BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/AK/VV/2022-23/ 22062-22063)

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

1. **Mala Jhunjhunwala** (**PAN**: ACTPJ4169L) **Email:***bpjworld@hotmail.com*	2. **B. P. Jhunjhunwala & others HUF** (**PAN**: AACHB0680D) **Email:** *bpjworld@hotmail.com*
Address: 1D, Rajagiri Residency, No. 125, Marshalls Road, Egmore, Chennai – 600008.	

IN THE MATTER OF ONESOURCE IDEAS VENTURE LIMITED

BACKGROUND OF THE CASE

1. Onesource Ideas Venture Ltd. (hereinafter also referred to as **"OIVL" or "the Company"**) is a listed company and its equity shares are listed on Bombay Stock Exchange Limited (BSE).

2. Saffron Capital Advisors Private Ltd. (herein after referred to as "**Saffron/ MB**") submitted a Draft Letter of Offer (DLoF) to Securities and Exchange Board Of India (herein after referred to as "**SEBI**") on October 29, 2021, in the matter of Open Offer, pursuant to acquisition of shares from promoter group of OIVL by Mr.Vibhu Maurya (herein after referred to as "**the acquirer**"). It was found from the said DLoF that the acquirer, made the open offer to acquire 8,00,000 (26.02%) shares from the public shareholders of the company at a price of ₹16/- per share plus an interest of ₹7.39/- per share payable only to those continuing

public shareholders, who were holding shares of the Company from the trigger date i.e. May 27, 2017. The maximum consideration payable under this open offer assuming full acceptance including the interest component was 1,88,32,000/-.

3. SEBI observed while processing the DLoF, received from the MB that the acquirer, had entered into a Share Purchase Agreement (herein after referred to as “**SPA**”) dated October 13, 2021 with the Noticees (i.e. Noticee No.1 - Mala Jhunjhunwala and Noticee No.2 - B. P. Jhunjhunwala & others HUF), to acquire 12,30,374 equity shares at Rs.16/- each of OIVL, of the Noticees. It was observed that the Board of Directors of OIVL, in its meeting held on May 27, 2017 (Trigger date), had approved preferential allotment of 28,50,000 equity shares for ₹10/- each, pursuant to which the shareholding of Noticee No.1 exceeded the threshold mentioned under Regulation 3(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(hereinafter referred to as “**SAST Regulations**”) and thereby Noticee No.1 had an obligation under the SAST Regulations to make a public announcement for an open offer. However, Noticee No. 1 along with persons acting in concert i.e. Noticee No.2 had not complied with the obligation to make a public announcement of an open offer for acquiring shares of OIVL, in accordance with the provisions of Regulations 3(3) r/w 3(1) and 25(5) of SAST Regulations.

4. SEBI further observed from the DLoF, that the Noticees have complied with Regulation 31(4) r/w 31(5) of SAST Regulations with a delay. With regard to the said violation, the Noticees, vide letter dated April 09, 2021, had declared and confirmed to BSE that they did not make any encumbrance over the shares held by them, directly or indirectly, during the financial year ended March 31, 2020 and March 31, 2021. In view of this, the Noticees were alleged to have made disclosure under Regulation 31(4) r/w 31(5) of SAST Regulations with a delay.

APPOINTMENT OF ADJUDICATING OFFICER

5. Upon being satisfied that there were sufficient grounds to inquire and adjudicate upon the violation of provisions of the **SEBI** Act, 1992 (hereinafter referred to as "**SEBI Act"**) by the Noticee, SEBI, in exercise of powers u/s 15-I of the SEBI Act and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "**Adjudication Rules**"), appointed Ms. Geetha G, as the Adjudicating Officer (**AO**), vide order dated April 29, 2022, to inquire into and adjudge u/s 15H(ii) and Section 15A(b) of SEBI Act, the violation of provisions of Regulations 3(3) r/w 3(1), 25(5) and 31(4) r/w 31(5) of SAST Regulations by the Noticees. Pursuant to transfer of Ms. Geetha G, SEBI appointed me as AO, vide order dated August 29, 2022 to inquire into and adjudge u/s 15H(ii) and Section 15A(b) of SEBI Act, the violation of provisions of Regulations 3(3) r/w 3(1), 25(5) and 31(4) r/w 31(5) of SAST Regulations by the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

