BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[**ADJUDICATION ORDER NO.: Order/GR/HK/2022-23/24217-24231]**

ORDER 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:

Noticee No.	Noticee Name	PAN
1.	Ramesh Chandra Partani	AGXPP2845B
2.	Pooja Partani	AIKPP0742N
3.	Pushkar Partani	PLEPP8184J
4.	Premlata Partani	BLOPP9913M
5.	Kavita Partani	ALUPG2127K
6.	Vikas Partani	ADPPV3347K
7.	Telangana State Industrial Development Corporation Limited (erstwhile AP Industries Development Corporation Ltd.)	AAFCT1949P*
8.	Kashish Multi Trade Private Ltd.	AACCK7596A
9.	Kasturi Overseas Private Ltd.	AAACK9158J
10.	Charulata Ravindra Mundada	AIMPM1153A
11.	Arun Kumar Sarda	AMOPS1787N**

12.	**Shyam Sunder Partani**	**AQJPP9717G**
13.	**Sri Vallabh Bhutada**	**AGWPB8442P**
14.	**Jayant Security and Finance**	**AAACJ4848G**
15.	**Margarita Alwares**	**AFRPA3820L**

*****refer page 13 **as received from depository

- In the matter of Matra Kaushal Enterprise Ltd.

(The aforesaid entities are hereinafter individually referred to by their respective names/ Noticee numbers and collectively as "Noticees", unless the context specifies otherwise)

BACKGROUND IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) conducted investigation into the trading in the scrip of Matra Kaushal Enterprise Ltd. (hereinafter referred to as **'the company / MKEL'**) to ascertain whether there were any disclosure violations regarding change in promoters' shareholding pattern under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015 (hereinafter also referred to as **'PIT Regulations, 1992/2015'**) and/or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter also refer as **'SAST Regulations, 2011'**) by certain entities in the scrip of MKEL. The period from October 26, 2012 to June 23, 2015 was considered as the Investigation Period (hereinafter also referred to as **'Investigation Period / IP'**). However, whenever deemed necessary, references may have also been made to events / timeframes outside this period.

2. Matra Kaushal Enterprise Ltd. (formerly known as P.L. Enterprise Ltd.) is a Public limited company, incorporated on May 5, 1992. Its authorized share capital is Rs. 24,00,00,000 and its paid up capital is Rs. 20,17,17,850. The company is a home products company based in Hyderabad, Andhra Pradesh. The products manufactured by the company include DVD Players, Protectors, Emergency Lights, Back Massagers, Steam Irons, A/c Power Savers, Geysers, Water Purifiers and more. The Corporate Identification Number (CIN) of MKEL is L29309AP1992PLC014177 and its registration number is 014177. Its email address is contactus@unistab.com and its registered address is 702E, Al-Karim Trade Centre, Ranigunj, Secunderabad, 500003. The company is listed on BSE. Pursuant to the investigation, the following was observed:

Sr. No.	**Name of the Entity**	**Transaction Date**	**Stipulated date of Disclosure to the**		**Actual Date of Disclosure to the**	
			Company (MKEL)	**Exchange (BSE)**	**Company**	**Exchange (BSE)**
1	AP Industrial Development Corporation Ltd	25/10/2013	30/10/2013 (27/10/2013 was Sunday)	30/10/2013 (27/10/2013 was Sunday)	Not Disclosed to MKEL	Not Disclosed to BSE
2	Kavita Partani	04/04/2012	06/04/2012	06/04/2012	PIT: Not disclosed to MKEL	PIT: Not disclosed to BSE
					SAST: Not disclosed to MKEL	SAST: 11/04/12
		25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL	Not disclosed to BSE
3	Ramesh Chandra Partani	09/02/12	13/02/2012 (11th and 12th February was weekend)	13/02/2012 (11th and 12th February was weekend)	PIT : 26/04/13	PIT: 26/04/13
					SAST: 20/02/13	SAST: 20/02/13

		08/04/13	10/04/2013	10/04/2013	PIT : 29/04/13	PIT : 29/04/13
					SAST- 23/04/13	SAST: 23/04/13
		25/10/13	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
4	Premlata Partani	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
5	Vikas Partani	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
6	Pooja Partani	09/02/12	13/02/2012 (11th and 12th February was weekend)	13/02/2012 (11th and 12th February was weekend)	PIT (1992): 22/05/13 SAST (2011): 11/03/13	PIT (1992): 22/05/13
						SAST (2011): 11/03/13
		08/04/13	10/04/2013	10/04/2013	PIT (1992): 28/05/13	PIT (1992): 28/05/13
					SAST (2011): 20/05/13	SAST (2011): 20/05/13
7.	Pushkar Partani	18/04/13	20/04/13	20/04/13	05/02/13	Not disclosed under PIT
8	Charulata Ravindra Mundada	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
9	Margarita Alwares	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE

10	Kashish Multi Trade Pvt Ltd.*	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
11	Kasturi Overseas Pvt Ltd.*	25/10/2013	28/10/2013 (26th and 27th October 2013 was Weekend)	28/10/2013 (26th and 27th October 2013 was Weekend)	Not disclosed to MKEL.	Not disclosed to BSE
12	Jayant Security and Finance	01/10/2014	3/10/2014	03/10/2014	Not disclosed to MKEL.	Not disclosed to BSE
		26/05/2014	28/05/2014	-	Not disclosed to MKEL.	-
13	Arun Kumar Sarda	10/01/2012	12/01/2012	12/01/2012	Not disclosed to MKEL.	Not disclosed to BSE
14	Shyam Sunder Partani	10/01/2012	12/01/2012	12/01/2012	Not disclosed to MKEL.	Not disclosed to BSE
15	Sri Vallabh Bhutada	10/01/2012	12/01/2012	12/01/2012	Not disclosed to MKEL.	Not disclosed to BSE

**The promoter entities namely Kashish Multi Trade Pvt. Ltd and Kasturi Overseas Pvt. Ltd. have become promoters of MKEL on 16/08/13.*

3. From the table above, following is observed and alleged with respect to the Noticees:

   a) Shri Ramesh Chandra Partani (Noticee No. 1), being promoter of MKEL during IP, failed to make appropriate disclosures regarding change in his shareholding in MKEL (as per BSE email dated 10/10/2018 and CDSL email dated 23/3/19), as stipulated under Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29(2) r/w 29 (3) of SAST Regulations, 2011.

   b) Ms. Premlata Partani (Noticee No. 4) and Ms. Kavita Partani (Noticee No. 5), being promoters of MKEL during IP, failed to make appropriate disclosures regarding change in their shareholding in MKEL (as per CDSL email dated 23/3/19), as stipulated under Reg. 13 (3), 13 (4) and 13(4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and 29 (2) r/w 29 (3) of SAST Regulations, 2011.

c) AP Industries Development Corporation Ltd. (Noticee No. 7) and Shri Vikas Partani (Noticee No. 6), being promoters of MKEL during IP, failed to make appropriate disclosures regarding change in their shareholding in MKEL [as per Registrar and Transfer Agent (RTA) email dated 30/1/2020 and CDSL email dated 23/3/19 respectively] as stipulated under Reg. 13(4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011.

