BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/VV/AK/2021-22/14885]

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

In respect of

Nirmal Kotecha (PAN: AEZPK2016H)

In the matter of Pyramid Saimira Theatre Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation to ascertain the violations, if any, of the provisions of Securities and Exchange Board of India, Act 1992 (hereinafter referred to as the '**SEBI Act**') and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as the '**PFUTP Regulations, 2003**') in buying, selling and dealing in the shares of Pyramid Saimira Theatre Ltd. (hereinafter referred to as '**PSTL/Company**') for the financial year 2007 - 2008. The shares of PSTL were listed at the Bombay Stock Exchange Ltd (hereinafter referred to as '**BSE**') and National Stock Exchange (hereinafter referred to as '**NSE**') at the relevant time.

2. During the investigation, it was observed that the company's quarterly reports during the financial year 2007 - 2008 to the stock exchanges contained inflated figures of the company's revenue profits, security deposits and receivables. It was observed that there was price rise in scrip consequent to the publication of the inflated results and promoters of the company pledged their shares to raise higher quantum of funds. It was alleged that the company along with its directors committed irregularities in its books of accounts and showed inflated profits and revenues in the financial statements and lured the general public to invest in the shares of the company based on such false financial statements.

3. Mr. Nirmal Kotecha (hereinafter referred to as '**the Noticee**') was one of the directors in PSTL at the relevant time and it was alleged that the Noticee violated Section 12A of the SEBI Act and Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of PFUTP Regulations. The above violations make the Noticee liable for monetary penalty under Section 15HA of the SEBI Act.

APPOINTMENT OF ADJUDICATING OFFICER

4. Ms. Barnali Mukherjee was appointed as the Adjudicating Officer under Section 15I of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the '**Adjudication Rules**') to inquire into and adjudge under Section 15HA of the SEBI Act for the aforesaid alleged violation of the provisions of Section 12A of the SEBI Act and Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(a), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of PFUTP Regulations by the Noticee. Pursuant to the transfer of the case to different Adjudicating Officers, the undersigned has been appointed as the Adjudicating Officer in the present matter vide order dated August 09, 2019.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. A common Show Cause Notice dated April 08, 2010 (hereinafter referred to as '**SCN**') under rule 4 of the Adjudication Rules was issued to the directors of PSTL including the Noticee asking them to show cause as to why an inquiry should not be held against them and penalty be not imposed under section 15HA of the SEBI Act for the alleged violations specified in the SCN.

6. It was alleged in the SCN that:

    (i) The Company along with its directors committed irregularities in the books of accounts of the Company and showed inflated profits and revenues in the financial statements which lured the general public to invest in the shares of the company based on such false financial statements. Further it was alleged that PSTL did not maintain proper books of accounts of the Company and did not cooperate with the investigation by failing to produce various documents and records required during investigation despite issue of several summons.

    (ii) The gross total income (sales) of PSTL for the financial year 2007-2008 was Rs. 749.30 crore. Out of the gross total income, the total income from the Theatres was Rs. 549.58 crore as detailed below:

Region	***Exhibition Own Theatre***	***Non PSTL Theatres***	***Total Exhibition***
Tamil Nadu	*303,45,96,965*	*41,50,89,733*	*344,96,86,698*
Andhra Pradesh	*74,66,17,000*	*62,03,63,778*	*136,69,80,778*
Karnataka	*45,85,50,294*	*7,59,71,619*	*53,45,21,913*
Kerala	*12,94,56,601*	*-*	*12,94,56,601*
Mumbai and North Region	*28,45,747*	*1,23,43,058*	*1,51,88,805*
Total	***437,20,66,607***	***112,37,68,188***	***549,58,34,795***

    (iii) The income from own theatres of Rs.303.46 crore from Tamil Nadu region included 11 consolidated credit entries of Rs.243.99 crore with corresponding consolidated debits to 'Theatre Collection Receivables Account'. The same account did not show any income from April, 2008 onwards. The journal vouchers in respect of these entries did not carry any narration such as daily collection report number, name of theatre, etc. The receivables were adjusted against cost of content, transferred to advance / security deposit account or remained unrealised. The receivables account continued to have consolidated entries.

