BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/BM/UR/2022-23/16259]

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

MCS Share Transfer Agent Limited

(SEBI Registration No. INR000004108)

In the matter of MCS Share Transfer Agent Ltd.

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted inspection books of accounts, documents and other records maintained by MCS Share Transfer Agent Limited (hereinafter being referred to as "**Noticee**"), a Category I Share Transfer Agent registered with SEBI bearing Registration no INR000004108 in respect of activities carried out by the Noticee as Share Transfer Agent for the period April 01, 2017 to January 11, 2019.

2. The findings of the inspection were communicated to the Noticee vide SEBI letter dated July 4, 2019 enclosing a copy of the inspection report (hereinafter referred to as "**IR"**). After examining the reply submitted by the Noticee dated August 29, 2019 and September 17, 2019, it has been alleged that the Noticee had contravened various provisions of the securities laws in respect of activities carried out by the Noticee as a Share Transfer Agent. The extracts of the violations alleged to have been

committed by the Noticee and the corresponding provisions of the securities laws are given in the tabulation below:

Sl. no	Alleged violations	Regulatory Provisions
1.	**Inward processing** In respect to the request for transfer/ transmission/ transposition/ other requests/ complaints in several instances Noticee did not stamp on the day of receipt, did not affix inward number, not maintained inward register on daily basis, Additionally it was observed that number of transfer documents were not stamped and remained unprocessed for long.	Clause 1(a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 and clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations 1993.
2.	**Non-Compliance with Common Agency Requirements** Noticee did not have specimen signatures of the shareholders in several cases and in certain cases the signatures cards were maintained by the company and Noticee had been processing shareholder requests with respect to transfer, demat, remat, duplicate without signature cards.	Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 r/w Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and Clause 2 (vii) with respect to the Records and documents to be maintained by STA prescribed under

		RRTI Circular No.1 (94-95) dated 11/10/1994.
3.	**Issue of duplicate shares** a) In certain cases Noticee processed the issue of duplicate shares beyond the specified timeline. b) In certain cases processing of duplicate share certificates has been done by the company and further the share certificates after issuance of duplicate has been sent by the company to the shareholders. c) Regarding loss of share certificates and issuance of the duplicate certificates, Noticee did not refer the matter to any of the stock exchanges where the company is/are listed.	a) Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RRTI Circular no.1 (2000-2001) dated May 09, 2001 clause 2 & 5 of Code of Conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. b) Regulation 53A of SEBI (Depositories and Participants) Regulations, 1996 r/w Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 and Clause 2 (vii) with respect to the Records and documents to be maintained by STA prescribed under RRTI Circular No.1 (94-95) dated 11/10/1994. c) Regulation 39(3) of SEBI (Listing Obligation and

		Disclosure Requirements) Regulation, 2015 & RRTI Circular no.1 (2000-2001) dated May 09, 2001
4.	**Processing of Miscellaneous Requests:** • **Change of Address:** In one case, Noticee took more than 7 days to update the address of the investor • **Change of Bank Account Details:** Details sought by the inspection team not provided.	Clause I (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular no.1 (94-95) dated 11/10/1994 and clause 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
5.	**Prior Intimation with regards to change in address of Noticee:** Information to the investors regarding change of address was not given by the Noticee	Clause 5(ii) of SEBI circular RRTI Circular: No.1 (94-95), dated 11/10/1994 w.r.t. other directions to RTI/STA.
6.	**Non Co Operation And Nonsubmission Of Documents:** Noticee did not co-operate and did not submit documents during inspection as follows:	Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and clauses 2 & 5 of the Code of Conduct as specified under

	• did not provide the transfer register and other documents as desired by the inspection team. • did not submit the demat request form and rejection letter sent to Depository participant. • did not provide all requests forms/ letters pertaining to change in address/ change in bank account details of issuer companies. • did not provide requests for updation of KYC details pertaining to one company.	Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

3. SEBI initiated adjudication proceedings against Noticee in terms of Section 15HB SEBI Act for the alleged violations of various provisions of securities laws in respect of activities carried out by the Noticee as a STA as enumerated above at paragraph 2.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as Adjudicating Officer in the matter, conveyed vide communique dated September 21, 2021, under Section 19 read with Section 15-I(1) of the SEBI Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**") and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") to conduct adjudication proceedings in the manner specified

under Rule 4 of Adjudication Rules read with Section 15-I(1) and (2) of SEBI Act, 1992, and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of Adjudication Rules and Section 15HB of SEBI Act, 1992.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice bearing ref. no. SEBI/EAD-3/BM/UR/33402/2021 dated November 18, 2021 (hereinafter referred to as '**SCN**'), was issued to the Noticee under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against it and why penalty should not be imposed under section 15HB of the SEBI Act, 1992 for the aforesaid alleged violations.