d) Kashish Multi Trade Private Limited (Noticee No. 8) and Kasturi Overseas Private Ltd. (Noticee No. 9), being promoter of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per CDSL email dated 23/3/19) as stipulated under Reg. 13(2A) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011.

e) Ms. Charulata Ravindra Mundada (Noticee No. 10) and Ms. Margarita Alwares (Noticee No. 15), being promoters of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per CDSL email dated 23/3/19) as stipulated under Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011.

f) Shri Arun Kumar Sarda (Noticee No. 11) and Shri Sri Vallabh Bhutada (Noticee No. 13), being promoters of MKEL during IP, allegedly failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per RTA email dated 30/01/2020) as stipulated under Reg. 13(4A) r/w 13(5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.

g) Shri Shyam Sunder Partani (Noticee No. 12), being promoter of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per RTA email dated 30/01/2020) as stipulated under Reg. 13(4A) r/w 13(5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011.

h) Jayant Security and Finance (Noticee No. 14), being promoter of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per RTA email dated 30/1/2020 and BSE email dated 14/06/21) as stipulated under Reg. 13 (2A) and 13(4A) r/w 13(5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.

i) Ms. Pooja Partani (Noticee No. 2), being promoter of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per MKEL's email dated 20/12/2018) as stipulated under Reg. 13(3), 13 (4) and 13(4A) r/w 13(5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011.

j) Shri Pushkar Partani (Noticee No. 3), being promoter of MKEL during IP, failed to make appropriate disclosure regarding change in their shareholding in MKEL (as per RTA email dated 06/03/20) as stipulated under Reg. 13(4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.

4. SEBI had, therefore, initiated adjudication proceedings under Section 15A (b) of SEBI Act, against aforesaid 15 Noticees, for the alleged violation of Reg. 13(3), 13 (4) and 13(4A) r/w 13(5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulations, 2011, as applicable.

APPOINTMENT OF THE ADJUDICATING OFFICER

5. The undersigned has been appointed as the Adjudicating Officer (hereinafter referred to as the "**AO**") vide order dated March 09, 2022, conveyed vide communique dated March 15, 2022. The undersigned has been appointed as the AO under Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**SEBI Adjudication Rules**") read with

Section 15-I of the SEBI Act to inquire into and adjudge under Section 15A (b) for the aforesaid violations alleged to have been committed by the Noticees.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

6. A common Show Cause Notice dated November 18, 2022 (**SCN**) was issued to the Noticees in terms of Section 15-I of the SEBI Act, 1992 read with Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry should not be initiated and penalty be not imposed under Section 15A(b) of the SEBI Act 1992 for the aforesaid alleged violations. The copies of the documents relied upon in the SCN were provided to Noticees along with the SCN as annexures.

7. The said SCN and annexures issued to the Noticees were duly delivered through Speed Post (SPAD) to all the Noticees except Noticee No. 11 as PAN and address were not available of the said Noticee and were subsequently sought from exchanges and depositories. It was then served to the said Noticee through e-mail (ca.arunkumar1987@gmail.com) after obtaining the same from the depository. Vide emails dated January 05, 2023 the Noticee No. 1-6, 8-10, 12 and 15 informed that they are applying for settlement proceedings under SEBI (Settlement Proceedings) Regulations, 2018. However, subsequently vide emails dated January 17, 2023 the said Noticees communicated their decision to not go through the settlement procedure and to proceed with the adjudication proceedings. The details of the replies to the SCN received from the Noticees are given below:

Noticee No.	Name of Noticee	Reply of SCN

1.	Ramesh Chandra Partani	Yes
2.	Pooja Partani	Yes
3.	Pushkar Partani	Yes
4.	Premlata Partani	Yes
5.	Kavita Partani	Yes
6.	Vikas Partani	Yes
7.	Telangana State Industrial Development Corporation Limited (erstwhile AP Industries Development Corporation Ltd.)	Yes
8.	Kashish Multi Trade	Yes
9.	Kasturi Overseas Private Limited	Yes
10.	Charulata Ravindra Mundada	Yes
11.	Arun Kumar Sarda	No
12.	Shyam Sunder Partani	Yes
13.	Sri Vallabh Bhutada	No
14.	Jayant Security and Finance	Yes
15.	Margarita Alwares	Yes

8. Subsequently, an opportunity of personal hearing was granted to the Noticees. The Hearing Notices for the said hearing were duly served to the above mentioned Noticees, vide SPAD and e-mail and for Noticee No. 13 the hearing notice was

served through affixture. Noticee No. 8 and 9 waived their right of personal hearing which they informed vide email dated February 09, 2023. Noticee No. 1-7, 10, 12 and 14-15 attended the said personal hearing through their Authorised Representatives (AR). Details of personal hearing are provided in the table below:

Noticee	Date of Hearing (Status of Hearing)
Noticee No. 7 and 14	January 06, 2023 (Attended through ARs)
Noticee No. 1-6, 10, 12 and 15	February 10, 2023 (Noticee No. 1 appeared on behalf of said Noticees)
Noticee No. 8 and 9	January 06, 2023 and February 10, 2023 (Waived right of personal hearing)
Noticee No. 11	January 06, 2023 and February 10, 2023 (Did not appear)
Noticee No. 13	January 06, 2023 and February 15, 2023 (Did not appear)

9. The summary of the replies submitted by Noticees are as under:

Noticee No. 1 – 6, 10, 12 and 15 in their collective reply have inter alia submitted the following (w.r.t. the violations alleged against the respective Noticee):

a. At the outset, it was mentioned that the details provided in the reply regarding the actual dates of transfer are not verified and the confirmation from the RTA is awaited regarding the same.

b. The change in Shareholding of Mr. Ramesh Partani as at quarter ended 31st March 2013 was due to inter se transfer between Promoters i.e. transfer of Shares by Mrs. Pooja Partani and Mr. Pushkar Partani to Mr. Ramesh Partani which was executed in 2013 and was erroneously mentioned as 2012 in the disclosure made to the Company and BSE pursuant to SEBI PIT Regulation 1992 and SEBI SAST Regulation 2011. Hence, the delay shall be considered from relevant date of 2013 instead of 2012.

c. The aforesaid inter se transfer between Promoters on 8th April 2013 whose disclosure was made to the Company and BSE pursuant to SEBI PIT Regulation 1992 was on 29th April 2013 and SEBI SAST Regulation 2011 was on 23rd April 2013. The quantum of share and amount involved in the said transaction was not substantial and moreover this was an inter se transfer between the promoters which did not cause the change in overall shareholding of Promoter group. The said delay was unintentional and without any malafide cause.

d. In our view the transaction was covered under the exempted category under SAST and PIT Regulations, i.e. it was inter se transfer between the promoters and no outside public shareholder was involved.

