BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/HG/2022-23/22274-22277]

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 BY ADJUDCATING OFFICER) RULES, 1995

In respect of

Noticee No.	Noticee Name	PAN
1.	**Aarti Singal**	**AEFPS6299L**
2.	**Sanjay Singal**	**ANRPS7985C**
3.	**Sanjay Singal (HUF)**	**AAMHS8301N**
4.	**Aniket Singal**	**CZCPS6126E**

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

In the matter of Shreekrishna Biotech Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation w.r.t. trading in the scrip of Shree Krishna Biotech Limited (herein after referred to as "**ShreeKrishna/SBL/company**") for the period November 01, 2012 to July 31, 2015 (herein after referred to as "**Investigation Period/IP**"). The focus of investigation was to ascertain *inter alia,* any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter also referred to as "**PIT Regulations, 1992**"), SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter also referred to as "**PIT Regulations 2015**") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(hereinafter also referred to as "**SAST**

Regulations") with respect to trading in the scrip of Shree Krishna during the investigation period. The Company is listed on BSE Ltd. ("**BSE/Exchange**").

2. During the course of investigation, SEBI observed that Aarti Singal (herein after referred to as "**Noticee 1/By name"**), Sanjay Singal (herein after referred to as "**Noticee 2/By name"**), Sanjay Singal (HUF) (herein after referred to as "**Noticee 3 /By name**") and Aniket Singal (herein after referred to as "**Noticee 4 /By name**") (Noticees 1 to 4 are collectively being referred to as "**Noticees"**) had acquired shares in the scrip of SBL during the Investigation Period. However, it was observed that Noticees failed to make disclosures in terms of PIT Regulations, 1992 read with PIT Regulations, 2015 and SAST Regulations for these share transactions. Therefore, in view of the above, it was alleged that Noticees have violated:
   a. Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015;
   b. Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations;

APPOINTMENT OF ADJUDICATING OFFICER

3. Vide order dated June 04, 2021, the undersigned was appointed as Adjudicating Officer by SEBI under Section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act'**) read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) to inquire into and adjudge, under the provisions of Section 15A (b) of the SEBI Act, the aforesaid alleged violations committed by Noticees.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A common Show Cause Notice dated February 16, 2022 (hereinafter referred to as "**SCN**") was issued to Noticees under Rule 4 of 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 the SEBI Act for the aforesaid violations alleged to have been committed by them.

5. The allegations levelled against Noticees in the SCN are as under:

    i. During the course of investigation, it was observed that the share capital of the company underwent change due to a preferential allotment of 80,00,000 equity shares to 48 entities on January 27, 2014 at Rs. 20 per share against the conversion of warrants. The same was informed by the company vide their letter dated Jan. 15, 2016. The allotted shares were under lock-in till January 26, 2015.

    ii. It was observed during investigation that Noticees who were holding more than 1% of the shares of the company, had acquired shares through the preferential allotment on January 28, 2014. During investigation, it was also observed that Noticees were deemed to be persons acting in concert ("**PAC**") in terms of SAST Regulations by virtue of their being immediate relatives as per the details provided by Noticees vide letters dated April 25, 2017. The relationship between Noticees and details of acquisition of shares during the IP is given in the table below

Name of PAC	Relation with other PACs	Pre-acquisition Shareholding (no.)	Pre-acquisition Shareholding (%)	Date of Acquisition	Post-acquisition Shareholding (no.)	Post - acquisition Shareholding (%)	Whether Disclosure required under	
							Reg. 13 (1) of PIT Reg., 1992 for shareholding more than 5%	Reg. 29(1) of SAST, 2011 for acquisition along with PACs aggregating 5% or more
Aarti Singal	Wife of Sanjay Singal	0	0	28.01.14	5,00,000	5.08	Yes	Yes
Sanjay Singal	Husband of Aarti Singal	0	0	28.01.14	5,00,000	5.08	Yes	Yes
Sanjay Singal (HUF)	HUF of Sanjay Singal	0	0	28.01.14	5,00,000	5.08	Yes	Yes
Aniket Singal	Son of Aarti & Sanjay Singal	0	0	28.01.14	5,00,000	5.08	Yes	Yes
Total		**0**	**0**		**20,00,000**	**20.32**		

iii. From the above table, Noticees 1 to 4 are alleged to be PACs. It was observed that Noticees were allotted 5.08% shares individually and 20.32% shares in aggregate on January 28, 2014.

