BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/PM/PA/2021-22/14789

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of:

Pooja Poddar

PAN: COTPP8724B

In the matter of Sanwariya Consumer Ltd.

A. BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") investigated the scrip of Sanwaria Consumer Ltd. *(earlier known as Sanwaria Agro Oils Ltd.)* (hereinafter referred to as "**Company**") to ascertain whether there was any disclosure violation by certain entities under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the **"PIT Regulations"**) and/or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the "**SAST Regulations**") during the period from September 28, 2017 to December 31, 2017 (hereinafter referred to as the "**Investigation Period**").

2. Pursuant to the investigation, it was observed that Gulab Chand Agrawal and Satish Kumar Agrawal, the promoters of the Company, had traded in excess of Rs 10 lakhs in the calendar quarter ending on December 2017, on seven occasions and two occasions, respectively, during the Investigation Period. The

aforesaid trades triggered the requirement to disclose under regulation 7(2)(a) of the PIT Regulations. The said trades also imposed an obligation on the Company to notify the aforesaid trades to the stock exchanges within the time stipulated under regulation 7(2)(b) of the PIT Regulations.

3. The investigation alleged that the Company and Ms. Pooja Poddar, being the compliance officer of the Company (hereinafter referred to as the "**Noticee**"), became aware of the transactions referred to in paragraph two above by virtue of the beneficiary positions data (hereinafter referred to as the "**BENPOS Data**") received from the Company's registrar and transfer agent (hereinafter referred to as "**RTA**") every week for the period September, 2017 to December, 2017 *i.e,* the Company became aware of the change in shareholding of Gulab Chand Agrawal and Satish Kumar Agrawal as and when the BENPOS Data was received weekly. Further, it was alleged that the Company notified the stock exchanges regarding the said trades only on February 03, 2018, resulting in a delay of 45 to 80 days from the time specified in regulation 7(2)(b) of the PIT Regulations.

4. In view of the above, it was alleged that the Noticee, had failed to notify the stock exchanges of the trades provided in paragraph two above within the time required under regulation 7(2)(b) of the PIT Regulations, and thereby violated regulation 7(2)(b) read with regulation 9(3) and 2(c) of the PIT Regulations. Therefore, adjudication proceedings were initiated against the Noticee.

B. APPOINTMENT OF ADJUDICATING OFFICER

5. SEBI initiated adjudication proceedings and appointed the undersigned as the adjudicating officer under section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "**SEBI Act**") read with section 19 of the SEBI Act and rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "**SEBI Adjudication Rules**") to inquire into and adjudge under section 15A(b) of the

SEBI Act for the alleged violation of regulation 7(2)(b) read with regulation 9(3) and regulation 2(c) of the PIT Regulations. The appointment of the adjudicating officer was communicated *vide* communiqué dated May 07, 2021.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

6. A show cause notice dated July 19, 2021 (hereinafter referred to as "**SCN**") was served upon the Noticee under rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held and penalty not be imposed against her under section 15A(b) of the SEBI Act for the alleged violation of regulation 7(2)(b) read with regulation 9(3) and regulation 2(c) of the PIT Regulations.

7. The details regarding the allegations levelled against the Noticee in the SCN are provided below as follows:

   (i) The Noticee, being the compliance officer of the Company, in terms of regulation 9(3) read with regulation 2(c), was responsible for administering the code of conduct framed by the Company in compliance with Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders specified in Schedule B under the PIT Regulations. Further, as per regulation 7(2)(b), a company is required to notify the particulars of trading to the stock exchanges for which disclosure is required to be filed under regulation 7(2)(a), within two trading days from receipt of such disclosure or from becoming aware of such information.