e. The change of Shareholding of Mr. Ramesh Partani as at quarter ended 30th September 2013 was consequent to scheme of reduction in capital and amalgamation of the Company which was approved by the Hon'ble High Court of Hyderabad *vide* its order dated June 24, 2013. Subsequently, the reduction was affected by reducing the face value per shares from Rs. 10/- to Re.0.5/- and thereafter every 20 equity shares of Re.0.5/- each were consolidated into 1 equity share of Rs. 10/- each fully paid up. Consequent to approved capital reduction scheme, 2,00,00,000 equity shares of Rs. 10/- were issued pursuant to Amalgamation involving merger of Kaushalaya Global Ltd. With the Company in the ratio of 1:1. Hence, due to this aforementioned Scheme of Amalgamation and reduction of Capital there was change in total number of shares for the quarter ended September 2013 as compared to quarter ended June 2013.

f. In view of the above, there is no change in shareholding of Promoter or Promoter group in the Shareholding Pattern of the Company, as submitted to BSE, for the quarter ended December 2013 as compared to quarter ended September 2013 and there was no transaction carried out by the promoter for acquisition, sale or disposal of Shares of the Company on 25th October 2013 as alleged.

g. It was further submitted that there was no other allotment, acquisition, sale or disposal of Shares of the Company by Noticees between quarter ended June 2013 to quarter ended September 2013 other than the change in Shareholding due to the aforementioned Scheme of Amalgamation and reduction of Capital.

h. The Promoter was in the view that since the change in shareholding was due to Scheme of Amalgamation and reduction of Capital and not by allotment, acquisition, sale or disposal of Shares of the Company through promoter themselves. The impugned transaction was covered under the exempted category under SAST and PIT Regulations, i.e. it was interse transfer between the promoters and no outside public shareholder was involved. Hence, there was no requirement to make any disclosure as alleged.

i. The delay, if any, was on account of inadequate professional expertise and advice and due to oversight/ misinterpretation of said Regulations but there was no intention of not giving the required information.

j. The impugned disclosure as required under SAST and PIT as applicable, shall be made as soon as the details of aforementioned transaction from RTA of the Company will be received.

For Vikas Partani - Noticee No. 6

k. In addition to above it was submitted that, the quantum of share and amount involved in the said transaction was not substantial since the shareholding of the promoter was below 4.5%, of complete Shareholding, before and after the said transaction.

For Charulata Mundada - Noticee No. 10

l. In addition to above it was submitted that, the quantum of share and amount involved in the said transaction was not substantial since the shareholding of the promoter was below 0.5%, of complete Shareholding, before and after the said transaction. These shares were issued to the noticee during 1993/1994 and the noticee moved to Pune subsequent her marriage in 1996. The noticee has never been involved with the operations of the company.

For Shyam Sundar Partani and Margarita Alwares (Noticee No. 12 and 15)

m. In addition to above it was submitted that, the quantum of share and amount involved in the said transaction was not substantial since the shareholding of the promoter was below 0.5%, of complete Shareholding, before and after the said transaction.

Noticee No. 7 [Telangana State Industrial Development Corporation Limited {TSIDC} (erstwhile AP Industries Development Corporation Ltd. {APIDC})] in its reply has *inter alia* submitted the following:

a. The company is a State Government undertaking incorporated for a prime cause for State Level Industrial Promotion for encouraging entrepreneurs for creation of employment. The corporation will be required to take any action only as per the instructions and directions of the State Government.

b. Post bifurcation of State of Andhra Pradesh into State of Telangana and State of Andhra Pradesh and pursuant to Scheme of Demerger the investment held in P.L. Enterprises Limited (now Matra Kaushal Enterprises) based on location allocated to TSIDC from APIDC. <u>TSIDC has submitted its scanned copy of PAN card bearing **PAN: AAFCT1949P**</u>.

c. APIDC invested Rs. 17 Lakhs against 1,70,000 equity shares of Rs. 10/- each on 17-10-1994 for the sole purpose of financial assistance of the Company. The investment was made with a condition of buy back of the equity within 3 years from the date of commercial production of the company.

d. APIDC had shareholding of only 4.94% in M/s P.L. Enterprises Limited and was only a financial institution and not promoter. The commitment of buy back was never fulfilled by M/s P.L. Enterprises Limited. In this regard several notices were also sent but no response was received. No Annual Report or any other communication / statutory document was received from M/s P.L. Enterprises Limited.

e. The change in shareholding of APIDC was on account of capital reduction and amalgamation of which the Noticee had no information nor any notice of scheme of reconstruction was served nor consent was taken. The Noticee is not even aware of that the name of the company is changed from M/s P.L. Enterprises Limited to Matra Kaushal Enterprises Limited.

f. The submission of shareholding by the company is incorrect. The Noticee has no information about the day to day affairs of the company and is neither on board of the company nor is its promoter.

Noticee No. 14 (Jayant Security and Finance) in its replies has inter alia submitted the following:

a. It was denied that Noticee is promoter of MKEL and said that the shareholding pattern for quarter ended September 2014 was wrongly filed. Shareholding pattern filed for quarter ended June 2014 and December 2014 was submitted and said that the name of Noticee is not reflecting in the said filings.

b. 35,000 equity shares of MKEL were purchased by the Noticee in the normal course of business and the said amount of shares are in aggregate less than 5% of the total paid up share capital of the company. Hence the Regulation 29(1) and 29(2) of SEBI (SAST) Regulation 2011 is not applicable on Noticee.

10. Noticee No. 11 and 13 neither submitted their replies nor appeared for hearing despite both the SCN and Hearing Notice being duly served to them as per applicable Rules.

11. In view of the above, I note that principles of natural justice have been duly complied with, as SCNs and Hearing Notices were duly served upon the Noticees and sufficient opportunity was also granted to the Noticees to reply to the SCN and appear for hearing.

CONSIDERATION OF ISSUES

12. Considering the above facts, in the present proceedings, the examination has been done with respect to the allegations against the Noticees taking into consideration of their replies to the SCN and the documents / material available on record. The issues that arise for consideration in the present case are:

    I. Whether the Noticees, being promoters of MKEL during the IP, by delayed disclosures or by non-disclosures, violated the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29(2) r/w 29 (3) of SAST Regulations, 2011, as applicable?

    II. Does the violation, if established, attract monetary penalty under Section 15A(b) of the SEBI Act, 1992?

    III. If yes, then what should be the quantum of penalty?

OBSERVATIONS AND FINDINGS

13. Before I proceed further with the matter, it is pertinent to mention the relevant provisions of the PIT Regulations 1992/ 2015 and SAST Regulations, 2011 (as it

stood during the IP) and alleged to have been violated by the Noticees. The same are reproduced below:

SEBI (PIT) Regulations, 1992

2A. *Any person who is a promoter or a part of promoter group of a listed company shall disclose to the company in Form B the number of shares or voting rights held by such person, within two working days of becoming such promoter or person belonging to promoter group.*

3. *Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.*

4. *Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this sub regulation, and the change exceeds Rs. 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.*

4A. *Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing Agreement or under sub-regulation (2A) or under this sub-*

regulation, and the change exceeds Rs. 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

5. *The disclosure mentioned in sub-regulations (3), (4) and (4A) shall be made within two working days of:*

(a) the receipts of intimation of allotment of shares, or

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

SEBI (PIT) Regulations, 2015

"Repeal and Savings.