6. Show Cause Notices bearing ref. no. EAD-6/AK/VV/54581/1-2/2022 dated October 27, 2022 (hereafter referred to as "**SCN"**) were served on Noticees in terms of the provisions of Rule 4(1) of the Adjudication Rules r/w Section 15-I of SEBI Act, requiring the Noticees to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed on them under the provisions of Section 15H(ii) and Section 15A(b) of SEBI Act for the alleged violations of SAST Regulations. I note that SCN's issued to the Noticees were duly served by Speed Post Acknowledgement Due and by e-mail.

7. The allegations levelled against Noticee in the SCN are summarised as under:

   7.1 It was observed from the said DLoF that the acquirer, who entered into a Share Purchase Agreement dated October 13, 2021 with Noticees, made the open offer to acquire 8,00,000 (26.02%) shares from the public shareholders of the company at a price of ₹16/- per share plus an interest of ₹7.39/- per share payable only to those continuing public shareholders, who were holding shares of the Company from the trigger date i.e. May 27, 2017. The MB, vide email dated January 05, 2022 and February 17, 2022 had submitted a Letter of Offer (LoF) and Post Offer Report respectively in the instant matter.

7.2 While processing the DLoF, it was observed that the Board of Directors of OIVL in its meeting held on May 27, 2017, had approved preferential allotment of 11,50,000 equity shares for ₹16/- each, to Noticee No. 1 which exceeded the threshold mentioned under Regulation 3(1) of SAST Regulations. The change in shareholding of Noticees pre and post allotment is given below:

Change in shareholding of Noticees pre and post preferential allotment

Name of Shareholders	**Pre-allotment**		**Post-allotment**	
	No. of Shares	**Shareholding**	**No. of Shares**	**Shareholding**
Ms. Mala Jhunjhunwala	8,550	**3.8%**	11,58,550	**37.68%**
B.P. Jhunjhunwala & Others HUF	71,824	31.92%	71,824	2.34%
Total	80,374	35.72%	12,30,374	40.01%

7.3 Although, the collective increase in shareholding of Noticees was less than the threshold of 5% as mentioned in the Regulation 3(2) of SAST Regulations, the individual shareholding of Noticee No. 1 breached the threshold of 25% of the voting right in a company, wherein an open offer requirement was triggered under Regulation 3(3) r/w 3(1) of the SAST Regulations.

7.4 Further, Regulation 25(5) of SAST Regulations prescribes that the acquirer and persons acting in concert (PAC) shall be jointly and severally responsible for fulfillment of applicable obligations under SAST Regulations. Regulation 2(1)(q) of SAST Regulations inter-alia states that PAC means promoters and members of the promoter group. It is observed from BSE's website that the Noticees have disclosed their shareholding under Regulations 30(1) and 30(2) of SAST Regulations which requires the promoter to disclose its aggregate shareholding together with PACs. This shows that the Noticees, being part of promoter group, are PACs. Therefore, as per Regulation 25(5) of SAST Regulations, the Noticees were jointly and severally responsible for fulfillment of open offer.

7.5 In this regard, it was noted that the Noticees were in control of the Target Company as the promoter and promoter group was holding 35.72% of the shares. Subsequent to the preferential allotment, the total shareholding of the promoter and promoter group increased to 40.01%. There was no change of actual control of the Company, as the Noticees were in control of the Company before and after the preferential allotment and therefore the controlling rights vests with the Noticees.

7.6 Thereby, Noticees had an obligation under the SAST Regulations to make a public announcement for an open offer for acquiring the shares beyond the threshold limit. The open offer was not made at the relevant point of time.

