.

<u>Relevant provisions of PIT Regulations, 2015:</u>

Repeal and Savings

Regulation 12. (1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.

(2) Notwithstanding such repeal,—

(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and

(b) anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(3) After the repeal of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

<u>Relevant provisions of SEBI Act, 1992</u>

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

Regulation 12A. No person shall directly or indirectly—

(d) engage in insider trading;

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

11. Now I deal with the issues on merit in the matter. Before I proceed further, I note that vide email dated March 30, 2021, Noticee 1 has submitted that they (Noticees) have filed an appeal against the WTM Order dated August 13, 2019 in the similar matter under section 11(1), 11(4) and 11B of the SEBI Act and in view of the same, the Adjudication Proceedings be kept under abeyance. In this regard, I note that no stay proceedings have been taken by the Noticees against the Adjudication Proceedings and in view of the same, Adjudication Proceedings against the Noticees shall follow.

Issue No. I: Whether the Noticee 1 has violated the provisions of Regulation 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015 and Noticees 2 to 6 (i.e. Khwaja Group) have violated the provisions of Regulation 3(i) and 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015?

12. As regards the Issue no. I, I note that the Noticees have denied all charges and allegations levelled in the SCN. I further note that the Noticees have been found to be guilty for the same set of allegations in the similar matter under section 11B proceedings by Hon'ble WTM, SEBI vide his Order dated August 13, 2019. The said Order of Hon'ble WTM, SEBI, has revised the UPSI- I period from *"September 18, 2012 to August 10, 2013"* to *"May 09, 2013 to August 10, 2013"* and revised UPSI–II period from *"September 12, 2013 to October 14, 2013 (at 08:54 hrs)"* to *"October 4, 2013 to October 14, 2013 (at 08:54 hrs)"*. From perusal of the said Order dated August 13, 2019 of the WTM in the matter passed under section 11(1), 11(4) and 11B of SEBI Act and considering the facts, figures and material on record, I am also of the view taken by the Hon'ble WTM w.r.t. the revised UPSI- I i.e. "May 09, 2013 to August 10, 2013" and revised UPSI- II period i.e. *"October 4, 2013 to October 14, 2013 (at 08:54 hrs)*. I note from the records that Ameen Khwaja was a Promoter Director of Pal Premium Online Media Pvt Ltd (POMPL), in which CMD of the Company i.e. Palem S. Reddy (now Late Mr. Palem S Reddy) was also a Promoter Director. POMPL also provided services to the Company during the period September 2011 to May 2013 (during UPSI-I period) in the nature of Search engine

related services. There were also plans of PTL in venturing into Media and Entertainment Industry post sale of business. Further, post slump sale of business by the Company to Kewill group, discussions pertaining to merger of Palred Media and Entertainment Pvt. Ltd. (PMEPL) and POMPL, with PTL began on December 19, 2013 which got approved by Board of Directors and public announcement made on 08-Jan-2014. Further, as per corporate announcement made by the Company on January 08, 2014, it acquired Deals15.com from Premium Web Services Pvt. Ltd. (PWSPL) where Ameen Khwaja was Managing Director and his mother Noorjahan Ashik Khwaja and father - Ashik Ali Khwaja, were directors of PWSPL. SCN has alleged that Khwaja Group entities purchased substantial quantity of shares of PTL during UPSI-I and sold only few shares during UPSI-I. The amount invested in purchase of PTL shares is considerably higher than their annual income. For instance, as per KYC records (submitted with TM-India Infoline), annual income of Noorjahan Khwaja is stated to be less than Rs.1 lac whereas PTL shares worth Rs. 16.62 lacs has been purchased by her during UPSI-I period.