   (ii) It was observed that the Noticee had failed to monitor and report the trading by the promoters of the Company, namely, Gulab Chand Agrawal and Satish Kumar Agrawal, on seven occasions and two occasions, respectively, which exceeded Rs 10 lakhs in value, in the calendar quarter ending on December, 2017. It was observed that the Company and the Noticee became aware of the aforesaid trades through the weekly

BENPOS Data shared by the RTA from September to December, 2017 which reflected the change in the shareholding of the aforesaid persons. However, the trades were notified to the stock exchanges by the Company on February 03, 2018, which led to a delay of 45 to 80 days from the time specified under regulation 7(2)(b) of the PIT Regulations. The emails containing the BENPOS Data were sent from the email ID of the RTA sainath.dixit@karvy.com to the following email ID of the Company amongst others compliance@sanwariaagro.com.

(iii) In view of the above, it was alleged that the Noticee had violated regulation 7(2)(b) read with regulation 9(3) and 2(c) of the PIT Regulations.

8. The Noticee submitted her reply to the aforesaid SCN *vide* email sent on August 06, 2021 (hereinafter referred to as the "**August Reply**"). The relevant extract from the August Reply is reproduced below verbatim:

"We confirm that Ms Pooja Poddar was the Company Secretary and Compliance Officer of the Company. The disclosures under Regulation 7(2) of the PIT Regulations, 2015 were made by the Company immediately on receipt of the same from Mr Gulab Chand Agarwal and Mr Satish Kumar Agarwal. Since the transactions for which the disclosure had to be given were pertaining to the return of the shares rightfully belonging to the partnership firm and not a buy / sell transaction as alleged, the disclosures were not made by Mr Gulab Chand Agarwal and Mr Satish Kumar Agarwal. She was further not aware that disclosure should be made voluntarily by the Company on going through the benpos and hence such a disclosure was not made by the Company and hence there was no malafide intention on the part of the Company / Compliance Officer. Hence Ms Pooja Poddar has not violated the provisions of Regulation 7(2) of the PIT Regulations, 2015.

We would like to reiterate that the transfer of shares was only a correction in the holding and transfer of the shares to the Partnership Firm which is the actual *holder of the shares and that none of the noticees have violated the provisions of the PIT Regulations, as alleged in the show cause notice."*

9. After considering the facts and circumstances of the case, the undersigned granted an opportunity of personal hearing to the Noticee on August 13, 2021 *vide* notice of hearing sent *vide* email on August 09, 2021. In view of the prevailing circumstances owing to COVID-19, the hearing was scheduled through video conferencing on cisco webex platform. Accordingly, on the scheduled date of the hearing, the authorized representative of the Noticee appeared before me through video conference and requested to take into account the submissions made by the Noticee *vide* the August Reply as her oral submissions.

D. CONSIDERATION OF ISSUES AND FINDINGS

10. I have carefully perused the material available on record. I note that the allegations levelled against the Noticee in the SCN are for the violation of regulation 7(2)(b) read with regulation 9(3) and 2(c) of the PIT Regulations. In view of the above, the issues that arise for consideration before me are:

Issue No. I: Whether the Noticee has violated regulation 7(2)(b) read with regulation 9(3) and 2(c) of the PIT Regulations?

Issue No. II: If the answer to Issue No. (I) is in affirmative, whether the violation on the part of the Noticee would attract monetary penalty under section 15A(b) of the SEBI Act?

Issue No. III: If the answer to Issue No. (II) is in affirmative, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5 (2) of the SEBI Adjudication Rules?

11. Before moving forward, the provisions of the PIT Regulations, allegedly violated by the Noticee, are provided as under:

<u>CHAPTER – III DISCLOSURES OF TRADING BY INSIDERS</u>

Disclosures by certain persons.

7. (1) Initial Disclosures.

(2) Continual Disclosures.

(b). Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information. Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

<u>CHAPTER – IV CODES OF FAIR DISCLOSURE AND CONDUCT</u>

Code of Conduct

9. (1)

(2)

*(3) Every listed company, *[intermediary] and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.*

NOTE: This provision is intended to designate a senior officer as the compliance officer with the responsibility to administer the code of conduct and monitor compliance with these regulations.

Substituted for the words "market intermediary" by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (w.e.f. April 01, 2019 ("PIT 2018 Amendment**").*

<u>CHAPTER – I PRELIMINARY</u>

Definitions.

