BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/DD/2022-23/16233-16237]

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 BY ADJUDCATING OFFICER) RULES, 1995

In respect of

Mr. Satish R. Shah (PAN – ACBPS8940G)
Ms. Shetal S. Shah (PAN – ANYPS3796C)
Mr. Vishal S. Shah (PAN – AJWPS2689A)
Ms. Jyotsna S. Shah (PAN – AKAPS1175J)
Mr. Yatin G. Shah (PAN – AFNPS9171G)

In the matter of Sawaca Business Machines Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI'**) conducted an investigation w.r.t. trading in the scrip of Sawaca Business Machines Limited (hereinafter referred to as "**Sawaca/Company/SBL"**) for the period, September 01, 2011 to February 29, 2012 and from September 06, 2012 to March 31, 2013, (herein after referred to as "**Investigation Period/IP"**). The focus of investigation was *inter-alia*, to ascertain any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**"), SEBI (Prohibition of Insider Trading Regulations, 1992 (herein after referred to as "**PIT Regulations,1992/ PIT Regulations**") read with SEBI (Prohibition of Insider Trading Regulations, 2015 (hereinafter referred to as **"PIT Regulations, 2015"**) and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**SAST Regulations/SAST Regulations 2011**") in respect of trading in the scrip of Sawaca during the IP. The Company is listed on BSE Ltd. ("**BSE/Exchange**").

2. The summary of the shareholding of the promoters of the Company from quarter ending June 2011 to June 2013 is as under:

S. No.	Name	QE June 2011 – QE Dec 2012		QE March 2013 – QE June 2013	
		No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
1	Satish R. Shah	10,93,092	10.51	15,93,189	15.31
2	Shetal S. Shah	10,10,600	9.72	8,60,600	8.27
3	Vishal S. Shah	8,00,000	7.69	6,50,000	6.25
4	Jyotsna S. Shah	2,00,000	1.92	1,91,000	1.84
5	Yatin G. Shah	96,308	0.93	96,308	0.93
Total		**32,00,000**	**30.77**	**33,91,097**	**32.60**

3. It was observed that promoter shareholding remained unchanged at 30.77% of total shareholding of the Company from quarter ending June 2011 to quarter ending December 2012. It changed from 30.77% in quarter ending December 2012 to 32.60% of total shareholding in quarter ending March 2013. Promoter shareholding remain unchanged at 32.60% of total shareholding from quarter ending March 2013 till quarter ending June 2013.

4. During the course of investigation, SEBI observed that Mr. Satish R. Shah (herein after referred to as "**Noticee 1/By name"**), Ms. Shetal S. Shah (herein after referred to as "**Noticee 2/By name"**), Mr. Vishal S. Shah (herein after referred to as "**Noticee 3 /By name**"), Ms. Jyotsna S. Shah (herein after referred to as "**Noticee 4 /By name**") and Mr. Yatin G. Shah(herein after referred to as "**Noticee 5 /By name**") (Noticees 1 to 5 are collectively being referred to as "**Noticees"**) transacted in the scrip of Sawaca on multiple occasions during the Investigation Period. However, it was observed that Noticees failed to make /made delayed disclosures in terms of PIT Regulations, 1992 read with PIT Regulations, 2015 and SAST Regulations for these share transactions. Therefore, SEBI initiated adjudication proceedings against Noticees under the provisions of Section 15A (b) of SEBI Act, for the alleged violations of provisions of:
   a. Regulations 13(3), 13(4) and 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015 by Noticee 1;
   b. Regulations 13(4), 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015 by Noticees 2,3 and 4;
   c. Regulation 29(2) read with 29(3) of SAST Regulations by Noticees 1 to 5.

   w.r.t. their trading in the scrip of Sawaca.

APPOINTMENT OF ADJUDICATING OFFICER

5. Vide communique dated January 14, 2021, Shri. Amit Pradhan was appointed as Adjudicating Officer by SEBI under Section 15-I of the SEBI Act read with Rule 3 of

SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer Rules, 1995 (hereinafter referred to as "**Adjudication Rules"'**) to inquire into and adjudge, under the provisions of Section 15A (b) of the SEBI Act, the aforesaid alleged violations committed by Noticees. Subsequently, the undersigned was appointed as the Adjudicating Officer in the matter by SEBI vide order dated June 18, 2021.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

6. A Show Cause Notice dated February 22, 2021 (hereinafter referred to as "**SCN**") was issued to Noticees under Rule 4 of Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticees and penalty, if any, not be imposed upon them under the provisions of Section 15A (b) of the SEBI Act for the aforesaid violations alleged to have been committed by them.

7. The allegations levelled against Noticees in the SCN are as under:

I. Mr. Satish R. Shah

Table – 2

Parameters	***Transaction 1***	***Transaction 2***
Date of Transaction	*12.03.2013*	*25.03.2013*
No. and % of shareholding before the date of transaction	*10,93,092 (10.51%)*	*13,68,189 (13.15%)*
Number and Percentage of shares acquired	*2,75,097*	*2,25,000*
Trade Value (Rs.)	*10,426,176*	*71,55,000*
No. and % of shares held after the transaction	*13,68,189 (13.15%)*	*15,93,189 (15.31%)*
Due date of compliance	*14.03.2013*	*28.03.2013*
Disclosures Required under PIT Regulation	*13(3)*	*13(3), 13(4) and (4A)*
Regulation under which disclosure has been made by client	*13(4) and (4A) of PIT Regulations*	*13(4) and (4A) of PIT Regulations*
Date of receipt of disclosures by BSE	*18.03.2013*	*06.04.2015*
Observations w.r.t Non-compliances by entities under PIT Regulations	*Non-Disclosure to the Company u/r 13(3) and Delayed Disclosures to BSE u/r 13(4) and (4A).*	*Non-Disclosure to the Company u/r 13(3) and Delayed Disclosures to BSE u/r 13(4) and (4A).*

i. It was observed that on account of his acquisition of 2,75,097 shares of the Company on March 12, 2013, the shareholding of Noticee No. 1 in the Company changed by more than 2% of total share capital. Accordingly, in terms of Regulation 13(3) read with 13(5) of the PIT Regulation, the Noticee No. 1 was under the obligation to make disclosure to the Company within 2 days of such acquisition and in terms of Regulation 13(4) and 13(4A) read with 13(5) *of the PIT Regulation, the Noticee No. 1 was under the obligation to make disclosure to the Company and BSE within 2 days of such acquisition.*

ii. *Similarly, on account of his acquisition of 2,25,000 shares of the Company on March 25, 2013, the shareholding of Noticee No. 1 in the Company changed by more than 2% of total share capital. Accordingly, in terms of Regulation 13(3) read with 13(5) of the PIT Regulation, the Noticee No. 1 was under the obligation to make disclosure to the Company within 2 days of such acquisition and in terms of Regulation 13(4) and 13(4A) read with 13(5) of the PIT Regulation, the Noticee No. 1 was under the obligation to make disclosure to the Company and BSE within 2 days of such acquisition.*

iii. *It was observed that the Noticee No. 1 made disclosure under Regulation 13(4) and 13(4A) to BSE on March 18, 2013 w.r.t. transaction dated March 12, 2013 and on April 06, 2013 w.r.t. transaction dated March 25, 2013. In view of above, it was alleged that the Noticee No. 1 made no disclosure to the Company under Regulation 13(3) read with 13(5) of the PIT Regulation and made delayed disclosure under Regulation 13(4) and 13(4A) read with 13(5) of the PIT Regulation to the Company and BSE.*