6. The Noticee submitted its reply to the SCN vide letter dated December 22, 2021 which is summarized as below –
   a. Noticee contended that large volume of transfer of physical shares was received by it as last date of accepting transfer of physical shares was 05.12.2018 as per the SEBI Notification dated 08.06.2018 (since extended up to 31.03.2019). Further, it submitted that many shareholders had also misunderstood that the last date of conversion of physical shares to dematerialized mode was also 05.12.2018. Further it contended that such a large volume of transfers and demat was continuously received almost every day during that period. The volume increased by at least 10 times subsequent to the notification and it endeavored to serve each and every request with the existing manpower without compromising on the regulatory requirement. Moreover its documents were scattered due to shifting of its office was under process from last week of December, 2018 and as such documents were not readily available.

b. Noticee submitted the following in regards to observation cited in the inspection report:

   i. **Inward Processing**: As it was receiving, during the given period large volume of transfer, demat requests as well as large volume of requests for updating of PAN and Bank Particulars, there could be some requests on which the stamp was not affixed on the same day but subsequently the same was affixed as the affixation of receipt stamps was continuously in progress. It further stated that it is to be appreciated that they had to cope up with sudden increase of work in large volume with same manpower for the particular period for which affixation of receipt stamp on some of the documents got delayed for a day or two.

   ii. **Non-compliance with common agency requirements**: Noticee contended that it used the available spaces of its client companies to keep the documents due to shortage of space in its office premises. Some documents (including signatures) of some companies were therefore kept in their respective offices on mutual consent. The said documents were accessible and also produced to the Inspection Team subsequently on request. During the inspection, the inspection team was also shown signatures in physical form lying in its storage space. Further, it contended that it was updating the signature database from the transfer deed from time to time. However, whenever the signatures were unavailable with it, it checked from old transfer deeds and from PAN card submitted along with transfer deeds. If it did not find any signature it had sent notice to the transferor informing about the lodgment of transfer and invite objection, if any and also asked for attestation from Bank. Thus, it took every caution to confirm the transfers etc. in case of non-availability of signature. Further, it stated that no complaint has been received from the shareholders in respect of wrong transfer of shares due to unavailable signature.

iii. **Issue of duplicate shares**: It contended that, issuance of duplicate shares certificates is issued subject to the approval by the committee of directors of the company in its meeting. The committee meeting has a quorum of minimum of two directors and on its approval; the duplicate certificates are issued under common seal of the company. As a share transfer agent, it placed the documents before the committee for its approval and the companies were also requested to send their approval at earliest. However, in some cases, the meetings were not taking place very frequently leading to delay in getting the approval and consequently issuance of duplicate share certificates got delayed. As a share transfer agent, it should not be held responsible for delay in getting approval from the company as it cannot issue duplicate certificate without getting the approval.

Further as regards the intimation to stock exchange, it contended that it had already provided the sample of intimation given by it to the Stock exchange. However, some companies prefer to give the intimation from their end on the basis of its information.

Subsequently it contended that as regard to issue of duplicate certificates of Birla Corporation Ltd., the entire processing was done by it and all documents were sent to the company. As an abundant precaution, the company does re-checking of the documents and places the same to the Committee of Directors for approval. After approval of the same they advise it for updating master file. The authorized signatories of the companies sign the duplicate share certificates and directly dispatch the same to the shareholder, under intimation to it. It further submitted that it had time to time requested the company to change the existing procedure and let it do the dispatch also from its end but the company has not yet implemented as the company wanted to keep the control of new certificate issued.

iv. **Processing of miscellaneous requests:**

a. Change of Address: It contended that the documents were in scattered manner and were not readily available due to shifting of documents from old office premises to new office premises.

b. Change of Bank Account details: It contended that the documents were in scattered manner and were not readily available due to shifting of documents from old office premises to new office premises.

v. **Prior Intimation with regards to change in address**: It contended that the Notice was published in the Statesman on 01.06.2019. Scanned copy sent by email to the Inspection team on 10.06.2019.

vi. **Non-cooperation and non-submission of documents**: It contended that due to unprecedented volume of work coupled with shifting of its documents from old premises to new premises, the documents were in scattered condition and all the documents sought during the inspection period could not be placed instantly. The documents sought were provided to the inspection team with delay. However, the remaining documents were already provided to the Inspection team subsequently by a Pen-drive under cover of its letter dated 17.09.2019. It had always co-operated with the inspection team and all its personnel were engaged to fulfill their requirements.

7. Vide Hearing Notice dated January 10, 2022, Noticee was granted an opportunity of hearing on January 21, 2022 through Webex. The Authorized Representatives ("AR") of the Noticee appeared for the said

hearing and reiterated the submissions made by the Noticee vide letter dated December 22, 2021. During the hearing the AR submitted that all the documents which were required by the inspection team during inspection was subsequently submitted to SEBI Eastern Regional Office (ERO) through pen drive. The AR was advised to submit the list of documents given to SEBI Eastern Regional Office (ERO) along with the acknowledgement of SEBI ERO. The AR confirmed that he will be submitting list of documents along with acknowledgement by February 01, 2022. Vide E-mail dated January 31, 2022, Noticee submitted that the following documents were submitted to SEBI ERO on November 7, 2019 a. CDSL demat rejection cases, b. NSDL demat rejection cases, c. SEBI_insp 2019_spot doc.