2 (1)

(c) "compliance officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

***[Explanation – For the purpose of this regulation, "financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows].*

*** Inserted by the PIT 2018 Amendment.*

(I) Issue No. I: Whether the Noticee has violated regulation 7(2)(b) read with regulation 9(3) and 2(c) of the PIT Regulations?

12. In terms of regulation 7(2)(b) of PIT Regulations, every listed company is required to notify the particulars of trading, for which a disclosure is required to be submitted under regulation 7(2)(a) of PIT Regulations, to the stock exchanges on which the securities are listed, within two trading days of receipt of the

disclosure or from becoming aware of such information. Regulation 7(2)(a) of the PIT Regulations, as it existed at the time the Noticee committed the alleged violation, provided that any person, who is a promoter, employee or director of a company, is required to disclose to the company the number of securities acquired or disposed of within two trading days of the transaction, if the value of the securities traded in a calendar quarter exceeds Rs 10 lakhs. Thus, it is clear that as per regulation 7(2)(b), a company is obligated to notify the stock exchanges within two trading days on either of the following two events happening:

(i) Receipt of disclosure under regulation 7(2)(a) of the PIT Regulations; or

(ii) Becoming aware of the information for which disclosure is required to be made under regulation 7(2)(a) of the PIT Regulations.

13. I note from the material available on record that the promoters of the Company, namely, Gulab Chand Agrawal and Satish Kumar Agrawal, traded in shares in excess of Rs 10 lakhs in the calendar quarter ending December, 2017, on seven and two occasions, respectively, which triggered the disclosure requirement under regulation 7(2)(a) of the PIT Regulations. The transaction details and the disclosure requirements based on the BENPOS Data received from the Company is tabulated below:

<u>Gulab Chand Agrawal</u>

#	Date	Debit (D) / Credit (C)	Qty	Value in lakhs (Rs)	Due date of disclosure to Company under regulation 7(2)(a) of PIT Regulations	Date of receipt of disclosure by Company under regulation 7(2)(a) of PIT Regulations	Delay (in days) under regulation 7(2)(a) of PIT Regulations	Date on which the Company became aware about the transactions*	Disclosure submitted by Company to stock exchange under regulation 7(2)(b) of PIT Regulations	Delay (in days) under regulation 7(2)(b) of PIT Regulations
1	09/11/2017	D	5,00,000	139.50	13/11/2017	01/02/2018	80	13/11/2017	03/02/2018	80
2	15/11/2017	D	20,00,000	456.00	17/11/2017	01/02/2018	76	20/11/2017	03/02/2018	73

#	Date	Debit (D) / Credit (C)	Qty	Value in lakhs (Rs)	Due date of disclosure to Company under regulation 7(2) (a) of PIT Regulations	Date of receipt of disclosure by Company under regulation 7(2)(a) of PIT Regulations	Delay (in days) under regulation 7(2)(a) of PIT Regulations	Date on which the Company became aware about the transactions*	Disclosure submitted by Company to stock exchange under regulation 7(2)(b) of PIT Regulations	Delay (in days) under regulation 7(2)(b) of PIT Regulations
3	17/11/2017	D	50,00,000	1,137.50	21/11/2017	01/02/2018	72	20/11/2017	03/02/2018	73
4	23/11/2017	D	50,00,000	955.00	27/11/2017	01/02/2018	66	27/11/2017	03/02/2018	66
5	01/12/2017	D	30,00,000	694.50	05/12/2017	01/02/2018	58	04/12/2017	03/02/2018	59
6	08/12/2017	D	20,00,000	410.00	12/12/2017	01/02/2018	51	11/12/2017	03/02/2018	52
7	14/12/2017	D	60,20,000	1,140.79	18/12/2017	01/02/2018	45	18/12/2017	03/02/2018	45
	Total		**2,35,20,000**							