iv. In terms of Regulation 13(1) of PIT Regulations read with Regulation 12 of PIT Regulations 2015, any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming the such holder within 2 working days of the receipt of the intimation of allocation of shares or the acquisition of the shares or voting rights, as the case may be. However, it was observed from the letter received from Company dated January 25, 2016 and email dated November 25, 2019 that no such disclosures were made by Noticees w.r.t. the aforesaid acquisition of shares. In view of the same, it is alleged that Noticees have violated Regulation 13 (1) PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.

v. In terms of Regulation 29(1) of SAST Regulations, any acquirer or who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him such target company, aggregating to five percent or more of the shares of the such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified. In terms of Regulation 29(3) of SAST Regulation, the disclosures required under sub-regulation 29(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 every stock exchange where the shares of the target company are listed and the target company at its registered office. However, it was observed from the email received from BSE on November 25, 2019, and letter received from the company that no such disclosures as required under the aforesaid regulations, had been made by Noticees w.r.t. aforesaid acquisition of shares. In view of the same, it is alleged that Noticees have violated Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations.

6. The SCN was sent to Noticees through Speed Post Acknowledgement Due (herein after referred to as "**SPAD**") on February 16, 2022 and through digitally signed email dated February 17, 2022. The SCN was duly served on the Noticees through SPAD and digitally signed email. Vide letter dated July 14, 2017, Noticees submitted a common reply to SCN. In their submissions, Noticees also stated that they had not received the complete documents at annexure-3 of the SCN. Vide email dated November 04, 2022, it was informed to the Noticees that the aforesaid documents sought by the Noticees had been provided to them as Annexure – 2 along with the SCN. However, as requested copies of Annexures-2 and 3 of SCN were again sent to the Noticees vide aforesaid email.

7. Vide hearing notice dated November 04, 2022, an opportunity of personal hearing was granted to Noticees before the undersigned on November 18, 2022 and the hearing notice was served on the Noticees through SPAD and digitally signed email dated on November 04, 2022. However, Noticees failed to appear for the hearing. Therefore, vide email dated November 18, 2022, Noticees were granted another opportunity of personal hearing before the undersigned on November 23, 2022 and the email was duly sent to Noticees and did not bounce back. However, Noticees again failed to appear for the hearing. Therefore, in the interest of natural justice, vide email dated November 25, 2022, one last opportunity of hearing was granted to the Noticees on December 01, 2022. Noticees appeared for the hearing on the scheduled date and made oral submissions in the matter. Further, Noticees also requested for time till December 02, 2022 for making additional submissions and the same was granted by the undersigned. However, I note that till date of this order, no additional submissions have been made by the Noticees.

8. The relevant submissions by Noticees in their common reply are extracted hereunder:

i. *Noticees had made relevant requisite disclosures to company and stock exchange under PIT Regulations 1992, PIT Regulations 2015 and SAST Regulations on acquiring more than 5% of paid up capital of the company. Noticees also stated that, currently, they were unable to find the records and the relevant documents pertaining to the said transaction as more than 8 years had been passed from the impugned transactions.*

ii. *Noticees submitted that pursuant to availability of shareholding of the undersigned on RoC and BSE, their shareholding was on public record and can be accessed by anyone. Therefore, no loss has been caused to any investor or any other stakeholder due to alleged allegations of non-disclosure against them.*

iii. *Noticees had bonafidely purchased equity shares in the company only on the basis of investment advice of Investment Advisor. Noticees believed that Investment Advisor being expert in this field must have complied with all the laws including the provisions under SEBI Act as well as the rules and regulations prescribed therein.*

iv. *Noticees submitted that they are making best efforts to find the records and would certainly forward the same on finding the documents.*

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

9. I have carefully perused the charges levelled against Noticees, replies/submissions filed by them and other documents/ evidence available on record. The issues that arise for consideration in the present case are:

   i. Whether the Noticees have violated the provisions of Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 and Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations?

   ii. Do the violations, if established, attract monetary penalty under Section 15A(b) of SEBI Act?

iii. What would be the quantum of monetary penalty that can be imposed on the Noticees?

