BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/JS/DP/2025-26/31807]

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 ADJUDICATING OFFICERS), RULES, 1995

In respect of:

Alpine Commercial Company Limited
PAN: AACCA2001L

in the matter of Alpine Commercial Company Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI"**), observed certain non-compliances of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as **"SAST Regulations"**) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"LODR Regulations"**), based on the submissions of the manager to the open offer (hereinafter referred to as **"Manager"**) while processing Draft Letter of Offer (DLOF) in relation to an open offer in Alpine Commercial Company Limited (hereinafter referred to as **"Noticee"**).

2. Based on the findings of examination of the said open offer, SEBI initiated adjudication proceedings against Noticee for the alleged violation of regulation 31A(3) of LODR Regulations read with regulation 31A (1) and 31A (2) of LODR Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI appointed the undersigned as the Adjudicating Officer (hereinafter referred to as "**AO"**) in the matter vide communique dated April 07, 2025, under section 19 of the

Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") read with section 15-I of the SEBI Act and with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Rules**") to inquire into and adjudge the aforesaid violations under the section 15 HB of SEBI Act for the violations alleged to have been committed by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show cause notice dated May 23, 2025 (hereinafter referred to as "**SCN**") was issued to the Noticee to show cause as to why an inquiry should not be initiated against it and penalty, if any, should not be imposed upon it under section 15HB of SEBI Act, for the alleged violation of the provisions provided at para 3 above. The SCN, *inter alia,* alleged the following:

   4.1. It was observed from the DLOF that in Financial Year 2020-21, Noticee had reclassified certain shareholders from promoter category to public category without following the due procedure provided under regulation 31A of LODR Regulations;

   4.2. It was noted that Noticee's board of directors vide Board Resolution dated March 15, 2021 had approved reclassification of Mr. Vikram Kasera, Mr. Santosh Kumar, Late Biswanath Kasera, Late Savitri Devi Kasera, Late Mohon Lal Kojani, Late Lachmi Narayan Kojani and Late Urmila Kojani from promoter shareholder category to public shareholder category;

   4.3. As the Noticee is listed on Calcutta Stock Exchange Limited (hereinafter referred to as "**CSE**"), the comments of CSE were sought regarding the promoter reclassification and compliance with regulation 31A of LODR Regulations;

   4.4. In this regard, CSE vide email dated February 25, 2025, *inter alia*, submitted the following:

   "we would like to inform you that as per the records of the Exchange, no such reclassification had been filed by the company with this Exchange."

4.5. Further, comments from the merchant banker (hereinafter referred to as "**MB**") and Noticee were also sought regarding the promoter reclassification and compliance with regulation 31A of LODR Regulations;

4.6. In response thereof, the MB vide email dated March 04, 2025, *inter alia*, submitted the following:

> "*Pursuant to receipt of a request letter dated March 15, 2021 from certain constituents of Promoter Group seeking reclassification from Promoter Group category to Public category under the then Regulation 31A of SEBI LODR Regulations 2015, the board of directors of the Target Company has reclassified them into Public category w.e.f March 15, 2021.*
>
> *However, the Target Company did not comply with Regulation 31A (3) of SEBI LODR Regulations 2015, i.e., did not obtain Shareholders approval and approval from the Calcutta Stock Exchange Limited (i.e., the stock exchange where the equity shares of the Company is presently listed) for reclassification*"

4.7. Further, Noticee vide email dated March 06, 2025, *inter alia*, submitted the following:

> "*We request you to treat the reply given by Merchant Banker, in the subject matter, from the Company side also. We have nothing more to say."*

4.8. Regulation 31A of LODR Regulations, provides the conditions and process for reclassification of the promoters. As per regulation 31A of the LODR Regulations, reclassification of the status of any person as a promoter or public shall be permitted by the stock exchanges only upon receipt of an application from the listed entity along with all relevant documents subject to compliance with conditions specified in the LODR Regulations. One of the conditions is that the request of the promoter(s) seeking reclassification is approved in the general meeting by an ordinary resolution in which the promoter(s) seeking reclassification and the persons related to him/her/it have not voted to approve such reclassification request.

4.9. It was alleged that Noticee did not take approval of shareholders and did not file application for reclassification with the stock exchange, therefore, violated regulation 31A (3) read with regulation 31A (1) and 31A (2) of LODR Regulations.