**: Based on BENPOS Data received by the Company from RTA for respective weeks.*

<u>Satish Kumar Agrawal</u>

Date	Debit (D) / Credit (C)	Qty	Value in lakhs (Rs)*	Due date of disclosure to Company under 7 (2)(a)	Date of receipt of disclosure by Company under 7 (2)(a)	Delay (in days) under 7 (2)(a)	Date on which the Company became aware about the transactions#	Disclosure submitted by Company to stock exchanges under 7 (2)(b)	Delay (in days) under 7 (2) (b)
11/12/2017	D	50,00,000	992.50	13/12/2017	01/02/2018	50	18/12/2017	03/02/2018	45
14/12/2017	D	82,00,000	1,553.90	18/12/2017	01/02/2018	45	18/12/2017	03/02/2018	45
Total		**1,32,00,000**							

** Value= No. of. shares x closing price of BSE Limited on the date of transfer.*
 # = Based on BENPOS Data received by the Company from the RTA for respective weeks.

14. As tabulated above, I note that the aforesaid persons disclosed the concerned transactions to the Company on February 01, 2018, and the Company notified the stock exchanges on February 03, 2018. It is alleged that the Noticee, being the compliance officer of the Company, became aware of the aforesaid trades due to the weekly BENPOS Data shared by the RTA from September, 2017 to December, 2017, however, the Company notified the stock exchanges only after

it received the disclosures from the said promoters under regulation 7(2)(a) resulting in delay of 45 to 80 days from the time stipulated under regulation 7(2)(b) of the PIT Regulations.

15. I note that the Noticee in the August Reply has submitted two main contentions with respect to the allegations levied in the SCN. The same is provided below:

(i) Contention 1: The transactions carried out by the promoters, Gulab Chand Agrawal and Satish Kumar Agrawal, were not in the nature of buy or sell transactions, but were carried out to transfer the shares to the rightful owner of the shares. Therefore, the disclosure requirement under regulation 7(2)(a) was not triggered in the instant matter, and consequently, the Company and the Noticee were not required to notify the stock exchanges under regulation 7(2)(b) of the PIT Regulations.

(ii) Contention 2: The Noticee was not aware that she was required to track the changes in the weekly BENPOS Data and report under regulation 7(2)(b) of the PIT Regulations.

In relation to the second contention, I note that the Noticee has explained her reasoning in detail during the investigation process. The Noticee has contended that it is exceedingly difficult to calculate changes, if any, in the shareholding of promoters and directors on weekly basis every time the BENPOS Data is received, unless there is prior intimation from the promoters/directors who had traded in securities. Such transactions come to the knowledge of the company secretary at the time of filing of shareholding pattern or on receipt of specific disclosures from the promoters/directors. No intimation or disclosure was provided to the Noticee at the relevant time from Gulab Chand Agrawal and Satish Kumar Agrawal.

16. With respect to the first contention, I have already recorded my findings in orders passed by me against Gulab Chand Agrawal bearing reference no. Order/PM/PA/2021-22/14398 dated November 29, 2021 and against Satish Kumar Agrawal bearing reference no. Order/PM/PA/2021-22/14572 dated December 24, 2021 wherein I have found both of the aforesaid persons in violation of regulation 7(2)(a) of the PIT Regulations for the transactions concerned in the present matter. Therefore, I do not find it necessary to go into the question of whether the said transactions triggered the disclosure requirement under regulation 7(2)(a) of the PIT Regulations. In light of the detailed reasons given by me in the aforesaid two orders, I find no difficulty in dismissing the contention of the Noticee that there was no requirement to notify the stock exchanges by the Company under regulation 7(2)(b) as the disclosure requirement under regulation 7(2)(a) was not warranted.

