BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: ORDER/PM/RR/2019-20/6630-6635)

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 AND SECTION 23 – I OF SECURITIES CONTRACT (REGULATION) ACT, 1956 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATIONS) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005.

In respect of:

SL. No.	Name of the Entity	PAN/DIN
1	M/s. GV Films Ltd.	AAACG2118C
2	Mr. V. Subramonian	AANPS8061L
3.	Mr. Mahadevan Ganesh	AEAPG4537Q
4.	Mr. A. Venkatramani	AABPV3960F
5.	Mr. P. Raghuraman	AHJPP4154E
6.	Mr. R. Gopalan	ADAPG7395R

In the matter of G V Films Ltd.

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the matter of G V Films Ltd. (hereinafter referred to as “the Company/GV”) during March 01, 2007 to April 30, 2007 (hereinafter referred to as “investigation period”) and observed the violation of Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") and Section 23E of Securities Contract Regulation Act, 1956 (hereinafter referred to as "SCRA 1956"), various provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities

Market) Regulations, 2003 (hereinafter referred to as "SEBI PFUTP Regulations, 2003") and provisions of Listing Agreement.

APPOINTMENT OF ADJUDICATING OFFICER

2. I have been appointed as the Adjudicating Officer, vide Order dated June 23, 2017 and communicated vide communique dated September 21, 2017 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') and Section 23 – I of SCRA, 1956 read with Rule 3 of Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (hereinafter referred to as 'SCR Adjudication Rules') to inquire into and adjudge –

   a) under Section 15HA of the SEBI Act and Section 23E of SCRA, 1956, the alleged violation of the provisions of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to FUTP) Regulations, 2003 (hereinafter referred to as "SEBI PFUTP Regulations, 2003"), Section 21 of SCRA, 1956 read with Clause 36(7) of the listing agreement by G V Films Ltd. (hereinafter referred to as "Noticee 1/GV")
   b) under Section 15HA of the SEBI Act, the alleged violation of the provisions of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, by V. Subramonian (hereinafter referred to as "Noticee 2"),by Mahadevan Ganesh(hereinafter referred to as "Noticee 3"), by A. Venkatramani (hereinafter referred to as "Noticee 4"), by P. Raghuraman (hereinafter referred to as "Noticee 5") and by R. Gopalan (hereinafter referred to as "Noticee 6").

(The aforesaid Noticees are hereinafter individually referred to as Noticee 1 to Noticee 7 and collectively referred to as the Noticees)

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A common Show Cause Notice dated December 21, 2017 (hereinafter referred to as 'SCN') was issued to the Noticees under the provisions of Rule 4 (1) of the Adjudication Rules and Rule 4 of SCR Adjudication Rules, to show cause as to why an inquiry should not be held against the Noticees and why penalty should not be imposed on Noticee 1 under the provisions of Sections 15HA of the SEBI Act and Section 23E of SCRA, 1956 and on Noticee 2 to Noticee 6 under the provisions of Section 15 HA of SEBI Act, for the aforesaid alleged violations. The aforesaid SCN was served upon the Noticees separately at their latest address available on record.

4. Following are the fact of the case and allegations made in the SCN:

   a) SEBI had conducted investigation during March 01, 2007 to April 30, 2007 regarding the issuance of Global Depository Receipts (hereinafter referred to as "GDRs") by G V Films Ltd. It was observed that G V Films Ltd issued 6.4 million GDRs (amounting to US$ 40 million) on April 27, 2007. Summary of GDRs issued by G V Films Ltd is as under:

GDR issue date	No. of GDRs Issued (mn.)	Capital raised (US$mn.)	Price per GDR (US$)	Underlying shares per GDR	Local custodian	No. of equity shares underlying GDRs	Global Depository Bank	Lead Manager	Bank where GDR proceeds deposited	GDRs listed on
April 27, 2007	6.4	40.00	0.625	25	ICICI Bank Ltd., Mumbai	16,00,00,000	The Bank of New York Mellon, USA	Bremer Bugmann Seiler Capital Partners Ltd., Switzerland	Banco Efisa	Luxembourg Stock Exchange

   b) It was observed from the Information Memorandum of GDR issue that the company declared the following as the Use of Proceeds:

      USE OF PROCEEDS

      The Company expects to raise US$ 40 million from this offering. The net proceeds from the offering, after deduction of fees and expenses of GDRs is expected to be US$38.40 million which the Company intends to use for the project

      - To acquire content and technology for its webcasting business

- For the project 'GV Studio city' which will be an integral complex of theme multiplex theatres themed hotels and Shopping malls in India in different locations
- To acquire / buy controlling interest in other companies having similar line of business/activities and
- To meet the expenditure of the GDR issue

c) With regard to the aforesaid GDR issue, BSE had given approval for listing and trading of 16,00,00,000 equity shares of Rs. 10 each underlying GDRs on May 23, 2007.

d) SEBI, pursuant to IOSCO MMoU, requested Comissãso do Mercado de Valores Mobiliãrios, Portugal (hereinafter referred to as CMVM) to obtain information from Banco Portugues De Negocios, Portugal and Banco, Portugal, where GDR proceeds were deposited/ pledge agreement was signed, with regard to GDR issues by the companies.

e) From the information submitted by Banco through CMVM, it was observed that
   - Whiteview signed a Credit Agreement dated March 15, 2007 with Banco for payment of GDR subscription amount of US $40 million.
   - GV signed Account Charge Agreement dated March 27, 2007 with Banco (pledged GDR proceeds as collateral against the loan availed by Whiteview).
   - The Bank account of GV maintained with Banco was operative prior to the said GDR and there were transactions pertaining to FCCB & GDR issue done by GV in the year 2006.