8. Vide E-mail dated March 14, 2022 SEBI ERO was advised to confirm whether the list of documents submitted by the Noticee to SEBI ERO as stated by them above and the list of documents pending for submission subsequent to the inspection by the Noticee were same.

9. Vide E-mail dated March 17, 2022 SEBI ERO informed that Noticee had not provided various documents during the course of inspection and the same has been incorporated in the inspection report. The list of documents include: a) Transfer register and other documents b) Copy of demat request forms c) Documents related to change of address and change of bank a/c details d) Documents relating to updation of KYC.

10. In light of allegations contained in the SCN, the Noticee’s submission dated December 22, 2021 and the submissions made during hearing conducted on January 21, 2022 and relevant material available on record, I hereby proceed to decide the case on merits.

CONSIDERATION OF ISSUES AND FINDINGS

11. I have carefully perused the charges levelled against the Noticee, its reply and the documents / material available on record. The issues that arise for consideration in the present case are:

Issue No. I Whether the Noticee has violated the provisions of following Circulars and Regulations:

i. Clause 1 (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 and clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

ii. Regulation 71 of the SEBI (Depositories and participants) Regulation, 2018 r/w Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

iii. Clause 2 (vii) with respect to the records and documents to be maintained by STA Prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

iv. Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RRTI Circular no. 1 (2000-2001) dated May 09, 2001.

v. Clause 2 & 5 of Code of Conduct prescribed under Regulation 13 of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993.

vi. Regulation 39 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

vii. Regulation 53 A of SEBI (Depositories and Participants) Regulations, 1996 r/w Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 and clause 2(vii) w.r.t records and documents to be maintained by Share Transfer Agents prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

viii. Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Clause I (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular no. 1 (94-95) dated 11/10/1994 and Clause 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

ix. Clause 5(ii) of SEBI circular RRTI Circular: No. 1 (94-95), dated 11/10/1994 w.r.t other directions of RTI/STA.

x. Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Clauses 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

Issue No. II Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act, 1992?

Issue No. III If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?

12. Before moving forward it is pertinent to mention the relevant provisions as under:

- **Clause 1(a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994:**

STA will receive and attend promptly correspondence received from shareholders/ debenture holders / company / stock exchanges / SEBI / other bodies and will segregate the inward mail as transfer requests, request for endorsements as fully paid-up, receipt of call money, request for change of address, transmission, transposition, deletion of name, other letters from investors.

- **Clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations 1993**

  2. A Registrar to an Issue and Share Transfer Agent shall fulfill its obligations in a prompt, ethical and professional manner.

  3. A Registrar to an Issue and Share Transfer Agent shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment.

  5. A Registrar to an Issue and Share Transfer Agent shall always endeavor to ensure that:

  a. inquiries from investors are adequately dealt with;

  b. grievances of investors are redressed without any delay;

  c. transfer of securities held in physical form and confirmation of dematerialisation / rematerialisation requests and distribution of corporate benefits and allotment of securities is done within the time specified under any law .

- **Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018:**

  Manner of handling share registry work

  71. All matters relating to transfer of securities, maintenance of records of holders of securities, handling of physical securities and establishing connectivity with the depositories shall be handled and maintained at a single point i.e. either in-house by the issuer or by a Share Transfer Agent registered with the Board.

- **Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015:**

In case of major differences in, or non-availability of, the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities:

(a)The listed entity shall promptly send to the transferee(s), via Speed Post, an Objection Memo along with the documents in original marking the reason as "material signature difference/ non-availability of signature" and an advice to ensure submission of requested documents of the transferor(s);

(b)The listed entity shall also send a copy of the Objection memo as per clause (a) of sub-para (2) to the transferor(s), via Speed Post, simultaneously;

(c) The above Objection Memo in clause (a) and (b) of sub-para (2) shall also state the requirement of additional documents of transferor(s) as follows for effecting the transfer:

(i) an Affidavit to update transferor(s) signature in its records;

(ii)an original unsigned cancelled cheque and banker's attestation of the transferor(s) signature and address);

(iii) contact details of the transferor(s) and ;

(d) If the intimation to both the transferor(s) and the transferee(s) are delivered, requested documents of the transferor(s) are submitted to the listed entity and the address attested by the bank tallies with the address available in the database of listed entity, the listed entity, shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter:

Provided that listed entity shall maintain proof of delivery in their record(s)

- **Clause 2 (vii) with respect to the Records and documents to be maintained by STA prescribed under RRTI Circular No.1 (94-95) dated 11/10/1994.**

Records to be maintained by registrar to an issue / share transfer agent.

In pursuance of the powers conferred upon SEBI by regulation 14(2)(h) and regulation 14(3)(C) of the Regulations, it is hereby stipulated that in addition to the books, records and documents stipulated in regulation 14(1), 14(2) and 14(3) the following records and documents shall also be maintained by the RTI/STA in hard copy / magnetic media.

