BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/GN/2022-23/19545-19547]

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

In respect of:

Noticee Name	**PAN Number**
Tien Trading Private Limited	AADCT1652R
Kyner Trading Private Limited	AADCK6443P
Artlink Vintrade Limited	AACCA1533H

In the matter of
Rammaica India Limited

BACKGROUND:

1. Arihant Capital Markets Ltd. (*hereinafter referred to as "**Merchant Banker/MB**"*) vide letter dated January 06, 2017, submitted the Draft Letter of Offer (*hereinafter referred to as* "**DLOF**") to Securities and Exchange Board Of India (hereinafter referred to as **SEBI**) in the matter of Open Offer made by Mr. Pankaj Hasmukh Jobalia and Mr. Jitendra Sharma (hereinafter collectively referred to as **"Acquirers"**) to the public shareholders of M/s Ramaicca India Ltd. (hereinafter referred to as "**Target Company**")

2. SEBI examined the DLOF filed by the Merchant Banker. While examining the DLOF filed in the matter, in status of compliance with the provision of Chapter II of Takeover Regulations 1997 and Chapter V of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (hereinafter referred to **SAST Regulations**), it was observed that there were certain incident of non-compliance on the part of the erstwhile promoters, current promoters and from the Target Company.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI, vide communique dated May 18, 2022, appointed the undersigned as the Adjudicating Officer under Section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and Rule 3 of SEBI (Procedure for Holding Inquiry

and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘**Adjudication Rules**’) r/w Section 19 of the SEBI Act, 1992 to inquire into and adjudge under section 15H(ii) and 15A(b) of SEBI Act for Tien Trading Private Limited (hereinafter referred to as **Noticee no. 1**), and under section 15A(b) of SEBI Act for Kyner Trading Private Limited (hereinafter referred to as **Noticee no. 2)** and Artlink Vintrade Ltd (hereinafter referred to as **Noticee 3**) , for the alleged violations of Regulation 4 and Regulation 29(2) read with 29(3) of SAST Regulations by Noticee 1, Regulation 29(2) read with Regulation 29(3) of SAST Regulations by Noticee 2 and Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SAST Regulations by Noticee 3.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A Show Cause Notice (hereinafter referred to as **“SCN”**) dated July 12, 2022 was issued to the Noticees under rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the **SEBI Rules**) to show cause as to why an inquiry should not be held against them in terms of Rule 4 of Adjudication Rules read with Section 15-I (1) & (2) of SEBI Act, and penalty, if any, be not imposed on Noticee 1 under Section 15H(ii) and 15A(b) of SEBI Act for the alleged violation of Regulation 4 and Regulation 29(2) read with 29(3) of SAST Regulations, on Noticee 2 under Section 15A(b) for the alleged violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations and on Noticee 3 under Section 15A(b) for the alleged violation of Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.

5. The allegations levelled against the Noticees in the SCN are summarized below:

i. It was observed that till January 13, 2015, promoters of the Target Company comprised of Noticee 1 holding 9.89% (7,14,200 shares) of equity shares of the Target Company and Noticee 2 holding 2.39% (2,27,600 shares) of equity shares of the Target Company.

ii. However, on January 13, 2015, Noticee 2 transferred its entire shareholding (2.39%) to the other promoter viz. Noticee 1 and pursuant to which Noticee 1 became sole promoter of the Target Company. Thus, there was change in control from joint to sole and thus Noticee 1 was obligated to make an open offer under Regulation 4 of SEBI (SAST) Regulations, 2011. However, no open offer was made by Noticee 1 to the public shareholder of the Target Company.

iii. Since there was an exit by one of the two existing promoters and consequently the control was changed from joint to sole, this triggered open offer under Regulation 4 on the part of Noticee 1.

iv. In view of the above, it was alleged that Noticee 1 has violated Regulation 4 of SAST Regulations, 2011.

v. It was observed that on December 06, 2016, entire shareholding (23.76%) (22,62,800 shares) of Noticee 1 was transferred to Noticee 3. This transaction prima-facie triggered open offer as there was change in control of the Target Company.

vi. The aforesaid transfer fell under the exemption applicable as envisaged under Regulation 10(1)(a)(iii). Noticee 3 was required to submit report to stock exchange under Regulation 10(5) & 10(6) and to SEBI under Regulation 10(7), which the Noticee allegedly failed to comply. Furthermore, both Noticee 1 and Noticee 3 was also required to submit disclosures u/r 29(2) read with 29(3), which both the Noticees allegedly made a belated disclosure by 4 days to the stock exchange.

