



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ADJUDICATING OFFICER

Through SPAD/email

SEBI/EAD/ EAD10/SM/AD/30138/1 /2021
October 26, 2021

BTL Holding Company Ltd.
(PAN:AAACN5131E)

SRS Multiplex, Top Floor,
City Centre, Sector-12,
Faridabad, Faridabad
HR, 121007 IN

Email:btllholding@srsparivar.com

Notice under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of the scrip of SRS Ltd.

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted an investigation with respect to trading in the scrip of SRS Limited (hereinafter referred to as '**SRS/Company/SRS Ltd.**') during the period from February 5, 2016 to June 30, 2017 (hereinafter referred to as '**Investigation Period/IP**'). Pursuant to aforementioned examination, SEBI found that there were several non-compliances with SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations**') by BTL Holding Company Ltd. (hereinafter referred to as '**Noticee/ By Name**'). Therefore, SEBI has initiated adjudication proceedings under Section 15HB of SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') against Noticee for aforesaid alleged violations.
2. Vide order dated May 19, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 15I of SEBI Act, 1992 (hereinafter referred

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to as '**SEBI Act**') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act, the alleged violation of provisions of PIT Regulations by Noticee. A copy of the communique dated May 25, 2021, appointing the undersigned as the Adjudicating Officer is enclosed herewith as **Annexure-I**.

3. SRS is a diversified company with a business portfolio comprising of Gold and Jewellery (retailing, wholesaling, and manufacturing), Cinema exhibition, Retail, Hotel and F&B. The shares of the company were listed on the BSE Ltd. (hereinafter referred to as "**BSE**") and the National Stock Exchange of India Ltd. (hereinafter referred to as "**NSE**") during the IP. Both BSE and NSE together hereinafter referred to as "**Exchanges**". From the corporate announcements of SRS, it was observed by SEBI that Hon'ble National Company Law Tribunal vide its order dated 21st August, 2018 initiated the Corporate Insolvency Resolution Process of SRS. Further NCLT vide its order dated October 15, 2019 had initiated liquidation of the company.
4. During the investigation, from the shareholding pattern of Noticee, it was observed by SEBI that the following directors of SRS and their immediate relatives held equity shares of Noticee, the details of which are as given under:

Table-1

S. no.	Name of entity(Relation with SRS Ltd.)	No. and percent of shares held of BTL Holding Company Ltd. as on 31/03/2016	No. and percent of shares held of BTL Holding Company Ltd. as on 31/03/2017
1	Anil Jindal (Director of SRS Ltd.)	636738 (3.91%)	813678 (4.99%)
2	Sunil Jindal(Director of SRS Ltd.)	331674 (2.04%)	331674 (2.04%)
3	Raju Basal(Director of SRS Ltd.)	328296 (2.01%)	382222 (2.35%)
4	Bishan Bansal(Brother of Raju Bansal as per SRS Letter dated 25/11/2019 Annexure)	406768 (2.50%)	411768 (2.53%)



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Total	1703476 (10.46%)	1939342 (11.91%)
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5. Further, it was noted from the Annual report of SRS for Financial Year 2016-17, that Noticee was the promoter and Holding Company (ceased w.e.f. 27/01/2017) of SRS. It was observed that on March 31, 2016, Noticee was holding 55.09% of total shares of SRS Ltd. which decreased to 46.18% on March 31, 2017. Thus, Noticee was a holding company of SRL as defined by Section 2(46) and 2(87) of the Companies Act, 2013. The said provisions are reproduced hereunder for reference:

"2(46) "holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies..."

2(87) "subsidiary company" or "subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company-

(i) controls the composition of Board of Directors; or

(ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies;..."

6. As per regulation 2(1)(d)(ii)(b), 2(1)(d)(ii)(j), 2(1)(f) and 2(1)(g) of PIT Regulations, Noticee was alleged to be deemed connected person and insider of SRS. The relevant regulations are reproduced below for reference:

"

2(1)(d)"connected person" means,-

(i) ...

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless contrary is established:

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(a)...

(b) a holding company or associate company or subsidiary company; or

...

(j) a concern, firm, trust, hindu undivided family, company of association of persons wherein a director of a company, or his immediate relative, or banker of the company, has more than ten per cent of the holding or interest;

...