17. Moving on, as brought out earlier, for attracting the obligation under regulation 7(2)(b) of the PIT Regulations, either the Company should have received the disclosure under regulation 7(2)(a) from the concerned entity or it should have become aware of such information. From the material available on record, it is clear that the promoters submitted the disclosures to the Company on February 01, 2018 based on which the Company notified the stock exchanges on February 03, 2018 *i.e.*, within the timeline stipulated under regulation 7(2)(b), thus no fault can be attributed to the Company or the Noticee with respect to this condition. However, the second condition under regulation 7(2)(b) demands that the Company is required to notify the stock exchanges on "becoming aware of such information", it is alleged that the Company and Noticee became aware of such information on receipt of the weekly BENPOS Data shared by the RTA , however, notified the stock exchanges only on receiving the disclosures under regulation 7(2)(a) resulting in a delay of 45 to 80 days. I find that the gist of the Noticee's second contention is that merely on basis of BENPOS Data, it cannot be said that the Company became aware of the trades executed by the promoters under regulation 7(2)(b) of the PIT Regulations. I find that the Noticee's second contention merits further analysis.

18. I find that the BENPOS Data on which the entire allegation against the Noticee is based is a list that provides details of all shareholders on a particular date and the position taken by a shareholder as on the said date, as per his/her demat statement. I find it is important to bring out certain limitations of the BENPOS Data which is relevant in the present matter:

(i) As per the format provided for disclosure under regulation 7(2) of the PIT Regulations *vide* circular bearing reference no. CIR/ISD/02/2015 dated September 16, 2015, the Company is *inter alia* required to submit the following information to the stock exchanges:

(a) Name, PAN, CIN/DIN, address with contact numbers.

(b) Category of person (promoters/KMP/directors/immediate relative to /others *etc.*).

(c) Securities held prior to acquisition/disposal.

- Type of security (for eg: shares, warrants, convertible debentures *etc.*)
- No. of securities.
- Value.
- Transaction type (buy/sale/pledge/revoke/invoke).

(d) Securities held post acquisition/disposal.

- Type of security (for eg: shares, warrants, convertible debentures *etc.*)
- No. and percentage of shareholding.

(e) Date of allotment advice/ acquisition of shares/ sale of shares specify from and to.

(f) Date of intimation to company.

(g) Mode of acquisition/disposal (on market /public /rights /preferential offer /off market /inter-se transfer, ESOPs *etc.*)

As brought out before, the BENPOS Data only shows the number of shares held by a particular shareholder in his/her demat account as on the date of BENPOS Data. Therefore, the BENPOS Data does not capture the information which is required to be notified to the stock exchanges under regulation 7(2)(b) of the PIT Regulations.

(ii) The BENPOS Data reflects the net position of the shareholder as on a particular date whereas the requirement under regulation 7(2)(a) of the PIT Regulations is to disclose when the value of the securities "traded" exceeds Rs. 10 lakhs. For instance, a person may have done intraday trading in his account to the extent of every transaction crossing the limit of Rs. 10 lakhs but if such person has net zero position by the end of the week, the BENPOS Data will not show any change in his shareholding. Therefore, the BENPOS Data only provides the net position of a shareholder, it does not reflect the value of the securities traded by a person which is required to be disclosed under regulation 7(2)(a) and under 7(2)(b) of the PIT Regulations.

In light of the above, I am of the view that, at best, only an inference can be drawn regarding trading of a person from comparison of BENPOS Data on two dates. However, the BENPOS Data fails to provide crucial details required for notifying the stock exchanges under regulation 7(2)(b) of PIT Regulations. Thus, I find it difficult to accept that only based on the BENPOS Data, the Noticee "became aware" to notify the stock exchanges regarding the details required under regulation 7(2)(b).

19. I find that it is necessary to examine the words "becoming aware of such information" as given in regulation 7(2)(b) of the PIT Regulations. I find that under the PIT Regulations there is no explanation given as to what constitutes "becoming aware". In view of the above, I find that since the PIT Regulations does not explicitly mention that "becoming aware of such information" entails reviewing the BENPOS Data weekly, this interpretation cannot be imported. I find that my view is further strengthened on perusal of the following paragraphs from

the report of the High Level Committee to Review the SEBI (Prohibition of Insider Trading) Regulations, 1992 constituted under the Chairmanship of Justice N K Sodhi (hereinafter referred to as the "**Sodhi Committee Report**"), on whose recommendations the PIT Regulations were drafted:

"77. <u>The majority view set out in Regulation 7 of the Proposed Regulations, and in particular, those governing disclosures by employees, essentially entail imposing obligations on employees of listed companies. The failure on their part to report to their employers would be a violation of law by them and not by their employers.</u> Indeed, increasing awareness and educating employees to enable them to comply would only be a welcome measure and would further the regulatory objective of improving hygiene in the securities market in connection with insider trading and quite consistent with the mandate of this Committee. The threshold beyond which public disclosure is mandated has been materially enhanced. Currently, any trade of above a value of above Rs. 5,00,000 would in any case fall within public disclosure. Public disclosure is also mandatory regardless of value if the securities traded are more than 2,500 in number, or if the share represent more than 1% of the total share capital. The Committee has consciously reviewed such thresholds from the standpoint of materiality and relevance and is recommending reform to rationalize the trades disclosure threshold at a value of Rs. 10,00,000 or more in a calendar quarter.

78. On the other hand, it is critical to ensure that employees, regardless of their designation should report to their employer the trades they execute in securities of the employer. <u>Considering there is no scope for penalty on a company on the ground of a violation by the employees</u>, the Committee believes that this fundamental reform measure should indeed be recommended, taking note with respect, the dissenting voice of those representing industry." (emphasis supplied).

Considering the above, I find that the Sodhi Committee Report intended to primarily put the onus on the entities executing the trades to submit the relevant disclosures and not on the company. I find that the aforesaid is evident in the manner the heading of Chapter III reads in the PIT Regulations which contains regulation 7. Chapter III reads as “disclosures of trading by insiders” and in continuation to this, regulation 7 is titled as “disclosures by certain persons”, wherein 7(2) deals with “continual disclosures” by certain persons. Thus, it can be seen that the word “company” is conspicuously absent from the headings of Chapter III and regulation 7 which imposes the obligation of disclosure.

20. In view of the aforesaid paragraphs, I conclude that merely being in possession of BENPOS Data does not tantamount to “becoming aware of such information” under regulation 7(2)(b) of the PIT Regulations. Thus, I find that violation of regulation 7(2)(b) is not made out in the present case. Further, regulation 9(3) of the PIT Regulations imposes an obligation on the listed company to designate a compliance officer for administering the code of conduct and other requirements under the PIT Regulations. The aforesaid obligation is imposed on the compliance officer by virtue of occupying the said position in a company. The purpose of the aforesaid provision is to delegate such obligation imposed upon a company to a definite employee (being the compliance officer), in order to prevent evasion of such obligation. In this regard, as already established in the preceding paragraphs as well as in the order passed with respect to the Company bearing reference no. Order/PM/PA/2021-22/14780 dated January 25, 2022, no violation is found on the part of the Company to notify the stock exchanges in absence of the promoters not submitting the requisite disclosures under regulation 7(2)(a), therefore, there cannot be a case of vicarious transmission of any obligation on the employee *i.e,* the Noticee, who is the compliance officer of the Company in the present matter. In conclusion, I find that the Noticee being the compliance officer of the Company, has not defaulted in her duties under regulation 9(3) read with regulation 2(c) of the PIT Regulations.

(II) Issue No. II: If the answer to Issue No. (I) is in affirmative, whether the violation on the part of the Noticee would attract monetary penalty under section 15A(b) of the SEBI Act?

(III) Issue No. III: If the answer to Issue No. (II) is in affirmative, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5 (2) of the SEBI Adjudication Rules?

21. I find that since the first issue has been answered in negative, the question of penalty does not arise in the present matter. Accordingly, Issue No. II and III are disposed of.

E. ORDER

22. After taking into consideration the facts and circumstances of the case, material on record and the reply of the Noticee, as brought out above, I, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the SEBI Adjudication Rules, dispose of the SCN issued to the Noticee.

23. In terms of the provisions of rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee and SEBI.

Place: Mumbai
Date: January 27, 2022

PRASANTA MAHAPATRA
ADJUDICATING OFFICER