(iv) As on March 31, 2008, the total receivables of PSTL from Tamil Nadu region was Rs.38.58 crore. Out of this, Rs.2.19 crore was outstanding against 162 theatres and the balance Rs.36.39 crore was outstanding in one account only which did not contain the theatre-wise break-up. Similarly, the entire amount of Rs.75 crore from own theatres in Andhra Pradesh was accounted by a single journal voucher which did not have any narration. PSTL did not provide theatre wise daily collection reports, theatre-wise break up and other supporting documents in support of these consolidated entries or journal vouchers during the investigation. This leads to a conclusion that these revenues were never earned by PSTL; these are fictitious incomes booked to inflate the revenues and profits. PSTL disclosed these inflated figures in its annual report for 2007-08 and thereby misled the investors.

(v) PSTL, in its corporate announcement to the exchanges dated January 30, 2009, furnished data which showed that it had entered into agreements (Lease/Hire) with 765 theatres as on March 31, 2008 and 802 theatres as on June 30, 2008. During investigation the copies of these agreements were sought from PSTL. However, out of 802 agreements as on June 30, 2008, only 257 agreements were shown to SEBI. This leads to a conclusion that agreements for the balance 545 never existed as nothing to the contrary was provided. PSTL thus made a false corporate announcement that it entered into agreements with 802 theatres and mislead the public by giving false figures relating to advance, security deposit and income pertaining to the theaters which were not in existence.

(vi) The fictitious revenues were converted to ‘theatre collection receivables’ which, in turn, have been converted to ‘security deposits’. For example, PSTL booked receivables of Rs.84.77 crore against income in Tamil Nadu region and converted the same into security deposits. Similarly, it booked receivables of Rs.57.58 crore against income in Andhra Pradesh region and converted the same into security deposits. Therefore, the security deposits were not genuine, but were created to hide the theatre receivables in the balance sheet, since outstanding receivables for a period of six months had to be compulsorily disclosed in its annual report.

7. From the perusal of record, I note that Noticee had been given multiple opportunities to file reply along with multiple hearing opportunities in the interest of natural justice. Noticee had also availed the opportunity of inspection of documents. Also, the Noticee filed a consent application dated September 03, 2010 in prescribed Form A to the concerned department of SEBI. The Concerned department of SEBI intimated the same by the letter dated September 09, 2010 and it was requested to keep the adjudication proceedings in abeyance till disposal of the consent proceedings. SEBI vide its communication dated January 04, 2011 informed the Noticee that its aforesaid consent application had been rejected. Vide letter dated September 30, 2021, a reply has been filed by the Noticee. Vide email dated November 08, 2021, an opportunity of personal hearing in terms of rule 4(3) of Adjudication Rules is

being granted to the Noticee on November 24, 2021 with the advice that in case there is no appearance made by the Noticee, then the present adjudication proceeding would be decided on the basis of documents available on records.

8. I note that the Noticee has submitted his response to the allegations in the SCN vide letter dated September 30, 2021. The Noticee has *inter alia* made the following submissions in the said letter:

(a) *The Noticee was an investor dealing in the finance and securities markets for a period of 16 years prior to the passing of Ex-parte order in 2009. He had invested in both listed and unlisted companies. In the past he had funded various unlisted companies by investing in their equity, thus participating and supporting the companies with real potential to grow their business. He had invested as a private equity investor in PSTL. His association as an investor with the Company initiated before its listing. He had invested substantial funds in the PSTL and even after PSTL came out with an IPO in 2007 he wanted to continue holding the shares held by him and he did not want to sell the shares to any other person.*

(b) *To give representation to his shareholding, the Noticee was appointed as a non-executive director of PSTL and his role in PSTL was of non-independent non-executive director with a view to keep himself aware about his investment and the Company in which he had made an investment. Accordingly, the Noticee was never vested with any authority or powers by the Board of Directors of the Company and did not ever have any role in day to day affairs of PSTL.*

(c) *The Noticee submits that, it is an established principle of law to ascertain the vicarious liability of any director or officer of a company under any statute prescribing the liability, (not limited to the Negotiable Instruments Act, 1881) specific allegations and averments must be made against such director or* *officer. In the absence of the same no liability under any statute can be affixed against such director or officer of the Company.*

(d) *It is submitted that during the course of his tenure as the director of PSTL, the Noticee has never participated in the day to day affairs of the Company nor had the knowledge of its daily affairs. The Noticee was never part of any committee of the Company, and there was no role played by him to look into the financial affairs and practices of the Company.*

