BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: EAD/PM-RR/AO/2019-2020/3823)

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

In respect of:

Mr. Rajendra Kumar Dabriwala (PAN: AFOPD3779E)

In the matter of International Conveyors Ltd.

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the scrip of International Conveyors Limited (hereinafter referred to as "the Company/ICL") during June 12, 2009 to July 1, 2009 (hereinafter referred to as "investigation period"). During the investigation period, SEBI had observed violation of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of SEBI (Prevention of Insider Trading) Regulations, 1992 (hereinafter referred to as "PIT Regulations, 1992"), Regulation 3(i) and 4 of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992 by Mr. Rajendra Kumar Dabriwala (hereinafter referred to as "Noticee").

APPOINTMENT OF ADJUDICATING OFFICER

2. Shri D. Sura Reddy was appointed as Adjudicating Officer (AO) vide Order dated November 4, 2015. Subsequently, the undersigned has been appointed as Adjudicating Officer, vide Order dated March 26, 2018 (communicated to the Adjudicating Officer vide communique dated March 27, 2018) under Section 15-I of 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 15 G of the SEBI Act for the alleged violation of Regulation 3(i) and 4 of PIT Regulations, 1992 and Sections 15HB of the SEBI Act for the alleged violation of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) PIT Regulations, 1992 and Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992 by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. Show Cause Notice dated May 24, 2016 (hereinafter referred to as 'SCN') was issued to the Noticee at his latest address available on record. The SCN was issued to the Noticee under the provisions of Rule 4 (1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against the Noticee and why penalty should not be imposed on the Noticee under the provisions of Sections 15G and 15HB of the SEBI Act, for the aforesaid alleged violations.

4. Facts of the case and allegations made in the SCNs:
   a) SEBI conducted an investigation in the matter of International Conveyors Limited during the period June 12, 2009 to July 01, 2009.
   b) From the investigation, it was observed that the Noticee was the one of the promoters and Managing Director of the Company. In addition, the Noticee was part of Board of Directors of the Company.
   c) During the period of investigation, it was observed that the Company had made following announcements:
      i. on June 29, 2009 at 06:31:57 pm about the audited financial results for the Quarter & the Year ended March 31, 2009 and
      ii. on June 30, 2009 @ 12:39:45 pm about the declaration of a final dividend of Rs. 2/- per share or 20% of paid up capital for the financial year 2008-09 subject to approval of shareholders in the 36th AGM.

d) In the Board meeting dated June 29, 2009, audited financial results of the Company and recommendations of dividend on equity shares for the financial years 2008-2009 were approved.

e) It was observed that the trading window of ICL was closed from June 24, 2009 to June 30, 2009.

f) On perusal of the model code of conduct adopted by the Company, it was observed that the trading window should have been closed till July 01, 2009, as closure of trading window ends 24 hours after the information of declaration of financial results / dividends was made public by the Company.

g) Further, it was also noted that the trading window was not closed when the agenda for the Board Meeting to be held on June 29, 2009 was circulated on June 19, 2009 along with draft financial results for the year ending March 31, 2009. Therefore, though the company had closed the trading window from June 24, 2009, it should have been closed from June 19, 2009 in compliance with Clause 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12 (1) of PIT Regulations.

h) Since the trading window opened before time i.e. on June 30, 2009 itself and was closed much later i.e. from June 24, 2009 instead of June 19, 2009, it is alleged that Noticee (being the Managing Director of ICL & being in-charge of day to day affairs of ICL) had failed to supervise the implementation of the code of conduct.

i) In view of the above, it was alleged that, the Noticee violated the provisions of Clause 1.2 and 3.2.1of code of conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of the PIT Regulations (by closing the trading window for lesser period) warranting imposition of monetary penalty under Section 15HB of the SEBI Act, 1992.

j) From the submissions of the Company, it was observed that on June 18, 2009 it had sent notice for Board meeting to be held on June 29, 2009 to BSE through courier. Therefore, it was concluded during investigation that by June 18, 2009 the Noticee was aware of the Agenda of the meeting.