12. *(1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.*

(2) Notwithstanding such repeal, —

(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and

(b)anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(3) After the repeal of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board

shall be deemed to be a reference to the corresponding provisions of these regulations."

SEBI (SAST) Regulations, 2011

"Disclosure of acquisition and disposal

29. *(1) …*

(2) Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to, —

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office."

ISSUE

***Issue I:* Whether the Noticees, being promoters of MKEL during the IP, by delayed disclosure and by non-disclosure, violated the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT**

Regulations 2015 and Reg. 29(2) r/w 29 (3) of SAST Regulations, 2011, as applicable?

14. The details of the management of the MKEL during the IP are as under: -

Table - 1

Sr. No	Directors Name	Designation	Appointment Date	Cessation Date, If applicable
1	Shri Ramesh Chandra Partani	Managing Director	03/05/1997	Till date
2	Smt. Prem Latha Partani	Director	06/11/2015	Till date
3	Shri Dennis Alwares	Independent Director	28/02/2007	07/03/2019
4	Shri Suresh Chandra Partani	Independent Director	18/10/2014	13/11/2020
5	Shri Dhirendra Kumar Jain	Independent Director	02/06/2008	27/05/2014
6	Syed Masood Ali	Signatory	24/06/2015	Till date

15. The shareholding pattern of MKEL during the IP is tabulated below:

Table - 2

Particulars	**QE Sept 2012**			**QE Dec 2012**					
	No. of shareholders	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**			
Promoter Holding	19	9,37,903	27.30	20*	9,37,903	27.30			
Non Promoter Holding	7,829	24,97,797	72.70	7,829	24,97,797	72.70			
Total share capital	**7,848**	**34,35,700**	**100.00**	**7,849**	**34,35,700**	**100.00**			
Particulars	**QE March 2013**			**QE June 2013**			**QE Sept 2013**		
	No. of shareholders	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**
Promoter Holding	8	9,37,903	27.30	7	9,37,903	27.30	**9**	**50,96,393**	**25.26**
Non Promoter Holding	7828	24,97,797	72.70	7,795	24,97,797	72.70	8,214	1,50,75,392	74.74
Total share capital	**7,836**	**34,35,700**	**100**	**7,802**	**34,35,700**	**100**	**8,223**	**2,01,71,785**	**100.00**
Particulars	**QE Dec 2013**			**QE March 2014**			**QE June 2014**		
	No. of shareholders	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**	**No. of shareholders**	**No. Of shares**	**%**
Promoter Holding	9	50,96,393	25.26	9	50,96,393	25.26	**9**	**5,09,63,930**	**25.26**
Non Promoter Holding	8,213	1,50,75,392	74.74	8,095	1,50,75,392	74.74	8,210	15,07,53,920	74.74
Total share capital	**8,222**	**2,01,71,785**	**100**	**8,104**	**2,01,71,785**	**100**	**8,219**	**20,17,17,850**	**100**
Particulars	**QE Sept 2014**			**QE Dec 2014**			**QE March 2015**		

	No. of shareholders	No. Of shares	%	No. of shareholders	No. Of shares	%	No. of shareholders	No. Of shares	%
Promoter Holding	**10**	**5,09,99,430**	**25.28**	**9**	**5,09,63,930**	**25.26**	9	5,09,63,930	25.26
Non Promoter Holding	8,087	15,07,18,420	74.72	8,092	15,07,53,920	74.74	7,930	15,07,53,920	74.74
Total share capital	**8,097**	**20,17,17,850**	**100**	**8,101**	**20,17,17,850**	**100**	**7,939**	**20,17,17,850**	**100**
Particulars	**QE June 2015**			**QE September 2015**					
	No. of shareholders	**No. Of shares**	**%**	**No. of shareholders**	**No. of shares**	**%**			
Promoter Holding	9	5,09,63,930	25.26	9	5,09,63,930	25.26			
Non Promoter Holding	7,953	15,07,53,920	74.74	7,970	15,07,53,920	74.74			
Total share capital	**7,962**	**20,17,17,850**	**100**	**7,979**	**20,17,17,850**	**100**			

One promoter entity viz Pushkar Partani shown twice as a shareholder in quarter ended December 2012

16. From the above shareholding of promoters and promoter groups, the following is observed -

a) During investigation it was found and also submitted by some Noticees that the scheme of reduction in capital of the MKEL was approved by the Hon'ble High Court of Hyderabad vide its order dated June 24, 2013. Subsequently, the reduction was affected by reducing the face value per shares from Rs. 10/- to Re.0.5/- and thereafter every 20 equity shares of Re.0.5/- each were consolidated into 1 equity share of Rs. 10/- each fully paid up. Consequent to approved capital reduction scheme, 2,00,00,000 equity shares of Rs. 10/- were issued pursuant to Amalgamation involving merger of Kaushalya Global Ltd. with the company in the ratio of 1:1. Hence, there was change in total number of shares for the quarter ended September 2013 as compared to quarter ended June 2013.

b) Further, with effect from April 23, 2014 existing equity shares of Rs. 10/- each were subdivided into ten equity shares of Re. 1/- each resulting in an increase in number of shares from quarter ended March 31, 2014 to quarter ended June 2014.

17. In this regard, the said Noticees have submitted that there was no specific allotment, acquisition, sale or disposal of the shares of the company by the said Noticees. The said Noticees further submitted that pursuant to Regulation 13 (5) of SEBI PIT Regulation 1992 and Regulation 29 (2) r/w 29(3) of SEBI (SAST) Reg, 2011, the Promoter was in the view that since the change in shareholding was due to Scheme of Amalgamation and reduction of Capital and not by allotment, acquisition, sale or disposal of Shares of the Company through promoter themselves. Therefore, the Promoter is not required to make any disclosure.