II. ***Ms. Shetal S. Shah***

Table - 3

Parameters	***Transaction 1***	***Transaction 2***	***Transaction 3***	***Transaction 4***
Date of Transaction	*30.01.2013*	*01.02.2013*	*04.02.2013*	*05.02.2013*
No. and % of shareholding before the date of transaction	*10,10,600 (9.72%)*	*9,65,500 (9.28%)*	*9,60,600 (9.23%)*	*9,10,600 (8.75%)*
Number and Percentage of shares sold	*45,000 (0.43%)*	*5,000 (0.05%)*	*50,000 (0.48%)*	*50,000 (0.48%)*
Trade Value (Rs.)	*79,20,000*	*9,19,000*	*90,96,250*	*89,31,000*
No. and % of shares held after the transaction	*9,65,500 (9.28%)*	*9,60,600 (9.23%)*	*9,10,600 (8.75%)*	*8,60,600 (8.27%)*
Due date of compliance	*01.02.2013*	*05.02.2013*	*06.02.2013*	*07.02.2013*
Disclosures Required under PIT Regulation	*13(4A)*	*13(4A)*	*13(4A)*	*13(4A)*
Regulation under which disclosure has been made by client	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*
Date of receipt of disclosures by BSE	*25.02.2013*	*25.02.2013*	*25.02.2013*	*25.02.2013*
Observations w.r.t Non-compliances by entities under PIT Regulations	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*

i. *From the above table 3, it was observed that the Noticee No. 2 sold shares of the Company on January 30, 2013, February 01, 2013, February 04, 2013 and February 05, 2013, and the value of the shares sold by the Noticee No. 2 was in excess of Rs 5 Lakhs on all 4 occasions. Accordingly, in terms of Regulation 13(4A) read with 13(5) of the PIT Regulation, the Noticee No. 2 was under the obligation to make disclosure to the Company and BSE within 2 days of such sale of shares.*

ii. *It was observed that the Noticee No. 2 made disclosure under Regulation 13(4A) to BSE on February 25, 2013 w.r.t. aforesaid 4 transactions. In view of above, it was alleged that the Noticee No. 2 made delayed disclosure under Regulation 13(4) and 13(4A) read with 13(5) of the PIT Regulation to the Company and BSE.*

III. Mr. Vishal S. Shah

Table - 4

Parameters	***Transaction 1***	***Transaction 2***	***Transaction 3***	***Transaction 4***
Date of Transaction	*30.01.2013*	*01.02.2013*	*04.02.2013*	*05.02.2013*
No. and % of shareholding before the date of transaction	*8,00,000 (7.69%)*	*7,55,000 (7.26%)*	*7,50,000 (7.21%)*	*7,00,000 (6.73%)*
Number and Percentage of shares sold	*45,000 (0.43%)*	*5,000 (0.05%)*	*50,000 (0.48%)*	*50,000 (0.48%)*
Trade Value (Rs.)	*78,21,750*	*9,19,000*	*90,96,250*	*88,98,000*
No. and % of shares held after the transaction	*7,55,000 (7.26%)*	*7,50,000 (7.21%)*	*7,00,000 (6.73%)*	*6,50,000 (6.25%)*
Due date of compliance	*01.02.2013*	*05.02.2013*	*06.02.2013*	*07.02.2013*
Disclosures Required under PIT Regulation	*13(4A)*	*13(4A)*	*13(4A)*	*13(4A)*
Regulation under which disclosure has been made by client	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*	*13(4A) of PIT Regulations*
Date of receipt of disclosures by BSE	*25.02.2013*	*25.02.2013*	*25.02.2013*	*25.02.2013*
Observations w.r.t Non-compliances by entities under PIT Regulations	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*	*Delayed Disclosures to BSE u/r 13(4A)*

i. *From the above table 4, it was observed that the Noticee No. 3 sold shares of the Company on January 30, 2013, February 01, 2013, February 04, 2013 and*

February 05, 2013, and the value of the shares sold by the Noticee No. 3 was in excess of Rs 5 Lakhs on all 4 occasions. Accordingly, in terms of Regulation 13(4A) read with 13(5) of the PIT Regulation, the Noticee No. 2 was under the obligation to make disclosure to the Company and BSE within 2 days of such sale of shares.

ii. *It was observed that the Noticee No. 3 made disclosure under Regulation 13(4A) to BSE on February 25, 2013 w.r.t. aforesaid 4 transactions. In view of above, it was alleged that the Noticee No. 3 made delayed disclosure under Regulation 13(4) and 13(4A) read with 13(5) of the PIT Regulation to the Company and BSE.*

IV. ***Ms. Jyotsna S. Shah***

Table - 5

Parameters	***Transaction 1***
Date of Transaction	*06.02.2013*
No. and % of shareholding before the date of transaction	*2,00,000 (1.92%)*
Number and Percentage of shares sold	*9,000 (0.09%)*
Trade Value (Rs.)	*15,52,500*
No. and % of shares held after the transaction	*1,91,000 (1.84%)*
Due date of compliance	*08.02.2013*
Disclosures Required under PIT Regulation	*13(4A)*
Regulation under which disclosure has been made by client	*13(4A) of PIT Regulations*
Date of receipt of disclosures by BSE	*25.02.2013*
Observations w.r.t Non-compliances by entities under PIT Regulations	*Delayed Disclosure to BSE u/r 13(4A)*

i. *From the above table 5, it was observed that the Noticee No. 4 sold shares of the Company on February 06, 2013, and the value of the shares sold by the Noticee No. 4 was in excess of Rs 5 Lakhs. Accordingly, in terms of Regulation 13(4A) read with 13(5) of the PIT Regulation, the Noticee No. 4 was under the obligation to make disclosure to the Company and BSE within 2 days of such sale of shares.*

ii. *It was observed that the Noticee No. 4 made disclosure under Regulation 13(4A) to BSE on February 25, 2013 w.r.t. aforesaid transaction. In view of above, it was alleged that the Noticee No. 4 made delayed disclosure under Regulation 13(4) and 13(4A) read with 13(5) of the PIT Regulation to the Company and BSE.*

Persons Acting in Concert (PACs) belonging to Promoter Group: *An analysis of shares sold by acquirers i.e. Persons Acting in Concert (PACs) belonging to Promoter*

Group of the Company viz. Noticees No. 1 to 4 and Mr. Yatin G. Shah (Noticee No. 5) and subsequent disclosures made by them under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 (hereinafter referred as "SAST Regulations") was carried out and observations regarding the same were as follows:

a. Disposals of shares by Noticees No. 2 and 3

i. *Noticees No. 2 and 3 sold shares of the Company during the investigation period and the details of such transactions by the Noticees No. 2 and 3 is as follows:*

Table - 6

Date of Transaction	No. of shares of Company sold by promoters		Day wise shares sold by promoters	Cumulative no. of shares sold by promoters	% of Cumulative No. of Shares Sold to Total Shares of Company
	Shetal S. Shah	Vishal S. Shah			
30.01.2013	45,000	45,000	90,000	90,000	0.87
01.02.2013	5,000	5,000	10,000	1,00,000	0.96
04.02.2013	50,000	50,000	1,00,000	2,00,000	1.92
05.02.2013	50,000	50,000	1,00,000	3,00,000	**2.88**

ii. *Prior to sale of shares by the Noticees No. 2 and 3 as above, the shareholding of the Promoters acting in concert was 32,00,000 shares (30.77%). It was observed from above table 6 that such sale of shares by Noticee No. 2 and 3 resulted in change in shareholding of the PACs belonging to promoter group in the Company from 32,00,000 shares (30.77%) to 29,00,000 (27.88%) i.e. 2.88% of their shareholding in the Company during the investigation period.*

iii. *The aforesaid disposal of shares by the Noticees No. 2 and 3 resulted in change of more than 2% of shareholding of PACs in the Company and therefore, in terms of provisions of Regulation 29(2) read with 29(3) of the SAST Regulations, the Noticees No. 1 to 5 were required to make disclosures to the Company and BSE regarding such disposal of shares.*

b. Acquisitions of shares by Noticee No. 1

i. *Prior to acquisitions of shares by the Noticee No. 1, the shareholding of the Promoters acting in concert was 28,91,000 shares (27.80%). It was observed that Noticee No. 1 acquired 2,75,097 shares (2.64%) of the Company on March 12, 2013, which resulted in change of shareholding of the PACs belonging to promoter group in the Company from 28,91,000 shares (27.80%) to 31,66,097 (30.44%) during the investigation period. Similarly, Noticee No. 1 acquired 2,25,000 shares (2.16%) of the Company on March 25, 2013, which resulted in change of* *shareholding of the PACs belonging to promoter group in the Company from 31,66,097 (30.44%) to 33,91,097 (32.60%) during the investigation period.*

ii. *The aforesaid acquisitions of shares by the Noticee No. 1 resulted in change of more than 2% of shareholding of PACs in the Company and therefore, in terms of provisions of Regulation 29(2) read with 29(3) of the SAST Regulations, the Noticees No. 1 to 5 were required to make disclosures to the Company and BSE regarding such acquisitions.*

c. *In view of above observations, it was alleged that the Noticees No. 1 to 5 (hereinafter together referred as 'Noticees'), being PACs have failed to make disclosures to the Company and BSE under Regulation 29(2) read with 29(3) of the SAST Regulations regarding:*

   i. *their disposals dated February 05, 2013; and*
   ii. *their acquisitions dated March 12, 2013 and March 25, 2013.*

8. The SCN was sent to Noticees through Speed Post Acknowledgement Due (herein after referred to as "**SPAD"**) dated February 22, 2021. SCN sent through SPAD was duly served upon them. Noticees 1 and 4, vide letters dated May 17, 2021, submitted reply to SCN. Noticees 2 and 5, vide letters dated May 27, 2021, submitted reply to SCN. Vide letter dated May 26, 2021, Noticee 3 submitted reply to SCN.