2(1)(f) "immediate relative means spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

2(1)(g) "insider" means any person who is:

(i) a connected person; or

(ii) in possession of or having access to unpublished price sensitive information;"

7. Further on perusal of replies of the NSE submitted vide email dated September 07, 2020 and of BSE submitted vide email dated September 17, 2020, It was observed by SEBI that SRS had submitted the trading plan of the promoters/insiders of the Company vide letter dated August 05, 2015 [**Annexure V**]. The aforementioned trading plan commenced with effect from February 5, 2016 till February 4, 2017. The following was inter-alia observed with respect to trading plan of Noticee:

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Table-2

S. no.	Name of the promoter	No. of shares	%	Nature of transaction	Trading interval
1	BTL Holding Company Ltd.	1,01,43,650	3.64	Purchase	5 th February 2016 – 4 th February, 2017

8. As per the trading plan, it was disclosed that Noticee would purchase 1,01,43,650 shares of SRS Ltd. during the period February 05, 2016 to February 04, 2017. As per the demat transactions provided by depositories viz, Central Depository Services (India) Ltd. (hereinafter referred to as 'CDSL') and National Securities Depository Limited (hereinafter referred to as 'NSDL') and trade details provided by BSE and NSE, it was observed that Noticee had traded in the scrip of SRS during the aforesaid period as given in the table below:

Table- 3

S. no.	Exchange	Buy	Sell
1	BSE	0	12,48,441
2	NSE	0	81,92,034
Total		0	94,40,475

9. The day wise trading details of Noticee on BSE & NSE is provided in **Annexure III**. Further, as per demat statements provided by the NSDL and CDSL (**Annexure IV**), it was also observed that Noticee had pledge related transactions in the scrip of SRS Ltd. during the aforesaid period as given hereunder:

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Table-4

S. no.	BOID	Date	Depository-CDSL	
			Creation/Revocation/Release	No. of shares
1	1207610000000251	05/02/2016	Creation	1670000
2	1207610000000251	11/02/2016	Creation	250000
3	1207610000000251	18/02/2016	Creation	1925000
4	1207610000000251	23/02/2016	Creation	673400
5	1207610000000251	25/02/2016	Release	96200
6	1207610000000251	26/02/2016	Creation	2085000
7	1207610000000251	29/02/2016	Creation	1151000
8	1207610000000251	02/03/2016	Creation	900000
9	1207610000000251	18/03/2016	Creation	2625000
10	1207610000000251	04/05/2016	Creation	927261
11	1207610000000251	20/05/2016	Creation	2164739
12	1207610000000251	03/06/2016	Creation	888600
13	1202060000968040	16/07/2016	Creation	1001650
14	1202060000968040*	22/07/2016	Creation	2433550
15	1202060000968040	03/08/2016	Creation	11191600
16	1207610000000251	10/08/2016	Release	5882400
17	1202060000968040	01/09/2016	Creation	20000000
18	1202060000968040	20/10/2016	Creation	7206000
19	1207610000000251	26/10/2016	Invocation	188000
20	1207610000000251	07/11/2016	Release	7206000
21	1202060000968040	07/11/2016	Release	3931500
22	1207610000000251	10/11/2016	Invocation	500000
23	1202060000968040	10/11/2016	Invocation	700000
24	1202060000968040	16/11/2016	Invocation	300000
25	1202060000968040	22/11/2016	Invocation	630300
26	1202060000968040	05/12/2016	Invocation	630300
27	1207610000000251	12/12/2016	Invocation	500000
28	1202060000968040	13/12/2016	Invocation	800000
29	1202060000968040	15/12/2016	Invocation	300000
30	1202060000968040	20/12/2016	Invocation	150000
31	1207610000000251	12/01/2017	Invocation	45000
32	1202060000968040	20/01/2017	Invocation	974000

*Pledge of 446500 shares was rejected on 06/08/2016

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Depository-NSDL				
S. no	BOLID	Date	Creation/Revocation/Release	No. of shares
1	IN30096610769411	27/10/2016	Creation	15000000
2	IN30096610769411	14/12/2016	Creation	15000000
3	IN30096610769411	15/12/2016	Creation	10000000

10. From the tables above, it was observed that Noticee has not purchased any shares in the scrip of Noticee as declared in the trading plan. Thus, it is alleged that Noticee being an insider had deviated from the approved trading plan. Regulation 5(4) of PIT Regulations states that :

“ 5(4) The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in securities outside the scope of the trading plan....”