vii. In view of the above, it is alleged that Noticee 3 has violated Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011 and Noticee 1 has allegedly violated Regulation 29(2) read with 29(3) of SAST Regulation, 2011.

viii. Further, it is observed that the erstwhile promoters viz. Noticee 1 and Noticee 2 made a belated disclosure with almost 3 years under Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011 for certain transactions

6. The SCNs were issued at the last known addresses of Noticee 1, Noticee 2 and Noticee 3 through Speed Post Acknowledgment Due (SPAD) which was returned Undelivered. SCNs were also sent through Digitally Signed E-mail dated July 13, 2022 which was delivered and the delivery of the notices are on record. As no reply was received vide email dated September 02, 2022 reminder was given to the Noticees for submission of reply till September 07, 2022. However, Noticee 1, Noticee 2 and Noticee 3 did not file any reply to the SCNs. Hearing opportunities were also given to the Noticees. Vide hearing Notice dated September 05, 2022 Noticee 1, Noticee 2 and Noticee 3 were advised to appear for hearing on September 13, 2022. Hearing Notice was sent via SPAD which was returned

undelivered, subsequently the notices were delivered via digitally signed email dated 07/09/2022, the delivery of which is on record. Second opportunity of hearing was given to Noticee 1, 2 and 3 on 20/09/2022 vide email dated 13/09/2022 which was also delivered. However Noticee 1, 2 and 3 did not avail of the second hearing opportunities also. I note that sufficient opportunities have been given to Noticees 1, Noticee 2 and Noticee 3 to represent their case and the principles of natural justice have been complied with. It is observed that, despite service of the SCN and hearing notices through Digitally Signed E-mail, Noticee 1, Noticee 2 and Noticee 3 did not respond and avail the opportunity of personal appearance. The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Sanjay Kumar Tayal & Ors. v. SEBI(in appeal No. 68/2013) decided on February 11, 2014, held that "...*appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceeding and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices*". Since no replies to the SCN was filed by Noticee 1, Noticee 2 and Noticee 3 it can be reasonably presumed that the allegations have been admitted to by Noticee 1, Noticee 2 and Noticee 3 in this case.

7. In view of the above, I am compelled to proceed ex-parte in the matter against Noticee 1, Noticee 2 and Noticee 3. I am of the view that Noticee 1, Noticee 2 and Noticee 3 has nothing to submit and in terms of Rule 4(7) of SEBI Adjudication Rules, the matter is proceeded ex-parte on the basis of material available on record.

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

8. I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

ISSUE I: a) Whether Noticee 1 has violated the provisions of Regulation 4 and Regulation 29(2) read with 29(3) of SAST Regulations.

b) Whether Noticee 2 has violated the provisions of Regulation 29(2) read with Regulation 29(3) of SAST Regulations.

c) Whether Noticee 3 has violated the provisions of Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.

ISSUE II: Does the violation, if any, on part of the Noticee 1 attract penalty under Section for 15H(ii) and 15A(b) of SEBI Act and under section 15A(b) of SEBI Act for Noticee 2 and Noticee 3.

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

9. Before proceeding further, it will be appropriate to refer the provisions of Regulation 4 and Regulation 29(2) read with 29(3) of SAST Regulations and Regulation 10(5), 10(6) and 10(7) of SAST Regulations alleged to have been violated by the Noticees. The texts of the alleged provisions are as under-

Regulation 4- Acquisition of control.

Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

Regulation 10- General exemptions.

(5) In respect of acquisitions under clause (a) of sub-regulation (1), and clauses (e) and (f) of sub-regulation (4), the acquirer shall intimate the stock exchanges where the shares of the target company are listed, the details of the proposed acquisition in such form as may be specified, atleast four working days prior to the proposed acquisition, and the stock exchange shall forthwith disseminate such information to the public.

(6) In respect of any acquisition made pursuant to exemption provided for in this regulation, the acquirer shall file a report with the stock exchanges where the shares of the target company are listed, in such form as may be specified not later than four working days from the acquisition, and the stock exchange shall forthwith disseminate such information to the public.

(7) In respect of any acquisition of or increase in voting rights pursuant to exemption provided for in clause (a) of sub-regulation (1), sub-clause (iii) of clause (d) of sub-regulation (1), clause (h) of sub-regulation (1), sub-regulation (2), sub-regulation (3) and clause (c) of sub-regulation (4), clauses (a), (b) and (f) of sub-regulation (4), the acquirer

shall, within twenty-one working days of the date of acquisition, submit a report in such form as may be specified along with supporting documents to the Board giving all details in respect of acquisitions, along with a non-refundable fee of rupees [one lakh fifty thousand] [by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by way of a banker's cheque or demand draft payable in Mumbai in favour of the Board.