9. Vide email dated May 28, 2021, an opportunity of personal hearing was granted to Noticees on June 09, 2021. However, the said hearing was postponed. Subsequent to appointment of undersigned as Adjudicating Officer, vide hearing notice (HN) dated February 24, 2022, an opportunity of personal hearing were granted to Noticees on March 10, 2022. The aforesaid HN was sent to Noticees through SPAD as well as through digitally signed email and was duly served upon Noticees. On the scheduled date of hearing, M/s R.V. Legal, Authorised Representatives (**AR**) of Noticees made submissions on the lines of earlier replies filed by Noticees.

10. On perusal of the replies submitted by Noticees 1 to 5, I note that Noticees had made certain identical submissions. The extract of similar replies filed by Noticees are summarized as under:
    a) *Noticees denied the allegation levelled against them.*
    b) *The SCN issued on February 22, 2021 after a delay of about 8 to 9 years from the date of impugned transaction in question has caused great prejudice to them. Presently they are not in a position to defend themselves appropriately as they are*

unable to trace 8 to 9 year old records regarding the delayed disclosure, if any and records relating to the disclosures made to the Company.

c) *Noticees had made necessary disclosures to the company in terms of Regulation 13(4)/ 13(4A) read with Regulation 13(5) of PIT Regulations, 1992. The company had made disclosures to Exchange in terms of Regulation 13 (6) of PIT Regulations.*

d) *To support their contention w.r.t. delay in initiating proceedings, Noticees submitted the judgment of Hon'ble Supreme Court of India in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim (1997) 6 SCC 71,Hon'ble Securities Appellate Tribunal ("**SAT"**) judgment in the matter of HB Stockholdings Ltd. v. SEBI dated August 27, 2013, Rakesh Kathotia & Ors. Vs. SEB in Appeal No. 7 of 2016 dated May 27, 2019, Ashok Shivlal Rupani & Anr. v. SEBI dated August 22, 2019, Libord Finance Ltd. v. Whole Time Member, SEBI dated March 03 2008, Anita Jajodia and Sabita Jajodia v. SEBI dated January 21, 2021, Anil kumar Nandkumar Harchandani & Anr. v. AO, dated December 05, 2019,Mr. Rajeev Banot, Mrs. Rekha Bhanot, Ms. Tania Bhanot, Ms. Aditi Bhanot, Mr. Arun Soni, Mrs. Roma Soni, Mr. Punit Soni v/s. SEBI(Appeal no. 396 of 2018) dated July 09, 2021, Mr. Vijay Sharma v/s. SEBI(Appeal no. 405 of 2018) dated July 09, 2018 and Mrs. Shruti Sharma v/s. SEBI(Appeal no. 562 of 2019) dated July 09, 2021 ,*

e) *The fact that the Noticees were a promoter of the company and their percentage of shareholding of the equity capital of Sawaca were always in the public domain.*

f) *Noticees admitted to the default, stating that the delayed disclosure on part of Noticees 1 were not deliberate.*

g) *Their shareholding in SBL has not changed since the impugned acquisitions/disposals.*

h) *Subsequent to acquisition /disposal of shares, they had made the relevant disclosure and submitted documents to BSE through email and a letter to BSE enclosing Form D. The Form D available on BSE website, it is quite clear that they had made disclosure at relevant time and has not violated any compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.*

i) *Noticees in their reply admitted that the delay in making disclosures is of no significance or even at the relevant time pertaining to the transactions carried out in the month of January 2013, February 2013 and March 2013.*

j) *Noticees in their replies admitted that the delay was inadvertent and unintentional and no wrongdoing can be attributed to the same after a delay of two to three days of disclosure from the due date of compliance as mentioned in the SCN. They* *had couriered the documents via Speed Post Receipts to BSE. Noticees furnished a copies of Speed Post Receipts to support their contention.*

k) *They had obtained pre clearance of trades from the Compliance Officer of the Company.*

l) *The delay if any in submission of disclosure was inadvertent and unintentional.*

m) *They had not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise and no loss has been caused to any investor or group of investors as a result of the default.*

n) *Noticees in their replies submitted a judgment of Hon'ble SAT in the matter of P. G. Electroplast Ltd. & Ors. V. SEBI in Appeal no. 281 of 2017, order dated February 02, 2019, for the imposition of the penalty. Further, Noticees quoted judgment of SEBI Adjudication Order viz. Adjudication order no. EAD-2/AO/DSR/BKM/647/2017 dated June 30, 2017, in the matter of Rathi Bars Limited; Adjudication order no.EAD-12/SM/217-222/2018 dated March 15, 2018, in the matter of Inanna Fashion and Trends Limited (earlier lmown as Frontline Business Solutions Limited); Adjudication Order No. RA/JP/310-319/2018, dated March 21, 2018, in the matter of Tricom Fruit Products Limited; Adjudication Order No. EAD-PM-RR/AO/53-56/2017-18 dated March 22, 2018, in the matter of Marg Limited, wherein penalty were imposed in the range of Rs. 1,00,000 to Rs. 3,00,000/- for disclosures violations.*

o) *Noticees contended that at the time of acquisition of shares they had made the relevant disclosures to the company under Regulation 13 (4A) of the PIT Regulation and in turn the said disclosures were made by the company to the stock exchanges. The disclosure under Regulation 13(4) and 13(4A) of PIT Regulations was made by the Noticee and subsequent disclosures were made under PIT to the stock exchange by company. Therefore, admittedly the relevant disclosures were available in the public domain at the relevant time.*

p) *Noticees requested to drop the proceedings and not to impose any penalties on them.*

11. Additional replies submitted by Noticees 1, 2,3 and 5 are summarized below:

Reply of Noticees 2 and 3

a) *W.r.t. allegation regarding Person Acting in Concern (PACs) as mentioned in SCN, having made disclosures under PIT, they were under impression that they had made all required disclosures. There was no intention to hide anything. The sell* *trades were bonafide, and on the floor of the exchange and quantum was miniscule.*

b) *The disclosures by PAC if any can be done by either of the entity constituting PACs and all PACs cannot be held liable for the same. In the present case the Promoter group consisted of 5 individuals viz deemed (PACs) Mr. Satish Shah [Noticee 1], Mr. Shetal Shah [Noticee 2], Mr. Vishal Shah [Noticee 3], Ms. Jyotsna Shah [Noticee 4] and Mr. Yatin Shah [Noticee 5]. For acquisition by one of the entity, other entities cannot be held liable for the purported disclosures. To support their contention Noticees 2 and 3 had placed reliance on the judgment passed by Hon'ble SAT in the matter of Ms. Indumati Raman vs. SEBI Appeal no. 280 of 2014 passed on 20th November 2015.*

Reply of Noticee 5

a) *The disclosures by PAC if any can be done by either of the entity constituting PACs and all PACs cannot be held liable for the same. In the present case the Promoter group consisted of 5 individuals viz deemed (PACs) Mr. Satish Shah [Noticee 1], Mr. Shetal Shah [Noticee 2], Mr. Vishal Shah [Noticee 3], Ms. Jyotsna Shah [Noticee 4] and Mr. Yatin Shah [Noticee 5].*

b) *He was not aware about the shares acquired by Mr. Satish Shah [Noticee 1] on 12th March 2013 and 25th March 2013 and also shares sold by Mr. Shetal Shah [Noticee 2] and Mr. Vishal Shah [Noticee 3] on 30th January 2013, 01st February 2013, 04th February 2013, 05th February 2013 and by Ms. Jyotsna Shah [Noticee 4] on 06th February 2013.*

c) *For acquisition of shares by one of the entity, other entities cannot be held liable for the purported disclosures. The promoter group holding related disclosures were already made by the company for the quarter ended March 2013.*

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

12. I have carefully perused the charges levelled against Noticees, replies/submissions filed by them and other documents/ evidence available on record. The issues that arise for consideration in the present case are:

Issue No.-1:- Whether:

a. Noticee 1 has violated Regulations 13(3), 13(4), 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015?

b. Noticees 2 to 4 have violated Regulation 13(4), 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations?

c. Noticees 1 to 5 have violated Regulation 29(2) read with 29(3) of SAST Regulations?