Records and Documents to be maintained by STA

(vii) Specimen signature cards and transfer deeds..

- **Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:**

Issuance of Certificates or Receipts/Letters/Advices for securities and dealing with unclaimed securities.

39(2)The listed entity shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

- **Regulation 39(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:**

  (3)The listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates to the stock exchange within two days of its getting information.

- **Regulation 53A of SEBI (Depositories and Participants) Regulations, 1996:**

  Manner of handling share registry work.

  53A. All matters relating to transfer of securities, maintenance of records of holders of securities, handling of physical securities and establishing connectivity with the depositories shall be handled and maintained at a single point i.e. either in-house by the issuer or by a Share Transfer Agent registered with the Board.

- **Clause 5(ii) of SEBI circular RRTI Circular: No.1 (94-95), dated 11/10/1994 w.r.t. other directions to RTI/STA.**

  (ii) RTI / STA shall handle its activities only from the offices declared to SEBI and approved by it. The addresses of such offices shall only be informed to the investors and printed in issue stationery, etc. If a RTI / STA has a full-fledged Investor Relations Centre (IRC) and has obtained SEBI's approval for the same, the address of the IRC may be stated, but only in addition to the approval of the same, the address of the IRC may be sated, but only in addition to the approved offices. The RTI / STA shall neither close its offices nor carry on activities from other places, without the prior written permission of SEBI. This will override the earlier instructions given in this regard.

- **Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993**

  Obligations of registrar to an issue and share transfer agent on inspection by the Board.─

  (1) It shall be the duty of every director, proprietor, partner, officer and employee of the registrar to an issue or share transfer agent, who is being inspected, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with the statements and information relating to the transactions in securities market within such time as the said officer may require.

  (4) It shall be the duty of every director, proprietor, partner, officer or employee of the registrar to an issue and share transfer agent to give to the inspecting authority all assistance in connection with the inspection, which the registrar to an issue or share transfer agent may be reasonably be expected to give.

Issue No. I Whether the Noticee has violated the provisions of following Circulars and Regulations:

i. **Clause 1 (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 and clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.**

ii. **Regulation 71 of the SEBI (Depositories and participants) Regulation, 2018 r/w Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.**

iii. Clause 2 (vii) with respect to the records and documents to be maintained by STA Prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

iv. Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RRTI Circular no. 1 (2000-2001) dated May 09, 2001.

v. Clause 2 & 5 of Code of Conduct prescribed under Regulation 13 of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993.

vi. Regulation 39 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

vii. Regulation 53 A of SEBI (Depositories and Participants) Regulations, 1996 r/w Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 and clause 2(vii) w.r.t records and documents to be maintained by Share Transfer Agents prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

viii. Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Clause I (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular no. 1 (94-95) dated 11/10/1994 and Clause 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

ix. Clause 5(ii) of SEBI circular RRTI Circular: No. 1 (94-95), dated 11/10/1994 w.r.t other directions of RTI/STA.

x. Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Clauses 2 & 5 of the Code of Conduct as specified under

Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

13. **<u>Inward Processing:</u>**
It has been alleged that the mail pertaining to request for transfer/ transmission/ transposition/ other requests/ complaints were not being stamped on the day of receipt. Further, Noticee was not maintaining inward register on a day to day basis and was also not affixing inward number and date of receipt pertaining to above requests/complaints on the same day of receipt. It was also observed that number of transfer documents were lying unattended i.e. they were not stamped and remained unprocessed for long. It is alleged that out of 44 for transfer/ transmission/ transposition/ other requests/ complaints, 34 requests were not stamped. Further in 2 cases transfer form was not attached.

14. Noticee contended that as it was receiving, during the given period large volume of transfer, demat requests as well as large volume of requests for updating of PAN and Bank Particulars, there could be some requests on which the stamp was not affixed on the same day but subsequently the same was affixed as the affixation of receipt stamps was continuously in progress. It further stated that it had to cope up with sudden increase of work in large volume with same manpower for the particular period for which affixation of receipt stamp on some of the documents got delayed for a day or two.

15. Clause 1 (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 states, STA will receive and attend promptly correspondence received from shareholders/ debenture holders / company / stock exchanges / SEBI / other bodies and will segregate the inward mail as transfer requests, request for endorsements as

fully paid-up, receipt of call money, request for change of address, transmission, transposition, deletion of name, other letters from investors.

16. The violations as alleged above are not in dispute by the Noticee. I note that as per the above clause Noticee is duty bound for stamping of the request as also affixing inward number promptly. Moreover the documents remained unprocessed for long. I note that the provision of law has accorded utmost importance to the processing of the request by stating that request were to be attended promptly. There is no leeway given to the Noticee to attend the request with retrospective effect.

17. In view of the above it is concluded that the Noticee has violated Clause 1(a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 and clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations 1993.