f) From the Credit Agreement and Account Charge Agreement, the following was observed:
   i. Whiteview had entered into credit agreement dated March 15, 2007 with Banco for subscription of GDRs of GV. As per the said credit agreement, Whiteview would be provided a loan only for the purpose of subscribing to the GDRs of GV. Whiteview had given a drawdown notice dated March 22, 2007 which would be required to avail the loan

facility. Credit agreement further states that a drawdown notice is irrevocable

ii. An account charge agreement was executed between GV (Noticee 1) and Banco and the aforesaid agreement was signed by Mr. V. Subramonian (Noticee 2) of GV. As per Account Charge Agreement, GV shall deposit in its designated account with Banco an amount not exceeding loan availed by Whiteview for subscription of GDRs of GV as security for all the obligations of Whiteview under the Credit Agreement (which was signed between Banco and Whiteview by which Banco agreed to lend Whiteview for subscription of GDRs of GV). Further, it was observed that only upon payment of all or part of the amounts due under the Credit Agreement, GV could withdraw an equivalent amount from the bank account with Banco. The Account Charge Agreement contained a clause to the effect that all communications to be given under the Agreement were to be addressed to Mr. A. Venkataramani (Noticee 4) of G. V. Films.

iii. It is evident from the above that GV pledged GDR proceeds even before issuance of GDRs to secure the rights of Banco against the loan given to Whiteview for subscription to GDR issue (as mentioned in Credit Agreement).

iv. Further, GV vide email dated May 15, 2017, submitted resolution of the board meeting dated March 16, 2007. The minutes of the Board meeting inter-alia states the following:

The Board considered the proposal of the opening account with Banco Efisa S. A. Lisbon (the Bank) or any of the branch of Banco Efisa S. A. including offshore Branch outside India for the proposed GDR issue up to USD 40 million.

In this regard the Chairman informed the Board that Company has already opened an account with the Banco Efisa S. A. and suggested that Mr. V. Subramonian, President Corporate Affairs of the company may *also be authorized to sign and execute documents on behalf of this company. After discussion following resolutions passed:-*

"RESOLVED THAT a bank account be opened with Banco Efisa S. A. Lisbon (the Bank) or any of the branch of Banco Efisa S. A. including offshore Branch outside India for the purpose of receiving subscription money in respect of the Global Depository Receipt issue of the Company."

"RESOLVED FURTHER THAT Mr. V. Venkatramani, Director of the company, Mr. Mahadevan Ganesh, Director of the Company and Mr. V. Subramonian, President Corporate Affairs of the company be and hereby severally authorized to sign, execute any application, agreement, escrow agreement, document, undertaking, confirmation, declaration and other paper(s) from time to time as may be required by the Bank and to carry and affix, Common seal of the company thereon, if and when so required."

"RESOLVED FURTHER THAT Mr. A. Venkatramani, Director of the company and Mr. Mahadevan Ganesh, Director of the Company be and are hereby severally authorized to draw cheques and other documents and to give instructions from time to time as may be necessary to the said Banco Efisa S. A. or any of branch of Banco Efisa S. A., Lisbon including off shore Branch, for the purpose of operation of and dealing with the said Bank account and carry out other relevant and necessary transactions and generally to take all such steps and to do all such things as may be required from time to time on behalf of the company."

"RESOLVED FURTHER THAT the Bank be and is hereby authorized to use their funds so deposited in the aforesaid Bank Account as security in connection with loans if any as well as to enter into any Escrow Agreement if and when so required."

v. GV, vide email dated May 15, 2017, submitted that the aforesaid Board meeting dated March 16, 2007 was attended by Mr. A. Venkatramani (Director) (Noticee 4), Mr. P. Raghuraman (Director) (Noticee 5), Mr.

R. Gopalan (Director) (Noticee 6), Mr. S. Ramanathan (Director), Mr. V. Subramonian (President – Corporate Affair) (Noticee 2) and Mr. P. Thirumalai Kumar (Company Secretary of GV).

vi. On perusal of the minutes of the Board meeting dated March 16, 2007 and the details of the attendees of the said board meeting, it is observed that the name of the Chairman of GV, Mr. Mahadevan Ganesh (Noticee 3), doesn't appear in the list of attendees as provided by company. However, the minutes of the Board meeting categorically mentions that the Board of GV, on suggestion of the Chairman, had authorised Mr. V. Subramonian (Noticee 2) to sign /execute any agreement with Banco. Further, the Board had also authorized Banco to use the funds deposited in its bank account as a security in connection with loans. On the basis of authorisation given by the Board, Mr. V. Subramonian (Noticee 2) signed the account charge agreement on behalf of GV, which acted as a security to the loans availed by Whiteview for subscription of GDRs.

vii. Further, Noticee 2 on April 19, 2017 stated under oath that the said account charge agreement was signed by him.

viii. Noticee 2 signed an account charge agreement with Banco. The aforesaid account charge agreement was an integral part of Credit agreement entered into between Whiteview and Banco. These agreements enabled Whiteview to avail a loan from Banco for subscribing GDRs of GV. The GDR issue would not have been subscribed had the company not given any such security towards the loan taken by Whiteview. On April 27, 2007, the company informed BSE that "*the Committee of Board of Directors of the company at its meeting held on April 27, 2007 has approved the allotment of 64,00,000 GDRs of US $6.25 each amounting to US $40 million representing 16,00,00,000 Equity shares of Rs 10 each issued at the price of Rs 10.8 per share.*" The arrangement of credit agreement and account charge agreement resulted in subscription of GDR issue of the company. Information with regard to the aforesaid arrangement was disclosed to the

