BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/GN/2022-23/17215-17216]

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:

Mrs. Rupa Modi (PAN: AAHPM1264D)

Mr. Minesh Modi (PAN: AAHPM1265C)

In the matter of
Netlink Solutions (India) Limited

BACKGROUND:

1. Aryaman Financial Services Ltd. (hereinafter referred to as "**Merchant Banker/MB**") vide letter dated March 19, 2021, submitted the Draft Letter of Offer (hereinafter referred to as **"DLOF"**) to Securities and Exchange Board Of India (hereinafter referred to as **SEBI**) in the matter of Open Offer made by M/s. JUPITER INFOMEDIA LIMITED (**"Acquirer 1")** and M/s. JINESHVAR SECURITIES PRIVATE LIMITED ("**Acquirer 2")** to the public shareholders of M/s Netlink Solutions (India) Ltd. (hereinafter referred to as **"Target Company")**

2. SEBI examined the DLOF filed by the Merchant Banker. While examining the DLOF filed in the matter, in status of compliance with the provision of Chapter V of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (hereinafter referred to **SAST Regulation**), it was observed that there was certain incident of violations of SAST Regulation on the part of the erstwhile promoters of the Target Company i.e. Mrs. Rupa Modi (**Noticee1**) and Mr. Minesh Modi (**Noticee 2**).

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI, vide communique dated February 21, 2022 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'**) r/w Section 19 of the SEBI Act, 1992 to inquire into and adjudge under section 15HB and 15A (a) of SEBI Act for Noticee 1, and under section 15A(a) of SEBI Act for Noticee 2, for the alleged violations of Regulation 10(3) and 10(7) of SAST Regulation by Noticee 1 and Regulation 10(7) of SAST Regulation by Noticee 2.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A Show Cause Notice (hereinafter referred to as **"SCN"**) no. SEBI/EAD-3/BM/GN/19737/2022 and SEBI/EAD-3/BM/GN/19736/2022 dated May 10, 2021 was issued to the Noticees under rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the **SEBI Rules**) to show cause as to why an inquiry should not be held against them in terms of Rule 4 of Adjudication Rules read with Section 15-I (1) & (2) of SEBI Act, and penalty, if any, be not imposed on Noticee 1 under Section for 15HB and 15A (a) of SEBI Act and on Noticee 2 under Section15A (a) of SEBI Act, for the alleged violations of Regulation 10(3) and 10(7) of SAST Regulation by Noticee 1 and Regulation 10(7) of SAST Regulation by Noticee 2.

5. The allegations levelled against the Noticee are as under:

   a. It was observed by SEBI that the Target Company vide Public Announcement dated May 10, 2018 had decided to undertake Buyback of Equity Shares.

   b. Pursuant to closure of Buyback Offer, shareholding of Noticee 1 exceeded the threshold of 25% as prescribed under Regulation 3(1) read with Regulation 3(3) of SEBI (SAST) Regulations, 2011.

c. However, the said increase in voting rights pursuant to Buyback is exempted under the provisions of Regulation 10(3) of SEBI (SAST) Regulations, 2011 subject to such shareholder reducing her shareholding within 90 days from the date of closure of the said Buyback Offer.

d. Vide email dated May 18, 2021, Merchant Banker informed that the Buyback Offer was closed on July 02, 2018. Hence, the date of completion of 90 days from the date of closure of the buyback was September 30, 2018.

e. It was observed that, the requisite dilution by Noticee 1 was undertaken after ninety days from the date of the closure of the said buy-back offer i.e on October 04, 2018 with a delay of 3 days.

f. Further, the cumulative shareholding of the promoter group breached the creeping acquisition threshold of 5% as prescribed under regulation 3 (2) of the SAST Regulation, and increased by 8.48% pursuant to buyback. Breaching of creeping acquisition limit pursuant to buyback offer is exempted under Regulation 10(4)(c) of SAST Regulation. However, in terms of Regulation 10(7) of SAST Regulation, the Noticee 1 and Noticee 2 were obliged to submit the report with SEBI in the manner prescribed, which was not submitted by the Noticee 1 and Noticee 2.

g. SEBI vide its email dated June 01, 2021 had advised MB to inform the Noticee 1 that in case the report is not filed, SEBI may initiate the appropriate enforcement action against her. However, vide email dated June 15, 2021, MB confirmed that no report was filed by Noticee 1, even after informing her about possibility of enforcement action against her by SEBI for non-compliance of the same.

h. In view of the above observations, it was alleged that Noticee 1 violated the provisions of Regulation 10(3) and 10(7) of the SAST Regulations and Noticee 2 had violated the provisions of Regulation 10(7) of the SAST Regulation.