5. Since, no reply was received after service of the SCN, vide email dated July 16, 2025, Noticee was advised to file reply on or before July 31, 2025. Subsequently, vide email dated August 06, 2025, Noticee sought fourteen days' time to file reply which was granted.

6. Noticee, vide email dated August 19, 2025 filed reply to the SCN and, *inter alia,* submitted the following:

   6.1. *The Company received letters dated March 15, 2021 from the following constituents of the promoter's group to reclassify them as public shareholders. The details of the shareholders are as under:*

Sr. No.	***Name***	***No. of shares held***	***Percentage***
1	*Uma Kojani*	*1,47,350*	*2.92%*
2	*Urmila Kojani*	*3,500*	*0.07%*
3	*Mohanlal Kojani*	*30,170*	*0.60%*
4	*Santosh Kumar Kojani*	*3,500*	*0.07%*
5	*Lachminarayan Kojani*	*70*	*0.0%*
6	*Biswanath Kasera*	*2,100*	*0.04%*
7	*Ritu Kasera*	*700*	*0.01%*
8	*Savitri Devi Kasera*	*2,100*	*0.04%*
9	*Vikram Kasera*	*1,400*	*0.03%*

   6.2. *Pursuant to the receipt of aforesaid letter, the board of directors of the Company reviewed the request letters and prima facie found the same compliant with the eligibility requirements of regulation 31A of the LODR Regulations for reclassification and hence approved the reclassification of the aforesaid entities from Promoter Group to Public category in its meeting held on March 15, 2021.*

   6.3. *It is pertinent to note that all the Applicants except one were holding less than 1% shares of the Company. As per the then existing provisions of the regulation 31A of the LODR Regulations, approval from shareholders were not required if the person seeking reclassification do not hold more than 1% shares in the Company.*

6.4. *Further, the event of reclassification occurred during the peak of second wave of COVID 19 pandemic where the local government had imposed a lockdown and physical visit was restricted.*

6.5. *There was no information pertaining to filing of application for reclassification at the website / online portal of the CSE. After several attempts Noticee was unable to establish contact with the CSE officials. It was later-on orally communicated that the provisions of regulation 31A is applicable for companies listed at stock exchange having nationwide trading terminals only. It was further communicated by the officials that back then CSE had no mechanism to enable the companies to file application for reclassification or provide approval on such applications.*

6.6. *Hence, the Company was unable to file the application for reclassification with the CSE. However, since the board of directors had already approved the reclassification after satisfying itself of the fulfilment of prior eligibility requirement of reclassification, the Company reclassified the applicants to public shareholders and their shareholding was clubbed in the Public category in the shareholding pattern filed by the Company with CSE.*

6.7. *It is also to be mentioned that the purported violation had occurred during the management of the erstwhile promoters of the Company. Non promoters have acquired the Company pursuant to open offer in the year 2024 and hence they should not be made liable for the non-compliance of the erstwhile promoters.*

7. Vide notice of hearing dated October 06, 2025, Noticee was granted an opportunity of hearing before the AO on October 16, 2025. However, Noticee did not appear for the same. Subsequently, vide another notice dated November 03, 2025, Noticee was granted a final opportunity of hearing on November 17, 2025. Vide email dated November 14, 2025, the Noticee authorised Mr. Anup Kumar Sharma (hereinafter referred to as "**AR**") to appear on behalf of the Noticee.

8. The AR of the Noticee appeared for the hearing and reiterated the submissions made vide reply dated August 19, 2025. The AR submitted that at the relevant time, CSE

was not equipped to process the application with respect to reclassification of promoters. The AR also submitted that two groups of promoters were holding 3.75% shareholding, cumulatively. The AR further requested that a lenient view may be taken in the matter.

CONSIDERATION OF ISSUES AND FINDINGS

9. The issues that arise for consideration in the instant matter are:

Issue No. I Whether Noticee failed to take approval of shareholders and failed to file application for reclassification with the stock exchange, and thereby, violated regulation 31A(3) of LODR Regulations read with regulation 31A(1) and 31A(2) of LODR Regulations?

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under section 15HB of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act?

