BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/PM/PA/2021-22/14780

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:

Sanwaria Consumer Ltd.

PAN: AACCS1449N

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 "**Noticee**"/"**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 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) 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) of the PIT Regulations. The appointment of the adjudicating officer was communicated *vide* communiqué dated May 07, 2021.

C. SHOW CAUSE NOTICE AND REPLY

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 it under section 15A(b) of the SEBI Act for the alleged violation of regulation 7(2)(b) of the PIT Regulations.

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

   (i) 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 notify the stock exchanges of the trades of its promoters, 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 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 Company notified the trades to the stock exchanges 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) of the PIT Regulations.

8. The Noticee submitted its reply to the aforesaid SCN *vide* email sent on August 07, 2021 (hereinafter referred to as the "**August Reply**"). The relevant extract from the August Reply is reproduced below verbatim:

"At the outset, we deny the allegations made in the said letter, save and except those, which are specifically admitted herein.

The Show Cause Notice in Paragraph 35 alleges We had made the disclosure under Regulation 7(2)(b) of the PIT Regulations only on February 03, 2018 with a delay of 45 days to 80 days for the transactions of Mr Gulab Chand Agarwal and Mr Satish Kumar, our Promoters. We made the disclosure immediately after receipt of the disclosure from our promoters and without any delay. We were not aware that we could make the disclosure voluntarily on going through the benpos and hence this delay. There was no malafide intention on our part.

*We would like to further mention that an application for CIRP has been admitted by the Hon'ble NCLT, NCLT Bench vide its Order dated 29/05/2020 and CIRP proceedings have commenced with effect from 29/05/2020. A copy of the NCLT Order is enclosed **as Annexure 1**.*

The Adjudicating Authority has admitted IB Petition filed under Section 9 of the IBC Code 2016 for initiation of Corporate Insolvency Resolution Process and has declared a moratorium under Section 14 of the Code.

It is further be noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared vide the aforesaid order, whereby, inter alia, the following shall be prohibited: -

(a) The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) Transferring, encumbering, alienating or disposing of by the corporate

debtor any of its assets or any legal right or beneficial interest therein;

(c) Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) The recovery of any property by any owner or lessor where such property is occupied by or is in the possession of the corporate debtor.

It is to bring to your kind notice that as per the order dated 29.05.2020 passed by National Company Law Tribunal, Indore Bench (mentioned in Para 1 of the present reply), the said bench had declared a moratorium under section 14 of the code as mentioned under Para 15 (ii) (page no 13) of the order. The relevant Para of the same is quoted below:

"That the order of Moratorium under section 14 of the code shall come to effect from 29.05.2020 till the completion of the Corporate Insolvency Resolution Process or until this bench approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for Liquidation of the corporate debtor under section 33 as the case may be."

Thereby it means that as per section 14 of the code a moratorium when declared by the bench the execution of any judgment, decree or order in any court of law tribunal, arbitration panel or other authority including the recovery of any property by any owner or lessor where such property is occupied by or is in the possession of the corporate debtor is prohibited.

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 we have not violated the provisions of the PIT Regulations, as alleged in the show cause notice."

D. CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully perused the material available on record. From the submissions of the Noticee in the August Reply, I note that the National Company Law Tribunal (NCLT), Indore Bench, has admitted an insolvency petition against the Company under section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "**IBC**") for initiation of corporate insolvency resolution process (hereinafter referred to as "**CIRP**") on May 29, 2020. Pursuant to the above, a moratorium has been imposed under section 14 of the IBC with effect from May 29, 2020 which prohibits institution of suits or continuation of pending suits or proceedings against the Company including *inter alia* execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority. The said moratorium shall remain in force till the completion of CIRP or until the resolution plan under section 31(1) is approved or until an order for liquidation under section 33 of IBC is passed, as the case may be.

10. From the material available on record, I note that the SCN was issued on July 19, 2021 *i.e,* the current adjudication proceedings were initiated after the moratorium under section 14 of the IBC against the Company had come into effect. In this regard, I note that the Hon'ble Securities Appellate Tribunal (SAT) in ***Dewan Housing Finance Corporation Ltd. vs. SEBI*** (Appeal No.206 of 2020) dated October 09, 2020, has held that an adjudicating officer cannot institute proceedings after the moratorium has come into effect against a corporate debtor. SEBI has challenged the aforesaid order passed by the Hon'ble SAT before the Hon'ble Supreme Court and the same is pending. The limited purpose of these proceedings is to determine if the Company has violated the provisions of regulation 7(2)(b) of the PIT Regulations, and if so, to assess and determine the penalty in order to enable SEBI to crystallize its claim. The penalty imposed, if any, after the completion of these proceedings will be given effect depending upon the outcome of the aforesaid appeal before the Hon'ble Supreme Court.

11. I note that the allegation levelled against the Noticee in the SCN is for the violation of regulation 7(2)(b) 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) 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?

12. Before moving forward, the provision of the PIT Regulations, allegedly violated by the Noticee, is provided below:

<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).

(I) Issue No. I: Whether the Noticee has violated regulation 7(2)(b) of the PIT Regulations?

13. In terms of the provisions of regulation 7(2)(b) of PIT Regulations, every listed company is required to notify the particulars of trading, for which disclosure is required 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.

14. 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:

Gulab Chand Agrawal

#	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
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.*

Satish Kumar Agrawal

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.

15. 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 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 resulting in delay of 45 to 80 days from the time stipulated under regulation 7(2)(b) of the PIT Regulations.

16. I note that the contentions of the Noticee in the August Reply can be classified into two main contentions with respect to the allegation 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 was 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 it was required to track the changes in the weekly BENPOS Data and report under regulation 7(2)(b) of the PIT Regulations.

I note that the compliance officer of the Company, Ms. Pooja Poddar, has explained the reasoning for the aforesaid contention in detail during the investigation process. It was submitted during investigation 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.

17. 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 exchange by the Company under regulation 7(2)(b) as the disclosure requirement under regulation 7(2)(a) was not warranted.

18. 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 disclosure 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 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 became aware of such information due to the weekly BENPOS Data shared by the RTA but only notified the stock exchanges on receiving the disclosure 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 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.

19. 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 exchange regarding the details required under regulation 7(2)(b).

20. 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. 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. 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. Considering there is no scope for penalty on a company on the ground of a violation by the employees, 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 the 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.

21. 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. Therefore, the obligation on the Company to notify the stock exchanges was not triggered from the time it received the weekly BENPOS Data, but from the time it received the disclosures from the said promoters. As tabulated in paragraph fifteen above, it is evident that the Company notified the stock exchanges within two trading days of receiving the disclosures from the promoters regarding the concerned transactions. Thus, I find that violation of regulation 7(2)(b) is not made out against the Company in the present case.

(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?

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

E. ORDER

23. 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.

24. 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 25, 2022

PRASANTA MAHAPATRA
ADJUDICATING OFFICER