6. Vide letter dated May 31, 2022, the Authorised representative (hereinafter referred to as **AR**) of the Noticee 1 and Noticee 2 had made following submissions on behalf of Noticee 1 and Noticee 2:

   a. *With respect to allegation that the noticee 1 has violated the provisions of Regulation 10(3) of SEBI SAST Regulations: Noticee has submitted that the Regulation 3(1) is attracted when*

      i. *any acquirer acquires further shares or voting rights*
      ii. *which taken together with shares or voting rights already held by the Acquirer and persons acting in concert with the Acquirer in such Target Company,*
      iii. *entitle them to exercise 25% or more of the voting rights in such target company.*

   b. *In the instant case, AR has submitted that it is incorrect to say that the provisions of Regulation 3(1) have been triggered, as even before such increase in voting rights due to Buyback, The Noticee 1, together with Noticee 2, had held 48.97% shares, which is in excess of the threshold limit of 25% of the paid-up share capital and voting rights of the target company.*

   c. *He also submitted that, unlike Regulation 3(1), 3(2) or 3(4), which applies to both "acquisition of shares or voting rights", the Regulation 3(3) applies only where an individual crosses Regulation 3(1)'s threshold pursuant to an "Acquisition of Shares". AR submitted that the Regulation 3(3) applies if there is an increase in an Individual's shareholding solely pursuant to an "acquisition of Shares"*

   d. *AR also submitted that, an increase in voting rights, other than by way of acquisition of shares, does not attract the provision of the Regulation 3(3), and therefore, in the instant case where no acquisition of shares happened and the said increase in voting rights was due to the buyback, the provision of regulation 3(3) is not applicable.*

e. AR also submitted that, the regulation 3(1) and/or 3(3), independently or collectively, are not applicable, therefore, the requirement under regulation 10(3) to reduce the voting right below the aforesaid threshold, to avoid the open offer, does not arise in the present case and, therefore, the Noticee 1 was not required to comply with the condition stipulated in regulation 10(3) with respect to dilution of shareholding within 90 days of the closure of Buyback.

f. AR also submitted that, the Noticee 1 (whose voting rights increased from 21.50% to 25.22% due to Buyback), out of abundant precaution, reduced her voting rights to below 25%, i.e., 24.89%, albeit after 93 days from the date of closure of the Buyback.

g. With respect to the allegation for violation of regulation 10(7) of SAST regulation AR has submitted that the Merchant Banker had not conveyed to the Noticee 1 about any such instruction/deadline given by the SEBI vide its email dated June 1, 2021 and therefore the Noticee 1 was completely unaware of any such specific deadline given by the SEBI to file the report under Regulation 10(7).

h. AR has further submitted that the report under Regulation 10(7) was required to be submitted within 21 working days of the closure of the buy-back offer i.e. July 2, 2018, which they could not file on time purely for interpretational misunderstanding and there was no other reason or any other motive. AR further submitted that the Noticee 1 and the Noticee 2 were under the belief that the increase in voting rights pursuant to Buyback were exempted under SEBI SAST and, therefore, no further action was required to be undertaken on their part other than those compliance as advised by the Merchant Banker handling the Buyback.

i. AR also submitted that, after receiving the instant SCN they have submitted the requisite 10(7) Report on May 27, 2022 along with requisite filing fee of Rs. One lakh and fifty thousand, and accordingly complied with the provisions Of Regulation 10(7).

j. *AR further submitted that, apart from this Report, the Noticee 1 and Noticee 2 in their individual capacity as well as that of Directors of the Target Company made all applicable disclosures and reports well in time and there was no delay in any report/return which was required to be filed with the stock exchanges under the Buyback regulations or SEBI SAST.*

k. *In view of the above, AR requested for condonation of the delay in submission of the 10(7) Report for the reasons explained herein above. AR also submitted that the delay in submission of 10(7) Report was purely procedural in nature there was no mala-fide intention or taking undue advantage on the basis of the aroused situation due to the Buyback and AR further submitted that the delayed reporting has not resulted in any gain, whatsoever, to the Noticee 1 and/or Noticee 2, the delayed submission has not resulted in any loss to any investor on account of such lapse; the delay in submission Of the 10(7) Report is procedural in nature and didn't cause any harm to anyone;*

7. In the interest of natural justice and in order to conduct an enquiry in terms of Rule 4(3) of the Adjudication Rules, the Noticees was granted an opportunity of personal hearing on June 16, 2022, vide Hearing Notice dated June 03, 2022. The Noticees nominated an authorized representative (hereinafter referred to as **AR**) to appear on his behalf vide e-mail dated June 14, 2022.