(e) *It is evident from the Form 20B filed by PSTL with the Registrar of Companies in respect of the Annual Returns of PSTL for the Financial Year ending March 31, 2008 that the Noticee was not a director as on the date of Annual General Meeting held in respect of filing of such annual return (Section IV and Section V of the said Form 20B filed with Registrar of Companies). Further the Annual Returns for the Financial Year ending March 31, 2008 - which is the relevant return of PSTL forming the basis for issuance of SCN against the Noticee - has not been signed by the Noticee but has been certified by one Mr. A Kumar Reddy (practicing company secretary) and digitally signed by Mr. Narasimhan Narayanan, Whole Time Director of PSTL. It is therefore clear from the annual return itself that the Noticee was no way involved in filing the Annual Return for the Financial Year ending March 31, 2008 and any allegation of involvement of the Noticee in irregularities in PSTL's books of accounts and showing of inflated profits and revenues in the financial statements and luring general public to invest in the shares of PSTL based on such financial statements in violations of the PFUTP Regulations is incorrect and has to be struck off and/ or withdrawn.*

(f) *The records of minutes of the Board Meeting of PSTL as well as the Annual Return filed by PSTL for the financial year ending March 2008, clearly establish that the Noticee had absolutely no role in the day to day affairs of the Company and was never, since the time of very appointment on the Board of the*

Company, given any role or responsibility in respect to the affairs or business of the Company. The Noticee was never a part of any committee of the Board of directors including the Audit Committee and as such never had the expertise, opportunity, information and knowledge of the detailed accounts and financials of the entire streams of business of the Company. The Noticee was never in a position to dictate the course of PSTL or any of its businesses and operations and was not even entrusted by the Board to operate and maintain any of its bank accounts. The Noticee never approved any financial statements made or disclosed to the stock exchanges or the investors. It is therefore humbly submitted that the Noticee in no manner can be held responsible for the actions and default of PSTL.

(g) The Noticee was not in charge for the conduct of the business of PSTL during the time the alleged act of manipulation of book of accounts occurred.

(h) The Noticee was not involved in the management of PSTL and was not looking into the day to day activities of PSTL.

(i) The Noticee neither had knowledge nor was aware that the financial statements of PSTL were allegedly being fabricated.

(j) Even there is no allegation in the SCN that the Noticee was in charge for the conduct of the business of PSTL or was in knowledge that the financial statements of PSTL were allegedly being fabricated.

(k) The Noticee was inducted as a director and was never involved into the day to day business affairs of the Company. The Board of Directors had never vested any authority and/ or power to The Noticee to perform any executive act. Thus, the Noticee has only been associated with the Company as a Director in a Non-Executive capacity.

(l) *The Noticee was not the member in any committees of PSTL and was not even the member in the Audit Committee. Therefore, the Books of Accounts of PSTL was never produced before the Noticee and so it cannot be legitimately expected from the Noticee to be in knowledge about the alleged misreporting of Book of Accounts.*

(m) *It is submitted that the Noticee wasn't involved in the preparation of the books of accounts of Tamil Nadu region, nor was he part of the Audit Committee. It is submitted that the Noticee's appointment on the Board of PSTL was representative in nature. It was never the intention of the management of the Company to involve the Noticee into the day to day affairs of the Company and to look after the Company and its working. The SCN nowhere states that the Noticee as a director was involved directly or otherwise in the alleged non maintenance of accounts, creation of fictitious accounts and non-submissions of the required supporting documents.*

(n) *With regard to the observations regarding the Andhra Pradesh region it is submitted that the non-submission of documents and non-maintenance of journals and their supporting journals by PSTL, cannot fasten responsibility and liability on the Noticee, as he was never in charge of the same and acknowledging the same, SEBI has never questioned the Noticee regarding the same.*

(o) *In the meeting held on February 19, 2008 there were only regular items discussed by the Board and no financial result was put up for discussion. The investigation period has analysed the financial results of 9 quarters, however, from the minutes of these meetings it can clearly be observed that the Noticee was present in only one meeting on July 12, 2007.*

(p) *It has been stated in the SCN in para 59 that the promoters started pledging their shares only in February, 2008 which is much after the Board meeting*

attended by the Noticee on July 12, 2007. Thus, even though the share price of the Company might have increased due to alleged false disclosures, the Noticee was not a part to any of these meetings and thus no responsibility can be casted on the Noticee for any alleged wrong disclosures.

(q) From June 02, 2007 to November 07, 2008, the Noticee was part of only 5 Board Meetings of PSTL and there was only one meeting in which the Books of Accounts were adopted by the Noticee. Therefore, it cannot be said that the Noticee had any knowledge about the misuse of financial statements of PSTL.

(r) The Noticee had no material to excite suspicion on alleged fabrication of Books of Accounts of PSTL. It is submitted that during his tenure the Noticee had not executed any business for and on behalf of the Company.

(s) The Noticee has attended only five Board meetings of the Company during his tenure of 2 years and 5 months.