7.7 SEBI had sought information from the MB, wherein the MB was asked to provide a reasoned brief on the interest payment by the Acquirer for non-compliance of Noticees to make open offer in 2017. The MB vide email dated November 18, 2021 provided its reply to the information sought by SEBI. The MB in the reply submitted on behalf of the acquirer stated that, the options before the acquirer were limited, i.e. to look for another company to acquire a substantial stake or offer interest component to continuing shareholders. After assessing the options and the financial implication (additional interest component) the acquirer has taken a conscious decision to proceed with the instant transaction.

7.8 Further, the Noticees had complied with Regulation 31(4) r/w 31(5) of SAST Regulations with a delay of 321 days. The details of the same are provided hereunder;

Details of delayed compliance of the Noticees with Regulation 31(4) r/w 31(5) of SAST Regulations

Regulation	Due date of Compliance	Actual date of Compliance	Delay
31(4) of SAST Regulations	June 01, 2020	April 09, 2021	321 days

7.9 With respect to the above disclosure violation, the Noticees, vide letter dated April 09, 2021 declared and confirmed to BSE that they did not make any encumbrance over the shares held by them, directly or indirectly, during the financial year ended March 31, 2020 and March 31, 2021.

7.10 In view of the above details, it is alleged that the Noticees, for failure to make public announcement for an open offer, are in violation of Regulation 3(3) r/w 3(1) & 25(5) of SAST Regulations which, if proved, makes the Noticees liable for monetary penalty u/s 15H(ii) of SEBI Act. Further, it is alleged that, for delayed disclosure under Regulation 31(4) r/w 31(5) of SAST Regulations the Noticees are liable for monetary penalty u/s 15A(b) of SEBI Act.

8. With regard to the SCN issued to the Noticees, vide email and letter dated November 14, 2022, the Noticees sought additional time of 10 days to reply to the SCN. The Noticees were intimated, vide an email dated November 14, 2022, that they have been granted time to reply to the SCN on or before November 24, 2022 and have been granted an opportunity of a hearing on November 24, 2022 in the matter.

9. The Noticees, vide email dated November 16, 2022, submitted their reply to the SCN, enclosing a letter dated November 16, 2022 and confirmed attendance for the hearing, providing the details of the authorized representative (hereinafter referred to as "**AR**") who would appear for the hearing. The Noticees in their reply to the SCN *inter alia,* submitted that:

a) *we (both Mrs. Mala Jhunjhunwala and M/s. B P Jhunjhunwala & Others HUF) had entered into a Share Purchase Agreement to Mr Vibhu Maurya and an open offer was given by him to the public shareholders of the Company.*

b) *we confirm that there was a preferential allotment to Mrs. Mala Jhunjhunwala on May 27, 2017, which increased the shareholding of Mrs. Mala Jhunjhunwala to 37.68%. However, the total promoter shareholding increased from 35.72% to 40.01% which was less than 5% of the fully diluted share capital of the Company. Since the total holding of the promoters and members of the Promoter Group/ PACs increased by less than 5% we were under the belief that there was no trigger. We were not aware that individual increase shall also have to be considered. Further, there was no change in the management of the Company post this preferential allotment. Hence, we did not make the open offer only due to failure in understanding/ interpreting the regulations and there was no malafide intention on our part. It is also noticed that the acquirer had paid interest for this alleged non-compliance to the continuing shareholders.*

c) *we would like to humbly submit that the disclosure under Regulation 31(4) was introduced only on 29th July, 2019 and became due for the first time in April 2020. However due to the COVID Pandemic and the unprecedented lock down during March to September 2020, all employees of the Company were working remotely and hence this new requirement skipped the attention of all the persons concerned. This was purely by oversight and due to the exigent circumstances, that existed at that point in time.*

d) *In view of the submission made we request you to take a lenient view and drop all further proceedings against us.*

10. On November 24, 2022 the AR of the Noticees appeared for the hearing. The AR of the Noticees made submissions and accepted the allegations made in the

SCN against the Noticees. The AR also requested for a lenient view to be taken in the matter.