8. On the date of hearing, the AR appeared on behalf of the Noticees. The AR reiterated the submissions made by the Noticee vide letter dated May 31, 2022.

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

9. I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

ISSUE I: Whether Noticee 1 violated the provisions of Regulation 10(3) and 10(7) of the SAST Regulations and Noticee 2 had violated the provisions of Regulation 10(7) of the SAST Regulation.

ISSUE II: Does the violation, if any, on part of the Noticee 1 attract penalty under Section for 15HB and 15A (a) of SEBI Act and on Noticee 2 under Section15A (a) of SEBI Act,

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

10. Before proceeding further, it will be appropriate to refer the provisions of Regulations 10(3) and 10(7) of the SEBI SAST Regulations, 2011 alleged to have been violated by the Noticees. The texts of the alleged provisions are as under-

Regulation 10 – General Exemptions

Regulation 10(3) of SAST Regulation is as follows:

10(3) An increase in voting rights in a target company of any shareholder beyond the limit attracting an obligation to make an open offer under sub-regulation (1) of regulation 3, pursuant to buy-back of shares [by the target company]shall be exempt from the obligation to make an open offer provided such shareholder reduces his shareholding such that his voting rights fall to below the threshold referred to in sub-regulation (1) of regulation 3 within ninety days from the date [of the closure of the said buy-back offer]

Regulation 10(7) of the SAST Regulation is as follows:

10(7) In respect of any acquisition of or increase in voting rights pursuant to exemption provided for in clause (a) of sub-regulation (1), sub-clause (iii) of clause (d) of sub-regulation (1), clause (h) of sub-regulation (1), sub-regulation (2),sub-regulation (3) and clause (c) of sub-regulation (4), clauses (a), (b) and (f) of sub-regulation (4), the acquirer shall, within twenty-one working days of the date *of acquisition, submit a report in such form as may be specified along with supporting documents to the Board giving all details in respect of acquisitions, along with a non-refundable fee of rupees [one lakh fifty thousand] [by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by way of a banker's cheque or demand draft payable in Mumbai in favour of the Board.*

FINDINGS

11. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticee 1 and Noticee 2, I record my findings hereunder:

ISSUE I: Whether Noticee 1 had violated the provisions of Regulation 10(3) and 10(7) of the SAST Regulations and Noticee 2 had violated the provisions of Regulation 10(7) of the SAST Regulation.

12. It was observed by SEBI that the Target Company vide Public Announcement dated May 10, 2018 had decided to undertake Buyback of Equity Shares. As on April 01, 2018, Noticee 1 was holding 21.50 % shares of the target company and pursuant to closure of Buyback Offer, shareholding of Noticee 1 exceeded the threshold of 25% as prescribed under Regulation 3(1) read with Regulation 3(3) of SEBI (SAST) Regulations, 2011 and became 25.22% as on July 16, 2018

13. However, the said increase in voting rights pursuant to Buyback is exempted under the provisions of Regulation 10(3) of SEBI (SAST) Regulations, 2011 subject to such shareholder reducing her shareholding within 90 days from the date of closure of the said Buyback Offer.

14. It was alleged in the SCN that, the requisite dilution by Noticee 1 was undertaken after ninety days from the date of the closure of the said buy-back offer i.e. on October 04, 2018 with a delay of 3 days.

15. Vide reply dated May 31, 2022, AR had submitted that, the Regulation 3(1) is attracted when any acquirer acquires further shares or voting rights which taken together with shares or voting rights already held by the Acquirer and persons acting in concert with the Acquirer in such Target Company, entitle them to exercise 25% or more of the voting rights in such target company. In the instant case, noticees have submitted that even before such increase in voting rights due to Buyback, the Noticee 1, together with Noticee 2, had held 48.97% shares, which is in excess of the threshold limit of 25% of the paid-up share capital and voting rights of the Target Company, therefore, the provisions of regulation 3(1) is not applicable to the noticees.