Explanation.—For the purposes of sub-regulation (5), sub-regulation (6) and sub-regulation (7) in the case of convertible securities, the date of the acquisition shall be the date of conversion of such securities.

Regulation 29- Disclosure of acquisition and disposal.

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

[Provided that in case of listed entity which has listed its specified securities on Innovators Growth Platform, any reference to "five percent" shall be read as "ten percent" and any reference to "two percent" shall be read as "five per cent".]

(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 [or the disposal] 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.

FINDINGS

10. On perusal of the material available on record and giving regard to the facts and circumstances of the case I record my findings hereunder:

ISSUE I: a) Whether Noticee 1 has violated the provisions of Regulation 4 and Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011

b) Whether Noticee 2 has violated the provisions of Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

c) Whether Noticee 3 has violated the provisions of Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SEBI(SAST) Regulations, 2011.

10. From the documents available on record I observe that till January 13, 2015, promoters of the Target Company comprised of Noticee 1 holding 9.89% (7,14,200 shares) of equity shares of the Target Company and Noticee 2 holding 2.39% (2,27,600 shares) of equity shares of the Target Company.

11. On January 13, 2015, Noticee 2 transferred its entire shareholding (2.39%) (2,27,600 shares) to the other promoter viz. Noticee 1 and pursuant to which Noticee 1 became sole promoter of the Target Company. Thus, there was change in control from joint to sole. Noticee 1 was under obligation to make an open offer under Regulation 4 of SEBI (SAST) Regulations, 2011. However, no open offer was made by Noticee 1 to the public shareholder of the Target Company.

12. I note that SEBI sought comments from the MB vide its email dated January 25, 2017 with respect to acquisition of sole control on the Target Company by Noticee 1.

13. MB vide its letter dated March 16, 2017 informed that since the quantum of transfer was below 5% and since the transfer was between two “qualifying promoters” and no change in control was envisaged, the subject transaction did not trigger open offer.

14. Regulation 4 of the SAST regulation provides that irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in

accordance with these regulations. In view of the above, in the instant case there was exit by one of the promoters and the control was changed from joint to sole, and thus this triggered open offer under Regulation 4 on the part of Noticee 1. However, I observed that no open offer has been made by Noticee 1.

15. In view of the above, I conclude that Noticee 1 has violated Regulation 4 of SEBI (SAST) Regulations, 2011.

16. I observe that on December 06, 2016, entire shareholding (23.76%) (22,62,800 shares) of Noticee 1 was transferred to Noticee 3. This transaction prima-facie triggered open offer as there was change in control of the Target Company.

17. It is noted that SEBI vide email dated January 25, 2017 sought comments from the MB with respect to sale/transfer of entire shareholding of Noticee 1 to Noticee 3. MB vide its letter dated March 16, 2017 read with its letter dated February 28, 2017 and email dated January 04, 2021 informed that the transfer of holding of Noticee 1 to Noticee 3 constituted an inter-se transfer not triggering an open offer since both these companies fall under the same management and as such would be eligible for seeking exemption under Regulation 10(1)(a)(iii) of the SEBI SAST Regulations, 2011.

18. Regulation 10(1)(a)(iii) of the SAST regulation provides that if acquisition is pursuant to inter se transfer of shares amongst a company, its subsidiaries, its holding company, other subsidiaries of such holding company, persons holding not less than fifty per cent of the equity shares of such company, other companies in which such persons hold not less than fifty per cent of the equity shares, and their subsidiaries subject to control over such qualifying persons being exclusively held by the same persons, then such acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4.

19. Regulation 10(5) provides that in respect of acquisitions under clause (a) of sub-regulation (1), the acquirer shall intimate the stock exchanges where the shares of the target company are listed, the details of the proposed acquisition in such form as may be specified, at least four working days prior to the proposed acquisition, and the stock exchange shall forthwith disseminate such information to the public.

20. Regulation 10(6) provides that In respect of any acquisition made pursuant to exemption provided for in Regulation 10, the acquirer shall file a report with the stock exchanges

where the shares of the target company are listed, in such form as may be specified not later than four working days from the acquisition, and the stock exchange shall forthwith disseminate such information to the public.