Stock Exchange in a distorted manner which might have influenced the decision of investors. Therefore, the scheme of issuance of GDRs appeared to be fraudulent.

ix. The arrangement of credit agreement and account charge agreement resulted in subscription of GDR issue of the company and the aforesaid arrangement was not disclosed and also reported misleading news to the stock exchange which contains information in a distorted manner and might have influenced the decision of investors. Thereby, the scheme of issuance of GDRs appeared to be fraudulent.

g) The aforesaid observations, triggered violation of the provisions of Sections 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f), (k), (r) of SEBI (PFUTP) Regulations, 2003 by GV (Noticee 1).

h) In addition, it was observed that GV (Noticee 1) had not informed stock exchange with regard to Account Charge Agreement with Banco for subscription of GDRs of GV which could have impact on the performance/operations of the Company and therefore violated section 21 of SCRA , 1956 read with clause 36 (7) of the listing agreement.

i) It was further observed that the company vide announcement dated April 23, 2007, intimated the stock exchanges that the Board of Directors had decided to acquire the film rights of 8,000 Hollywood movies at a price of US$ 43.56 million. However, the company subsequently did not disclose to stock exchange/shareholders regarding non-receipt of these 8,000 Hollywood rights or delay of nearly 10 years in obtaining custody of these rights which could have impact on the performance/operations of the company. The aforesaid observations triggered violation of section 21 of SCRA, 1956 read with clause 36(7) of the Listing Agreement for the non-disclosure of event by M/s. GV Films Ltd (Noticee 1).

j) Further, directors of GV, on suggestion of the Chairman of GV (Noticee 3), in the board meeting dated March 16, 2007 authorized Mr. V. Subramonian (Noticee 2) to sign the agreement which acted as security in connection with the loans availed by Whiteview. The board also authorized Banco to use funds deposited in GV's bank account as security in connection with the loans availed by Whiteview. Hence, Chairman of GV, Mr. Mahadevan Ganesh (Noticee 3) and directors namely Mr. P. Raghuraman (Noticee 5), Mr. A. Venkatramani (Noticee 4), Mr. R. Gopalan (Noticee 6), Mr. S. Ramanathan, who approved the Board resolution and authorized Mr. V. Subramonian (Noticee 2) to sign the agreement with Banco and authorised Banco to use funds as a security in connection with loans and Mr. V. Subramonian (Noticee 2) who signed the agreement had acted as parties to the fraudulent scheme.

k) The aforesaid observations triggered violation of section 12A(a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d), 4(1) of SEBI (PFUTP) Regulations, 2003 by Noticee 2 to Noticee 6.

l) From the submissions of the Company I find that Mr. S. Ramanathan has expired. Therefore, although Mr. S. Ramanathan was one of the board members who approved the Board resolution w.r.t. agreement with Banco, no action has been initiated against him.

5. In response to the aforesaid SCN dated December 21, 2017, the Noticees filed their replies which, inter-alia, is summarised as under:

<u>Reply submitted by Noticee 1</u>

Vide letter dated July 17, 2018, the Noticee made its submissions through its legal representative regarding allegations levelled in the SCN. Summary of the reply of the Noticee is as under:

a) Our client has not violated any provisions of SEBI Act and PFUTP Regulations

b) The requisite disclosures were made and relevant approvals were obtained from the shareholders of the Company for undertaking the GDR Issue and for entering into an account charge agreement.

c) There are no allegations or materials brought on record to establish any violation by our client in respect of the provisions of SEBI Act and PFUTP Regulations as alleged in the SCN. Allegations levied upon our client are baseless and devoid of any evidence in support of them *d) Though the agreement refers to the purpose of the loan to Whiteview from Banco is for subscription to the proposed GDR Issue of the Company, does not in any manner indicate that our client was aware of the said Agreement. The agreement was between two independent parties not connected to our client and without any prior concurrence or consent of our client.*

e) With regard to the allegation that Directors of the Company including our client were aware that the charge over the account of the Company would be utilised by Banco as security for the loan given to Whiteview, it is submitted that the account charge agreement was a part of the terms and conditions required by the banker to the GDR proceeds and agreed to by the Company after adequate disclosures and approvals of shareholders in this regard.

f) With regard to pledging an amount equivalent to the proceeds of GDR Issue with Banco before issuance of such GDR, it is submitted that if the Bank Banco, as a part of its standard terms and conditions accepts such security before receiving any funds in that respect from the Company, that is a credit risk which such bank is taking on the Company. This in any case does not violate provisions of any SEBI Act or PFUTP Regulations.

g) It is not for our Client to suggest, state, confirm or deny as to whether the account charge agreement formed an integral part of credit arrangement between Whiteview and Banco and as to whether the same enabled Whiteview to avail a loan from Banco. Account charge agreement was executed at the instance of Banco and was a part of multiple agreements, documents executed with Banco for the GDR issue.

h) It is alleged in the SCN that our client acted as parties to a fraudulent scheme of GDR without even first establishing as to whether a fraud was even conducted in the GDR scheme.

i) With regard to GDR issue, Company had disclosed to Exchange the outcome of Annual General Meeting dated July 14, 2006, thereafter on April 26, 2007 and subsequently on April 27, 2007. Therefore, the Company had always kept the Exchange and shareholders informed regarding the issuance of GDRs.