16. With regard to Noticee 1's contention that 3(1) is not applicable, I have gone through Regulation 10(3) of the SAST regulation which states as follows-

    10(3) - *An increase in voting rights in a target company of any shareholder beyond the limit attracting an obligation to make an open offer under sub-regulation (1) of regulation 3, pursuant to buy-back of shares [by the target company]shall be exempt from the obligation to make an open offer provided such shareholder reduces his shareholding such that his voting rights fall to below the threshold referred to in sub-regulation (1) of regulation 3 within ninety days from the date [of the closure of the said buy-back offer]*

17. I have perused Regulation 10(3) carefully, wherein it explicitly states that if any shareholder breaches the limit/threshold mentioned under regulation 3(1) (which is 25%) such shareholder is mandated to reduce his/her stake below the threshold referred to under Regulation 3(1) within 90 days from closure of buy-back. Thus, the Noticee 1's contention that provisions of Regulation 3(1) being not applicable on her since Noticee 1 along with PACs were already holding more than 25% is devoid of any merit since the regulations refers to the threshold of 25% and not to the provisions of Regulation 3(1) itself. It is observed that the Buyback offer closed on July 02, 2018 and therefore the date of completion of 90 days from the date of closure of Buyback was September 30, 2018. Hence, Noticee 1 should have diluted her holding on or before September 30, 2018. From the records available it is

observed that Noticee 1 diluted her holding on October 04, 2018 with a delay of 3 days.

18. Noticee 1 has also contended that an increase in voting rights, other than by way of acquisition of shares, does not attract the provisions of the Regulation 3(3), and, in the instant case, increase in voting rights was due to the Buyback, therefore, the provisions of Regulation 3(3) is not applicable. From perusal of the Regulation 3(3) of the SAST regulation, it is observed that it applies to individual shareholding and since in the instant case Noticee 1 herself breached the threshold hence Regulation 3(3) becomes applicable. Further, I would also refer to the definition of "Acquisition" as provided under regulation 2(b) of the SAST regulation, which states as follows-

    "Acquisition" means, directly or indirectly, acquiring or agreeing to acquire shares or voting rights in, or control over, a target company;

    From the perusal of the above definition it is observed that acquisition also includes indirect acquisition of shares or voting rights of the target company. In the instant case Noticee 1 has indirectly acquired the shares / voting rights of the target company. In view of the same, contention of the Noticee 1 is not tenable.

19. In view of the foregoing, it is concluded that Noticee 1 is in violation of Regulation 10(3) of the SAST regulation.

Filing report under regulation 10(7) of SAST regulations;

20. It was also alleged in the SCN that, the cumulative shareholding of the promoter group breached the creeping acquisition threshold of 5% as prescribed under regulation 3 (2) of the SAST Regulation, and increased by 8.48% pursuant to buyback. Breaching of creeping acquisition limit pursuant to buyback offer is exempted under Regulation 10(4)(c) of SAST Regulation. However, in terms of Regulation 10(7) of SAST Regulation, the Noticee 1 and Noticee 2 were obliged to submit the report with SEBI within 21 working days of the date of acquisition, in the manner prescribed.

21. AR has contended that after receiving the instant SCN they have submitted the requisite 10(7) Report on May 27, 2022 alongwith requisite filing fee of Rs. 1,50,000/- and accordingly complied with the provisions of Regulation 10(7) of the SAST Regulation.

22. AR has further contended that the Noticee 1 and the Noticee 2 were under the belief that the increase in voting rights pursuant to Buyback were exempted under SEBI SAST and, therefore, no further action was required to be undertaken on their part other than those compliance as advised by the Merchant Banker handling the Buyback. AR also submitted that Noticee 1 was completely unaware of any such specific deadline given by SEBI to file the report under Regulation 10(7).

23. I observe from the records that buy-back was closed on July 02, 2018, and as per the regulation 10(7) of the SAST regulation the Noticees were obliged to submit the report with SEBI within 21 working days of the date of acquisition. However, the Noticees submitted the report under Regulation 10(7) of the SAST Regulation on 27 May, 2022 i.e. after more than 3 years and that too after the receipt of SCN. Since, Noticee 1 and Noticee 2 has not filed the report within a timeline prescribed under regulation 10(7), the contention of the noticees is not tenable.