k) It was observed that the Noticee was the top purchaser in the shares of the Company during June 13, 2009 to June 26, 2009. Trading activity of the Noticee is as under:

Date	Quantity Purchased	Amount (Rs)
08/06/2009	10000	1455442.62
09/06/2009	10000	1456944.68
10/06/2009	15000	2193928.33
12/06/2009	163	24944.60
15/06/2009	69	11063.63
17/06/2009	1094	184841.18
18/06/2009	230	40856.07
19/06/2009	90	16777.94
22/06/2009	150	29354.11
23/06/2009	465	95546.93
25/06/2009	196	44392.03
26/06/2009	505	120077.40
30/06/2009	5259	1336006.99

l) The Noticee, being the Managing Director of the Company, had access to the draft financial results of the company before they were approved by the Board and later at the AGM. He was in charge of the day to day affairs of the company and was reasonably expected to have interactions with auditors leading to preparation of final accounts.

m) Therefore, it was alleged that the Noticee was aware of the better performance of the company in the March 2009 quarter and the financial year ending 2009, which had prompted him to buy the above shares of the Company. Better performance of the Company was evident from the financial results declared by the Company for quarter ended March 2009 and year ending 2009. Therefore, the Noticee by dealing in shares of ICL while in possession of the unpublished price sensitive information, is alleged to have violated Regulation 3(i) and 4 of the PIT Regulations, 1992 warranting imposition of monetary penalty under Section 15G of the SEBI Act, 1992.

n) The Noticee traded on June 25, 2009, June 26, 2009 and June 30, 2009 during trading window closure period. Trading window was closed from June 24, 2009 to June 30, 2009 on account of declaration of annual financial results and recommendation of dividend. Therefore, the Noticee was alleged to have violated provisions of Clause 3.2-2 & 3.2-5 of Part A of Schedule I under Regulation 12 (1) of PIT Regulations, 1992 warranting imposition of monetary penalty under Section 15HB of the SEBI Act, 1992.

5. In the interest of natural justice and in order to conduct an inquiry in terms of Rule 4 (3) of the Adjudication Rules, the Noticee was granted opportunity of personal hearing on May 31, 2019. On behalf of the Noticee, the legal representative of the Noticee availed the opportunity of personal hearing on May 31, 2019 at Securities and Exchange Board of India, 4th Floor, Plot No. C-7, 'G' Block, Bandra- Kurla Complex, Bandra (E), Mumbai– 400 051. During hearing, the authorised representatives of the Noticee had desired to submit additional reply in the matter which was later submitted vide letter dated June 7, 2019.

6. The Noticee made additional submissions in the matter which are summarised hereunder:

   a) *All the allegations contained in the SCN are denied.*
   b) *The Noticee, together with RCA Ltd ("RCA") and ICL had filed a Consent Application dated July 26, 2016 before SEBI in the above matter with an intention to avoid protracted Litigation and to mutually conclude the matter. SEBI vide email dated May 17, 2019 returned the Settlement Application of Noticee, RCA and ICL on the grounds of failure by RCA to make the required disclosure.*
   c) *SEBI Vide its Letter dated May 10, 2019 sent a hearing notice to appear before your Honour on May 31, 2019, which the Noticee attended.*
   d) *The promoters had purchased shares of ICL over number of small transactions in that financial year 2009-2010 in order to increase stake by creeping acquisitions. It is therefore submitted that the alleged purchase of shares of ICL was carried out by the brokers of the noticee under standing instructions for creeping acquisitions. It may be noted that in the year*

promoters have acquired more than One Lac shares in creeping acquisition as compared to purchase of only 6900 shares during alleged window close period.