j) Since the details of GDR was approved by shareholders of the Company and disclosed to the Exchange, the only details Board Resolution dated March 16, *2007 provides are procedural in nature dealing with the process of undertaking the GDR issue for instance appointing a banker to the issue of GDR, opening a bank account with the banker etc. These processes are undertaken in the ordinary course of business of issuing the GDRs and a specific disclosure as regards these procedural formalities are neither required nor warranted.*

k) *Therefore, it is submitted that our client has not committed any wrong and no charge has been established against our client to warrant any action.*

Reply submitted by Noticee 2

Vide letter dated November 28, 2019, Noticee 2 made detailed submissions regarding allegations levelled in the SCN. Summary of the reply of the Noticee 2 is as under:

a) *Had joined GV Films as "President Corporate Affairs" in January 2006.*
b) *Was aware of the proposed GDR issue by GV Films and was asked to help the team in preparing the GDR documents for the business section. The Depository for the GDR being Bank of New York, their Custodian division was based in London. Since I was travelling to London on business visit, was asked to coordinate with the Custodian for obtaining their clearance on the documents. Had a few meetings with the Counsel for Issue, Clifford Chance, the law firm in London.*
c) *The Board of Directors in their meeting held on March 16, 2007, had passed a resolution for signing the Account Charge Agreement and they authorised Mr. A Venkatramani, Mr. Mahadevan Ganesh and me to sign necessary documents in connection with the account. I was travelling to London during March 19, 2007 to March 24, 2007 and I was asked by the Board of Directors to sign the Account Charge Agreement. I was given a copy of the Board Resolution as supportive document.*
d) *As an employee of GV Films, I was simply implementing the decision taken by the Board of Directors as I was duty bound to do so.*
e) *The SCN has been issued after a considerable delay of 10years from the occurrence material thereof. Had resigned from the services of the Company*

in December 2009 and is not position to gather necessary information and records and therefore not in a position to represent my case effectively. The issuance of SCN is violative of principles of natural justice and is unreasonable.

f) *Had requested for inspection of original documents/records. However, the said request was not acceded to. Refusal of inspection impairs the cause of justice and prejudice on the ability to defend aptly in the proceedings.*
g) *Therefore, the SCN needs to be withdrawn and proceedings be quashed.*

<u>Reply submitted by Noticee 3 to Noticee 6</u>

Noticees submitted common reply through their legal representative. Summary of the reply of the Noticees is as under:

a) *The GDR issued by the Company on April 27, 2007 did not influence the investors in any manner.*
b) *Our clients did not act together to be a part of any fraudulent scheme and had absolutely no intention to influence the market.*
c) *There is no single allegation in the SCN as to what the fraud was or how it was committed by our clients.*
d) *Not all the Directors can be made liable in regard to the Account Charge Agreement. The Board Resolution, dated March 16, 2007, with regard to opening of bank Account and appointing a banker for GDR issue was passed after the Board Meeting which was attended by Mr. V. Subramonian and Noticee 4, Noticee 5, Noticee 6 except Noticee 3. The minutes of the Board Meeting categorically mentions that the Board of the Company, on suggestion of Chairman had authorised Mr. V. Subramonian to sign/execute any agreement with Banco. Therefore, our clients were not aware of the exact terms and conditions of the same.*
e) *Since it was only Mr. V. Subramonian who had signed the Agreement on behalf of the Company and no other Noticee was party or the signatory to the details of the agreement, it is factually wrong to conclude that all our clients should be equally liable for the same. Our clients should not be held liable especially when one employee is expressly directed to discharge a function.*

f) Our clients have not violated any provisions of the SEBI Act and PFUTP Regulations and therefore, the directions and findings of the SCN must be quashed and set aside.

6. In the interest of natural justice and in order to conduct an inquiry in terms of Rule 4 (3) of the Adjudication Rules and Rule 4(3) of SCR Adjudication Rules, hearing opportunities were provided to the Noticees. In this regard, Noticee 2, Noticee 3, Noticee 4, Noticee 5 and Noticee 6 availed opportunity of personal hearing on December 2, 2019.

   Noticee 1 was provided with three opportunities of personal hearing, however, it did not appear for the hearing stating the following reasons:

   a) First hearing was provided on December 2, 2019. Vide letter dated November 28, 2019, Noticee 1 requested to postpone the date of hearing to any day after December 18, 2019 for the reason that CEO Mr. BalagiriVethagiri was suffering from illness hence would not be able to record his presence on December 2, 2019.
   b) As per the request of the Noticee, second hearing was provided on December 19, 2019. Vide letter dated December 17, 2019, Noticee requested to postpone the date of hearing preferably to second week of January 2020 citing the reason that CEO Mr. BalagiriVethagiri has to undergo eye surgery on December 14, 2019 and has been advised not to travel for 10 days.
   c) As per the request of the Noticee, third hearing was provided on January 14, 2020: Vide letter dated January 13, 2020, the Noticee requested to adjourn the hearing to any convenient date in the month of February citing the reason that the Management is in the process of filing an appeal before Hon'ble SAT challenging the Order of the Whole Time Member for same cause of action set out in the captioned adjudication Show Cause Notice.