(t) The Noticee was primarily located in Mumbai, while the Company had majority operation in southern part of the country more specifically in and around Chennai. In view of the huge distance of my place of abode and business and the business location of PSTL, even otherwise, the Noticee did not have any first hand ground experience or knowledge of the activities of the PSTL as far our areas of operation are concerned.

(u) Furthermore, the Noticee belongs to a different operational industry of finance and securities and had negligible experience of the day to day working and running of the media industry. Thus, most of the operations of the Company were alien to the Noticee and hence the Noticee did not look into the day to day operation of the Company.

(v) *The Noticee has never had any occasion to sign any document for PSTL as he was never authorised in that behalf by the Board of Directors. Thus, he has never signed any document for the Company as he was never authorised in that behalf by the Board of Directors. Thus, he has never signed a single document on behalf of PSTL. It is further submitted that he was not an authorized signatory for any type of transaction of the Company including the transactions with banks/customers/ any third party.*

(w) *The Noticee was not related/known to the auditors/key management persons/directors/ secretaries/any other employees in any capacity except as the director of the Company. In fact, the Noticee never recommended/participated in appointment/fixing service terms of any of the employees of the Company.*

(x) *After resigning from the Board of the Company the Noticee did not have any link / connection with the Company or any of its directors.*

(y) *The Noticee has not gained anything from the activities of the Company either directly or indirectly.*

(z) *The Noticee had not entered into any related party transactions including any restructuring or have earned any type of income including rental income or any other type of income. In fact the Noticee had no vested interest with the Company.*

(aa) *There is nothing on record to show and establish that these alleged acts of violation by PSTL as stated under the SCN occurred with the knowledge and consent of the Noticee. In fact, there is sufficient material on record available with SEBI to establish that the Noticee was nothing more than a non-executive non-independent director and had no say or any manner of control over the day to day affairs or business of PSTL.*

(bb) *The resolution of the Board of Directors of PSTL appointing the Noticee as the director is evident regarding the nature of his appointment as that of an independent director. ^e Minutes of the Board meeting held on June 28, 2006 stated that "the Chairman informed the Board considering the future plans and the proposed public issue and the SEBI guidelines, the Company should consider appointing more independent Directors and in this connection, introduced Mr. Nirmal Kotecha and Mr. T.M. Venkataraman to the Board. The Board was also briefed about their experience and achievements."*

(cc) *It is therefore clear from the very beginning that it was always intended by PSTL that the Noticee would be on the Board with no control over the day to day activities of the Company. As can be seen from the minutes of the meeting of the Board of Directors, this intention was further reiterated and established as the Noticee was never given any authority in respect of the affairs of the Company and had absolutely no control or influence on the actions of the Company during his tenor as a director of the Company.*

(dd) *The SCN nowhere makes out any specific case against the Noticee and in manner provides an opportunity or details of any allegations that the Noticee has to meet. The SCN is general and vague in nature and there is no specific case made out against the Noticee and accordingly the Noticee's submissions are also in respect of establishing his innocence by showing his non-involvement in any of the actions of the Company.*

(ee) *Additionally, it can be seen from the SCN that there is no allegation or analysis on the impact of share price or any loss caused to any person whatsoever due to the publication of alleged misleading financial results by PSTL. There are no details or evidence or any substantive analysis in the SCN to identify the impact of the alleged misleading financial entries in the books of accounts of the Company on the share price of PSTL. There is no ability to determine, as per*

the information available in the SCN, the amount by which the price of the shares of PSTL increased or decreased on any of the stock exchanges due to any alleged manipulation in the books of accounts by the Company.

(ff) *The data/results supplied to the Board were summarised and audited, it was in form and manner in which it was to be made public. The summarised data was put before the Board. There was no occasion for the Noticee to verify or check its authenticity and accuracy or suspect its genuineness. Only the final balance sheet and Profit & Loss Account were presented which were quite precise and prima-facie seemed proper. Further, the auditors did not make any qualifications/notes to the accounts questioning the same.*

9. I also note that the Noticee has availed of hearing opportunity before the undersigned on November 24, 2021. During the course of hearing, the Authorised Representatives of the Noticee reiterated the submissions made vide the aforesaid letter dated September 30, 2021. I note from above that the Noticee has filed written submissions in the matter and has also availed of hearing opportunity. In view of the same, I now proceed further in the matter.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have carefully perused the charges levelled against the Noticee, his reply and the documents / material available on record. The issues that arise for consideration in the present case are:
    (a) Whether the Noticee violated Section 12A of the SEBI Act and Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of PFUTP Regulations?
    (b) Does the violation, if any, on the part of the Noticee attract monetary penalty under Section 15HA of the SEBI Act?