e) *Even if Your Honour takes into consideration the purchase of shares of the noticee from 19th June, 2009 to 1st July 2009 which is closing period of the trading window or prohibited period as determined by SEBI in the SCN, the noticee has purchased only 6665 shares out of a total of 64970 shares which were available for delivery during that trading period, which is very small as compared to the shares available in the market for delivery during that period.*

f) *The Noticee states that if at all it is said that the Noticee was aware of the price sensitive information then, Noticee could have traded/purchased shares in a much larger quantity to take advantage, as alleged. The Sheer small quantity of trades of the Noticee during the UPSI period proves that there was no intention to gain undue advantage of the UPSI. The noticee submits that trading in the period was done inadvertently by the broker as the broker was not aware about the closing window and wad buying at standing instruction of Creeping Acquisition by promoter.*

g) *In respect of the allegation of trading in trading window close period, by trading on 19/06/2009, 22/06/2009 and 23/06/2009, it is stated that as per SCHEDULE I [Under Regulation 12(1)] PART A MODEL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR LISTED COMPANIES – (1.2) The Compliance officer shall be responsible for setting forth policies, procedure, monitoring adherence to the rules for the preservation of "Price Sensitive Information"; pre-clearing: of designated employee's and their dependents trades (directly or through respective department heads as decides by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.*

h) *On the above allegation, it is stated that the responsibility of closing the trading window was solely of the compliance officer. And if there is a failure on the part of the compliance officer for not correctly setting the closing* *period of trading window properly, the Noticee cannot be held responsible for trading on such dates. Thus, the Noticee states that trades done by the Noticee on 19/06/2009, 22/06/2009 and 23/06/2009 cannot be held in violation to PIT Regulations.*

i) *The Noticee has not gained any profit or has not caused any loss to any investors due to the transaction and trades done by the broker on behalf of the Noticee was a merely a part of Creeping Acquisition by promoters of more One Lac shares.*

j) *Therefore the SCN may kindly be dropped, without levying any Penalty.*

7. In view of the facts at para 5 and para 6 above, I am of the view that principles of natural justice have been followed in the matter and I deem it appropriate to decide the matter on the basis of facts/material available on record including the submissions made by the Noticee.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

8. I have taken into consideration the facts and material available on record wherein it is alleged that the Noticee has violated Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Regulation 3(i) and 4 of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992.

   After perusal of the material available on record, I have the following issues for consideration, viz.

   a. *Whether the Noticee has violated the provisions of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Regulation 3(i) and 4 of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992?*

b. *Does the violation, if any, attract monetary penalty under Section 15G and Section 15HB of SEBI Act?*
c. *If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?*

ISSUE I: Whether the Noticee has violated the provisions of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Regulation 3(i) and 4 of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992?

9. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI (PIT) Regulations, 1992 which reads as under:

Relevant provisions of PIT Regulations, 1992:

Prohibition of dealing, communication or counseling on matters relating to insider trading.

3. No insider shall --

(i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information; or

(ii) ....

Violation of provisions relating to Insider Trading

4. Any insider who deals in securities in contravention of the provisions of Regulation 3 or 3A shall be guilty of insider trading.

Code of internal procedures and conduct for listed companies and other entities.

12(1) *All listed companies and organizations associated with securities markets including:*

(a) the intermediaries as mentioned in section 12 of the Act, asset management company and trustees of mutual funds ;

(b) the self-regulatory organizations recognized or authorized by the Board;

(c) the recognized stock exchanges and clearing house or corporations;

(d) the public financial institutions as defined in section 4A of the Companies Act, 1956; and

(e) the professional firms such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising listed companies,

shall frame a code of internal procedures and conduct as near thereto the Model Code specified in Schedule I of these Regulations without diluting it in any manner and ensure compliance of the same.

12(3)*All entities mentioned in sub-regulation (1), shall adopt appropriate mechanisms and procedures to enforce the codes specified under sub-regulations (1) & (2).*

Schedule I (Part A)

Model Code of Conduct for Prevention of Insider Trading for Listed Companies

1.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.