13. In response to the allegations in the SCN, Noticees submitted that SEBI has wrongly drawn an inference that the Noticees come within the definitions of 'Insider' and 'Connected Person' based on the fact that Ameen Khwaja was a common director with Mr. Palem Srikan Reddy or that both of them appear in the promoter category of POMPL. Ameen Khwaja in his individual capacity was not holding any position involving a professional or business relationship between himself and the Company. Any such relationship, if at all, existed between the Company and POMPL and not between the Noticee 1 in his individual capacity and the Company. Ameen Khwaja did not have in his possession any UPSI relating to the Company and therefore the question of his communicating such UPSI to the members of Khwaja Group and Aziz did not arise. Secondly, there is no evidence whatsoever to show that the Noticee No. 1, has communicated any UPSI to the Khwaja Group and Mr. Aziz. The Noticees (Khwaja Group) have also stated that they received money from sale of property and their family was discussing about investing in shares. As PTL is a well-known and one of the few successful product companies from Hyderabad and since

they wanted to invest in stocks, they chose PTL. They submitted that since they had surplus cash in fixed deposits, investment were made and that they continued to hold shares in the scrip.

14. The Noticees have contended that Ameen Khwaja is not an insider or connected person. The definition of Insider as defined in Regulation 2(e) of SEBI PIT, Regulations, 1992 is as under:-

"insider" means any person who

(i) is or was connected with the company or is deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or

(ii) has received or has had access to such unpublished price sensitive information;

15. The definition of "Connected Person" in Regulation 2(c) of SEBI PIT, Regulations, 1992 is as under:-

"connected person" means any person who—

(i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956), of a company, or is deemed to be a director of that company by virtue of sub-clause (10) of section 307 of that Act or

(ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company:

Explanation:—For the purpose of clause (c), the words "connected person" shall mean any person who is a connected person six months prior to an act of insider trading;

16. The fact that Ameen Khwaja was a promoter director of POMPL with Palem S. Reddy who was also a promoter-director of POMPL and POMPL was rendering professional services related to IT to PTL, I am of the view that there existed a business relationship between the two promoters and by extending services of POMPL to PTL, Ameen Khwaja can also be stated to have had a business relationship with the company because the service contract between the two companies would be a reflection of the understanding exchanged between these two promoters. In this case, one cannot distinguish between the company and its promoter because the very identity of POMPL for availing services has arisen out of the connection that existed between the two promoters. Therefore, in the facts and

circumstances of the case it can be reasonably presumed that the UPSI regarding Slump sale was passed on to the Khwaja group by none other than Palem S. Reddy (CMD of the PTL). In view of the same, I find Noticee 1 was liable for communication of UPSI with respect to the PTL to his family members (khwaja group). Hence Noticee 1 has violated Section 12A(d) and 12A(e) of SEBI Act, 1992 and Regulation 3(ii) of SEBI (PIT) Regulations, 1992 read with regulation 12 of SEBI (PIT) Regulations, 2015.

17. All the members of Khwaja group and their relationship with Ameen Khwaja is as under:

Sr.no.	Name of family members	Relationship
1	Noorjahan A Khwaja	Mother of Ameen Khwaja
2	Khwaja Ashik Ali	Father of Ameen Khwaja
3	Shefali Ameen Khwaja	Wife of Ameen Khwaja
4	Shahid Khwaja	Brother of Ameen Khwaja
5	Rozina Hirani	Brother's wife of Ameen Khwaja

18. With respect to the aforesaid Noticees, as they have contended that they are not "deemed connected" for the purposes of the PIT Regulation, the definition pertaining to "deemed connected" has been examined.

Definition of deemed to be connected person and Relative as per PIT Regulations, 1992-

2 (h) "person is deemed to be a connected person", if such person—
(viii) relatives of the connected person; or
2(i) "relative" means a person, as defined in section 6 of the Companies Act, 1956.
Definition of relative as per section 6 of the Companies Act, 1956
Section 6. Meaning of "relative"
A person shall be deemed to be a relative of another, if, and only if, -

(a) they are members of a Hindu undivided family; or

(b) they are husband and wife; or

(c) the one is related to the other in the manner indicated in Schedule IA."

List of relative as defined in Schedule I A Section 6 of the Companies Act, 1956.