21. Regulation 10(7) provides that in respect of any acquisition of or increase in voting rights pursuant to exemption provided for in regulation 10(1)(a) of the SAST regulation thenthe acquirer shall, within twenty-one working days of the date of acquisition, submit a report in such form as may be specified along with supporting documents to the Board giving all details in respect of acquisitions, along with a non-refundable fee of rupees [one lakh fifty thousand] [by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by way of a banker's cheque or demand draft payable in Mumbai in favour of the Board.

22. The said transfer fell under the exemption applicable as envisaged under Regulation 10(1)(a)(iii). In view of the same, Noticee 3 was required to submit report to stock exchange under Regulation 10(5) & 10(6) and to SEBI under Regulation 10(7), which the Noticee failed to do. Furthermore, both Noticee 1 and Noticee 3 was also required to submit disclosures u/r 29(2) read with 29(3) to stock exchange and the target company. I observe that both the Noticees made disclosure with delay of 4 days to the stock exchange.

23. In view of the above, I conclude that Noticee 3 has violated Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011 and Noticee 1 has violated Regulation 29(2) read with 29(3) of SAST Regulation, 2011.

24. Further, I observe that Noticee 1 and Noticee 2 who were the erstwhile promoters made a belated disclosure with almost 3 years under Regulation 29(2) read with Regulation 29(3) of SAST Regulations, 2011 for certain transactions which are detailed below:-

S. No.	**Provision**	**As per Regulation 29(3) disclosure to be made on**	**Disclosure made on**	**Delay (in days)**	**Transaction**
1	29(2)	27/07/2012	15/09/2015	1145	Sale- 37500 Shares
2	29(2)	30/07/2012	15/06/2016	1416	Sale- 4800 shares
3	29(2)	30/07/2012	15/09/2015	1142	Sale- 93000 shares
4	29(2)	01/08/2012	15/06/2016	1414	Sale- 49400 shares
5	29(2)	02/08/2012	15/09/2015	1139	Sale- 28900 shares
6	29(2)	06/08/2012	15/06/2016	1409	Sale- 5400 shares
7	29(2)	06/08/2012	15/06/2016	1409	Sale-57100 shares

8	29(2)	06/08/2012	15/09/2015	1135	Sale- 77000 shares
9	29(2)	08/08/2012	15/09/2015	1133	Sale 82100 shares
10	29(2)	10/08/2012	15/09/2015	1131	Sale- 132200 shares
11	29(2)	13/08/2012	15/06/2016	1402	Sale- 62000 shares
12	29(2)	20/08/2012	15/09/2015	1121	Sale- 11700 shares
13	29(2)	20/08/2012	15/09/2015	1121	Sale- 100100 shares
14	29(2)	27/08/2012	15/06/2016	1388	Sale- 15000 shares
15	29(2)	27/08/2012	15/09/2015	1114	Sale- 84000 shares
16	29(2)	29/08/2012	15/06/2016	1386	Sale- 51500 shares
17	29(2)	31/08/2012	15/06/2016	1384	Sale- 12300 shares
18	29(2)	31/08/2012	15/09/2015	1110	Sale- 99800 shares
19	29(2)	03/09/2012	15/09/2015	1107	Sale 86800 shares
20	29(2)	03/09/2012	15/09/2015	1107	Sale- 37200 shares
21	29(2)	05/09/2012	15/06/2016	1379	Sale- 13400 shares
22	29(2)	21/11/2012	Through Open Offer		Purchase- 800 shares
23	29(2)	20/02/2013	Through Open Offer		Purchase- 68200 shares
24	29(2)	19/08/2014	20/08/2014	1	Purchase- 400000 shares
25	29(2)	17/11/2014	18/11/2014	1	Purchase- 50000 shares
26	29(2)	09/12/2014	08/12/2014	-	Purchase- 1200 shares
27	29(2)	15/01/2015	15/01/2015	-	Purchase 227600 shares
28	29(2)	15/01/2015	15/06/2016	517	Sale- 227600 shares
29	29(2)	22/01/2015	22/01/2015	-	Purchase- 1321000 shares
30	29(2)	08/12/2016	15/12/2016	7	Sale- 2262800 shares
31	29(2)	08/12/2016	15/12/2016	7	Purchase- 2262800 shares (artlink)

25. Regulation 29 (2) provides that any person together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company. Regulation 29(3) provides that 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 or the disposal of shares or voting rights in the target company to every stock exchange where the shares of the target company are listed and to the target company.