Explanation : For the purpose of this Schedule, the term 'designated employee' shall include :—

(i) officers comprising the top three tiers of the company management;

(ii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

3.2 Trading window

***3.2.1** The company shall specify a trading period, to be called "trading window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is unpublished.*

***3.2.2** When the trading window is closed, the employees/directors shall not trade in the company's securities in such period.*

***3.2-5** All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.*

10. Taking into account the facts of the case, the gist of allegations made against the Noticee as per the SCN, the summary of the submissions made by the Noticee, my findings thereof are specified below:

    a) I observe that during the investigation, period, the Noticee was one of the promoters and Managing Director of the Company and was in charge of day to day affairs of the Company.

    b) Further, I find that the Noticee was part of Board of Directors of the Company.

    c) During the investigation period, there were two major corporate announcements i.e., (i) on June 29, 2009 at 06:31:57 pm about the audited financial results for the Quarter & the Year ended March 31, 2009 and (ii) on June 30, 2009 @ 12:39:45 pm about the declaration of a final dividend for the financial year 2008-09.

    d) With regard to above, I find that trading window was closed for lesser period i.e., from June 24, 2009 to June 30, 2009 instead of from June 19, 2009 to July 1, 2009.

e) I find that there were two Unpublished Price sensitive Information (UPSI) i.e., regarding (i) audited financial results for the Quarter & the Year ended March 31, 2009 which was made public on June 29, 2009 at 06:31:57 pm and (ii) declaration of a final dividend for the financial year 2008-09 which was made public on June 30, 2009 @ 12:39:45 pm.

f) It is seen that the Noticee had traded in the shares of the Company on six instances during window closure period i.e., from June 19, 2009 to July 1, 2009 while in possession of UPSI.

g) Findings with regard to alleged violation of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992 are as under:

- With regard to the above allegation regarding trading window closure period, the Noticee has stated in its reply that as per the relevant Regulations, responsibility of closing the trading window was solely of the Compliance Officer and if there is a failure on the part of the Compliance Officer for not correctly setting the closing period of trading window properly, the Noticee cannot be held responsible.
- I do not agree with the above contentions of the Noticee.
- From the facts of the case, I find that the Noticee was Managing Director of the Company and also part of Board of Directors of the Company.
- As per the Clause 1.2 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, the compliance officer is responsible for implementation of model code of conduct under the overall supervision of the Board of the Listed Company. Therefore, in my opinion, it is not the sole responsibility of the Compliance Officer to enforce code of conduct.

The Noticee, was the Managing Director of the Company and was also in charge of day to day affairs of the Company and further was also part of the Board of the Company. Therefore, the Noticee was equally responsible for ensuring compliance with the said regulatory provisions.

- From Clause 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, I find that trading window for trading in the Company's securities shall be closed during the time when the price sensitive information remains unpublished. Therefore, as stated above, the Noticee failed to implement the code of conduct.
- In view of the above findings, I conclude that the Noticee has violated Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992.

h) Findings with regard to alleged violation of Clause 3.2-2 and 3.2-5 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992 are as under:

- With regard to the above allegation, the Noticee has stated that he had purchased only 6,665 shares during widow closure period which is very small. Further, trading was done inadvertently by broker who was unaware of closing of trading widow and was buying under the standing instruction of Creeping Acquisition by promoters.
- I do not agree with the above contentions of the Noticee.
- I find that the Noticee was Managing Director of the Company and had traded during window closure period. Further, the Noticee himself admitted in its reply that it had traded during the window closure period.

- The Noticee further failed to instruct his broker not to trade during the window closure period as required under the relevant provisions of PIT Regulations, 1992.
- From Clause 3.2-2 and 3.2-5 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992, I observe that the said provisions of law restricts insiders from trading during window closure period and does not give any flexibility/exemption regarding miniscule trading by the insiders during the window closure period.
- Therefore, in view of the above, I conclude that the Noticee violated Clause 3.2-2 and 3.2-5 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992.

i) Findings with regard to alleged violation of Regulation 3(i) and 4 of PIT Regulations, 1992 are as under:

- With regard to above alleged violation, Noticee, in its reply stated that during the trading widow closure period from June 19, 2009 to July 1, 2009, the Noticee had purchased only 6,665 shares out of total 64,970 shares available for trading during above period which is very small. If at all the Noticee was aware of the price sensitive information, he could have purchased shares in larger quantity. The small quantity of trade of the Noticee during the UPSI period proves that there was no intension of gaining advantage of the UPSI. Further, trading was done inadvertently by broker who was unaware of closing of trading widow and was buying under the standing instruction of Creeping Acquisition by promoters.
- I do not agree with the above contentions of the Noticee.
- From the facts of the case, I find that the Noticee being Managing Director of the company, was both an "Insider" under Regulation 2 (e) of PIT Regulations, 1992 and also a "Connected Person" as defined under Regulation 2 (c)(i) of PIT Regulations, 1992.