18. **<u>Non-Compliance with Common Agency Requirements:</u>**
It was alleged that the Noticee was not in possession of specimen signatures of the shareholders w.r.t. 20 client companies out of 59 clients companies which it was servicing in Kolkata branch. Further, it was also alleged that out of the remaining 39 client companies, in case of 9 client companies, the signatures cards were maintained by the company. Thus the Noticee had been processing shareholder requests with respect to transfer, demat, remat, duplicate etc received from the shareholders all these years without signature cards.

19. Noticee contended that it used the available spaces of its client companies to keep the documents due to shortage of space in its office premises.

Some documents (including signatures) of some companies were therefore kept in their respective offices on mutual consent. The said documents were accessible and also produced to the Inspection Team subsequently on request. During the inspection, the inspection team was also shown signatures in physical form lying in its storage space. Further, it contended that it was updating the signature database from the transfer deed from time to time. However, whenever the signatures were unavailable with it, it checked from old transfer deeds and from PAN card submitted along with transfer deeds. If it did not find any signature it had sent notice to the transferor informing about the lodgment of transfer and invite objection, if any and also asked for attestation from the Bank. Thus, it took every caution to confirm the transfers etc. in case of non-availability of signature. Further, it stated that no complaint has been received from the shareholders in respect of wrong transfer of shares due to unavailable signature.

20. Clause 2 (vii) with respect to the Records and documents to be maintained by STA prescribed under RRTI Circular No.1 (94-95) dated 11/10/1994 states that Specimen signature cards shall also be maintained by the RTI/STA in hard copy / magnetic media. Noticee has admitted they were not in possession of the specimen signature in the cases as referred above. Noticee has made a general submission that wherever the signature are unavailable with them, they check from old transfer deeds and from PAN card submitted along with transfer deed.

21. Further I note that, there were 9 companies whose signature cards were available with issuer companies instead of Noticee. As per Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018, all matters relating to transfer and maintenance of record of holder of securities etc.

shall be handled and maintained at single point. I note that the signature cards were not being maintained by the Noticee at a single point.

22. In view of the above it is concluded that the Noticee violated Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 r/w Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and Clause 2 (vii) with respect to the Records and documents to be maintained by STA prescribed under RRTI Circular No.1 (94-95) dated 11/10/1994.

23. **Issue of Duplicate Shares:**
It has been alleged that Noticee has delayed processing the request for issuance of duplicate shares.

24. From the Inspection Report it is observed that during the inspection period Noticee had received 349 requests across 23 companies for issuance of duplicate shares The request for issuance which were processed and submitted by the Noticee are as given below:

Table 1

Sl no	Name of the company	Number of duplicate requests received	Number of duplicate requests processed within stipulated time period	In case of duplicate delays, range in number of days of delay
1	Abc India Limited	8	8	0
2	Andrew Yule & Company Ltd	36	36	0
3	Ai Champdany Industries Ltd.	2	1	1
4	Alpha Transformers Ltd	5	5	0
5	B & A Packaging India Limited	30	29	1
6	B And A Ltd	27	26	1
7	Balurghat Technologies Limited	25	25	0
8	Birla Corporation Ltd	54	54	0
9	Digjam Ltd.	20	19	1
10	Glittek Granites Limited	5	5	0
11	Gpi Textiles Limited.	6	6	0
12	Hgi Industries Ltd.	7	7	0
13	J.J.Exporters Limited	3	3	0

Sl no	Name of the company	Number of duplicate requests received	Number of duplicate requests processed within stipulated time period	In case of duplicate delays, range in number of days of delay
14	Kesoram Industries Limited	2	2	0
15	Kesoram Textile Mills Ltd	3	3	0
16	Kitply Industries Limited	1	1	0
17	Ludlow Jute And Specialities Ltd	87	87	0
18	Mathew Easow Research Securities Ltd	8	8	0
19	Msl Industries Limited.	1	1	0
20	Nakamichi Securities Limited	1	1	0
21	Norben Tea & Exports Limited	4	3	1
22	Orient Paper & Industries Limited	13	13	0
23	Orient Electric Limited	1	1	0
	Total	**349**	**344**	**5**

25. Noticee submitted that 344 requests were processed within the specified timeline while processing with respect to 5 requests for issuance of duplicate shares was delayed. It was observed from Inspection Report that out of the above list Noticee produced the documents with respect to 4 companies wherein it was observed that out of 41 requests , delay was observed in processing of duplicate shares with respect to 22 requests. The range of delays was 0-74 days.

