# BEFORE THE ADJUDICATING OFFICER
# SECURITIES AND EXCHANGE BOARD OF INDIA
## [ADJUDICATION ORDER NO. EAD/SR/SM/AO/47/2018-19]

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

In respect of

**Annand Sarnaaik**
(PAN: ALQPS8568J)

In the matter of M/s Pipavav Defence & Offshore Engineering Company Ltd., M/s Parsvanath Developers Ltd., M/s Goldyne Technoserve Ltd. and M/s Tulip Telecom Ltd.

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## BACKGROUND

1. A Department (**OD**) of Securities and Exchange Board of India (hereinafter referred to as the **SEBI**) conducted an investigation regarding trading/dealing in the scrip of M/s Pipavav Defence & Offshore Engineering Company Ltd., M/s Parsvanath Developers Ltd., M/s Goldyne Technoserve Ltd. and M/s Tulip Telecom Ltd. pursuant to downward movement of share price in the said scrips. The companies were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) during the investigation. During the course of investigation it was observed by Investigating Authority (**IA**) of SEBI that Annand Sarnaaik (hereinafter referred to as **Noticee**), one of the promoter of the M/s Goldyne Technoserve Ltd. (hereinafter referred to as **GTL/Company**) has violated the provisions of regulations 31(1), 31(2) read with (r/w) 31(3) of SEBI (Substantial Acquisition of shares and takeovers) regulations, 2011 (hereinafter referred to as **SAST Regulations, 2011**).

## APPOINTMENT OF ADJUDICATING OFFICER

2. Based on the examination, SEBI initiated adjudication proceedings against the Noticee, to inquire into and adjudge under section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **the SEBI Act, 1992**)

for alleged violations of provisions under regulations 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011. The adjudication proceedings were approved by the Competent Authority. Shri Jayanta Jash was appointed as the Adjudicating Officer (AO) under section 15-I of the SEBI Act, 1992 r/w rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **Adjudication Rules, 1995**) to inquire into and adjudge under section 15A(b) of the SEBI Act, 1992 for the alleged violation of the provisions under regulation 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011 by the Noticee. On transfer of Shri Jayanta Jash, the Adjudication Proceedings was transferred to Shri Nagendraa Parakh, and subsequently, the matter was transferred to me and I was appointed as AO vide AO order dated July 10, 2017.

**SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING**

3. A Show Cause Notice no. EAD/NP/JS/OW/5694/2/2016 dated February 26, 2016 (hereinafter referred to as **SCN**) was issued to the Noticee in terms of rule 4 of the Adjudication Rules, 1995 requiring the Noticee to show cause as to why an inquiry should not be held against it for the alleged violations of provisions under regulation 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011 and why penalty be not imposed on the Noticee under section 15A(b) of the SEBI Act, 1992 for the alleged violations as specified in the SCN. The SCN was served to the Noticee through speed post acknowledgement due (SPAD) as seen from the reply submitted by the Noticee vide letter dated April 18, 2016 referring the said SCN.

4. It was alleged in the SCN that the Noticee was one of the promoter and also functioning as Chairman and Managing Director of the company during investigation. IA observed that Noticee was holding 33.60% of shares in the company as on June 30, 2012, which got reduced to 27.66 % as on September 30, 2012 and pledged shares of the Noticee increased from June 30, 2012 to September 30, 2012. Details of holding, pledges of shares in the scrip were provided to the Noticee by enclosing a copy of investigation report in the above mentioned SCN. It was alleged in the SCN that Noticee violated the provision of regulations 31(1) and 31(2) r/w 31(3) of SAST

Regulations, 2011 by failing to make disclosure to the company and stock exchanges regarding change in holding, pledge and invocation of pledge of shares in the scrip.

5. In the interest of natural justice, vide hearing notice EAD/NP/JS/OW/25281/2/2016 dated September 07, 2016, an opportunity was granted to the Noticee for a personal hearing on November 30, 2016. As seen from the Noticee's letter dated December 01, 2016, Noticee submitted additional information/documents referring the personal hearing on November 30, 2016. Subsequent to my appointment as AO in the said matter, vide hearing notice dated April 24, 2018, the Notice was granted personal hearing on April 24, 2018. The authorized representatives (ARs) on behalf of the Noticee attended the hearing scheduled on April 24, 2018 and requested time to submit additional information. Accordingly the Noticee was given time to submit the information/documents by May 10, 2018. Noticee vide its letter dated May 09, 2018 submitted the information/documents referring the hearing conducted on April 24, 2018.

6. Noticee vide letter dated May 09, 2018 submitted that "*the present matter is already adjudged by another adjudicating officer Ms. Rachna Anand against whose order an appeal has been filed before the Hon'ble Securities Appellate Tribunal, at Mumbai (SAT)*". Noticee also submitted a copy of AO order dated November 30, 2017 passed by the AO (Ms. Rachna Anand) in respect of the Noticee in the matter of M/s Goldyne Technoserve Ltd. I note from the said AO order passed by AO (Ms. Rachna Anand) that the investigation period was January 02, 2011 to April 20, 2013 whereas the period under consideration for the instant matter is June 30, 2012 to September 30, 2012. As seen from the AO order dated November 30, 2017, the Noticee at various instances failed to disclose regarding change in shareholding, creation/invocation/release of pledge during the period of investigation and hence violated the provisions of regulation 31(1) and 31(2) r/w 31(3) SAST Regulations, 2011 alongwith other violations. The alleged violations in the said SCN in the present matter are already part of the alleged violations for which SCN was issued and AO order dated November 30, 2017 has already been passed by the AO in the matter of M/s

Goldyne Technoserve Ltd. In the said order dated November 30, 2017, Noticee was imposed a penalty of Rs. 10,00,000 for the violations of regulations 31(1) and 31(2) r/w 31(3) of SAST Regulations, 2011 which includes all the violations for which SCN dated February 26, 2016 issued by previous AO (Shri Nagendraa Parakh) as alleged in the instant matter. In view of the same, cause of action for the present adjudication proceedings with regard to disclosure to the company and stock exchanges regarding change in holding, pledge and invocation of pledge of shares in the scrip does not survive for proceeding further.

**ORDER**

7. In view of the above paragraphs, I hereby dispose of the Adjudication Proceedings initiated against the Noticee i.e. Annand Sarnaaik vide SCN dated February 26, 2016 without imposing any monetary penalty.

8. In terms of the rule 6 of the Adjudication Rules, 1995, copy of this order is sent to the Noticee at his last known address and also to Securities and Exchange Board of India.

**Date: July 31, 2018**
**Place: Mumbai**

**SANGEETA RATHOD**
**ADJUDICATING OFFICER**