- *Father*

- *Mother (including step-mother)*
- *Son (including step-son)*
- *Son's wife*
- *Daughter (including step-daughter)*
- *Father's father*
- *Father's mother*
- *Mother's mother*
- *Mother's father*
- *Son's son*
- *Son's son's wife*
- *Son's daughter*
- *Son's daughter's husband*
- *Daughter's husband*
- *Daughter's son*
- *Daughter's son's wife*
- *Daughter's daughter*
- *Daughter's daughter's husband*
- *Brother (including step-brother)*
- *Brother's wife*
- *Sister (including step-sister)*
- *Sister's husband*

19. From the above definition it is seen that the members of the Khwaja family, by virture of their relationship with Ameen Khwaja very well fall within the definition of "deemed connected" under the PIT Regulations, 1992.

20. I have considered the allegations against the above Noticees (Khwaja Group) in the SCN and their submissions to the said allegations. I note that during the UPSI- I period, Khwaja group bought 3,24,001 shares of PTL for a value of Rs. 49,25,124. The details of the purchases by individuals of the Khwaja group are as follows:-

Trades of Khwaja group entities in PTL					
Name	**Buy Vol.**	**Buy value In(₹)**	**Sell Vol.**	**Sell value in (₹)**	**Unsold shares till UPSI 14.10.2013**
	A	**B**	**C**	**D**	**E=A-C**
Noorjahan A Khwaja	1,20,972	16,61,672	2456	52634	1,18,516
Khwaja Ashik Ali	64,193	10,10,859	0	0	64,193
Rozina Hirani	43,014	6,36,791	0	0	43,014
Shefali Ameen Khwaja	45,000	7,01,666	0	0	45,000
Shahid Khwaja	50,822	9,14,136	0	0	50,822
Total	**3,24,001**	**49,25,124**	**2,456**	**52,634**	**3,21,545**

21. It is noted that the trading accounts with India Infoline Limited were opened by 4 members of the Khwaja family, except Noorjahan, on 26-Jun-2013, 27-Jun-2013, 10-Jul-2013 and 12-Jul-2013 i.e. during UPSI period for the specific purpose of investing in the scrip of PTL. It is further noted that the said four notices, except Noorjahan A Khwaja, belonging to the Khwaja group had not traded at all in any scrip from 01.04.2011 to 17.09.2012. During this period, Noorjahan had traded in seven scrips other than PTL, and the maximum purchase value in BSE/NSE was Rs. 2.13 lacs. This is in sharp contrast to the amount of Rs. 16.62 lacs that she invested in the scrip of PTL, which was not-so-frequently traded scrip during the relevant period. Further, subsequent to trading in PTL shares, Noorjahan Khwaja has not traded in any other scrip during period January 1, 2013 to December 9, 2013. The overall pattern of trading of the Khwaja group in PTL, where in a short period of two and half months, the group invested more than Forty Nine Lakh rupees for 3,24,001 shares of PTL along with the connection of Ameen Khwaja with Palem Reddy confirms the distinct likelihood of the trades being based on the communication of UPSI-I relating to the scrip. In my view, this aberration of trading pattern cannot be without knowledge of UPSI-I, regarding slump sale. I have considered the fact that the Khwaja group started trading in the scrip form June 20, 2013 i.e. after the receipt of revised Non-binding offer from buyers on May 9, 2013 by PTL and stopped trading in PTL from August 7, 2013 i.e. just before the