- From the material available on record, I find that the agenda for the Board Meeting was circulated on June 19, 2009 and the Company had sent notice to BSE on June 18, 2009 regarding the Board Meeting with respect to financial results and declaration of final dividend. Therefore, in my view the Noticee was aware of the agenda of the Board Meeting by June 18, 2009.
- In addition to the above, I observe that the Noticee himself admitted in its reply that it had traded during the window closure period.
- I observe that Regulation 3(i) of PIT Regulation, 1992 prohibits insiders from trading during the window closure period and does not give any flexibility/exemption regarding miniscule trading by the insiders during the window closure period. Therefore, I do not agree with the contentions of the Noticee that it had traded in miniscule number of shares so was not aware of UPSI. Though the Noticee had stated that it had traded only 6665 shares, I find that the said shares amounts to Rs 16.42 lakh in terms of value of trades.
- The Code of Conduct which regulates trading in securities is a means to ensuring that persons who have access to UPSI are aware of their responsibility to not trade in securities while in possession of UPSI. Hence, the codes provide for trading windows when such persons can trade, and require reporting of trades carried out.

  The very purpose of prescribing Code of Conduct is to inter-alia reduce information asymmetry.

  The Noticee being the Managing Director of the Company was expected to show highest standards of compliance and not violate the regulatory requirements. Insider Trading is a serious offence and needs to be dealt with accordingly.
- In view of the above findings, I conclude that the Noticee has violated Regulation 3(i) and 4 of PIT Regulations, 1992.

ISSUE II: Does the violation, if any, attract monetary penalty under Section 15G and Section 15HB of SEBI Act.?

The provisions of Section 15G and 15HB of the SEBI Act, 1992 read as under:

Penalty for insider trading.

15G. *If any insider who,—*

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or

(ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price-sensitive information,

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 insider trading, whichever is higher.

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.*

11. In view of the foregoing, I am convinced that the Noticee is thus liable for monetary penalty under Section 15G for violation of Regulation 3(i) and 4 of the PIT Regulations, 1992 and Section 15HB of SEBI Act for violation of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992.

ISSUE III: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

12. The provisions of Section 15J of the SEBI require that while adjudging the quantum of penalty, 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.

13. The material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticee and the loss, if any, suffered by the investors as a result of the Noticee's failure. I find that the Noticee has violated the provisions of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Regulation 3(i) and 4 of PIT Regulations, 1992, Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992.

ORDER

14. In view of the above, after considering all the facts available on record, and the factors mentioned in the provisions of Section 15-I of the SEBI Act, 1992 read with Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, I hereby impose penalty on the Noticee as detailed below:

Name of the Noticee	Provisions of law violated	Penalty levied under Section	Quantum of Penalty in Rs.
Mr. Rajendra Kumar Dabriwala	Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992	Section 15HB of SEBI Act, 1992	Rs. 4,00,000/- (Rs. Four lakh only)
	Regulation 3(i) and 4 of PIT Regulations, 1992	Section 15G of SEBI Act, 1992	Rs.45,00,000/- (Rs. Forty-five lakh only)
	Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992	Section 15HB of SEBI Act, 1992	

In the facts and circumstances of the case, I am of the view that the said penalty is commensurate with the default committed by the Noticee.

15. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either

Through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link

ENFORCEMENT → Orders → Orders of AO → PAY NOW

OR

Through e-payment facility into Bank Account, the details of which are given below:

Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

OR

By way of demand draft in favour of "SEBI-Penalties Remittable to Government of India", payable at Mumbai.

16. The Noticee shall forward the following details / confirmation of penalty so paid to the Chief General Manager, Enforcement Department, SEBI, Mumbai.

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:	Penalty

17. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is sent to the Noticee and also to the Securities and Exchange Board of India.

Date: July 31, 2019
Place: Mumbai

PRASANTA MAHAPATRA
ADJUDICATING OFFICER