<u>Table 2</u>

Company Name	Number of requests received during inspection period as submitted by MCS vide questionnaire	Number of requests produced before the inspecting team	Delay observed in how many cases	Despatch date not available as on date of inspection	Range of delay
Ludlow Jute and Specialities Ltd	87	13	9	02	**13-74 days**
Usha Martin Ltd	0	3	1	0	**0-43 days**
Andrew Yule & Company Ltd	36	4	3	0	**13-19 days**

Birla Corporation Ltd	54	21	9	1	**2-66 days**
Total	**177**	**41**	**22**	**3**	

26. As per Regulation 39(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, The listed entity shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

27. Noticee contended that, issuance of duplicate shares certificates was issued subject to the approval by the committee of directors of the company in its meeting. The committee meeting has a quorum of minimum of two directors and on its approval; the duplicate certificates are issued under common seal of the company. As a share transfer agent, it placed the documents before the committee for its approval and the companies were also requested to send their approval at earliest. However, in some cases, the meetings were not taking place very frequently leading to delay in getting the approval and consequently issuance of duplicate share certificates got delayed. As a share transfer agent, it should not be held responsible for delay in getting approval from the company as it cannot issue duplicate certificate without getting the approval.

28. I note that Noticee has not submitted any documentary proof to substantiate its claim regarding delay in getting approval by the committee of directors. In absence of any documentary evidence, noticee's submission is not acceptable. Noticee also has not brought on record any

kind of communication with the Issuer companies in support of its contention. The delays are not solitary in nature and range up to 74 days.

29. In view of the above Noticee is in violation of Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RRTI Circular no.1 (2000-2001) dated May 09, 2001 and clause 2 & 5 of Code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfers Agents) Regulations, 1993.

30. Noticee was the share transfer agent of Birla Corporation Ltd., however, from the Inspection Report it is observed that some of the requests received w.r.t duplicate shares, the entire duplicate shares processing was done by the company and further the share certificates after issuance of duplicate was sent by the company to its shareholders.

31. Noticee contended as regard issue of duplicate certificate of Birla Corporation Ltd., the entire processing was done by it and all the documents were sent to the company. As an abundant precaution, the company does re-checking of the documents and places the same to the Committee of Directors for approval. After approval of the same they advise it for updating master file. The authorized signatories of the companies sign the duplicate share certificates and directly dispatch the same to the shareholder, under intimation to it. It further submitted that it had time to time requested the company to change the existing procedure and let it do the dispatch also from its end but the company has not yet implemented as the company wanted to keep the control of new certificate issued.

32. In this regards, I note that by virtue of Regulation 53A of SEBI (Depositories and Participants) Regulations, 1996 r/w Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 and Clause 2 (vii) with respect to the Records and documents to be maintained by STA

prescribed under RRTI Circular No.1 (94-95) dated 11/10/1994 Noticee was under an obligation to undertake the share processing work at a single point. Therefore I note that Noticee has violated the aforesaid Circular and Regulations.

33. It is further alleged that in case of 177 requests as given in the table 2, requests pertaining to the 4 companies regarding loss of share certificates and issue of the duplicate certificates, Noticee did not refer the matter to any of the stock exchanges where the company is/are listed.

34. Noticee contended that it had already provided the sample of intimation given by it to the Stock exchange. However, some companies prefer to give the intimation from their end on the basis of its information.

35. As per Regulation 39(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, I note that, duty is cast upon the listed entities/ Share Transfer Agents to inform all the Stock exchanges regarding loss of share certificates and issuance of duplicate shares within two days of its getting information. Further as per Clause 1(a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994, STA will receive and attend promptly correspondence received from shareholders/ debenture holders / company / stock exchanges / SEBI / other bodies and will segregate the inward mail as transfer requests, request for endorsements as fully paid-up, receipt of call money, request for change of address, transmission, transposition, deletion of name, other letters from investors. Noticee has not denied the non-compliance as stated above and has made a general statement.

36. Therefore, it is established that Noticee had violated Regulation 39(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 & RRTI Circular no.1 (2000-2001) dated May 09, 2001.

37. **Processing of Miscellaneous Requests:**

37.1 **Change of Address:**

It is alleged that out of the four request forms/ letters submitted during inspection, in one case, it was observed that Noticee took more than 7 days to update the address of the investor, as given below:

Sl. No.	Name of company	Name of investor	Receipt date	Updation date	No. of days
1	Andrew Yule & Company Ltd.	Pulak Chowdhury	10.07.2018	09.08.2018	30

37.2 Noticee contended that the documents were in scattered manner and were not readily available due to shifting of documents from old office premises to new office premises.

37.3 **Change of Bank Account Details:**

Noticee submitted that 1,199 requests for change of bank account details pertaining to 16 issuer companies were received during inspection period. Out of this, Noticee was asked to provide request forms/ letters pertaining to 5 issuer companies. As Noticee was delaying submission of documents, it was subsequently asked to provide 10 sample request forms/ letters pertaining to 5 issuer companies. Noticee provided only 3 request forms/ letters. Noticee was asked to submit the remaining documents within a week, however the same was not provided.

37.4 Noticee submitted that the documents were in scattered manner and were not readily available due to shifting of documents from old office premises to new office premises.