   From the above, it can be seen that multiple opportunities of hearings have been provided to the Noticee 1. However, Noticee 1 sought adjournments every time giving different reasons. I note that while seeking adjournment for third time, Noticee 1 has given the reason that it is planning to approach SAT challenging Order of the Whole Time Member. Here I would like to state that the proceedings before the Whole Time Member is different from the Adjudication proceedings although the cause of action is same. In view of the above, in my opinion, principles of natural justice has been followed with regard to Noticee 1. Hence I am inclined to decide the matter based on the reply received from the Noticee 1 vide letter dated July 17, 2018.

7. Taking into account the aforesaid facts, I am of the view that principles of natural justice have been followed in the matter by granting the Noticees opportunities of being heard. Therefore, I deem it appropriate to decide the matter on the basis of facts/material available on record including the replies of the Noticees.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

8. I have taken into consideration the facts and material available on record. I observe that the allegation levelled against the Noticees is that they have violated various provisions of SEBI Act, SCRA 1956, SEBI PFUTP Regulations, 2003 and Listing Agreement.

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

   I. *Whether Noticee1 has violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7) of the Listing Agreement ?*
   Whether Noticee 2 to Noticee 6 are alleged to have violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003?

II. *Does the violation, if any, attract monetary penalty under Section 15 HA of SEBI Act and Section 23E of SCRA, 1956 for Noticee 1 and monetary penalty under Section 15 HA of SEBI Act for Noticee 2 to Noticee 6?*

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?*

9. Before moving forward, it is pertinent to refer to the relevant regulatory provisions which reads as under:

Relevant provisions of SEBI PFUTP Regulations, 2003:

3. No person shall directly or indirectly—

a) buy, sell or otherwise deal in securities in a fraudulent manner;

b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

4. Prohibition of manipulative, fraudulent and unfair trade practices

1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

(r) planting false or misleading news which may induce sale or purchase of securities

Relevant provisions of SEBI Act 1992:

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A.No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Relevant provisions of SCRA 1956:

Section 21: *Where securities are listed on the application of any person in any recognized stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange*

Relevant provisions of Listing Agreement

Clause 36 *of the Listing Agreement inter-alia states the following:*

"The Company will also immediately inform the Exchange of all the events, which will have bearing on the performance/operations of the company as well as price sensitive information."

...

(7) Any other information having bearing on the operation/performance of the company as well as price sensitive information,

The above information should be made public immediately."

Issue I: Whether Noticee1 has violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7) of the Listing Agreement?

Whether Noticee 2 to Noticee 6 are alleged to have violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003?

10. I have perused the facts of the case, gist of allegations made against the Noticees as per the SCN, summary of the submissions made by the Noticees, documents available on record my findings thereof are specified below:

Findings with respect to Noticee 1

a) It was observed that G V Films Ltd. issued 6.4 million GDRs (amounting to US$ 40 million) on April 27, 2007. Whiteview was the sole subscriber to the said GDR issue. Details of GDRs issued by G V Films Ltd is as under:

GDR issue date	No. of GDRs Issued (mn.)	Capital raised (US$mn.)	Price per GDR (US$)	Underlying shares per GDR	Local custodian	No. of equity shares underlying GDRs	Global Depository Bank	Lead Manager	Bank where GDR proceeds deposited	GDRs listed on
April 27, 2007	6.4	40.00	0.625	25	ICICI Bank Ltd., Mumbai	16,00,00,000	The Bank of New York Mellon, USA	Bremer Bugmann Seiler Capital Partners Ltd., Switzerland	Banco Efisa	Luxembourg Stock Exchange

b) Banco Bank had granted loan to Whiteview by way of Credit Agreement dated March 15, 2007 for making payment towards subscription to the GDR issued by GV. Further, GV, by entering into an Account Charge Agreement dated March 27, 2007 with Banco Bank, had deposited the entire GDR proceeds with Banco Bank as security against the loan availed by Whiteview from Banco Bank for subscribing to GDR of GV. Subsequently, the said GDR were converted into equity shares and sold in the Indian capital Market. From the fact of the case it was further observed that the Company had not disclosed to investors about the arrangement made by it to ensure successful issuance of the GDR by facilitating the loan to Whiteview.

c) The Board of GV had passed a Resolution in its Meeting on March 16, 2007, wherein decision was taken to open an account with Banco Bank and also to authorize Banco Bank to use the GDR proceeds as security against loan.
The said Board Resolution, inter alia, included opening of a bank account with Banco Bank for the purpose of receiving subscription money in respect of the GDR issue of the Company. Mr. Mahadevan Ganesh (Noticee 3 and Chairman of GV), Mr. A. Venkatramani (Noticee 4 and Directors of the Company) and Mr. V. Subramonian (Noticee 2 and President-Corporate affairs of the Company) were authorized to sign, execute any application, agreement, etc. as may be required by the Banco Bank. Accordingly, the Company had opened an account with Banco Bank in its name.
It was further resolved by the Board to authorize the Banco Bank to use the funds so deposited in the said bank account as security in connection with loans if any.
It is inferred from the said Board Resolution that the Company and the Board of Directors had already decided on March 16, 2007 about the proposed issuance of GDR and had decided at that time to open a bank account with Banco Bank. Further, the Board had also anticipated that the funds/proceeds of the proposed GDR to be received in their Banco Bank account would be used as a security for loans. Such Board resolution involving future use of the GDR proceeds as a security against a loan indicates that the Company did not

intend to utilize the GDR proceeds immediately for the objects for which the GDR were to be issued.