26. I observe from the above that for 24 transactions Noticee 1 and Noticee 2 have made disclosures with a considerable delay. In view of the above transactions and delayed

disclosures, it is established that Noticee 1 and Noticee 2 violated regulation 29(2) read with Regulation 29(3) of SAST Regulations.

27. In view of the above it is observed that :-

a) Noticee 1 violated Regulation 4 and Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011.

b) Noticee 2 has violated Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.

c) Noticee 3 has violated Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SEBI(SAST) Regulations, 2011.

ISSUE II: Does the violation, if any, on part of the Noticee 1 attract penalty under Section for 15H(ii) and 15A(b) of SEBI Act for Noticee 2 and Noticee 3 under section 15A(b) of SEBI Act.

27. In view of the violations as established, I would refer to Judgment of the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361}, in which Hon'ble Supreme Court has 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..............."

28. In this regard, I place reliance on the order of the Hon'ble SAT in the matter of Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 order dated October 14, 2014), wherein Hon'ble SAT held that:

"………. obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation."

29. Thus, I am of the view that it is a fit case for penalty under section 15H(ii) and 15A(b) of the SEBI Act, which reads as given below:

Penalty for non-disclosure of acquisition of shares and takeovers.

15H. If any person, who is required under this Act or any rules or regulations made thereunder, fails to,—

(ii) make a public announcement to acquire shares at a minimum price;

he shall be liable to a penalty [which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher].

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

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations [or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to [a penalty [which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

30. While determining the quantum of penalty under sections 15H(ii) and 15A(b) of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

    15J - Factors to be taken into account by the adjudicating officer

    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."

31. In view of the charges as established, the facts and circumstances of the case and the judgments referred to and mentioned hereinabove, the quantum of penalty would depend on the factors referred in Section 15-J of SEBI Act as stated above. I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticees. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors on account of non-

compliance by the Noticees. I note that losing an exit opportunity by the shareholders at the right time as a result of the failure on the part of the Noticees to make the public announcement within the stipulated time period prescribed under the SAST Regulations, is a loss to the investor. The purpose of Regulation 4 of SAST regulations was to ensure that the public gets an exit opportunity once the regulation is attracted. Since promoters hold a special position in the eye of the shareholders, it is imperative that they should maintain transparency in governance and acquisition of shares of a company.

32. The main objective of the SAST Regulations is to afford fair treatment for shareholders who are affected by any change in shareholdings. The Regulation also seeks to achieve fair treatment by inter alia mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change. Correct and timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well-informed decisions. Thus, the cornerstone of the SAST Regulations is investor protection. Further the disclosure as required under the SAST Regulations are of significant importance from the point of view of the Regulators also.

ORDER

33. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, the purpose of SAST Regulations taking note of Section 15H(ii) and 15A(b) of the SEBI Act, and also taking into account judgment of the Hon'ble Supreme Court in *SEBI vs. Bhavesh Pabari (2019) 5 SCC 90* and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15H(ii) and 15A(b) of the SEBI Act, 1992 on the Noticee 1 and under section 15A(b) of the SEBI Act, 1992 on Noticee 2 and Noticee 3:

Name of entity	Provisions violated	Penalty Provision	Penalty (Rs.)
Tien Trading Private Limited (PAN – AADCT1652R) (Noticee – 1)	Regulation 4 SEBI (SAST) Regulations, 2011	Section 15H(ii) of SEBI Act, 1992	15,00,000/- (Rs Fifteen Lakhs only)
	Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011	Section 15A(b) of SEBI Act, 1992	2,00,000/- (Rs Two Lakhs only)
Kyner Trading Private Limited (PAN – AADCK6443P) (Noticee -2)	Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011	Section 15A(b) of SEBI Act, 1992	2,00,000/- (Rs Two Lakhs only)
Artlink Vintrade Ltd. (PAN – AACCA1533H) (Noticee -3)	Regulation 10(5), 10(6) and 10(7) and Regulation 29(2) read with Regulation 29(3) of SEBI(SAST) Regulations, 2011	Section 15A(b) of SEBI Act, 1992	4,00,000/- (Rs Four Lakhs only)

I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

34. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the 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.

35. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department 1 DRA-4), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C/7, "G" Block BKC, Bandra Kurla

Complex, Bandra (E), Mumbai – 400 051." The Noticee shall also provide the following details while forwarding DD / payment information:

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)	

36. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

37. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee 1, Noticee 2 and Noticee 3 and also to the Securities and Exchange Board of India.

Place: Mumbai **BARNALI MUKHERJEE**

Date: September 23, 2022 **ADJUDICATING OFFICER**