<u>Issue No.9(i) - Whether the Noticees have violated the provisions of Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 and Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations?</u>

10. Before moving forward, it is pertinent to refer to the relevant provisions of the PIT Regulations, 1992 read with PIT Regulations 2015 and SAST Regulations which are reproduced as under:

<u>Regulation 13 (1) PIT Regulations, 1992</u>

Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of:

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

<u>Regulation 12 of PIT Regulations, 2015</u>

Repeal and Savings.

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, obligationor 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.

SAST Regulations, 2011

29 (1) *Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified*

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.”

11. It has been alleged that Noticees violated Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015. The details of

shareholding of Noticees along with the compliance status w.r.t disclosures made by Noticees, as provided in the SCN, are as under:

Name of Noticees	Pre-acquisition Shareholding (no.)	Pre-acquisition Shareholding (%)	Date of Acquisition	Post-acquisition Shareholding (no.)	Post - acquisition Shareholding (%)	Whether Disclosure required under Reg. 13 (1) of PIT Reg., 1992 for shareholding more than 5%
Aarti Singal	0	0	28.01.2014	5,00,000	5.08	Yes
Sanjay Singal	0	0	28.01.2014	5,00,000	5.08	Yes
Sanjay Singal (HUF)	0	0	28.01.2014	5,00,000	5.08	Yes
Aniket Singal	0	0	28.01.2014	5,00,000	5.08	Yes
Total	**0**	**0**		**20,00,000**	**20.32**	

12. From the shareholding pattern of SBL, as submitted by the company to BSE, I observe that total share capital of SBL during the relevant period was 98,51,500.

13. From the available records, I note that before January 28, 2014, Noticees were having 'nil' holding in the shares of SBL. On January 28, 2014, Noticees 1-4 acquired 5,00,000 shares each of SBL which amounted to 5.08% of total share capital of the company. As the Noticees' holdings crossed 5% of total shares in SBL, Noticees were required to make necessary disclosures to the company within 2 working days from the date of such acquisition in terms of Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015.

14. It has also been alleged in the SCN that Noticees had violated Regulation 29(1) read with 29(3) of SAST Regulations. I note from the material available on record that during the course of investigation, SEBI had sought information from Noticees vide letter dated April 19, 2017 w.r.t. relationship between them. Noticees, in their reply to SEBI vide letter dated April 25, 2017, stated the following relationship between them:

Noticee No.	Name of the Noticee	Relationship with other Noticees
1	Aarti Singal	Wife of Sanjay Singal

Noticee No.	Name of the Noticee	Relationship with other Noticees
2	Sanjay Singal	Husband of Aarti Singal
3	Sanjay Singal (HUF)	HUF of Sanjay Singal
4	Aniket Singal	Son of Aarti & Sanjay Singal

15. In this regard, I find it pertinent to refer Regulation 2(q)(2)(v) of SAST Regulations which define 'Persons Acting in Concert' as under:

"Persons acting in concert means, -

1)….

2) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be persons acting in concert with other persons within the same category, unless the contrary is established,-

……

(v) immediate relatives;

16. Therefore, I find that Noticees have admitted that they are related to each other and hence, Noticees were deemed to be Persons Acting in Concert (herein after referred to as '**PACs**') in terms of SAST Regulations.

17. As has been observed earlier in the order, before January 28, 2014, Noticees were having 'nil' holding in the shares of SBL. On January 28, 2014, Noticees acquired 5,00,000 shares each of SBL i.e. 5.08% of total share capital of the company. Since Noticees were also acting as PACs, I note that they had, in aggregate as PACs, acquired 20.32% shares of SBL on January 28, 2014. Since the shareholding of Noticees crossed 5% of the total share capital of SBL, both individually as well as collectively as PACs, in terms of Regulation 29(1) read with 29(3) of SAST Regulations, Noticees were required to make necessary disclosures to the BSE and the company within 2 days from the date of such transactions.