18. For the above contention, I refer to the Hon'ble Securities Appellate Tribunal (SAT) order dated September 30, 2014, in the matter of ***Akriti Global Traders Ltd. Vs SEBI*** whereby it was observed that:

"Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares were purchased from open market or shares were received on account of amalgamation or by way of bonus shares, if, as a result of such acquisition/ receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations." (emphasis supplied)

19. Hence, the above contention raised by the said Noticees cannot be accepted as no exemption from disclosure/s has/have been provided in the regulations where shareholding of the promoters is effected due to reduction of share capital of the

company. It is also a settled principle, as seen from the SAT order above, that disclosure is mandatory, irrespective of the nature of incident that leads to impact the amount of shares held by the promoters and which leads to change in the shareholding of such promoters in excess of the prescribed threshold limit.

a. Promoter Holding change in quarter ended March 2013:

Table -3

Name of Promoter	Q.E. Dec 2012		Q.E Mar 2013		Change		Date of Transaction	Disclosures made under		Delay, if any
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding		Reg.	Date of reporting	
Kavita Partani	25	0.00	1,94,150	5.65	1,94,125	5.65	04/04/12	13(4A) r/w 13(5) of PIT Reg., 1992	Not disclosed to MKEL and BSE	-
							04/04/12	29 (2) SEBI SAST reg. 2011	Not disclosed to MKEL	-
									11/04/2012 to BSE	-
Pooja Partani	2,19,208	6.38	1,16,137	3.38	-1,03,071	-3.00	09/02/12	13 (3) and 13(4A) r/w 13 (5) of SEBI PIT Reg. 1992 r/w 12 of SEBI PIT Reg. 2015	22/05/2013 to MKEL	Y
									22/05/2013 To BSE	Y
							09/02/13*	29 (2) r/w 29(3) of SEBI SAST Reg. 2011	11/03/2013 to MKEL	Y
									11/03/2013 To BSE	Y
Ravi Toshniwal	25	0.00	0	0.00	-25	0.00	Not Applicable			
Arun Kumar Sarda	30,000	0.87	0	0.00	-30,000	-0.87	10/01/12	13(4A) r/w 13 (5) of SEBI PIT Reg. 1992 r/w 12 of SEBI PIT 2015	Not disclosed to MKEL and BSE	-
Ramesh Chandra Partani	5,165	0.15	1,56,709	4.56	1,51,544	4.71	09/02/12	13 (4) and 13 (4A) r/w 13 (5) of SEBI PIT reg. 1992 r/w 12 of SEBI PIT Reg. 2015	26/04/2013 to MKEL	Y
									26/04/2013 to BSE	Y
							-**	29 (2) r/w 29(3) of SEBI SAST Reg. 2011	20/02/2013 to MKEL	Y
									20/02/2013 to BSE	Y
Shyam Sunder Partani	70,000	2.04	0	0.00	-70,000	-2.04	10/01/12	13(4A) r/w 13 (5) of SEBI PIT Reg. 1992 r/w 12 of SEBI PIT 2015	Not disclosed to MKEL and BSE	-
								29 (2) of SEBI (SAST) Reg. 2011	Not disclosed to MKEL and BSE	
Sri Vallabh Bhutada	65,800	1.92	0	0.00	-65,800	-1.92	10/01/12	13(4A) r/w 13 (5) of SEBI PIT Reg. 1992 r/w 12 of SEBI PIT 2015	Not disclosed to MKEL and BSE	-
Pushkar Partani	20,473	0.60	0	0.00	-20,473	-0.60	18/04/13	13(4A) r/w 13 (5) of	Not Disclosed to MKEL	-

Pushkar Partani	28,000	0.81	0	0.00	-28,000	-0.81		SEBI PIT Reg. 1992 r/w 12 of SEBI PIT 2015		
Kanta Devi Sarada	10,000	0.29	0	0.00	-10,000	-0.29	Not Applicable			
Venugopal Sarada	10,000	0.29	0	0.00	-10,000	-0.29				
Madhu Kammani	6,000	0.17	0	0.00	-6,000	-0.17				
A Chandrasekhar	900	0.03	0	0.00	-900	-0.03				
Mahesh Hemraj Shah	800	0.02	0	0.00	-800	-0.02				
Bharat Mafatlal Shah	600	0.02	0	0.00	-600	-0.02				
Total Promoter & Promoter – group holding	**9,37,903**	**27.30**	**9,37,903**	**27.30**	**0**	**0.00**				

The entity has disclosed date of transaction as 09/02/2012 while making disclosures to BSE under SEBI (PIT) Reg., 1992. However, while making disclosures under SEBI (SAST) Reg., 2011, the entity has informed that date of transaction is 09/02/2013.
****The entity has disclosed date of transaction as 09/02/2012 while making disclosures to BSE under SEBI (PIT) Reg., 1992. However, BSE has informed that disclosures under SEBI (SAST) Reg., 2011, did not indicate any transaction date.***

20. It is observed from the table above that the number of promoters was reduced from 20 to 8 during the quarter ended March 2013. One promoter entity viz. Pushkar Partani was shown twice as a shareholder in quarter ended December 2012. The 4 promoter and promoter group entities (Viz. Arun Kumar Sarda, Pushkar Partani, Sri Vallabh Bhutada and Shyam Sunder Partani) have not made or made delayed disclosures under the extant applicable provisions of SEBI (PIT) Reg., 1992/2015 and/or SEBI (SAST) Reg., 2011 for their respective changes in quarterly shareholding.

b. Promoter Holding change in quarter ended June 2013:

Table - 4

Name of Promoter	Q.E. Mar 2013		Q.E June 2013		Change		Date of Transaction	Disclosures made under		Delay, if any
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding		Reg.	Date of reporting	
Ramesh Chandra Partani	1,56,709	4.56	2,72,846	7.94	1,16,137	3.38	8/04/13	13 (4) and 13 (4A) r/w 13 (5) of SEBI (PIT) 1992 r/w 12 of 2015	29/04/2013 to MKEL	Y
									29/04/2013 to BSE	
								Reg. 29 (2) r/w 29(3) of SEBI (SAST) Reg. 2011.	23/04/2013 to MKEL	Y
									23/04/2013 to BSE	Y

Pooja Partani	1,16,137	3.38	0	0.00	-1,16,137	-3.38	08/04/13	13 (4) and 13(4A) r/w 13 (5) of SEBI PIT Reg. 1992 r/w 12 of SEBI PIT Reg. 2015	28/05/2013 to MKEL	Y
									28/05/2013 to BSE	Y
							08/04/13	29 (2) r/w 29(3) of SEBI SAST Reg. 2011	20/05/2013 to MKEL	
									20/05/2013 to BSE	Y
Premlata Partani	2,68,435	7.81	2,68,435	7.81	0	0.00	NA			
AP Industrial Devi Corp Ltd	1,70,000	4.95	1,70,000	4.95	0	0.00				
Kavita Partani	1,94,150	5.65	1,94,150	5.65	0	0.00				
Vikas Partani	17,447	0.51	17,447	0.51	0	0.00				
Charulata Ravindra Mundada (Charulata Partani)	15,000	0.44	15,000	0.44	0	0.00				
Margarita Alwares	25	0.00	25	0.00	0	0.00				
Total Promoter & Promoter – group holding	**9,37,903**	**27.30**	**9,37,903**	**27.30**	**0**	0.00				

c. Promoter Holding change in quarter ended September 2013:

Name of Promoter	Q.E. June 2013		Q.E September 2013		Change		Date of Transaction	Disclosures made under		Delay, if any
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding		Reg.	Date of reporting	
Ramesh Chandra Partani	2,72,846	7.94	9,78,642	4.85	7,05,796	2.85	25/10/13*	Reg. 13 (3), 13 (4) and 13 (4A) r/w 13 (5) of SEBI (PIT) 1992 r/w 12 of 2015	Not disclosed to MKEL and BSE	-
								Reg. 29 (2) r/w 29(3) of SEBI (SAST) Reg. 2011.		
Premlata Partani	2,68,435	7.81	7,73,421	3.83	5,04,986	2.96	25/10/13*	Reg. 29 (2) r/w 29 (3) of SEBI (SAST) Reg. 2011.	Not disclosed to MKEL and BSE	-
								Reg. 13 (3), 13 (4) and 13 (4A) r/w 13 (5) of SEBI (PIT) 1992 r/w 12 of 2015		
AP Industrial Devi Corp Ltd	1,70,000	4.95	8,500	0.04	-1,61,500	-4.91	25/10/13*	Reg. 13 (4A) r/w 13 (5) of SEBI (PIT) 1992 r/w 12 of 2015	Not disclosed to MKEL and BSE	-
								29 (2) r/w 29 (3) of SEBI (SAST) Reg. 2011		
Kavita Partani	1,94,150	5.65	18,957	0.09	-1,75,193	-5.65	25/10/13*	13 (3) and (4A) r/w 13 (5) of SEBI (PIT) 1992 r/w 12 of 2015	Not disclosed to MKEL and BSE	-
								29(2) r/w 29 (3) of SEBI (SAST) Reg. 2011	Not disclosed to MKEL; 11/04/12 to BSE	Y
Vikas Partani	17,447	0.51	8,15,872	4.04	7,98,425	3.53	25/10/13*	13 (4A) r/w 13 (5) of SEBI (PIT)		-

								1992 r/w 12 of 2015 29(2) r/w 29 (3) of SEBI (SAST) Reg. 2011	Not disclosed to MKEL and BSE	
Charulata Ravindra Mundada (Charulata Partani)	15,000	0.44	750	0.00	-14,250	-0.44	25/10/13*	29 (2) r/w 29 (3) of SEBI (SAST) Reg. 2011	Not disclosed to MKEL and BSE	-
Kashish Multi Trade Pvt Ltd	0	0.00	16,50,000	8.18	16,50,000	8.18	25/10/13*	Reg. 13 (2A) of SEBI (PIT) 1992 r/w 12 of 2015 Reg. 29 (2) r/w 29(3) of SEBI (SAST) Reg. 2011.	Not disclosed to MKEL and BSE	-
Kasturi Overseas Pvt Ltd	0	0.00	8,50,000	4.21	8,50,000	4.21	25/10/13*	Reg. 13 (2A) of SEBI (PIT) 1992 r/w 12 of 2015 Reg. 29 (2) r/w 29(3) of SEBI (SAST) Reg. 2011.	Not disclosed to MKEL and BSE	-
Margarita Alwares	25	0.00	251	0.00	226	0.00	25/10/13*	Reg. 29 (2) r/w 29(3) of SEBI (SAST) Reg. 2011.	Not disclosed to MKEL and BSE	
Total Promoter & Promoter – group holding	**9,37,903**	**27.30**	**50,96,393**	**25.26**	**41,58,490**	**-2.04**				

****The RTA of the company informed during investigation that the record date of the capital Reduction was 13/08/2013 and the corporate execution date of the amalgamation was 25/10/2013.***

21. It is noted from the above table that pursuant to Scheme of Amalgamation of Kaushalya Global Limited and P.L. Enterprises Limited (now known as Matra Kaushal Enterprise Limited) promoter shareholding has collectively decreased by 2.04%. Hence the promoters along with PACs were collectively required to make disclosures under Regulation 29(2) of SEBI (SAST) Regulations, 2011. However, no disclosure was made in this regard.

d. Promoter Holding change in quarter ended September 2013:

22. It was observed that the promoter shareholding increased from 9,37,903 to 50,96,393 from June 2013 quarter ended September 2013 as the 2 entities (viz. Kashish Multi Trade Pvt. Ltd and Kasturi Overseas Pvt. Ltd.) had become promoters of MKEL on 16/08/13 pursuant to the scheme of arrangement. During investigation it was also confirmed by BSE vide an email dated December 14, 2018

that these promoter and promoter group entities have not made any disclosures under SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations 1992/2015. Also, transaction dates were obtained from CDSL vide an email dated March 23, 2019 to ascertain the violation of disclosure.

e. Promoter Holding change in quarter ended September 2014:

Table - 5

Name of Promoter	Q.E. June 2014		Q.E September 2014		Change		Date of Transaction	Disclosures made under		Delay, if any
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding		Reg.	Date of reporting	
Ramesh Chandra Partani	97,86,420	4.85	97,86,420	4.85	0	0.00	NA			
Premlata Partani	77,34,210	3.83	77,34,210	3.83	0	0.00	NA			
AP Industrial Devi Corp Ltd	85,000	0.04	85,000	0.04	0	0.00	NA			
Kavita Partani	1,89,570	0.09	1,89,570	0.09	0	0.00	NA			
Vikas Partani	81,58,720	4.04	81,58,720	4.04	0	0.00	NA			
Charulata Ravindra Mundada (Charulata Partani)	7,500	0.00	7,500	0.00	0	0.00	NA			
Kashish Multi Trade Pvt. Ltd	1,65,00,000	8.18	1,65,00,000	8.18	0	0.00	NA			
Kasturi Overseas Pvt. Ltd	85,00,000	4.21	85,00,000	4.21	0	0.00	NA			
Jayant Security and Finance	0	0.00	35,500	0.02	35,500	0.02	26/05/2014	Reg. 13 (2A) of SEBI (PIT) Reg. 1992 r/w Reg. 12 of SEBI (PIT) Reg., 2015	Not disclosed to MKEL	-
Margarita Alwares	2,510	0.00	2,510	0.00	0	0.00	NA			
Total Promoter & Promoter – group holding	**5,09,63,930**	**25.26**	**5,09,99,430**	**25.26**	**0**	0.02				

f. Promoter Holding change in quarter ended December 2014:

Table - 6

Name of Promoter	Q.E. September 2014		Q.E December 2014		Change		Date of Transaction	Disclosures made under		Delay, if any
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding		Reg.	Date of reporting	
Ramesh Chandra Partani	97,86,420	4.85	97,86,420	4.85	0	0.00	NA			
Premlata Partani	77,34,210	3.83	77,34,210	3.83	0	0.00	NA			
AP Industrial Devi Corp Ltd	85,000	0.04	85,000	0.04	0	0.00	NA			