Issue No. 2:- Do the violations, if any, attract monetary penalty under Section 15A (b) of SEBI Act?

Issue No. 3:- If so, what should be the quantum of monetary penalty?

13. Before moving forward, it is pertinent to refer to the relevant provisions of the PIT Regulations, 1992 read with PIT Regulations 2015 and SAST Regulations which are reproduced as under:

"

PIT Regulations, 1992

Continual Disclosure

13. (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.*

13. (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 lakh 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 lakh 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.*

<u>PIT Regulations, 2015</u>

Repeal and Savings

12(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.

<u>SAST Regulations, 2011</u>

Disclosure of acquisition and disposal

29. (2) *Any acquirer, 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 every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such 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."

14. Before going into the merits, I would like to first deal with the preliminary objection raised by Noticees w.r.t. delay in initiating proceedings. Noticees, in their replies, have contended that the allegations framed in the SCN relate to the investigation period, i.e., from September 01, 2011 to February 29, 2012 and from September 06, 2012 to March 31, 2013 and the SCN was issued on February 22, 2021, i.e. after a delay of about 8 to 9 years from the date of impugned transactions. This long delay had prejudiced the ability of the Noticees to adequately respond to the SCN since the documents/ facts pertaining to the alleged non-disclosure by Noticees were not readily available with them and, they were not able to trace the 8 years old records. Noticees, in their replies, have relied on the judgment of Hon'ble Supreme Court of India in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim(1997), Hon'ble Securities Appellate Tribunal ("**SAT"**) order dated August 27, 2013 in the matter of HB Stockholdings ltd. v/s. SEBI, Hon'ble SAT order in the matter of Rakesh Kathotia & Ors. v/s. SEBI in Appeal no. 7 of 2016 dated May 27, 2019, Hon'ble SAT order dated January 21, 2021 in the matter of Anita Jajodia and Sabita Jajodia v/s. SEBI dated January 21, 2021, Hon'ble SAT order in the matter of Anil Kumar Nandkumar Harchanandani & Anr. v/s. AO dated December 05, 2019 and Hon'ble SAT order in the matter of Libord Finance Ltd. v/s. Whole Time Member SEBI dated March 03, 2008 w.r.t. delay in initiating proceedings.

15. In this regard, I note from the material available on record that investigation in the present matter was initiated in the month of March 2015. During the course of investigation, SEBI had gathered information from BSE, company, Registrar and Share transfer agent etc. During the course of investigation, SEBI had also sought replies from Noticees 1 and 3 regarding compliance status of their disclosures under PIT Regulations, 1992 to which they had furnished their replies through email. After the fact finding, investigation was completed in the month of September 2015. After completion of investigation, Shri S.V. Krishna Mohan was appointed as the Adjudicating Officer by SEBI vide order dated November 30, 2015. However, from the material available on record, I note that appointment of Shri S.V. Krishna Mohan was not communicated to

him. Later on, Shri Amit Pradhan was appointed as Adjudicating Officer vide order dated December 24, 2020, which was communicated to him vide communique dated January 14, 2021. Thus, I note that there was a delay in appointment of Adjudicating Officer due to some procedural lapse. Subsequent to appointment of Shri. Amit Pradhan, SCN in the matter had been issued on February 22, 2021. After issuance of SCN, adequate opportunities were granted to Noticees to represent their case. I further note that Noticees were provided relevant details w.r.t. trading by all promoters entities viz. Noticees 1 to 4 in the scrip of company, replies received from Noticees 1 and 3 and company in respect of their disclosures for trading in the scrip of company, replies received from BSE as a part of Annexure to SCN. Noticees were also informed in the SCN that, "*Wherever authentic delivery proofs of disclosures has not been provided by the Noticees/Company, reliance has been placed on replies of BSE in respect of disclosures made by the Noticees. Accordingly, dates of receipt of disclosures by BSE are considered as dates of compliances under provisions of the PIT Regulations and the SAST Regulations."* I note that Noticees 1 and 3 had filed replies to SEBI's queries in the month of March 2015 in respect of queries raised by SEBI. Further, in the present adjudication proceedings, Noticees 1 to 5 have also filed replies along with certain documentary proof with regard to the allegations levelled against them in the SCN. Thus, looking at the material available at the disposal of the Noticees, I find that Noticees have been provided with all the material that would have been abundantly adequate to facilitate recollection of events or collection of relevant data and thereby enabling them to form a definite defense to the charges in the SCN, which Noticees have provided through their individual replies/ submissions.

16. Now I proceed to deal with the case on merits. The first issues for consideration are whether:
    a. Noticee 1 has violated the Regulations 13(3), 13(4), 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015?
    b. Noticees 2 to 4 have violated Regulation 13(4), 13(4A) read with 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015?
    c. Noticees 1 to 5 have violated Regulation 29(2) read with 29(3) of SAST Regulations?

Allegations w.r.t. PIT Regulations:-

17. I note from the material available on record that during the period of investigation, Noticees 1 to 4 had transacted in the shares of Sawaca. The details of transactions

by Noticees and the status with respect to disclosures to be made under PIT Regulations, 1992 read with PIT Regulations, 2015 is given below:-

Date of transaction	No. and % of shareholding before the date of transaction	No. and % of shares acquired (B)/ sold(S)	Trade Value (Rs.)	No. and % of shares held after the transaction	Disclosures Required under PIT Regulation	Regulation under which disclosure has been made	Date of receipt of disclosures by BSE
(1) Satish Ramanlal Shah – Promoter-Director of company							
12/03/2013	**10,93,092 (10.51%)**	**2,75,097 (B) (2.64%)**	10426176	13,68,189 **(13.15%)**	**13(3) of PIT Regulations** for crossing 2% when already holding more than 5%, **13(4), (4A) of PIT Regulations** since the change exceeds Rs. 5 lakh in value	13(4), 13(4A) of PIT Regulations	18/03/2013
25/03/2013	**13,68,189 (13.15%)**	**2,25,000 (B) (2.16%)**	7155000	15,93,189 **(15.31%)**		13(4), 13(4A) of PIT Regulations	06/04/2015
(2) Shetal Satish Shah – Promoter of company							
30/01/2013	**10,10,600 (9.72%)**	**45,000 (S) (0.43%)**	7920000	965600 **(9.28%)**	**13(4A) of PIT Regulations** since the change exceeds Rs. 5 lakh in value	13(4A) of PIT Regulations	25/02/2013
01/02/2013	**9,65,600 (9.28%)**	**5,000 (S) (0.05%)**	919000	9,60,600 **(9.23%)**		13(4A) PIT Regulations	25/02/2013
04/02/2013	**9,60,600 (9.23%)**	**50,000 (S) (0.48%)**	9096250	9,10,600 **(8.75%)**		13(4A) PIT Regulations	25/02/2013
05/02/2013	**9,10,600 (8.75%)**	**50,000 (S) (0.48%)**	8931000	8,60,600 **(8.27%)**		13(4A) PIT Regulations	25/02/2013
(3) Vishal Satish Shah – Promoter of company							
30/01/2013	**8,00,000 (7.69%)**	**45,000 (S) (0.43%)**	7821750	7,55,000 **(7.26%)**	**13(4A)** of PIT Regulations since the change exceeds Rs. 5 lakh in value	13(4A) of PIT Regulations	25/02/2013
01/02/2013	**7,55,000 (7.26%)**	**5,000 (S) (0.05%)**	919000	7,50,000 **(7.21%)**		13(4A) of PIT Regulations	25/02/2013
04/02/2013	**7,50,000 (7.21%)**	**50,000 (S) (0.48%)**	9096250	7,00,000 **(6.73%)**		13(4A) of PIT Regulations	25/02/2013
05/02/2013	**7,00,000 (6.73%)**	**50,000 (S) (0.48%)**	8898000	6,50,000 **(6.25%)**		13(4A) PIT Regulations	25/02/2013
(4) Jyostsna Satish Shah – Promoter of company							
06/02/2013	**200000 (1.92%)**	**9,000 (S) (0.09%)**	1552500	1,91,000 **(1.84%)**	**13(4A)** of PIT Regulations since the change exceeds Rs. 5 lakh in value	13(4A) of PIT Regulations	25/02/2013

18. From the aforesaid table, I note that before March 12, 2013, Noticee 1 was holding 10,93,092 i.e.10.51% of total share capital of the company. On March 12, 2013, Noticee 1 acquired 2,75,097 shares i.e. 2.64% of total share capital of the company. As the

shareholding of Noticee 1 crossed 2% of the total share capital, in terms of Regulation 13(3) of PIT Regulations, 1992 read with Regulation 13(5) of PIT Regulations, 1992, he was required to make necessary disclosures to the company within 2 days from the date of such transactions.