10. Before proceeding further, I would like to refer to the relevant provisions alleged to have been violated by the Noticee:

LODR Regulations

"*31A.* *(1) For the purpose of this regulation:*

(a) "promoter(s) seeking reclassification" shall mean all such promoters/persons belonging to the promoter group seeking reclassification of status as public,

(b) "persons related to the promoter(s) seeking reclassification" shall mean such persons with respect to that promoter(s) seeking reclassification who fall under sub-clauses (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(2) Reclassification of the status of any person as a promoter or public shall be permitted by the stock exchanges only upon receipt of an application from the listed entity along with all relevant documents subject to compliance with conditions specified in these regulations;

Provided that in case of entities listed on more than one stock exchange, the concerned stock exchanges shall jointly decide on the application.

(3) Reclassification of status of a promoter/person belonging to promoter group to public shall be permitted by the stock exchanges only upon satisfaction of the following conditions:

(a) an application for reclassification to the stock exchanges has been made by the listed entity consequently to the following procedures and not later than thirty days from the date of approval by shareholders in general meeting:

(i) the promoter(s) seeking reclassification has made a request for reclassification to the listed entity along with a rationale for the same and a description as to how the conditions specified in clause (b) of sub regulation (3) of this regulation are satisfied;

(ii) the board of directors of the listed entity shall analyse the request and place the same before the shareholders in a general meeting for approval along with the views of the board of directors on the request:

Provided that there shall be a time gap of at least three months but not exceeding six months between the date of the board meeting and the shareholder's meeting considering the request of the promoter(s) seeking reclassification.

(iii) the request of the promoter(s) seeking reclassification has been approved in the general meeting by an ordinary resolution in which the promoter(s) seeking reclassification and the persons related to the promoter(s) seeking reclassification shall not vote to approve such reclassification request,

(b) the promoter(s) seeking reclassification and persons related to the promoter(s) seeking reclassification shall not:

(i) together, hold more than ten percent of the total voting rights in the listed entity;

(ii) exercise control over the affairs of the listed entity directly or indirectly;

(iii) have any special rights with respect to the listed entity through formal or informal arrangements including through any shareholder agreements;

(iv) be represented on the board of directors (including not having a nominee director) of the listed entity;

(v) act as a key managerial person in the listed entity;

(vi) be a 'wilful defaulter' as per the Reserve Bank of India Guidelines;

(vii) be a fugitive economic offender.

(c) the listed entity shall:

(i) be compliant with the requirement for minimum public shareholding as required under regulation 38 of these regulations;
(ii) not have trading in its shares suspended by the stock exchanges;
(iii) not have any outstanding dues to the Board, the stock exchanges or the depositories."

Issue No. I: Whether Noticee failed to take approval of shareholders and failed to file application for reclassification with the stock exchange, and thereby, violated regulation 31A (3) read with regulation 31A (1) and 31A (2) of LODR Regulations?

11. It was alleged in the SCN that Noticee No. 1 did not take approval of shareholders and did not file application for reclassification with the stock exchange in violation of regulation 31A(3) of LODR Regulations read with regulation 31A(1) and 31A(2) of LODR Regulations. As per the SCN, following promoters were reclassified from promoter category to the public shareholder category vide Board Resolution dated March 15, 2021, however, Noticee did not take approval of the shareholders and did not file application for reclassification with the stock exchange:

Sr. No.	***Name***	***No. of shares held***	***Percentage***
1	*Urmila Kojani*	*3,500*	*0.07%*
2	*Mohanlal Kojani*	*30,170*	*0.60%*
3	*Santosh Kumar Kojani*	*3,500*	*0.07%*
4	*Lachminarayan Kojani*	*70*	*0.0%*
5	*Biswanath Kasera*	*2,100*	*0.04%*
6	*Savitri Devi Kasera*	*2,100*	*0.04%*
7	*Vikram Kasera*	*1,400*	*0.03%*

12. Noticee had contended that violation, if any, had taken place before the current management took over the company and thus they should not be held liable for the violation. In this regard, I note that the extant proceedings were initiated against the Noticee but not against the promoters/management of the company. In the extant proceedings, Noticee being a juristic person having perpetual succession and individual personality is distinct from its shareholders and management. Thus, any

change in the promoter/management shall not affect the liabilities of the Noticee in the instant case. Therefore, I find the argument of the Noticee untenable.

13. Further, Noticee in its reply had submitted that a group of promoters as mentioned in para 6.1 above had applied for reclassification as public shareholders. However, the approval from the shareholders was not required as except one, remaining promoters were holding less than 1% of the shareholding. Noticee further submitted that the event of reclassification was during peak second wave of COVID 19. According to Noticee, at the relevant time CSE was not equipped to process an application for promoter reclassification.