37.5 It is noted that, Clause 1 (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 states, STA will receive and attend promptly correspondence received from shareholders/ debenture holders / company / stock exchanges / SEBI / other bodies and will segregate the inward mail as transfer requests, request for endorsements as fully paid-up, receipt of call money, request for change of address, transmission, transposition, deletion of name, other letters from investors. Noticee by its submissions to the SCN has accepted the delay in updating the address on its part. Further with respect to non-submission of documents, Noticee has not denied the allegation made. Thus it can be concluded that the Noticee has violated clause I (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular no.1 (94-95) dated 11/10/1994 and clause 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

38. **Change in address of Noticee:**

Vide letter dated 23/11/2018, Noticee informed to SEBI that its registered office and Kolkata branch would be shifted from 12/1/5, Manoharpukur Road, Kolkata- 700026 to 383, Lake Gardens, 1st floor, Kolkata- 700045 with effect from 24/12/2018. Upon enquiry during inspection whether Noticee had published any advertisement in any newspapers for information of investors, it informed that it is going to publish the advertisement shortly. Vide email dated 24/05/2019, Noticee was asked to furnish what steps have been taken in furtherance to the above. In response, Noticee vide email dated 28/05/2019 informed that “We confirm that we are taking necessary action to publish the required Notice in English and Bengali Daily”.

39. As per clause 5(ii) of SEBI circular RRTI Circular: No.1 (94-95), dated 11/10/1994 w.r.t. other directions to RTI/STA. RTI / STA shall handle its activities only from the offices declared to SEBI and approved by it. The addresses of such offices shall only be informed to the investors and printed in issue stationery, etc. The RTI / STA shall neither close its offices nor carry on activities from other places, without the prior written permission of SEBI.

40. Noticee submitted that the notice was published in the Statesman on 01.06.2019. Scanned copy sent by email to the Inspection team on 10.06.2019. Noticee has not given any plausible reason for the delay and has not denied the violation as alleged. Though Noticee has taken steps to intimate at a later date, it was the duty of the Noticee to inform the change of address to the investors promptly.

41. In view of the above, Noticee violated clause 5(ii) of SEBI circular RRTI Circular: No.1 (94-95), dated 11/10/1994 w.r.t. other directions to RTI/STA.

42. **Non Co Operation and Non submission of documents:**

It is alleged that Noticee did not co-operate and did not submit the documents as sought for during the inspection. The list of such documents are as follows-

- Noticee did not provide the Transfer register.
- During the course of Inspection, delay was observed in 675 requests for dematerialization of shares. In order to examine delay in processing

of requests of dematerialization of shares, Noticee was advised to furnish copy of Demat request form where delay was observed. However Noticee did not provide the copy of the same.

- Delay of more than 15 days was observed in rejection of demat request. , Noticee did not submit the demat request form and rejection letter sent to Depository participant.
- With respect to change of address, Noticee was asked to provide request forms/ letters pertaining to 7 issuer companies, however as the Noticee was delaying submission of documents, it was subsequently asked to provide 14 sample request forms/ letters pertaining to 7 issuer companies. During inspection, Noticee provided only 4 request forms/ letters. The noticee was further asked to submit the remaining documents within a week, however the same had not been provided.
- As mentioned at para 37.4, Noticee submitted that 1,199 requests for change of bank account details pertaining to 16 issuer companies were received during inspection period. Out of this, Noticee was asked to provide request forms/ letters pertaining to 5 issuer companies. As the Noticee was delaying submission of documents, the Noticee was subsequently asked to provide 10 sample request forms/ letters pertaining to 5 issuer companies. During the inspection, Noticee provided only 3 request forms/ letters. Noticee was asked to submit the remaining documents within a week, however the same was not provided.
- Noticee was asked to provide a sample of 15 requests for updation of KYC details received from investors with respect to 3 issuer companies. Noticee did not provide requests for updation of KYC details pertaining to Orient Electric Ltd.

43. Noticee submitted that due to unprecedented volume of work coupled with shifting of its documents from old premises to new premises, the documents were in scattered condition and all the documents sought during the inspection period could not be placed instantly. The documents sought were provided to the inspection team with delay. However, the remaining documents were already provided to the Inspection team subsequently by a Pen-drive under cover of its letter dated 17.09.2019. It had always co-operated with the inspection team and all its personnel were engaged to fulfill their requirements.

44. During the course of hearing dated January 21, 2022, Noticee was advised to submit the list of documents given to SEBI ERO along with the acknowledgement of SEBI ERO. Vide E-mail dated January 31, 2022, Noticee submitted the documents along with confirmation of ERO. The list of documents submitted by the Noticee are as follows:

a. CDSL demat rejection cases
b. NSDL demat rejection cases
c. SEBI_insp_2019_spot doc

Vide E-mail dated March 14, 2022, SEBI ERO was asked to confirm whether the documents submitted by the Noticee to SEBI ERO on 17.9.2019 are the same which were sought during inspection. It was informed by SEBI ERO that the Noticee did not submit the documents sought during inspection and provided the list of documents which were not submitted as below:

a. Transfer register and related documents
b. Copy of demat request forms
c. Documents relating to change of address and change of bank a/c details
d. Documents relating to updation of KYC.