19. Noticee 1, in his reply, has contended that he was unable to find the records as more than 8 years had been passed from the impugned transactions. In this regard, I note from the letter submitted by company to SEBI on March 21, 2015, in response to SEBI's email dated March 15, 2015 that the Company had not received any disclosure from Noticee 1 under Regulation 13(3) read with Regulation 13(5) of PIT Regulations, 1992 with respect to transactions carried out by Noticee 1 on March 12, 2013 and March 25, 2013. Further, I note from the material available on record that, during the course of investigation, SEBI had sought information from Noticee1, w.r.t. disclosures made by him under PIT Regulations for the acquisition of 2,25,000 shares in March 2013. In this regard, Noticee 1, vide his letter dated March 19, 2015, provided a copy of letter dated March 26, 2013 addressed to BSE Listing Department, therein submitting "Form D" under Regulation 13(4),13(4A) and 13(6) of PIT Regulations,1992. However, I note that in the aforesaid reply to SEBI, Noticee 1 failed to provide any documentary evidence to SEBI which showed that disclosures had been made by Noticee 1 to company under Regulation 13(3) read with Regulation 13(5) for the transaction of 2,25,000 shares. Therefore, I find that Noticee 1 had furnished a reply as regards the compliance with disclosure requirements under Regulation 13(3) read with Regulation 13(5) of PIT Regulations with respect to the aforesaid transactions of 2,25,000 shares, in the year 2015. I also note that a copy of the aforesaid reply has been provided to Noticee 1 as a part of Annexure to SCN. Therefore, I find no merit in the contention of Noticee 1 that he is unable to defend himself as regards the disclosures made to the company on account of unavailability of records due to passage of time in respect of transactions carried out on March 25, 2013. Therefore, I find that the allegation levelled against Noticee that he has violated Regulation 13(3) read with Regulation 13(5) of PIT Regulations read with Regulation 12(2) of PIT Regulations, 2015 stands established for the transactions carried out on March 25, 2013. W.r.t. transactions carried out by Noticee 1 on March 12, 2013, considering the passage of time, I am inclined to accept the contention raised by Noticee 1 that he is unable to defend himself as regards the disclosures made to the company on account of unavailability of records due to delay. Therefore, I am not inclined to proceed further with respect to the allegation against Noticee 1 that he has violated Regulation 13(3) read with Regulation 13(5), 1992 read

with Regulation 12(2) of PIT Regulations, 2015 in respect of his transactions carried out on March 12, 2013.

20. I note that the value of shares acquired by Noticee 1 on March 12, 2013 was Rs. 1,04,26,176/- i.e. in excess of Rs. 5,00,000/-. I also note from available records that Noticee was a promoter as well as director of the company at the relevant time. Therefore, for the shares acquired on March 12, 2013, in terms of Regulation 13(4) read with Regulation 13(5) of PIT Regulations, 1992, as a director of the company, Noticee 1 was required to make necessary disclosures to company as well as to the Exchange and in terms of Regulation 13(4A) read with Regulation 13(5) of PIT Regulation, 1992, as a promoter of the company, Noticee 1 was required to make necessary disclosures to the Company and Exchange under the aforesaid regulations within 2 working days of the transaction. However, I note from the material available on record that Noticee 1 made necessary disclosures under Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulation, 1992 to Exchange on March 18, 2013. Thus, I find that there was a delay on the part of Noticee 1 in making requisite disclosures under Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulation, 1992 to Exchange for the transaction carried out on March 12, 2013. Similarly, I note that on March 25, 2013, Noticee 1 acquired 2,25,000 shares of the company and the value of such transactions was Rs. 71,55,000/- which was in excess of Rs.5,00,000/- Therefore, I note that in terms of Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations, 1992, Noticee 1 was required to make necessary disclosures to the company and Exchange within two working days from March 25, 2013. From the documents available on record, I note that Noticee 1 had made necessary disclosures to Exchange on April 06, 2015 for the shares acquired on March 25, 2013. Thus, I note that there was a delay on the part of Noticee 1 in making requisite disclosures under Regulations 13(4), 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 to Exchange for the transaction on March 25, 2013.

21. In case of Noticees 2 and 3, I note that on January 30, 2013, February 01, 2013, February 04, 2013 and February 05, 2013, Noticees 2 and 3 sold 45,000, 5000, 50,000 and 50,000 shares each of Sawaca, respectively and the value of each of the transactions was in excess of Rs.5,00,000/-. From available records, I note that Noticees 2 and 3 were promoters of the company at the relevant time and therefore, were required to make necessary disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 within 2 working days from the date of such transactions. I note that for the transactions executed on January 30, 2013, February

01, 2013, February 04, 2013 and February 05, 2013, necessary disclosures under aforesaid regulations were made by Noticees 2 and 3 to Exchange on February 25, 2013. Thus, I note that there was a delay on the part of Noticees 2 and 3 in making requisite disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 to Exchange for the aforesaid transactions.

22. W.r.t. Noticee 4, I note that before February 06, 2013, Noticee 4 was holding 2,00,000 shares i.e. 1.92% of total share capital of the company. On February 06, 2013, Noticee 4 sold 9,000 shares amounting to Rs. 15,52,500/- which was in excess of Rs. 5,00,000/- .I note from the material on record that Noticee 4 was a promoter of the company at the relevant time and therefore was required to make necessary disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 within 2 working days from the date of such transaction. However, I note that Noticee 4 made the requisite disclosure to Exchange on February 25, 2013. Thus, there was a delay on the part of Noticee 4 in making disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 to Exchange for the aforesaid transactions.

23. From the replies submitted by Noticees 1 to 4, I note that they have not disputed the impugned transactions carried out by them in the scrip of Sawaca. Further, I note that while Noticees 1 to 4 in their submissions have initially denied the allegations against them, they have subsequently admitted that there was a delay in making necessary disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 by them. In their submissions, Noticees 1 to 4 have admitted to the delay stating that delay made by them in submitting disclosures were inadvertent and unintentional and the said delay had no significance.

24. I note that although Noticees 1 to 4 have admitted to the default as stated earlier in the order, they have also contended that the shareholding pattern of the company for the quarter ended March 2013 was available on the public domain and the number of shares along with the percentage of total shares held by them as on March 31, 2013 was available publicly. In this regard, I note that under the aforesaid regulations under PIT Regulations, 1992, requisite disclosures are to be made based on every event of either acquisition or disposal of securities in excess of the limits specified therein in terms of number/value/percentage. I find from the language of Regulations 13(3), 13(4) and 13(4A) of PIT Regulations, 1992 that persons/director/promoter/person forming part of promoter group of a listed company have to make continuous disclosure in Form C or Form D, as the case may be to the company and to the stock exchange, of the

shares held and changes thereof, if any, to disclose to the company and to the stock exchange if the change exceeds the limits stated in the said regulation and the said regulation brooks no exception from this mandatory obligation. Therefore, I do not find any merit in this contention raised by Noticees 1 to 4.

25. I note that Noticees 1 to 4, in their replies have also contended that for the transactions carried out by them, they had submitted the documents to the company, however, considering that the impugned transactions pertains to 8 to 9 years old, they were unable to find the old records and they should not be held liable for that. In this regard, it has been noted in the earlier part of the order that there was a delay in initiating proceedings against Noticees. Further, from the reply submitted by the company to SEBI on March 21, 2015, I note that the company had acknowledged receipt of disclosures under Regulations 13(4A) of PIT Regulations, 1992 from Noticees 1 to 4 and under Regulation 13(4) of PIT Regulations, 1992 from Noticee 1. I also note that all these disclosures were made by Noticees 1 to 4 within the stipulated time period as specified in Regulation 13(5) of PIT Regulations, 1992. Therefore, I find that allegation levelled against Noticees 1 to 4 that they had made delayed disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 read with Regulations 12(2) of PIT Regulations, 2015 to the company does not stand established. Similarly, I find that the allegation levelled against Noticee 1 for making delayed disclosures under Regulation 13(4) read with Regulation 13(5) of PIT Regulations, 1992 read with Regulations 12(2) of PIT Regulations, 2015 to the company does not stand established.

