



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

By Speed Post AD/Email

CHIEF GENERAL MANAGER & ADJUDICATING OFFICER
ENQUIRIES AND ADJUDICATION DEPARTMENT - 2

SEBI/HO/EAD/EAD2/P/OW/2022/006951/12

February 16, 2023

Mr. Devabhai Nagjibhai Desai PAN: PAIXPD6478L Address: 76, Rabari Colony, Cross Road, Amraiwadi, Ahmedabad- 380026 Email: devabhaindesai@gmail.com	Ms. Renukaben Rameshbhai Shah PAN: FEXPS3390B Address: 16 A Anita Society, Nr Tirupati Hall, Paldi, Ahmedabad- 380007 Email: 1911varun@gmail.com
Ms. Zalak Purvesh Parikh PAN: ANYPP1513A Address: A/2, Hira Anand Tower, Gordhanwadi Tekra, Kanakaria, Maninagar, Ahmedabad- 380008 Email: purveshp1975@gmail.com / jigar_shah833@yahoo.cm	Mr. Varun Jigneshkumar Shah PAN: EQIPS9475M Address: 16A, Anita Society, Nr. Vishvukunj Char Rasta, Paldi, Ahmedabad- 380007 Email: 1911varun@gmail.com

Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in matter of A & M Febcon Limited.

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') has initiated Adjudication Proceedings against the promoters of A & M Febcon Limited namely Mr. Devabhai Nagjibhai Desai (hereinafter referred to as '**Noticee no.1**'), Ms. Zalak Purvesh Parikh (hereinafter referred to as '**Noticee no.2**'), Ms. Renukaben Rameshbhai Shah (hereinafter referred to as '**Noticee no.3**') and Mr.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.

2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in





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Varun Jigneshkumar Shah (hereinafter referred to as 'Noticee no.4'), for alleged violation of Regulation 29(2) read with Regulation 29(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as 'Takeover Regulations'). Noticee no.1, Noticee no.2, Noticee no.3 and Noticee no.4 are hereinafter collectively referred to as 'Noticees'.

2. The undersigned was appointed as Adjudicating Officer vide Order dated January 12, 2023 to inquire into and adjudge under Section 15A(b) of the SEBI Act, 1992 ('SEBI Act') the aforesaid alleged violations against the Noticees. A copy of the communiqué dated January 12, 2023 appointing the undersigned as the Adjudicating Officer is enclosed as **Annexure 1**.

3. As per the statement showing shareholding pattern for the quarter ending December 2020, the promoter and promoter group of AMFL consisted of the Noticees.

The statement showing shareholding pattern for quarter ending December 2020 as obtained from BSE website is enclosed as **Annexure 2**.

4. BSE vide letter dated September 16, 2021 *inter alia* informed SEBI that the promoter entities viz. Noticee no. 1 and Noticee no. 2 have not made the requisite disclosure under Regulation 29 of Takeover Regulations to BSE in respect of share transactions executed by them the scrip of AMFL.

BSE letter dated September 16, 2021 is enclosed as **Annexure 3**.

5. Subsequently, SEBI conducted an examination in the scrip of AMFL for the probable violation of Takeover Regulations by the Noticees.

6. In the course of examination, the details of shareholding of promoter entities provided by BSE and shareholding pattern disclosed on BSE by AMFL were analyzed. From the analysis of the said data, it is alleged that there were 16





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instances where the change in aggregate shareholding of promoters of AMFL required disclosures under Regulation 29 of Takeover Regulations. It is further mentioned in the examination report that the Noticees being promoters of the company, were jointly and severally liable to disclose the particulars of aforesaid transactions to BSE and to the company under Regulation 29(2) of Takeover Regulations. The details of the said 16 instances are tabulated below:

Table 1

Statement of change in shareholding of promoters of A & M Febcon Ltd.									
Sr. No.	Date of transaction	Type of transaction (Sale/Buy)	Promoters shareholding (Pre transactions) (in nos.)	Pre transaction promoters shareholding (in %)	Promoters shareholding (Post transactions) (in nos.)	Total Number of shares of the company	Post transaction promoters shareholding (in %)	Change (in %)	Disclosure required u/r 29(2)*
1.	June 30, 2020	Buy	7296264	56.92%*	7589323	12813205	59.23%	2.31%	Yes
2.	July 8, 2020	Sell	7589323	59.23%	7322062	12813205	57.14%	-2.09%	Yes
3.	July 14, 2020	Sell	7322062	57.14%	7045257	12813205	54.98%	-2.16%	Yes
4.	July 16, 2020	Sell	7045257	54.98%	6764995	12813205	52.80%	-2.19%	Yes
5.	July 17, 2020	Sell	6764995	52.80%	6360600	12813205	49.64%	-3.16%	Yes
6.	July 20, 2020	Sell	6360600	49.64%	5790361	12813205	45.19%	-4.45%	Yes
7.	July 21, 2020	Sell	5790361	45.19%	5339800	12813205	41.67%	-3.52%	Yes
8.	July 23, 2020	Sell	5339800	41.67%	4719264	12813205	36.83%	-4.84%	Yes
9.	September 21, 2020	Sell	4719264	36.83%	4394202	12813205	34.29%	-2.54%	Yes
10.	October 7, 2020	Sell	4394202	34.29%	4135242	12813205	32.27%	-2.02%	Yes
11.	October 23, 2020	Sell	4135242	32.27%	3599475	12813205	28.09%	-4.18%	Yes
12.	October 26, 2020	Sell	3599475	28.09%	3219475	12813205	25.13%	-2.97%	Yes
13.	October 27, 2020	Sell	3219475	25.13%	2934475	12813205	22.90%	-2.22%	Yes
14.	October 30, 2020	Sell	2934475	22.90%	2609455	12813205	20.37%	-2.54%	Yes
15.	November 4, 2020	Sell	2609455	20.37%	2265572	12813205	17.68%	-2.68%	Yes
16.	November 6, 2020	Sell	2265572	17.68%	1954202	12813205	15.25%	-2.43%	Yes

*Promoter group shareholding as per March 2020 shareholding pattern is 56.92%

The relevant extract of the examination report is enclosed as **Annexure 4**.





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The details of the transactions executed by the Noticees as provided by BSE vide email dated December 09, 2022 are enclosed as **Annexure 5**.

7. However, it is alleged that the Noticees being promoters did not make any disclosure in respect of 2% or more change in shareholding of promoter group on 16 instances as stated in the above table. Further, it was noted that BSE in its aforesaid letter dated September 16, 2021 has mentioned that the Noticees have not filed any disclosures under Regulation 29(2) of Takeover Regulations for the abovementioned transactions. Screenshot of BSE website as checked during examination is enclosed as **Annexure 6**.
8. Therefore, it is alleged that the Noticees have violated Regulation 29(2) read with Regulation 29(3) of Takeover Regulations.
9. To summarize, the following allegations have been made against the Noticees:

Table 2

Charge	Violation
Non-disclosure of the transactions in 16 instances by Noticees where there was 2% or more change in their shareholding.	Regulation 29(2) read with Regulation 29(3) of Takeover Regulations.

10. The relevant portion of the aforesaid provisions is reproduced as under:

Regulation 29(2) of Takeover Regulations

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





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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.

Regulation 29(3) of Takeover Regulations

The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days 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 target company are listed; and*
- (b) the target company at its registered office.*

11. The aforesaid alleged violations if established will make the Noticees liable for monetary penalty under Section 15A(b) of the SEBI Act. The said provision read as follows:

15A. Penalty for failure to furnish information, return, etc.- *If any person, who is required under this Act or any rules or regulations made thereunder, -*

(a)..

(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 which shall be not 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.

12. In the view of the above, the Noticees are, therefore, called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'Adjudication Rules') read with Section 15-I of the SEBI Act and why penalty, if any,





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should not be imposed on them under the provisions of Section 15A(b) of the SEBI Act as applicable.

13. Your reply, if any, should reach the undersigned or through email at hariharan@sebi.gov.in and rishij@sebi.gov.in, within 14 days from the date of receipt of this Notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of sub-rule 7 of Rule 4 of the Adjudication Rules. You may also indicate whether you desire a personal hearing in the matter.
14. Further, you are advised to keep the undersigned informed about the change in your correspondence address, if any, till the conclusion of the proceedings. You are also advised to submit a photocopy of your PAN card and contact details viz. Telephone numbers / Fax numbers / e-mail IDs and details of contact persons for records.
15. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If you wish to avail the benefit of the settlement process, you may apply for the same in the manner provided in the said regulations after intimation to the undersigned.



[Signature]
15/2/2023

N HARIHARAN
ADJUDICATING OFFICER



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Enclosures:

Annexure 1: Communique of Appointment of AO dated January 12, 2023.

Annexure 2: Statement showing shareholding pattern of the promoter and promoter group for quarter ending December, 2020.

Annexure 3: BSE letter dated September 16, 2021.

Annexure 4: The relevant extract of the said examination report.

Annexure 5: The details of the transaction executed by the Noticees as provided by BSE vide email dated December 09, 2022.

Annexure 6: Screenshot of BSE website as checked during examination.