24. With respect to the contention of the noticees that they were unaware of the deadline prescribed by SEBI, I note that the Hon'ble Securities Appellate Tribunal (hereinafter referred to as **"SAT"**) in the matter of ***Madanchand Prasan Chand Chordia vs. SEBI*** (Appeal No. 134 of 2014), dated June 16, 2014, has relied on the principle of "ignorantia juris non excusat" which translates into ignorance of law is not an excuse, for dismissing the contention of the appellant that he was not aware of the relevant regulations by stating the following:

"The main contention of the appellant, who has appeared in person before us, is that he was not aware about the requirement of law in making disclosure as a part of SAST Regulations, 2011 and PIT Regulations, 1992.
<u>We note that ignorance of law is not an excuse</u>." (emphasis supplied).

Thus, I find that the aforesaid submission of the Noticees is devoid of any merits.

25. In view of the above, it is established that the Noticee 1 and Noticee 2 has violated regulation 10(7) of the SAST regulation.

ISSUE II: Does the violation, if any, on part of the Noticee 1 attract penalty under Section for 15HB and 15A (a) of SEBI Act and on Noticee 2 under Section15A (a) of SEBI Act,

26. The provisions of Section 15A(a) and 15HB of the SEBI Act read as under:

Penalties and Adjudication

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made thereunder,— (a) to furnish any document, return or report to the Board, fails to furnish the same [or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to [a penalty [which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];*

15HB- Penalty for contravention where no separate penalty has been provided.

Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be [liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.]

27. I further note that, the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361} has 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...............”

28. In this regard, I place reliance on the order of the 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.”

29. Hence, in view of the findings as given above, I am convinced that the Noticee 1 is liable for monetary penalty under section 15HB and 15A (a) of SEBI Act and Noticee 2 under section 15A(a) of SEBI Act, for the alleged violations of Regulation 10(3) and 10(7) of SAST Regulation by Noticee 1 and Regulation 10(7) of SAST Regulation by Noticee 2.

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

30. While determining the quantum of penalty under sections 15A(a) and 15HB of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

15J - Factors to be taken into account by the adjudicating officer

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

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

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

(c) the repetitive nature of the default.”

31. I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticees. Further from the material available on record, it is not possible to ascertain the exact

monetary loss to the investors on account of non-compliance by the Noticees. In this case, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the default cannot be computed. However, I note that losing an exit opportunity by the shareholders at the right time as a result of the failure on the part of the Noticees to make the public announcement within the stipulated time period prescribed under the Takeover Regulations, is a loss to the investor.

34. In view of the charges as established, the facts and circumstances of the case and the judgments referred to and mentioned hereinabove, the quantum of penalty would depend on the factors referred in Section 15-J of SEBI Act as stated above. The main objective of the SAST Regulations is to afford fair treatment for shareholders who are affected by any change in shareholdings. The Regulation seeks to achieve fair treatment by inter alia mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well-informed decisions. Thus, the cornerstone of the SAST Regulations is investor protection. Further the disclosure as required under the SAST Regulations are of significant importance from the point of view of the Regulators also.

35. I observe that the Noticee 1 has diluted its shareholding with a delay of only three days which appears to be technical and procedural. With respect to the non-filing of report by Noticee 1 and Noticee 2 within the prescribed timeline and filing the same after more than three years that too after receiving the show cause notice cannot be considered as mere technical and has violated the statutory requirements of law. Thus the penalty has accordingly been appropriately decided as under.

ORDER

36. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, the purpose of SEBI SAST Regulations, 2011, taking note of Section 15A(a) and 15HB of the SEBI Act, and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15A(a) and 15HB of the SEBI Act, 1992 on the Noticee:

Name of entity	Provisions violated	Penalty
Mrs. Rupa Modi (PAN: AAHPM1264D)	i) Regulation 10(3) of SAST Regulation ii) Regulation 10(7) of SAST Regulation	Rs. 1,00,000/- (Rupees One Lakh Only) Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand Only)
Mr. Minesh Modi (PAN: AAHPM1265C)	Regulation 10(7) of SAST Regulation	Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand Only)

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

37. 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 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, Noticee may contact the support at portalhelp@sebi.gov.in.

38. The aforesaid Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department 1 DRA-4), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C/7, "G" Block BKC, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051." The Noticees shall also provide the following details while forwarding DD / payment information:

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)	

39. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

40. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees viz. Mrs. Rupa Modi and Mr. Minesh Modi and also to the Securities and Exchange Board of India.

Place: Mumbai **BARNALI MUKHERJEE**

Date: June 21, 2022 **ADJUDICATING OFFICER**