26. Noticees 1 to 4 in their replies have further contended that they had submitted Form-D, under PIT Regulations, 1992 to BSE. In their submissions, Noticees 1 to 4 have stated that copies of emails sent to BSE along with Form D was attached as "*Annexure-C*" to their replies. On perusal of "Annexure-C" provided as an attachment to the replies filed by Noticees 1 to 4, I note that the said annexure contains copies of letters addressed to BSE, Listing Department enclosing Form D for the transactions carried out by them for making disclosures under Regulation 13(4)/13(4A) and 13(6) under PIT Regulations, 1992 and not the emails. Since Noticees 1 to 4 have not provided copies of emails sent to BSE as claimed by them, I am unable to accept their defense that they had complied with the disclosure requirements under Regulations 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations, 1992.

27. Noticee 1, in his reply, has stated that he had couriered the documents to BSE through Speed Post receipt number EG109483460IN and EG15314059IN, for the transactions carried out by him on March 12, 2013 and March 25, 2013, respectively. On perusal of the Speed Post Receipts and letters addressed to BSE, I note that for the transactions carried out on March 12, 2013, Noticee 1 had couriered the documents to BSE on March 16, 2013 , which was received by BSE on March 18, 2013. Thus, I note that the dispatch of disclosure information itself was done by Noticee 1 beyond the stipulated time period in terms of Regulation 13(4) and Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992. I note that for the transactions carried out on March 25, 2013, Noticee 1 had couriered the documents to BSE on March 26, 2013. However, I note that the documents were received by BSE on April 06, 2015, i.e., after considerable delay. In this regard, I note that requisite disclosures are to be made within the stipulated time in terms of the aforesaid Regulations and merely dispatching a letter cannot be considered as a compliance with the aforesaid Regulations. In this regard, I place reliance on the judgment passed by Hon'ble SAT in the matter of Mega Resources Ltd. v. SEBI (Appeal No. 49/2001 dated March 19, 2002) wherein Hon'ble SAT has held that, *"........the regulation is not simply on sending the information, it requires disclosure. Mere dispatch of the information is short of the said requirement..... Regulation 7(1) requires the acquirer to disclose the aggregate of this holding... Thus the requirement is that the information should reach the person to whom it is meant. The obligation does not end by simply posting the information in a letterbox... I am not inclined to view that by posting a letter under certificate of posting, stating the shareholding by itself is sufficient compliance of regulation 7(1). In my view the Appellant has failed to comply with the requirement of regulation 7(1), for the reason that it has failed to make the disclosure of the requisite information*". I note that BSE has acknowledged that the requisite disclosures were received from Noticee 1 under Regulation 13(4), Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on March 18 2013 and April 06, 2015 for the transactions executed on March 12, 2013 and March 25, 2013 respectively, which was much later than the stipulated time period under the aforesaid Regulations. I further note that Noticee 1 in his reply has also admitted that there has been delay in making necessary disclosures under the aforesaid regulations. Therefore, I find that this contention of Noticee 1 does not stand.

28. I note that Noticees 2 and 3, in their replies, have similarly contended that they had couriered the documents to BSE on February 21, 2013, i.e. through Speed Post receipt number EG159153596IN by Noticee 2 and EG159153596IN by Noticee 3 for the transactions carried out by them on January 30, 2013, February 01, 2013, February 04,

2013 and February 05, 2013 respectively. On perusal of the Speed Post Receipts, I note that the dispatch of disclosure information were made much beyond the stipulated time period for disclosure as specified under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 and this fact of delayed disclosures has also been admitted to by Noticees 2 and 3 in their replies. I note that BSE has acknowledged that the requisite disclosures were received from Noticees 2 and 3 under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on February 25, 2013, which was much later than the stipulated time period under the aforesaid Regulations. Therefore, I do not find merit in these contentions.

29. I note that Noticee 4, in her reply, has contended that for the transaction carried out by her on February 06, 2013, she had couriered the document to BSE via Speed Post Receipt No. EG159153551IN on February 21, 2013. I note from available records that the aforesaid information was received by BSE on February 25, 2013. On perusal of the Speed Post Receipt, I note that the dispatch of disclosure information by Noticee 4 was made much beyond the stipulated time period for disclosures as specified under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 and this fact of delayed disclosures have been admitted to by Noticee 4 in her reply. I note that BSE has acknowledged that the requisite disclosures were received from Noticee 4 under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 on February 25, 2013, which was much later than the stipulated time period under the aforesaid Regulations. I, therefore, am not inclined to agree with this contention of Noticee 4.

30. It has also been alleged in the SCN that Noticees 2 to 4 have violated Regulation 13(4) read with Regulation 13(5) of PIT Regulations, 1992 for the aforesaid respective transactions by them. In this regard, I note that Regulation 13(4) read with Regulation 13(5) of PIT Regulations, 1992, requires every director of the company to make requisite disclosures within the stipulated time to the company and exchange for breaching the limits specified therein. From the material placed on record, I find that there is no evidence to establish that Notices 2 to 4 were directors of the company at the time of the impugned transactions. Therefore, I find that the aforesaid allegation of Noticees 2 to 4 violating Regulation 13(4) read Regulation 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015 does not stand against Noticees 2 to 4.

31. In view of the foregoing, I find that there has been delay in making necessary disclosures as mandated under Regulations 13(4), 13(4A) read with Regulation 13(5)

of PIT Regulations, 1992 to BSE by Noticee 1 and delay in filing disclosures under Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 to BSE by Noticees 2 to 4. In this regard, I note that Hon'ble SAT has consistently held that the obligation to make disclosure within the stipulated time is a mandatory obligation and penalty is imposed for non-compliance of the mandatory obligation. The Hon'ble SAT in its Order dated September 30, 2014, in the matter of Akriti Global Traders Ltd. Vs. SEBI has held 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*."

32. In view of foregoing, I find that the allegation levelled against Noticees 1 to 4 that they had violated Regulations 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 read with Regulation 12(2) of PIT Regulations, 2015 stands established. I also find that the allegation levelled against Noticee1 that he has violated Regulation 13(4) read with Regulation 13(5) of PIT Regulations 1992, read with Regulation 12(2) of PIT Regulations, 2015 stands established in respect of his transactions on March 12, 2013 and March 25, 2013. Further, it has been established that Noticee1 has violated Regulation 13(3) read with Regulation 13(5) of PIT Regulations 1992, read with Regulation 12(2) of PIT Regulations, 2015 in respect of his transactions on March 25, 2013.

Allegations w.r.t. SAST Regulations:-

33. It has been alleged that Noticees, who are Persons Acting in Concert ("**PAC"**), belonging to a promoter group, while transacting in the shares of company failed to make necessary disclosures in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations. Accordingly, it has been alleged that they had violated Regulation 29(2) read with Regulation 29(3) of SAST Regulations.

34. I note from available records that prior to acquisitions of shares by Noticee 1, the shareholding of the PAC was 28,91,000 shares i.e., 27.80% of the total share capital of

the company . I observe that Noticee 1 acquired 2,75,097 shares (2.64% of the total share capital of the company) of the Company on March 12, 2013, which resulted in the shareholding of the PAC to change from 28,91,000 shares to 31,66,097, i.e. from 27.80% to 30.44% of the total share capital of the company during the investigation period. Similarly, Noticee 1 acquired 2,25,000 shares i.e. 2.16% of the total share capital of the company on March 25, 2013, which resulted in the shareholding of the PAC to change from 31,66,097 to 33,91,097 i.e. from 30.44% 32.60% of the total share capital of the company during the investigation period.

35. I note that the aforesaid acquisition of shares by the Noticee 1 resulted in change of more than 2% of shareholding of PAC in the company and therefore, in terms of provisions of Regulation 29(2) read with Regulation 29(3) of the SAST Regulations, Noticees 1 to 5, as PAC, were required to make disclosures to the Company and BSE regarding such acquisitions. I find that there is no evidence on record to demonstrate that Noticees 1 to 5, as PAC, had made the requisite disclosures under Regulation 29(2) read with Regulation 29(3) of the SAST Regulations to BSE for the aforesaid acquisition by Noticee 1.