announcement by PTL to the BSE and NSE. Considering all these factors and the quantum of trades carried out by Khwaja group entities during a short period without any justification/rationale to invest in a relatively illquid scrip, for the first time by four members excluding Noorjahan Khwaja's purchase of 2000 shares of PTL in 2012, it can be reasonably inferred that the Khwaja group had received the UPSI regarding the Slump sale. I note that PTL had informed shareholders in the Board meeting held on August 10, 2013 itself that PTL after the proposed slump sale would venture into the Media and Entertainment Industry. Further the fact that post the slump sale of business by PTL to Kewill group, discussions pertaining to merger of Palred Media and Entertainment Pvt. Ltd (PMEPL) and POMPL with PTL began on December 19, 2013 which got approved by BoD and public announcement was made on January 08, 2014. As per corporate announcement made by PTL on January 08, 2014, PTL acquired Deals15.com from Premium Web Services Pvt. Ltd. (PWSPL) where Ameen Khwaja was Managing Director and entities of Khwaja group, his relatives, i.e., mother Noorjahan Ashik Khwaja and father - Ashik Ali Khwaja, were directors of PWSPL. Thus even from the events that followed the UPSI period, it was evident that Ameen Khwaja was closely associated with the plans of PTL and Palem S. Reddy, because after the slump sale, major business of PTL was transferred to the buyers and PTL wanted to shift their line of business to Media and Entertainment and they utilized the amount received from Slump sale for this purpose after few months for purchasing PWSPL.

22. I further note that the Noticees had submitted that there is no proof of receipt of insider info or the trading being based on such information, I find it relevant to rely on the decision of the the Hon'ble Supreme Court in the matter SEBI v. Kishore R. Ajmera (2016) 6 SCC 368. The Hon'ble SC considering the standard of proof required while imposing civil liabilities under SEBI Act, 1992 or the regulations framed there under stated thus:

"It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made

and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion.... The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned. Prosecution under Section 24 of the Act for violation of the provisions of any of the Regulations, of course, has to be on the basis of proof beyond reasonable doubt..."(emphasis supplied)

23. In view of the above, I hold that Ameen Khwaja has violated the provisions of Regulation 3(ii) of SEBI (PIT) Regulations, 1992 and Sections 12A(d) and 12A(e) of SEBI Act, 1992 read with regulation 12 of SEBI (PIT) Regulations, 2015 for communicating or counselling the information regarding UPSI-I to his family members and hold that Noorjahan A. Khwaja, Ashik Ali Khwaja, Rozina Hirani Khwaja, Shefali Ameen Khwaja and Shahid Khwaja have violated provisions of Regulations 3(i) and 3(ii) of SEBI (PIT) Regulations, 1992 and Sections 12A(d) and 12A(e) of SEBI Act, 1992 read with regulation 12 of SEBI (PIT) Regulations, 2015 for trading on the basis of inside information.

Issue No. II: If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15G of the SEBI Act, for the violation as mentioned in Issue No. I?

24. In this context, It is pertinent to refer the observation of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court 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 and hence the intention of the parties committing such violation becomes wholly irrelevant...".*

25. From the above paras, I note that the Noticee1 has been found to be guilty of the violation of provisions of 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015 and Noticees 2 to 6 have been found to be guilty of the violation of provisions of Regulation 3(i) and 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act read with Regulation 12 of PIT Regulations, 2015. Therefore, the Noticees would be liable for penalty under section 15G of the SEBI Act, 1992. The provisions of section 15G of SEBI Act, 1992 are reproduced hereunder:

Penalty for insider trading.

15G. *If any insider who,—*

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or

(ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price-sensitive information,

shall be liable to a penalty twenty-five crore rupees or three times the amount of profits made out of such failure whichever is higher.

Issue No. III: If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of SEBI Act?

26. While determining the quantum of monetary penalty under Section 15G of SEBI Act, I have considered the factors stipulated in Section 15J of SEBI Act, which read as under:

Factors to be taken into account by the adjudicating officer

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

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

(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

27. In the present matter, I note from the records that the illegal gains made by the Noticees are as follows:

Profits made by the Khwaja Group by trading in PTL shares during UPSI-I (May 09, 2013 to August 10, 2013)										
	Buy Vol.	**Buy value in ₹**	**Sell Vol.**	**Sell value in ₹**	**Shares unsold on 10.08.2013**	**Reckoningprice (closing price on August 12, 2013)***	**Value of shares**	**Gain (₹)**	**Interest12% p.a. ****	**Total (₹)**
	A	**B**	**C**	**D**	**E=A-C**	**F**	**G=E*F**	**H=G+D-B**	**I**	**J = I + H**
Noorjahan A Khwaja***	**120972**	**1661672.5**	**500**	**6500**	**120472**	**19**	**2288968**	**633795.55**	**197209.26**	**831005**
Khwaja Ashik Ali****	**61193**	**953859.25**	**0**	**0**	**61193**	**19**	**1162667**	**208807.75**	**64205.8**	**273014**
Rozina Hirani	**43014**	**636791.42**	**0**	**0**	**43014**	**19**	**817266**	**180474.58**	**55458.57**	**235933**
Shefali Ameen Khwaja	**45000**	**701655.78**	**0**	**0**	**45000**	**19**	**855000**	**153344.22**	**47080.96**	**200425**
Shahid Khwaja *****	**35822**	**624910.26**	**0**	**0**	**35822**	**19**	**680618**	**55707.74**	**16927.77**	**72636**

** * The reckoning price is the closing price on August 12, 2013 as it is the most immediate day of trading of PTL sharesafter UPSI-I became public, i.e. August 10, 2013.***
***** Interest calculated on profits from the individual date of buy transaction till January 31, 2016.***
****** Recomputed profits excluding sale made on January 03, 2013, which is outside the UPSI-I period.***
******* Trade made on July 19, 2013 excluded from the computation of profits as the buy price for such trade is the same as the Reckoning price.***
******** Trades made on July 17 and July 18, 2013 have been excluded from the computation of profits as the buy price for such trades is more than the Reckoning price.***

28. The consequences resulting from violations committed by the Noticees are of grave nature and are prejudicial to the interests of the investors in the securities market. If violations of this nature are not dealt with seriously with a firm hand then investors

will lose faith in the Indian Securities Market. The Hon'ble SAT, in its order dated August 02, 2019 in the matter of *P G Electroplast vs SEBI*, has held that the Order passed in corresponding proceedings before the Whole Time Member should be factored in while fixing the quantum of penalty.

29. In this regard, I note that, a separate and parallel proceeding was initiated against the Noticees under the provisions of Sections 11(1), 11(4) and 11B of SEBI Act, 1992 under the same facts in the similar matter. In the said proceedings, vide Order dated August 13, 2019, Hon'ble Whole Time Member of SEBI has found the Noticee 1 guilty of violation of provisions of Regulation 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act, 1992 r/w Regulation 12 of PIT Regulations, 2015 and Noticees 2 to 6 guilty of violation of provisions of Regulation 3(i) and 3(ii) of PIT Regulations, 1992 and Section 12A(d) and 12A(e) of the SEBI Act, 1992 r/w Regulation 12 of PIT Regulations, 2015.

ORDER

30. After taking into consideration the facts and circumstances of the case, material/facts on record and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w rule 5 of the Adjudication Rules, 1995, hereby impose the following penalty on the Noticees under section 15G of the SEBI Act, 1992, for the failure on their part to comply with the aforesaid provisions of PIT Regulations, 1992 and the SEBI Act, 1992:

Name of the Noticees	**Penalty amount in (Rs.)**
Ameen Khwaja	1000000/-(Rupees Ten Lakh only)
Noorjahan A Khwaja	2500000/- (Rupees Twenty Five Lakh only)
Ashika Ali Khwaja	800000/- (Rupees Eight Lakh only)
Rozina Hirani Khwaja	700000/- (Rupees Seven Lakh only)
Shefali Ameen Khwaja	600000/- (Rupees Six Lakh only)
Shahid Khwaja	200000/- (Rupees Two Lakh only)

I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees.

31. The Noticees shall remit/ pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link :**ENFORCEMENT → Orders →Orders of AO → PAY NOW**

32. The Noticees shall forward the said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – IV of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:
    a) Name and PAN of the entity (Noticee)
    b) Name of the case / matter
    c) Purpose of Payment – Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

33. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, a copy of this order is being sent to Noticees and also to the Securities and Exchange Board of India, Mumbai.

Date: September 02, 2021 **Prasanta Mahapatra**
Place: Mumbai **Adjudicating Officer**