Kavita Partani	1,89,570	0.09	1,89,570	0.09	0	0.00	NA			
Vikas Partani	81,58,720	4.04	81,58,720	4.04	0	0.00	NA			
Charulata Ravindra Mundada (Charulata Partani)	7,500	0.00	7,500	0.00	0	0.00	NA			
Kashish Multi Trade Pvt. Ltd	1,65,00,000	8.18	1,65,00,000	8.18	0	0.00	NA			
Kasturi Overseas Pvt. Ltd	85,00,000	4.21	85,00,000	4.21	0	0.00	NA			
Jayant Security and Finance	35,500	0.02	0	0.00	-35,500	-0.02	1/10/14	Reg. 13 (4A) r/w 13(5) of SEBI (PIT) Reg. 1992 r/w Reg. 12 of SEBI (PIT) Reg., 2015	Not disclosed to MKEL and BSE	-
Margarita Alwares	2,510	0.00	2,510	0.00	0	0.00	NA			
Total Promoter & Promoter – group holding	**5,09,63,930**	**25.26**	**5,09,99,430**	**25.26**	**0**	-0.02				

23. For the change in shareholding observed in Table No. 3 and 4 for Noticee No. 1, 2, 3 and 5 it was submitted by the said Noticees that the said transactions by virtue of which the shareholding of the Noticees changed in the respective quarters, were due to inter se transfers and were carried out among the promoters and covered under the exempted category under SAST and PIT Regulations, i.e. it was inter se transfer between the promoters and no outside public shareholder was involved. The aforesaid contention is without any merit and lacks credibility as no such provision is brought forth by the said Noticee which grants them such exemption.

24. In addition to the above contention, many Noticees submitted various cause for the alleged violation such as (a) sheer ignorance of the requirements of law and not with any malafide intention (b) inadequate professional expertise and advice and due to oversight / misinterpretation of said regulations (c) the inter-se transfer of shares among the promoters did not result in overall change in the promoters' shareholding and no profit or gain were made by the Noticees as a result of the

non-disclosures by them under the provisions of SAST and PIT Regulations (d) no amount of loss is caused to any investor or group of investors as a result the alleged delay disclosure (e) the company did not have any major operations and the shares of the company were hardly traded on the floor of the stock exchange.

25. In this regard, I note that reasons cited above does not absolve the said Noticees from their obligation to make the necessary disclosures under the above provisions of law. I also do not find any merit in the submissions of such Noticees that they were ignorant of the requirements of the law about the disclosure requirements. The Hon'ble SAT through various judgments has consistently observed that these factors are not valid grounds for not complying with the statutory obligation of making the necessary disclosures under the SAST and PIT Regulations.

26. In the matter of ***Ashok Jain vs SEBI*** (Appeal No 79 of 2014 dated June 09,2014), Hon'ble SAT observed *"…… under SAST Regulations 1997 as also under SAST 15 Regulations, 2011 disclosures are liable to be made within specified days irrespective of the scrip being traded on the Exchange or not. Similarly, disclosures have to be made irrespective of whether investors have suffered any loss or not on account of non-disclosure within the time stipulated under those regulations"* (Emphasis supplied).

27. Again in the matter of ***Virendrakumar Jayantilal Patel vs SEBI*** (Appeal No 299 of 2014 and Order dated October 14, 2014), Hon'ble SAT observed that *"….. obligation to make disclosures within the stipulated time is a mandatory obligation*

and penalty is imposed for not complying with the mandatory obligation. Similarly, argument that the failure to make disclosures within the stipulated time, was unintentional, technical or inadvertent and that no gain or unfair advantage has accrued to the appellant, is also without any merit, because, all these factors are mitigating factors and these factors do not obliterate the obligation to make the disclosures "

28. Noticee No. 7 and 14 have submitted that they were not promoters of the company and were wrongly disclosed as promoters in the shareholding filed by the company to exchange during the IP. Noticee No. 7 has submitted that an amount of Rs. 17 Lakhs against 1,70,000 equity shares of Rs. 10/- each, were invested for expansion of the company on 17.1.1994. Further, it is a state government undertaking incorporated for a prime cause for state level industrial promotion for encouraging entrepreneurs in the state of Andhra Pradesh. The said investment was made with the condition of buy back of the equity within 3 years from the date of commencement of commercial production by the company and was for the sole purpose to provide financial assistance.

29. Noticee No. 14 has submitted that the company has wrongly filed the shareholding pattern for the quarter ended September 2014. For the disclosures made in the quarters prior and subsequent to September 2014 do not have mention of the Noticee as promoter. Further, the purchase of 35,500 equity shares of the company were in the normal course of business. Considering the quantum of shares i.e.

35,000 shares which is less than 5% of the total paid up share capital of MKEL, provisions of SAST Regulations, 2011 shall not be applicable.

30. I note that the aforesaid submissions are devoid of any merit as the provisions are clearly worded with respect to the eligibility to make disclosure and the aforesaid Noticees were required to make the appropriate disclosures which they failed to make. As per the PIT Regulations, 1992 if the change in shareholding of the promoter exceeds 25,000 shares then they have to mandatorily make the disclosures. Further, as contended by the said Noticees that they were wrongly disclosed as promoters, I note that nothing has been submitted by the said Noticees to show that they have opposed the said disclosure/filing and have taken any action against the company for alleged wrongful submission, despite considerable amount of time has been passed. In view of the above, I note that the promoters' shareholding filed by the company during the IP is a conclusive proof of the promoters of MKEL. Further, the submission of Noticee No. 14 that Reg. 29(1) and 29(2) of SAST Regulations, 2011 is not applicable as the shareholding is less than 5% of the total capital of MKEL, it is noted that the Noticee is charged under PIT Regulations, 1992, which does not have the said requirement of 5% as submitted by the Noticee. Hence, the contention is untenable.

31. For Noticee No. 11 and 13, I note that the disclosures made by the company for quarter ending September and December 2014 and March 2013 respectively the said Noticees were disclosed as promoters and had transacted in the shares and were liable to make disclosures to the company and exchange regarding the same

which they failed. No reply for the said allegation was submitted by aforesaid Noticees and the SCN and hearing Notices were duly served upon the said Noticees, hence, I am bound to proceed as per Rule 7 (7) of SEBI Adjudication Rules which states:

(7) If any person fails, neglects or refuses to appear as required by sub-rule (3) before the Board or the adjudicating officer, the Board or the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so.

32. In view of the above, I conclude that:

a) Shri Ramesh Chandra Partani failed to make appropriate disclosures as stipulated and has violated Reg. 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulation 1992 r/w Reg. 12 of PIT Regulation 2015 and Reg 29(2) r/w 29 (3) of SAST Regulation 2011.

b) Ms. Premlata Partani and Ms. Kavita Partani failed to make appropriate disclosures as stipulated and has violated Reg. 13 (3), 13 (4) and 13(4A) r/w 13 (5) of PIT Regulation 1992 r/w Reg. 12 of PIT Regulation, 2015 and 29 (2) r/w 29 (3) of SAST Regulation, 2011.

c) Telangana State Industrial Development Corporation Limited (erstwhile AP Industries Development Corporation Ltd.) and Shri Vikas Partani failed to make appropriate disclosures as stipulated and has violated Reg. 13(4A) r/w 13 (5) of PIT Regulation 1992 r/w Reg. 12 of PIT Regulation, 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulation, 2011.