36. I further note that Noticees 2 and 3 had sold the shares of the company during the investigation period. The details of the same are given below:-

Date of Transaction	**No. of shares of Company sold by promoters**		**Day wise shares sold by promoters**	**Cumulative no. of shares sold by promoters**	**% of Cumulative No. of Shares Sold to Total Shares of Company**
	Shetal S. Shah	**Vishal S. Shah**			
30.01.2013	45,000	45,000	90,000	90,000	0.87
01.02.2013	5,000	5,000	10,000	1,00,000	0.96
04.02.2013	50,000	50,000	1,00,000	2,00,000	1.92
05.02.2013	50,000	50,000	1,00,000	3,00,000	**2.88**

37. I note that prior to sale of shares by the Noticees No. 2 and 3 as above, the shareholding of the PAC was 32,00,000 shares (30.77% of the total share capital of the company). I observe from the above table that such sale of shares by Noticees 2 and 3 resulted in change in shareholding of the PAC from 32,00,000 shares (30.77% of the total share capital of the company) to 29,00,000 (27.88% of the total share capital of the company) i.e. their shareholding in the company reduced by 2.88% on account of the aforesaid transactions. It has been alleged that for the aforesaid disposal of shares, Noticees 1 to 5, as PAC, were required to make disclosures in terms of provisions of Regulation 29(2) read with Regulation 29(3) of the SAST Regulations to the Company and BSE regarding such disposal of shares.

38. I note that Regulation 29 (2) of SAST Regulations specifically mentions about disclosure of acquisition as well as disposal of shares. However, I observe that Regulation 29 (3) of SAST Regulations, as applicable at the time of the impugned transactions, mentions the timelines for disclosures in case of acquisition of shares only and not for disposal of shares. In this regard, I would like to rely on the decision of Hon'ble SAT in **Vizwise Commerce Pvt. Ltd Vs. SEBI (Appeal No. 383 of 2014, decided on January, 28, 2015)**, wherein, the Learned Member of Hon'ble SAT had held as follows:

" It may be pointed out that Regulation 29(3) of SAST Regulations is not in consonance with Regulation 29(2), since Regulation 29(2) requires intimation for every acquisition or disposal, but Regulation 29(3) requires such disclosure "to be made within two days of receipt of intimation of allotment of shares or the acquisition of shares or voting rights in the target company" and there is no time limit for disclosure of disposal of shares or voting rights, although there is a requirement under Regulation 29(2)"

39. I also note that the words "or the disposal" were inserted in Regulation 29 (3) of SAST Regulations by an amendment with effect from September 11, 2018. In this context, I would further like to rely upon judgment of Hon'ble SAT in the matter of the **Ravi Mohan vs. SEBI (Appeal No. 97 of 2014, decided on December 16, 2015**) involving the interpretation of provisions of Regulation 7 (1A) of the erstwhile Takeover Regulations 1997, which is similar to Regulation 29 (2) and 29 (3) of SAST Regulations. The Hon'ble SAT in the aforesaid decision had held as follows :

".........

27. It is relevant to note that while inserting regulation 7(1A), SEBI has deemed it proper to amend regulation 7(2) with effect from 09.09.2002 by providing that the disclosure obligation under regulation 7(1) and 7(1A) shall be discharged within two days of the events specified under regulation 7(2). Thus, as a result of insertion of regulation 7(1A) and amendment of regulation 7(2), the disclosure obligation in relation to purchase or sale of shares referred to in regulation 7(1A) has to be made within two days of the events specified in regulation 7(2). On perusal of regulation 7(2) it is seen that the events enumerated therein relate only to acquisition of shares and do not relate to sale of shares or voting rights in excess of the limits prescribed under regulation 7(1A). As a result, even though regulation 7(1A) contemplates that an acquirer together with persons acting in concert with him when sell shares of the target company in excess of *the limits prescribed under regulation 7(1A) must make disclosure within two days of such sale, in view of the amendment to regulation 7(2), the disclosure obligation under regulation 7(1A) has to be discharged within two days of the events specified under regulation 7(2). Since regulation 7(2) as amended does not contemplate any obligation to disclose sale of shares by an acquirer covered under regulation 7(1A), the question of discharging that obligation arising under regulation 7(1A) read with regulation 7(2) does not arise at all.*

28............ *Thus, by 2002 amendment it is made clear that although disclosure of purchase or sale referred to under regulation 7(1A) has to discharged within two days of purchase or sale, of shares referred to therein, by amending regulation 7(2) it is provided that two days time to make disclosure under regulation 7(1A) shall commence on the happening of events specified under regulation 7(2). Since regulation 7(2) (as amended) does not set out any event relating to sale of shares specified under regulation 7(1A), the question of complying with regulation 7(1A) within two days of sale of shares does not arise at all*.

29.......... *Therefore, when the Takeover Regulations, 1997 provides that the disclosure obligation specified under regulation 7(1A) has to be discharged in the manner specified under regulation 7(1A) read with regulation 7(2) and regulation 7(2) does not provide for disclosure in relation to sale of shares in excess of the limits prescribed under regulation 7(1A), SEBI is not justified in holding that the appellants by failing to make disclosure of sales covered under regulation 7(1A) within the stipulated time, have violated regulation 7(1A) read with regulation 7(2) of the Takeover Regulations, 1997. Consequently, SEBI is not justified in imposing penalty on the appellants*. ....

33. For all the aforesaid reasons, the issues raised in these appeals are answered as follows:-

a)...

b) Disclosure obligation under regulation 7(1A) has to be discharged in accordance with regulation 7(1A) read with regulation 7(2). Since regulation 7(2) does not contemplate for disclosure relating to sale of shares in excess of the limits set out under regulation 7(1A), appellants herein cannot be said to have failed to comply with regulation 7(1A) within the time stipulated under regulation 7(1A) read with regulation 7(2). Consequently penalty imposed on the appellants cannot be sustained ...."

40. I note that the ratio of the above judgments apply with equal force to the facts of the present case. In view of the aforesaid judgments, I find that Regulation 29 (2) read with Regulation 29(3) of SAST Regulations is not applicable to for the aforesaid disposal of shares by Noticees 2 and 3. Therefore, I find that the allegation that Noticees 1 to 5, as PAC, have violated the provisions of Regulations 29(2) read with 29(3) of the SAST Regulations for the aforesaid disposal of shares by Noticees 2 and 3 is not tenable.

41. I note from the submissions of Noticees that they have not disputed that they were PAC for the impugned transactions. Noticees, in their submissions, have, however, contended that necessary disclosures were made under Regulation 13(4) and Regulation 13(4A) of PIT Regulations, 1992 to the company and BSE and company in turn has made necessary disclosures to the BSE. Therefore, Noticees have argued that there is no need to make necessary disclosures to the Company and Exchange under SAST Regulations. In this regard, I note that Regulation 29(2) read with Regulation 29(3) of SAST Regulations is an independent and separate statutory obligation of making disclosures related to acquisition/ disposal of shares. SEBI has prescribed a separate set of disclosure requirements under SAST Regulations, which is distinct from PIT Regulations, 1992 and Noticees, being a PAC are therefore, required to abide by these SAST Regulations separately. In this regard, I note that Noticees have accepted that necessary disclosures had not been made by any one of the PAC to Exchange in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations for the shares acquired by Noticee1 or shares sold by Noticees 2 and 3. I further note that disclosures made under the PIT Regulations, 1992 or disclosures made under SAST Regulations by the company do not absolve the acquirers from making necessary disclosures under the aforementioned regulations. In any case, it has been established earlier in the order that Noticees 1 to 4 have not complied with Regulations 13(4) and Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992, as the case may be, since disclosures made by them to BSE under the aforesaid Regulations were not made within the stipulated time period. In this context, I would like to place reliance on the judgment of Hon'ble SAT in the matter of Ambaji Papers Pvt. Ltd. (Appeal no. 201 of 2013 dated January 15, 2014), wherein similar contention of information being in the public domain was raised by the appellant. SAT observed *"....that a reading of Regulation 7 of the SAST Regulations, 1997 read with Regulation 35(2) of the SAST Regulations, 2011 clearly points out that not only the company, but an acquirer is also required to inform the stock exchanges at every stage of aggregate of the shareholding or voting rights in the company. The object underlying these regulations is, therefore, unequivocally to bring more transparency by dissemination*

of complete information to the public as well as shareholders at large not only by the concerned company but by the individual acquirer as *well"(Emphasis supplied).* I would also like to rely the order of Hon'ble SAT in Premchand Shah and Others V. SEBI (Appeal no. 192 of 2010 dated February 21, 2011), wherein it was held that *".......When a law prescribes a manner in which a thing is to be done, it must be done only in that manner.......Non-disclosure of information in the prescribed manner deprived the investing public of the information which is required to be available with them when they take informed decision while making investments...........* " . Therefore, I find that the aforesaid contentions of Noticees lack any merit.