14. I have perused regulation 31A of LODR Regulations as it existed during the relevant time, i.e., March 15, 2021. It provided that application for reclassification has to be made by the listed entity once proposal of reclassification is approved by the shareholders in general meeting. The proviso to regulation 31A of LODR Regulations, wherein it was specified that the provisions of regulation 31A(3) of the LODR Regulations shall not apply to the cases where the promoters seeking reclassification and persons related to the promoters seeking reclassification, together do not hold more than one percent of the total voting rights in the listed entity, was inserted with effect from May 05, 2021. Thus, it is noted that prior to May 2021, there was no threshold of one percent for such application for reclassification. Hence, any application for reclassification, irrespective of the shareholding/voting rights was required to be approved by the shareholders in general meeting before being processed by the stock exchange.

15. In the present case, the understanding of the Noticee that the approval of shareholders was not required if the promoters seeking reclassification were holding less than 1% at the relevant time, is incorrect as the said requirement came into force only on May 05, 2021. Therefore, for the reclassification of promoters, Noticee was mandated to seek approval of the shareholders and then apply to the stock exchange. Admittedly, Noticee did not obtain shareholders' approval for the same.

16. With respect to the application to the stock exchange, Noticee submitted that there was lack of clarity as to how to apply for the reclassification on the website of the CSE. Noticee further submitted that CSE had no mechanism to process such applications.

17. However, Noticee has not produced any record to show that it communicated with CSE or attempted to make an application for the reclassification of the promoters. On the contrary, vide email dated February 25, 2025, CSE categorically stated that no such reclassification request was made by the Noticee. In this regard, it is relevant to note that even after the amendment of regulation 31A of the LODR Regulations, the Noticee's obligation to apply to stock exchanges remained as such.

18. Therefore, in view of the above and documents available on record, I am of the opinion that Noticee failed to seek shareholders' approval and apply to the stock exchange for the reclassification of the promoters and hence, violated regulation 31A(3) of LODR Regulations read with regulation 31A(1) and 31A(2) of LODR Regulations.

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under section 15HB of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15J of the SEBI Act?

19. In view of the abovementioned observations and findings, the facts and circumstances of the case and the material available on record including the submissions of the Noticee, I find that Noticee failed to adhere to the regulatory requirement of seeking shareholders' approval and applying to the stock exchange for the reclassification of the promoters.

20. In this context, reference is drawn to the Judgment of Hon'ble Supreme Court in the matter of SEBI v. Shriram Mutual Fund[1], wherein Hon'ble Supreme Court held that:-

> "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not*.''

21. The aforesaid violations makes the Noticee liable for penalty under section 15HB of the SEBI Act which reads as under:

> ***"Penalty for contravention where no separate penalty has been provided.***
> *15HB.Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees."*

22. While determining the quantum of penalty under section 15HB of SEBI Act, the following factors stipulated in section 15J of the SEBI Act are taken into account:

> ***"Factors to be taken into account while adjudging quantum of penalty by the Adjudicating Officer***
> *15J. While adjudging quantum of penalty under 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."*

23. In the present matter, it is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the default by Noticee. Further, from the material available on record, it is not possible to ascertain the exact monetary loss to the investors /clients on account of default by Noticee. As regards the repetitive nature of default, there is nothing on record to show that the

[1] [2006] 68 SCL 216 (SC)

nature of default by Noticee is repetitive. Though the Noticee failed to comply with LODR Regulations, I have noted the prevailing circumstances of national wide lockdown due to Covid 19 pandemic and the operational constraints faced by Noticee being a company listed in CSE. The aforementioned factors have been taken into consideration while adjudging the penalty.

ORDER

24. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in section 15J of the SEBI Act and in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I hereby impose a monetary penalty of Rs. 1,00,000/- (Rupees One Lakh only) on Noticee, i.e., Alpline Commercial Company Limited under section 15HB of SEBI Act.

25. I am of the view that the said penalty is commensurate with the violations committed by Noticee.

26. Noticee shall remit/pay the said amount of penalty within 45 days of receipt of this order through the 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.

27. In terms of rule 6 of the Rules, copies of this order are sent to the Noticee and also to Securities and Exchange Board of India.

JAI SEBASTIAN

Digitally signed by JAI SEBASTIAN
Date: 2025.11.26 16:45:02 +05'30'

Date : November 26, 2025
Place : Mumbai

JAI SEBASTIAN
ADJUDICATING OFFICER