d) Kashish Multi Trade Private Limited failed to make appropriate disclosure as stipulated and has violated Reg. 13(2A) of PIT Regulation 1992 r/w Reg. 12 of PIT Regulation, 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulation 2011.

e) Kasturi Overseas Private Ltd failed to make appropriate disclosure as stipulated and has violated Reg. 13(2A) of PIT Regulation 1992 r/w Reg. 12 of PIT Regulation, 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulation, 2011.

f) Ms. Charulata Ravindra Mundada and Ms. Margarita Alwares failed to make appropriate disclosure as stipulated and has violated Reg. 29 (2) r/w 29 (3) of SAST Regulation, 2011.

g) Shri Arun Kumar Sarda and Shri Sri Vallabh Bhutada failed to make appropriate disclosure as stipulated and has violated Reg. 13(4A) r/w 13(5) of PIT Regulation, 1992 r/w Reg. 12 of PIT Regulation, 2015.

h) Shri Shyam Sunder Partani failed to make appropriate disclosure as stipulated and has violated Reg. 13(4A) r/w 13(5) of PIT Regulation, 1992 r/w Reg. 12 of PIT Regulation, 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulation, 2011.

i) Jayant Security and Finance failed to make appropriate disclosure as stipulated and has violated Reg. 13 (2A) and 13(4A) r/w 13(5) of PIT Regulation, 1992 r/w Reg. 12 of PIT Regulation, 2015.

j) Ms. Pooja Partani failed to make appropriate disclosure as stipulated and has violated Reg. 13(3), 13 (4) and 13(4A) r/w 13(5) of PIT Regulation, 1992 r/w Reg. 12 of PIT Regulation, 2015 and Reg. 29 (2) r/w 29 (3) of SAST Regulation, 2011.

k) Shri Pushkar Partani failed to make appropriate disclosure as stipulated and has violated Reg. 13(4A) r/w 13 (5) of PIT Regulation, 1992 r/w Reg. 12 of PIT Regulation, 2015.

Issue II: Does the violation, if established, attract monetary penalty under Section 15A(b) of the SEBI Act, 1992?

33. The Hon'ble Supreme Court of India in the matter of ***SEBI vs. Shri Ram Mutual Fund*** *{[2006]5 SCC 361}* held that:

"*once the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established, then the penalty is to follow.*"

34. The violations by Noticees, observed above, make them liable for imposition of penalty under Section 15A(b), of the SEBI Act, 1992 which reads as below –

SEBI Act, 1992

"Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made thereunder,—*

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same

within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees."

Issue III: If yes, then what should be the quantum of penalty?

35. In this regard, the provisions of Section 15J of the SEBI Act, 1992, Rule 5 of the SEBI Adjudication Rules require that while adjudging the quantum of penalty, 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.

36. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees' act. Also it is not possible to ascertain the exact unfair gain made and the monetary loss to the investors. The main objectives of the SAST Regulations and PIT Regulations are to afford fair treatment to shareholders who are affected by the change in control. The Regulation seeks to achieve fair treatment by inter alia mandating timely and

adequate disclosure of information to the public/ investors/ shareholders to enable them to make an informed decision to be part of / or not to be part of companies due to such change in control/ information made available etc. True and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing the investors from taking well-informed decisions. However, Noticee No. 8 and 9 have submitted that appropriate disclosures under PIT Regulations and SAST Regulations have been on February 07 and 08, 2023 as a corrective measure both to the company and to the exchange. Further, Noticee No. 1,4, 5, 6, 7, 10 and 15 have made appropriate disclosure, dated February 06, 2023, under SAST Regulations, 2011 to the exchange for the change in shareholding of promoters pursuant to scheme of amalgamation which came in effect on October 25, 2013. In this regard, I note that for the Promoter Holding change in quarter ended September 2013, certain Noticees were collectively required to make the disclosure under Reg. 29(2) of SAST Regulations and can said to be jointly responsible for the said failure.

ORDER

37. After taking into consideration the facts and circumstances of the case, gravity of violations and the material on record, and also the factors stipulated in Section 15J of the SEBI Act, 1992, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, hereby impose the following penalty on the Noticees:

Noticee	Violation and Penal Provisions	Penalty
1. Ramesh Chandra Partani (AGXPP2845B) **2. Premlata Partani (BLOPP9913M)** **3. Telangana State Industrial Development Corporation Limited (erstwhile AP Industries Development Corporation Ltd.) (AAFCT1949P)** **4. Kavita Partani (ALUPG2127K)** **5. Vikas Partani (ADPPV3347K)** **6. Charulata Ravindra Mundada (AIMPM1153A)** **7. Kashish Multi Trade Private (AACCK7596A)** **8. Kasturi Overseas Private Limited**	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of Reg. 29(2) r/w 29 (3) of SAST Regulations, 2011.	**Rs. 2,00,000/- (Rupees Two Lakhs) to be paid Jointly and Severally.**

(AAACK9158J) **9. Margarita Alwares (AFRPA3820L)**		
Ramesh Chandra Partani (AGXPP2845B)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Pooja Partani (AIKPP0742N)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 and Reg. 29(2) r/w 29 (3) of SAST Regulations, 2011.	**Rs. 1,00,000/- (Rupees One Lakh)**
Pushkar Partani (PLEPP8184J)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Premlata Partani (BLOPP9913M)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**

Kavita Partani (ALUPG2127K)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (3), (4) and 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Vikas Partani (ADPPV3347K)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Telangana State Industrial Development Corporation Limited (erstwhile AP Industries Development Corporation Ltd.) (AAFCT1949P)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Kashish Multi Trade Private Ltd. (AACCK7596A)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (2A) r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**

Kasturi Overseas Private Limited (AAACK9158J)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (2A) r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Arun Kumar Sarda (AMOPS1787N)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Shyam Sunder Partani (AQJPP9717G)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015 Reg. 29 (2) r/w 29 (3) of SAST Regulations 2011.	**Rs. 1,00,000/- (Rupees One Lakh)**
Sri Vallabh Bhutada (AGWPB8442P)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	**Rs. 1,00,000/- (Rupees One Lakh)**
Jayant Security and Finance (AAACJ4848G)	Penalty imposed under Section 15A(b) of the SEBI Act, 1992 for violation of the provisions of Regulation 13 (2A) and 13	**Rs. 1,00,000/- (Rupees One Lakh)**

	(4A) r/w 13 (5) of PIT Regulations 1992 r/w Reg. 12 of PIT Regulations 2015.	

38. The above Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link.

ENFORCEMENT →Orders →Orders of AO →PAY NOW

39. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – 1 of SEBI. The Noticee shall provide the following details while forwarding DD/ payment information:

a) Name and PAN of the entity (Noticee):

b) Name of the case / matter:

c) Purpose of Payment: Payment of penalty under AO proceedings

d) Bank Name and Account Number:

e) Transaction Number:

40. 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.

41. In terms of the Rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticees and also to Securities and Exchange Board of India.

Place: Mumbai **G. Ramar**

Date: February 28, 2023 **Adjudicating Officer**