(c) If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of SEBI Act?

11. Before proceeding further, I would like to refer to the relevant provisions of the SEBI Act and PFUTP Regulations as below:

Section 12A of SEBI Act

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP Regulations, 2003

Regulation 3: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

…….

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

Regulation 4: - Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

…….

(e) any act or omission amounting to manipulation of the price of a security;

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

……

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

……

(r) planting false or misleading news which may induce sale or purchase of securities.

…..

12. I note that the following is *inter alia* alleged in the SCN:

(a) the quarterly financial results and the annual financial results for the year 2007-08 of PSTL which was reported to the stock exchanges contained inflated figures of the company's revenue, profits, security deposits and receivables by making fictitious entries in the accounts of the company.

(b) These alleged manipulated financial statements lured the general public to invest in the shares of the company based on such false statements.

(c) PSTL did not cooperate with the investigation by failing to produce various documents and records required during investigation despite issue of several summons.

(d) The Noticee was a director of PSTL at the relevant time and was responsible for publication of false and misleading financial results of the company.

13. The Noticee in his submissions has *inter alia* stated that that he was a non-executive director in PSTL and not involved in day-to-day activities of PSTL. The Noticee has submitted that he was never vested with any authority or powers by the Board of Directors of the Company. The Noticee has stated that he was never part of any committee of the Company, and there was no role played by him to look into the financial affairs and practices of the Company. The Noticee has further stated that he attended only 5 Board meetings of the Company during his tenure of 2 years and 5 months and that there is nothing on record to show and establish that these alleged acts of violation by PSTL as stated under the SCN occurred with the knowledge and consent of the Noticee.

14. I note from the reply of the Noticee that he has not contested the facts of the matter laid out in the SCN. Therefore, the issue that arises is that whether the Noticee, being a non-executive director of the company, is responsible for the violations committed by the company. A company, though a legal entity, cannot

act by itself, it can act only through its directors and management. However, if a non-executive or independent director is able to demonstrate that the alleged violation has been committed by the company without his knowledge, consent, connivance or negligence, he shall not be held liable. Hence, the liability of a non-executive or independent director depends on the facts of each case and the role one plays in the alleged violation and not merely on designation. A similar view has been taken by the Hon'ble Supreme Court in the matter of **SEBI vs. Gaurav Varshney**, (2016) 14 SCC 430, wherein it was held that – *"a person not holding any office or designation in a company may be liable if he satisfies the main requirement of being in charge of and responsible for the conduct of business of a company at the relevant time. Liability depends on the role one plays in the affairs of a company and not on designation or status."*

15. I note that the Noticee has stated that he attended only 5 Board meetings of the Company during his tenure of 2 years and 5 months. The Noticee has also submitted the minutes of the meetings of the PSTL Board during the given period. I have also perused the annual reports of PSTL for the relevant period. I note that the Noticee was appointed as a non-executive director on June 28, 2006. I note from the SCN that the allegations pertain to the financial year 2007-08 and, I note that the Noticee attended 2 Board meetings out of total 11 Board meetings during the financial year 2007-08. I further note that the Noticee was not part of any of the committees of the Board including Audit Committee. Therefore, I find that the Noticee was not involved in the day-to-day activities of PSTL during the relevant time. I also note that the SCN has not brought out any specific finding with respect of the Noticee to indicate his involvement in the violations made by the company.

16. I note that adjudication proceedings were also initiated against other members of the Board of PSTL and the Vice President of Finance and Accounts and CFO

of PSTL in the respect of the same charges in the matter and penalty has already been levied on Mr. P S Saminathan, Mr. N Narayanan, Mr. K Natrahjan, Mr. K S Kashiraman, Mr. G. Ramakrishanan, Mr. V Natarajan and Mr. Shivgurunathan. I also note that PSTL has entered liquidation proceedings in the year 2009. I further note that the impugned violations pertain to the year 2007-08 and that a considerable amount of time has lapsed since the aforesaid violations. In view of the foregoing, I am of the view that the alleged violations are not established against the Noticee.

ORDER

17. In view of the above observations and considering the facts and circumstances of the case, the adjudication proceedings initiated against the Noticee vide SCN dated April 8, 2010 is accordingly disposed of.

18. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

Date: January 31, 2022 **VIJAYANT KUMAR VERMA**

Place: Mumbai **ADJUDICATING OFFICER**