Further, more importantly, the above information regarding said Board Resolution was not disclosed to the Shareholders and the Company had misled the investors by concealing such an important disclosure from them.

d) It is observed that Whiteview had signed a Credit Agreement dated March 15, 2017 with Banco Bank i.e., one day prior to the Board of GV passed the aforesaid resolution for availing loan of upto USD 40 million so as to subscribe to the full amount of the GDR issue of GV worth of USD 40 million. On the basis of the said authorization given by Board of Company to use the funds so deposited in the aforesaid bank account as security in connection with loan, Noticee 2 had signed the Account Charge Agreement dated March 27, 2007 with Banco Bank.

e) Taking together the Account Charge Agreement and Credit Agreement, following is observed:
   i. The Account Charge Agreement was executed mainly to secure the obligations of the borrower i.e. Whiteview, which was granted a loan for USD 40 million by Banco Bank. As per Account Charge Agreement, the Company will deposit in its designated account with the Banco Bank, an amount not exceeding USD 40,000,000 as security for all the obligations of Whiteview under its Credit Agreement and the Company assigned all the rights, title, interest and benefit accruing out of its designated account as a continuing security for the payment and discharge of the obligations of Whiteview under its Credit Agreement with the Bank.
   ii. In terms of the Account Charge Agreement, only upon payment of the amounts due under the Credit Agreement by Whiteview, GV could withdraw equivalent amount from its designated account and only upon payment and final discharge of all the obligations by Whiteview under its Credit Agreement, the rights and obligations of the parties under the

Account Charge Agreement shall cease and Banco Bank shall release the amount of bank balance lying in its account to GV.

iii. As per Account Charge Agreement, GV agreed to pay and discharge the obligations of Whiteview under the Credit Agreement to Banco Bank and Banco Bank would be entitled to apply all or any part of the deposit made by GV in the designated account against the obligations of Whiteview without further notice.

iv. As a consequence of terms & conditions contained in the Account Charge Agreement, it is observed that even after the GDR issue, GV would not receive the GDR proceeds at its disposal for its business utilization until repayment of the loan was made by Whiteview.

v. The Credit Agreement and Account Charge Agreement were connected and executed in a manner that clearly points out that Noticee 1 had consciously facilitated the loan to Whiteview so as to ensure success of issuance of GDR and to create a good overseas market impact about the Company. The above actions were performed by the Company knowing well that the GDR proceeds cannot be used for its business, until the repayment is made by the borrower cum subscriber to its entire GDR issue.

f) Noticee 1, in its reply, has stated that it has made the requisite disclosures to the Exchange and that relevant approvals were obtained by it from the Shareholders for the GDR issue as well as for entering into an Account Charge Agreement, hence, the Company is not in violation of any provisions of SEBI Act and PFUTP Regulations.

g) With regard to above, all disclosures made by Noticee 1 were analyzed, specially the disclosures made on July 14, 2006 regarding the outcome of the AGM. From the disclosures, I find that the contentions of the Noticee 1 are factually incorrect and are misleading. It is observed that the approval by the shareholders in the AGM of July 11, 2006 (at items no. 9 and 11) has no mention about GDR or any other form of raising capital in the overseas market. Therefore, claim of Noticee 1 regarding obtaining necessary approval of the shareholders for its proposed GDR issue and the related activities including providing security to Whiteview against the loan obtained by it from Banco Bank, is incorrect. Item no. 9 only authorizes the Company to sell, lease or create a charge in Company's assets to secure Company's borrowing upto an amount of Rs. 25,000 million while item no. 11 is another general authorization given by shareholders to the Board to extend loan, guarantee or provide security against loan that may be taken by a third party or to subscribe/purchase security of another body corporate in terms of Section 372 of Companies Act. In my opinion, the aforesaid two items were general authorizations by the shareholders to the Company to enable the Company to discharge the day to day business operations which usually involves lending and borrowing against fixed assets and creating charge on assets, etc. Therefore, I do not accept the contention of the Noticee 1that it had taken approval of shareholders regarding GDR issue.

h) The Board resolution dated March 16, 2007 provided specific authorization to the Company by the Board regarding GDR. However, I observe that while making disclosures to BSE, the Company did not mention the said authorization on GDR issue citing the reason that the said Board Resolution were procedural in nature hence did not require disclosure to Exchange. In my view, it was rather more significant to disclose the said Board Resolution as it contained specific authorizations pertaining to GDR issue of the Company which should have been disseminated to the Shareholders and public at large. However, the Company did not disclose it with the excuse that it was "procedural in nature" and thereby suppressed the information about the Board Resolution from its shareholders and the public. Therefore, I do not accept the claim of the Noticee 1 that it had obtained necessary approvals from shareholders and made all relevant disclosures on GDR issue.

i) From the Account Charge Agreement and submissions of the Company, it is observed that the Company was very much aware about keeping the GDR proceeds as security to facilitate the loan sanctioned to the subscriber. Therefoer, nothing stopped the Noticee from making a specific disclosure that GDR proceeds were to be kept as security towards loan availed by the subscriber from the same Bank in which GDR proceeds were to be deposited. However, the non-disclosure of the same shows that Noticee 1 never wanted disclose the matter to its Shareholders.

j) The Credit Agreement and Account Charge Agreement further indicates that the Noticee 1 was aware that there would be a single subscriber to the entire GDR issue and the fact that Whiteview would be the only subscriber to the GDR issue and, that proceeds of GDR received from them would be kept as security to facilitate the subscriber to avail a loan for making subscription to the GDR issue of the Company.