11. Therefore, it is alleged that Noticee had violated Regulation 5(4) of PIT Regulations.

12. Further, in terms of regulation 5(2)(ii) of PIT Regulations, the trading plan under regulation 5 of PIT Regulations prohibit trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results

13. Therefore, in accordance with regulation 5(2)(ii) of PIT Regulations the entities with trading plan were not allowed to trade in the scrip of SRS Ltd during the following intervals within the IP:



Table 6

S. no.	Quarter ending results	Results declaration date(as per BSE website)	Restricted interval where trading is not allowed as per 5(2)(ii) of PIT Regulations
1	December 31, 2015	February 10, 2016	December 02, 2015 to February 12, 2016
2	March 31, 2016	June 09, 2016	February 29, 2016 to June 13, 2016
3	June 30, 2016	September 14, 2016	June 02, 2016 to September 16, 2016
4	September 30, 2016	December 14, 2016	August 31, 2016 to December 16, 2016
5	December 31, 2016	February 15, 2017*	December 05, 2016 to February 17, 2017

14. As per trading details of Noticee, provided by the exchanges, it was noted that Noticee traded during the restricted interval i.e. period between the twentieth trading day prior to the last day of financial period and second trading day after the disclosure of financial results for Q.E. December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016.

15. Moreover, vide summons dated November 26, 2020, BTL holding Company Ltd. was advised to provide details of its trades pursuant to the aforesaid trading plan and reasons for deviation from the trading plan and/or execution of any trade outside the scope of the trading plan. However, the summons returned undelivered with postal remark – “Item returned. Addressee left without instructions” Further, letters were sent to current as well as past (during IP) directors of BTL Holding Company Ltd. , as per address available on MCA portal, seeking details of trades pursuant to the trading plan and reasons for deviation from the trading plan. However, no reply had been received in this regard.

16. Therefore, it is alleged that Noticee had violated the provisions of Regulation 5 (2) (ii) of PIT Regulations.

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17. The text of the aforementioned provisions of PIT Regulations reads as under:

"Trading Plans.

Regulation 5 (2) *such trading plan shall:—*

.....

.....

(ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;

Regulation 5(4) : *" The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.*

Provided *that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub regulation (1) of regulation 4."*

18. Noticee is, therefore, called upon to show cause as to why an inquiry should not be held against it in terms of Rule 3 of Adjudication Rules read with Sections 15I of the SEBI Act, and penalty, if any, be not imposed under

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Section 15HB of the SEBI Act for the aforesaid violations of provisions of PIT Regulations as alleged against Noticee. The provisions of Section 15HB of SEBI Act are reproduced hereunder:

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.*

19. Noticee shall submit the reply to the Show Cause Notice supported by such documentary evidence, which they may like to adduce in support of the reply within fifteen days from the date of receipt of this notice by them. Further, a soft copy of the reply may also be sent via email at somam@sebi.gov.in and anjalid@sebi.gov.in. In case no reply is received from Noticee within the prescribed time mentioned above, it would be presumed that Noticee have no submissions to make and the matter shall be proceeded with on the basis of material/ facts on record. A copy of PAN Card, contact details (contact person, phone number, email details, fax etc.) of Noticee may also be submitted along with the reply.

20. Noticee may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If they wish to avail the benefit of the settlement process, they may apply for the same in the manner provided in the said regulations under intimation to the undersigned.

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21. Further, Noticee may note that if there is any change in their addresses during the period of the current Adjudication proceedings, they are required to inform the same to the undersigned, immediately.

Soma Majumder

SOMA

MAJUMDER

Digitally signed by
SOMA MAJUMDER
Date: 2021.10.28
14:39:07 +05'30'

Encl:

1. Annexure I – Copy of Communique dated May 25,2021
2. Annexure II - Copy of letters/emails from SRS Ltd
3. Annexure III - Copy of trade details provided by Exchanges
4. Annexure IV - Copy of demat transaction statements provided by NSDL and CDSL
5. Annexure V – Copy of trading plan as provided by BSE/NSE
6. Annexure VI – Copy of corporate announcements of SRS Ltd
7. Annexure VII –Copy of MCA documents and annual reports