18. I note that during the course of investigation, vide email dated November 25, 2019, BSE had forwarded the disclosures submitted by SBL to BSE for the period October 1, 2012 to December 31, 2015 to SEBI. I find from details

provided by BSE that no disclosures by Noticees were available in the details of disclosures made therein. I also note from the material available on record that during the course of investigation, vide letter dated January 15, 2016, SBL had forwarded the disclosures received from its shareholders by SBL to SEBI. However, no disclosures by Noticees 1-4 were available in the details of disclosures made therein. In view of the same, I find that Noticees 1-4 failed to make any disclosures as stipulated under Regulations 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 and Regulation 29(1) read with 29(3) of SAST Regulations in respect of their aforementioned transactions in the shares of SBL.

19. From the submissions made by the Noticees, I note that Noticees have not disputed the impugned transactions in the scrip of SBL as specified above. They have, however, contended that they had made relevant requisite disclosures to company and stock exchange under PIT Regulations 1992, PIT Regulations 2015 on acquiring more than 5% of paid up capital of the company. Noticees have also stated that, currently, they were unable to find the records and the relevant documents pertaining to the said transaction as more than 8 years had passed from the impugned transactions. In this regard, I note from the material available on record that during the course of investigation, SEBI, vide letter dated April 19, 2017, had sought information from Noticees w.r.t. disclosures made by them in the shares of SBL under the aforesaid regulations during the period November 01, 2012 to July 31, 2015, if any. However, in their reply to SEBI vide their letter dated April 25, 2017, Noticees had stated that no disclosures had been made by them under PIT Regulations 1992 as they were public shareholders in the shares of SBL. Therefore, I find that contradicting claims have been made by the Noticees during investigation and during the instant adjudication proceedings. Since Noticees have already admitted during the course of investigation that they had not made necessary disclosures as stipulated under aforesaid PIT Regulations 1992, I find no merit in the contentions of Noticees in their reply to the SCN that they are unable to defend themselves now on account of unavailability of records due to passage of time.

20. As regards the allegation of violation of provisions of SAST Regulations, Noticees, in their reply to Investigating Authority (herein after referred to as '**IA**') vide letter dated April 25, 2017, had stated that they had made disclosures under Regulation 29 of SAST Regulations on acquiring more than 5% of paid up capital of the company along with PACs, however, they were unable to trace it since it was an old record. Therefore, I note that even in 2017, i.e., within 4 years from the cause of action, Noticees had failed to provide the proof of disclosure to IA, stating that the records were old and untraceable. In the instant adjudication proceedings also, Noticees are taking similar plea, citing a delay of 8 years. I note that when Noticees had been asked to furnish these records even as early as 2017, they had been unable to do so, therefore their present contention in their reply to the SCN that they are unable to defend themselves on account of unavailability of records due to passage of time lacks merit. The fact remains that Noticees have failed to provide any document to substantiate their claim that they had made the requisite disclosures under the aforesaid SAST Regulations in respect of the transactions carried out on January 28, 2014.

21. In their submissions, Noticees 1-4 have also contended that the company had filed Return on Allotment with the RoC and also got the shares listed on the BSE and therefore, pursuant to availability of shareholding on RoC and BSE records, their shareholding was on public record and could be accessed by anyone. I find that in terms of the aforesaid provisions of PIT/SAST Regulations, requisite disclosures are to be made by the entities concerned, based on every event of either acquisition or disposal of securities in excess of the limits specified therein in terms of number/value/percentage in the prescribed manner and therefore, a general disclosure made by the company, as being contended by Noticees, would not be adequate compliance of the provisions related to disclosures, as enshrined in the aforesaid PIT/SAST Regulations. In this context, I note that Hon'ble SAT in *Ambaji Papers Pvt. Ltd. Vs. SEBI (Appeal no. 201 of 2013, order* dated January 15, 2014), wherein similar contention of information being in the public domain was raised by the appellant under Takeover Regulations held that "*.... that a reading of Regulation 7 of the SAST Regulations, 1997 read with Regulation 35(2) of the SAST Regulations, 2011 clearly points out that not only the company, but an acquirer is also required to inform the stock exchanges at*

every stage of aggregate of the shareholding or voting rights in the company. The object underlying these regulations is, therefore, unequivocally to bring more transparency by dissemination of complete information to the public as well as shareholders at large not only by the concerned company but by the individual acquirer as well." I am of the view that the judgement made by the Hon'ble SAT in the aforesaid matter applies with full force on the facts of the case in the instant matter.