k) I find that on the one hand the Noticee 1 claimed that it had taken approval of the shareholders to secure the loans taken by a third party in connection with the GDR issue, while on the other hand the Noticee 1 stated its ignorance of the fact that the Account Charge Agreement executed by it was ever used to secure the loan given by Banco Bank to Whiteview. The execution of Credit Agreement dated March 15, 2007 and Account Charge Agreement dated March 27, 2007 before the issuance of GDR on April 27, 2007 shows that Whiteview was already pre-decided to be the sole subscriber to the GDR issue and the Company was aware about its would-be subscriber even before the actual issuance of GDR. It is worthwhile to mention here that the Account Charge Agreement makes specific references to the Credit Agreement entered into between Banco Bank and Whiteview. Further, the Company was also aware that the proceeds to be realized against the issuance of GDR would be kept as security towards the loan amount availed by Whiteview and by executing the Account Charge Agreement, Company had consciously restrained itself from using the proceeds of the issuance of GDR.

l) The Company made disclosure to BSE on April 27, 2007 regarding successful subscription to the GDR issue without disclosing the advance arrangement undertaken by it with Whiteview to ensure full subscription to its GDR. This act of Company gave an impression of the strong potential of the Company among the investors and the market at large. The investors and shareholders of the Company believed that the Company has a great value, shares of the Company have a good market abroad and have been very well received by foreign investors. The investors were not aware about the artifice created by the Company through which it ensured the successful subscription to its GDR. The above acts of the Company represents a serious fraudulent and unfair trade practice.

Findings with respect to Noticee 2 to Noticee 6

m) From the e-mail dated May 15, 2017 received from the Company, I observe that the Board meeting dated March 16, 2007 was attended by Mr. V. Subramonian (Noticee 2), Mr. A. Venkatramani (Noticee 4), Mr. P. Raghuraman (Noticee 5) and Mr. R. Gopalan (Noticee 6). Mr. A. Venkatramani, Mr. P. Raghuraman and Mr. R. Gopalan were Directors of the company and Mr. V. Subramonian was in the role of President- Corporate Affairs. Further, the Board Resolution of the said Meeting categorically mentions that on suggestion of the Chairman (i.e. Noticee 3), the Board had authorized Mr. V. Subramonian (Noticee 2) to sign /execute agreements with Banco Bank. Accordingly, on the basis of such authorization given by the Board, Mr. V. Subramonian has signed the Account Charge Agreement on behalf of the Company, which provided inter alia, for GDR proceeds to be kept as a security towards the loan availed by Whiteview for subscription to the GDR of GV. Further, Noticee 2 has affirmed that the said Account Charge Agreement was signed by him.

n) Noticee 2, in his reply stated that he had joined the Company as a President-Corporate Affairs in January 2006 and had resigned from the Company in December 2009. SCN was issued after a considerable delay of 10 years from occurrence of material thereof and therefore, not in a position to gather necessary information. He had asked for original documents/records which were not granted to him. Further, as an employee of the Company, was simply implementing the decision taken by the Board of Directors as he was duty bound to do so. With regard to the above contentions of the Noticee 2, my findings are as under:

- With regard to the Submission of the Noticee 2 that the SCN was issued after a considerable delay of 10 years, from the material on record, I find that SEBI initiated investigation into few cases of GDR issues which initially revealed that one Mr. Arun Panchariya, in connivance with different issuer companies and their promoters/directors, had conceived such fraudulent schemes to help those companies to issue GDR. Similar modus operandi were also observed in several other GDR issuances, hence, later on the investigations were further escalated and scrip wise investigation was undertaken into a large number of GDR issue cases. In view of the fact that large number of scrips and issues were taken up for investigation collectively for which information had to be collected from different entities including from the authorities situated outside India through regulatory coordination with overseas Regulators, it required adequate time for completion of investigation after which SCNs have been issued to a number of such GDR issuer-companies. Therefore, the time taken for completion of investigation into large number of similar cases and for issuing SCNs to large number of Noticees is fairly understandable. In addition, I find that no provision under SEBI Act, prescribes time limit either for issuing show cause notice or for adjudicating the show cause notice. Therefore, I do not agree with the contentions of the Noticee 2 that on account of delay in issuance of SCN, he shall be discharged in the proceedings.
- With regard to the contentions of the Noticee 2 regarding inspection of documents and providing him original documents, I find that copy of all relevant documents have been provided to the Noticee 2 along with the SCN. Further, with regard to providing him original documents, it is stated

that the originals of the two agreements i.e., Credit Agreement and Account Charge Agreement has to be in the possession of either the Company or the Banco Bank and SEBI has received only copies of these agreements during investigation. It may be noted that SEBI has obtained most of these documents through the office of overseas regulatory authorities. As the Noticee 2 has himself admitted that he had signed the Account Charge Agreement during his visit to London, therefore, he is the one who was privy to the original agreements and their whereabouts.

o) It is observed that Noticee 3 to Noticee 6 made similar submissions through their legal representative. From the submissions of Noticee 4 to Noticee 6, I observe that they have admitted that they were part of the Board meeting wherein Board resolution dated March 16, 2007 was considered. It remained undisputed that the Noticee 4 to Noticee 6 remained Directors of the Company during the period when the Company made those incomplete, selective and misleading disclosures to the BSE and suppressed vital information from its Shareholders. Being Directors of the Company, Noticee 4 to Noticee 6 failed to perform their duties cast upon them by passing above mentioned Board Resolution in a manner to promote the unscrupulous plan of the Company to do a fraud upon its shareholders and the investors of Securities Market. Noticee Noticee 4 to Noticee 6 should have taken due precautions and diligence before agreeing on the Resolutions of the Board that approved the proposal for Account Charged Agreement against a loan taken by a third party to mislead and defraud investors. There is nothing on record that the aforesaid Noticees have carried out their due diligence by confronting the management of the Company and raising question as to why GDR proceeds should be kept as security for any loan in an overseas bank and the actual utilization of the GDR proceeds in terms of the objects of the issue.