42. In this regard, I note that Noticees have also accepted that necessary disclosures had not been made to Exchange by any of the PAC, in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations. Therefore, in view of the foregoing, I conclude that w.r.t. to the acquisition of shares of Sawaca by Noticee 1 on March 12, 2013 and March 25, 2013, Noticees 1 to 5, as PAC, failed to make necessary disclosures under Regulation 29(2) read with Regulation 29(3) of SAST Regulations to BSE.

43. W.r.t. allegation against Noticees 1 to 5 for failure to make necessary disclosures, in terms of Regulation 29(2) read with Regulation 29(3) of SAST Regulations, to the company, I note that the company, vide its letter dated March 21, 2015 to SEBI, has stated that they had received the necessary disclosures under Regulation 29(2) from Noticees 1 for the aforesaid transactions carried out by him on March 12, 2013 and March 25, 2013. In view of the foregoing, I find that the allegation levelled against Noticees 1 to 5 that they as PAC failed in making disclosures under Regulation 29(2) read with Regulation 29(3) of SAST Regulations to the company for the aforesaid transactions of Noticee 1 does not stand established.

44. In view of the foregoing, I conclude that Noticees 1 to 5, acting as PAC in respect of the acquisitions of shares of Sawaca on March 12, 2013 and March 25, 2013, failed to make requisite disclosures Regulation 29(2) read with Regulation 29(3) of SAST Regulations to BSE and hence, it is established that Noticees 1 to 5, acting as PAC, violated the provisions of Regulation 29(2) read with Regulation 29(3) of SAST Regulations for the aforesaid transactions.

45. Noticees 2, 3 and 5, in their replies, have contended that disclosures by PAC, if any, can be done by either of the entity constituting PACs and all PACs cannot be held liable for the same. Noticees 2, 3 and 5 in their replies relied on the judgment passed by Hon’ble SAT in the matter of Ms. Indumati Raman v/s. SEBI Appeal no. 280 of 2014

passed on November 20, 2015. Further, Noticee 5 in his reply stated that he was not aware about the shares acquired by Noticee 1 and shares sold by Noticee 2, 3 and 4. In support of their contention, Noticees 2, 3 and 5 have referred to the judgment of Hon'ble SAT in the matter of Ms. Indumati Raman v/s. SEBI Appeal no. 280 of 2014 dated November 20, 2015, wherein Hon'ble SAT held that requiring every promoter to make such disclosures would lead to absurd consequences and disclosure by each promoter is not required under the language and spirit of relevant regulations. In this context, I place reliance on the judgment of Hon'ble SAT in the matter of Sanjay Jethalal Soni, Krupa Sanjay Soni and JM Soni Consultancy through its proprietor(Sanjay Jethalal Soni) v/s. SEBI (appeal 483 of 2018) dated June 28, 2019, wherein Hon'ble SAT has opined as under:

....

Once the appellants have been categorized as PACs then the penalty can only be imposed upon the PAC as a homogeneous unit. Regulation 45 of the SAST Regulations provides payment of penalty on an acquirer or any person acting in concert…….

46. In addition to above, I also place reliance on SEBI Adjudication Order dated October 20, 2021 in the matter of Upasana Finance Ltd. wherein the Learned Adjudicating Officer has observed that "*Noticees are persons acting in concert and therefore, the liability to make disclosure is applicable to all the persons who are acting in concert irrespective of their individual transactions*" and has imposed a penalty on the Persons Acting in Concert, jointly and severally. I note the facts and circumstances of the aforesaid orders fall squarely within the realm of the instant matter and therefore, applying the aforesaid decisions to the instant case, I find that Noticees 1 to 5 would be jointly and severally liable for the violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations in respect of the acquisitions of shares of Sawaca on March 12, 2013 and March 25, 2013

Issue No. 2: Do the violations attract monetary penalty under Section 15A (b) of SEBI Act.?

47. I note that the Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established...…".* Therefore, the above violations, as brought out in the foregoing paragraphs, make Noticees liable for monetary penalty under Section 15A (b) of the SEBI Act. The text of Section 15A(b) of the SEBI Act is reproduced below:

SEBI Act

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, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;

Issue No. 3: What should be the quantum of monetary penalty to be imposed?

48. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:-

SEBI Act

Factors to be taken into account by the adjudicating officer.

Section 15J *- While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

Explanation-*For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.*

49. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors referred in Section 15-J of the SEBI Act, stated as above. Noticees in their replies contended about delay in initiating proceedings from the impugned transactions/ that, they had not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, Noticees have contended that no loss had been caused to any investor or group of investors as a result of the alleged default. In this regard, from the

material available on record, I note that, there are no evidence placed on record to quantify the amount of disproportionate gain or unfair advantage resulting from the default of Noticees in making disclosures or the consequent loss caused to investors as a result of the default. It is not possible from the material on record to establish repetitive nature of the default by Noticees. Further, it has been noted in the earlier part of the order that there was a delay in issuance of SCN to Noticees, which can be considered as mitigating circumstances.

50. Noticees in their replies relied on the judgments of Hon'ble SAT in the matter of P. G. Electroplast Ltd. & Ors. V. SEBI in Appeal no. 281 of 2017 and Hon'ble Supreme Court in the matter of M/s Hindustan Steel Ltd. v. State of Orissa reported in 1969 (2) SCC 627 for not imposing any penalty. Noticees also quoted judgment of SEBI Adjudication Order viz. Adjudication order no. EAD-2/AO/DSR/BKM/647/2017 dated June 30, 2017, in the matter of Rathi Bars Limited; Adjudication order no.EAD-12/SM/217-222/2018 dated March 15, 2018, in the matter of Inanna Fashion and Trends Limited (earlier lmown as Frontline Business Solutions Limited); Adjudication Order No. RA/JP/310-319/2018, dated March 21, 2018, in the matter of Tricom Fruit Products Limited; Adjudication Order No. EAD-PM-RR/AO/53-56/2017-18 dated March 22, 2018, in the matter of Marg Limited, wherein penalty were imposed in the range of Rs. 1,00,000 to Rs. 3,00,000/- for disclosures violations. In addition to above, Noticees have submitted a judgment of Hon'ble SAT in the matter of Anita Jajodia, Sabita Jajodia (Appeal no. 30 of 2021) v/s. SEBI dated January 21, 2021 and Jaisukh Dealers Ltd. v/s. SEBI (Appeal no. 31 of 2021) dated January 21, 2021, wherein Hon'ble SAT has reduced the penalty imposed by AO from Rs. 3 lakh to Rs. 1 lakh on account of delay in initiating proceedings.

ORDER

51. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act including the various SEBI Adjudication Orders, judgment of Hon'ble SAT and Hon'ble Supreme Court quoted by Noticees, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose the following minimum penalties on the Noticees under Section 15A(b) of SEBI Act:

For violation of PIT Regulations, 1992 read with PIT Regulations, 2015

Name of Noticee	Penalty	For the violations of
Mr. Satish R. Shah	Rs. 1,00,000/- (Rupees One Lakh only)	Regulations 13(3),(4),(4A) read with Regulation 13(5) of PIT Regulations,1992 read with Regulation 12(2) of PIT Regulations, 2015
Ms. Shetal S. Shah	Rs. 1,00,000/- (Rupees One Lakh only)	Regulation 13 (4A) read with Regulation 13(5) of PIT Regulations,1992 read with Regulation 12(2) of PIT Regulations, 2015
Mr. Vishal S. Shah	Rs. 1,00,000/- (Rupees One Lakh only)	
Ms. Jyotsna S. Shah	Rs. 1,00,000/- (Rupees One Lakh only)	

For violation of SAST Regulations

Name of Noticee	Penalty	For the violations of
Mr. Satish R. Shah	Rs. 1,00,000/- (Rupees One Lakh only) jointly and severally	Regulation 29(2) read with Regulation 29(3) of SAST Regulations
Ms. Shetal S. Shah		
Mr. Vishal S. Shah		
Ms. Jyotsna S. Shah		
Mr. Yatin G. Shah		

I am of the view that the aforesaid penalties are commensurate with the lapses/ omissions on the part of Noticees.

52. Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

53. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD – DRA - I, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	

4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

54. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees.

55. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees viz. Mr. Satish R. Shah, Ms. Shetal S. Shah Mr. Vishal S. Shah, Ms. Jyotsna S. Shah and Mr. Yatin G. Shah and also to the Securities and Exchange Board of India.

Place: Mumbai **SOMA MAJUMDER**

Date: April 28,2022 **ADJUDICATING OFFICER**