45. SEBI ERO submitted that the Noticee did not submit various documents during inspection, however they have not stated anything on the documents submitted by the Noticee subsequently nor denied on their submissions made to SEBI ERO ON 17.9.2019. Hence it may be construed that Noticee submitted the documents to SEBI ERO sought during inspection.

46. As per Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, (1) It shall be the duty of every director, proprietor, partner, officer and employee of the registrar to an issue or share transfer agent, who is being inspected, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with the statements and information relating to the transactions in securities market within such time as the said officer may require.

(4) It shall be the duty of every director, proprietor, partner, officer or employee of the registrar to an issue and share transfer agent to give to the inspecting authority all assistance in connection with the inspection, which the registrar to an issue or share transfer agent may be reasonably be expected to give.

47. I note that, the Noticee merely stated that the documents could not be provided due to shifting work. Noticee has not disputed/ disagreed with/ denied the observation with respect to non-submission of documents to the inspection team during the inspection. Thus, the Noticee has violated Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) regulations, 1993 and Clauses 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

Issue No. II Does the violation, if any, attract monetary penalty under section 15HB of the SEBI Act, 1992?

48. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by the Noticee, I find that the Noticee has violated the provisions of :

(i) Clause 1 (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular: No.1 (94-95), dated 11/10/1994 and clauses 2, 3 and 5 of the code of conduct prescribed under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(ii) Regulation 71 of the SEBI (Depositories and participants) Regulation, 2018 r/w Clause B (2) of Schedule VII of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015

(iii) Clause 2 (vii) with respect to the records and documents to be maintained by STA Prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

(iv) Regulation 39 (2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and RRTI Circular no. 1 (2000-2001) dated May 09, 2001.

(v) Clause 2 & 5 of Code of Conduct prescribed under Regulation 13 of SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993.

(vi) Regulation 39 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(vii) Regulation 53 A of SEBI (Depositories and Participants) Regulations, 1996 r/w Regulation 71 of SEBI (Depositories and Participants) Regulations, 2018 and clause 2(vii) w.r.t records and documents to be maintained by Share Transfer Agents prescribed under RRTI Circular No. 1 (94-95) dated 11/10/1994.

(viii) Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, Clause I (a) of schedule I to the draft agreement between Share Transfer Agent & the Company prescribed vide SEBI RRTI Circular no. 1 (94-95) dated 11/10/1994 and Clause 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

(ix) Clause 5(ii) of SEBI circular RRTI Circular: No. 1 (94-95), dated 11/10/1994 w.r.t other directions of RTI/STA.

(x)Regulation 18 (1) & (4) of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Clauses 2 & 5 of the Code of Conduct as specified under Regulation 13 of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

49. In view of the same, I am convinced that it is a fit case for imposition of monetary penalty on the Noticee under the provisions of section 15HB of the SEBI Act, 1992 and in terms of the judgement of Hon'ble Supreme Court of India in the matter of **SEBI Vs. Shri RAM Mutual Fund**[2006] 68 SCL 216(SC) decided on May 23, 2006 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...*"

Section 15HB of SEBI Act, 1992

"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 may extend to one crore rupees."

Issue 3: If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in Section 15J of the SEBI Act, 1992?

50. While determining the quantum of penalty under section 15HB of the SEBI Act, it is important to consider the factors relevantly as stipulated in section 15J of the SEBI Act which reads 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.

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.

51. It is difficult to quantify any disproportionate gain or unfair advantage accrued to the Noticee as a result of the above violations, or the extent of loss suffered by the investors, nor has it been so alleged by SEBI. I note that, SEBI had initiated adjudication proceedings against the Noticee and penalty was imposed on the Noticee, vide an Order dated August 24, 2020 under section 15HB of the SEBI Act.

52. I find that the Noticee being a registered intermediary is required to comply with the various Circulars and Regulations as laid down by the Regulator. The very purpose of the said provisions is to deter wrong doing and promote ethical conduct in the securities market. However I note that the Noticee has remedied the situation in certain cases but such non-compliance deserves and attracts penalty.

ORDER

53. In exercise of the powers conferred under Section15 I of the SEBI Act, 1992, and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, I, impose a penalty of Rs. 3,00,000 (Rupees Three Lakhs Only) on Noticee in terms of the provisions of Section 15HB of SEBI Act, 1992. In the facts and circumstances of the case, I am of the view that the said penalty is commensurate with the violations committed by Noticee.

54. The Noticee 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

55. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to “The Division Chief (Enforcement Department 1 DRA-2), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.”. The Noticee shall also provide the following details while forwarding DD / payment information:

- Name and PAN of the Noticee
- Name of the case / matter
- Purpose of Payment – Payment of penalty under AO proceedings
- Bank Name and Account Number
- Transaction Number

56. 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.

57. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee viz. MCS Share Transfer Agent Limited and also to the Securities and Exchange Board of India.

Date: April 29, 2022 | **BARNALI MUKHERJEE**

Place: Mumbai | **ADJUDICATING OFFICER**