p) Noticee 3 in his reply had submitted that he had not attended the Board Meeting where in the Board resolution dated March 16, 2007 on GDR issue was passed and therefore, has not violated any provisions of SEBI Act and PFUTP Regulations.

q) With regard to above, I observe that the minutes of the Board Meeting dated March 16, 2007 categorically mentions that the Board of GV, on suggestion of the Chairman (Noticee 3), had authorized Mr. V. Subramonian (Noticee 2) to sign /execute any agreement with Banco. In its reply, Noticee 3 has not made any submissions/produced any evidences refuting the above fact brought out in the minutes of the Board Meeting. Therefore, I conclude that Noticee 3 was also aware about the above mentioned fraudulent scheme of the Company regarding GDR issue.

r) It is further observed that the initial reply submitted by Noticee 3 to Noticee 6 were identical with the initial submissions of the Company. Therefore, the identical issues raised by Noticee 3 to Noticee 6 have already been dealt above in the findings with respect to Noticee 1.

s) In addition to the above observations, I notice that based on the same set of facts and allegations specified in the SCN issued by me to the Noticees, WTM of SEBI vide Order dated June 25, 2019 passed directions against the Noticees under Sections 11 and Section 11B of the SEBI Act, 1992. In this regard, I refer to the para 51 and para 52 of WTM Order which are reproduced below:

"DIRECTIONS

51. In view of the above discussions and my concluding observations with respect to the two issues that were considered by me in the matter, in exercise of powers conferred upon me under Sections 11, 11B read with Section 19 of the Securities and Exchange Board of India Act, 1992, in order to protect the interest of investors and the integrity of the Securities Market and considering the facts of the case as well as the specific role played by the respective Noticees and to meet the ends of justice, I hereby issue the following directions:

a) Noticee no. 1, the Company is restrained from accessing the Securities Market including by issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five years from the date of this order.

b) The following Noticees are restrained from accessing the Securities Market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, from the date of this order, for the period as directed below:

S.No.	*Names of the Noticee*	*PAN*	*Period*
2	*Mr. Mahadevan Ganesh*	*AHJPP4154E*	*Two years*
3	*Mr. A. Venkatramani*	*AABPV3960F*	*Two years*
4	*Mr. P. Raghuraman*	*AHJPP4154E*	*Five years*
5	*Mr. R. Gopalan*	*ADAPG4395R*	*Two years*
6	*Mr. V. Subramonian*	*AANPS8061L*	*Two years*

52. It is clarified that during the period of restraint, the existing holding of the Noticees including units of mutual funds, shall remain frozen."

I do not find any reason to disagree with the above view taken by WTM of SEBI.

t) Based on the aforesaid findings, I conclude that Noticee 1 has violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7) of the Listing Agreement. Further, Noticee 2 to Noticee 6 have violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003.

Issue II: Does the violation, if any, attract monetary penalty under Section 15HA of SEBI Act and Section 23E of SCRA, 1956 for Noticee 1 and monetary penalty under Section 15 HA of SEBI Act for Noticee 2 to Noticee 6?

The provisions of Section 15HA of the SEBI Act, 1992 read as under:

SEBI Act 15HA - "Penalty for fraudulent and unfair trade practices–
If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."

The provisions of Section 23E of SCRA, 1956 read as under:

Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.

23E. If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty not exceeding twenty-five crore rupees.

11. In view of the foregoing, I am convinced that the Noticee1 is liable for monetary penalty under Section 15HA of SEBI Act and Section 23E of SCRA, 1956 for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7) of the Listing Agreement. Further, Noticee 2 to Noticee 6 are liable for monetary penalty under Section 15HA of SEBI Act for violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003.

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 Noticees and the loss, if any, suffered by the investors as a result of the Noticee's failure. I note that Noticee1 has violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7) of the Listing Agreement. Further, Noticee 2 to Noticee 6 have violated Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003.

ORDER

14. In view of the above, after considering all the facts and circumstances of the case 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 and Section 23 – I of SCRA, 1956 read with Rule 5 of Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005, I hereby impose the penalty on the Noticees as detailed below:

Name of the Noticee	Provisions of law violated	Penalty levied under Section	Quantum of Penalty in Rs.
M/s. GV Films Ltd.	Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7)of the Listing Agreement	Section 15 HA of the SEBI Act, 1992 and Section 23E of SCRA, 1956	25,00,000/- (Rupees Twenty Five Lakh Only)
Mr. V. Subramonian	Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003	Section 15 HA of the SEBI Act, 1992	15,00,000/- (Rupees Fifteen Lakh Only)
Mr. Mahadevan Ganesh			15,00,000/- (Rupees Fifteen Lakh Only)
Mr. A. Venkatramani			15,00,000/- (Rupees Fifteen Lakh Only)
Mr. P. Raghuraman			15,00,000/- (Rupees Fifteen Lakh Only)
Mr. R. Gopalan			15,00,000/- (Rupees Fifteen Lakh Only)

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 Noticees.

15. The Noticees 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 Noticees 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 Noticees and also to the Securities and Exchange Board of India.

Date: January 29, 2020 **PRASANTA MAHAPATRA**

Place: Mumbai **ADJUDICATING OFFICER**