22. In this context, I also rely on the order of the Hon'ble SAT in *Premchand Shah and Others* Vs. *SEBI order dated February 21, 2011, Appeal no. 192 of 2010 and Misc. Application No. 108 of 2010)* wherein Hon'ble SAT held that "…….*When a law prescribes a manner in which a thing is to be done, it must be done only in that manner…….Non-disclosure of information in the prescribed manner deprived the investing public of the information which is required to be available with them when they take informed decision while making investments".* Thus, I find the aforesaid contention of Noticees to be devoid of merit. Therefore, I find that Noticees 1-4 failed to make necessary disclosures as stipulated under Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 and Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations.

23. In view of the foregoing, I find that the allegation levelled against Noticees 1-4 that they have violated Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 Regulation and 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations stands established.

<u>Issue No. 9(ii): Do the violations attract monetary penalty under Section 15A (b) of SEBI Act.?</u>

24. I note that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) 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..….".* Therefore, the

above violations, as brought out in the foregoing paragraphs, make Noticees liable for monetary penalty under Section 15A (b) of the SEBI Act. The text of Section 15A(b) of the SEBI Act is reproduced below:

SEBI Act

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, —*

(b). to file any return or furnish any information, books or other documents within the time specified therefor 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;

Issue No. 9(iii): What should be the quantum of monetary penalty to be imposed?

25. While determining the quantum of penalty under Section 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: -

SEBI Act

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.

Explanation-*For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to*

15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

26. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors referred in Section 15-J of the SEBI Act, stated as above. Noticees in their replies have contended that they had not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, Noticees have contended that no loss had been caused to any investor or any other stakeholder due to alleged allegations of non-disclosure against the undersigned. In this regard, from the material available on record, I note that there is no evidence placed on record to quantify the amount of disproportionate gain or unfair advantage resulting from the default of Noticees in making disclosures or the consequent loss caused to investors as a result of the default. It is also not possible from the material on record to establish repetitive nature of the default by Noticees.

27. However, with respect to the disclosure violations by Noticees, 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. 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)**, has held that *"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."* Hon’ble SAT, in the aforesaid order, has articulated the importance of true and timely disclosures. Noticees’ conduct, when seen in this context would, therefore, deserves a penalty commensurate with the severity of the violations. It is also seen that the impugned transactions are more than eight years old.

ORDER

28. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act as enumerated above, I, in 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 minimum penalties on the Noticees under Section 15A(b) of SEBI Act for the violations of Regulation 13(1) of PIT Regulations 1992 read with Regulation 12 of PIT Regulations 2015 and Regulation 29(1) of SAST Regulations read with Regulation 29(3) of SAST Regulations:

Sr.No.	Name of Noticee	Penalty
1	**Aarti Singal**	Rs. 1,00,000/- (Rupees One Lakh only)
2	**Sanjay Singal**	Rs. 1,00,000/- (Rupees One Lakh only)
3	**Sanjay Singal (HUF)**	Rs. 1,00,000/- (Rupees One Lakh only)
4	**Aniket Singal**	Rs. 1,00,000/- (Rupees One Lakh only)

I am of the view that the aforesaid penalties are commensurate with the lapses/ omissions on the part of Noticees.

29. 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, Noticees may contact the support at portalhelp@sebi.gov.in.

30. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - 2, 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)	

31. 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.

32. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees viz. Aarti Singal, Sanjay Singal, Sanjay Singal (HUF) and Aniket Singal and also to the Securities and Exchange Board of India.

Place: Mumbai **SOMA MAJUMDER**

Date: December 20, 2022 **ADJUDICATING OFFICER**