CONSIDERATION OF ISSUES AND FINDINGS

11. I have taken into consideration the facts and material available on record and the reply and submissions made by the Noticee. The issues that arise for consideration in the present case are as follows:

I. Whether the Noticees have violated Regulation 3(3) r/w 3(1), 25(5) and 31(4) r/w 31(5) of SAST Regulations?

II. Whether the violations, if any, attract monetary penalty under Section 15H(ii) and 15 A(b) of SEBI Act, 1992, as applicable?

III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the Adjudication Rules?

Issue I: Whether the Noticees have violated Regulation 3(3) r/w 3(1), 25(5) and 31(4) r/w 31(5) of SAST Regulations?

12. With regard to whether the Noticees have violated Regulation 3(3) r/w 3(1), 25(5) and 31(4) r/w 31(5) of SAST Regulations, it is pertinent to refer to the stipulations of the provisions of SAST Regulations, which is alleged to have been violated, and have been reproduced hereunder;

SAST Regulations

Substantial acquisition of shares or voting rights

3(1) No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

3(3) For the purposes of sub-regulation (1) and sub-regulation (2), acquisition of shares by any person, such that the individual shareholding of such person acquiring shares exceeds the stipulated thresholds, shall also be attracting the obligation to make an open offer for acquiring shares of the target company irrespective of whether there is a change in the aggregate shareholding with persons acting in concert."

Disclosure of encumbered shares

31(4) The promoter of every target company shall declare on a yearly basis that he, along with persons acting in concert, has not made any encumbrance, directly or indirectly, other than those already disclosed during the financial year.

31(5) The declaration required under sub-regulation (4) shall be made within seven working days from the end of each financial year to –

(a) every stock exchange where the shares of the target company are listed; and

(b) the audit committee of the target company.

Obligations of the acquirer

25(5) The acquirer and persons acting in concert with him shall be jointly and severally responsible for fulfilment of applicable obligations under these regulations."

13. I note that the Board of Directors of OIVL in its meeting held on May 27, 2017 (Trigger date), had approved preferential allotment of 11,50,000 equity shares

to the Noticee No.1, post which the change in shareholding of the Noticees collectively increased from 80,374 shares to 12,30,374 shares which is an increase from 35.72% to 40.01%. The increase in shareholding of the Noticees who are of the promoter group is 4.29% which is less than the stipulated 5% increase as provided in Regulation 3(2) of SAST Regulations. I observe that there was no change of actual control of the Company, as the Noticees were in control of the Company before and after the preferential allotment and therefore the controlling rights vests with the Noticees.

14. However, I note that the shares acquired by Noticee No.1, post the preferential allotment, led to an increase in the shareholding in OIVL from 8,550 shares to 11,58,550 shares which is an increase from 3.8% to 37.68%. This increase in shareholding of Noticee No.1, is an increase of 29.58% of the shares and voting rights of OIVL, which is beyond the stipulated threshold of twenty-five per cent. I note that Noticee No.1, as stipulated in Regulation 3(1) of SAST Regulations, ought to have made public announcement for an open offer for acquiring shares of OIVL, in accordance with the said regulations.

15. I note that Noticee No.1, had acquired shares giving her more than 25% voting rights in OIVL and that Noticee No. 2 did not acquire any shares. As per Regulation 3(3) of SAST Regulations, I note that the acquisition of shares by Noticee No.1 is a change in individual shareholding exceeding the stipulated thresholds, which also attracts the obligation to make an open offer for acquiring shares of OIVL, irrespective of whether there is a change in the aggregate shareholding with persons acting in concert

16. Therefore, Noticee No.1 having acquired shares giving her more than 25% voting rights in OIVL had an obligation to make a public announcement of an open offer for acquiring shares of OIVL, in accordance with the SAST Regulations.

17. With regard to who is under the obligation to make a public announcement of an open offer, it may be seen that as per Regulation 25(5) of SAST Regulations, the acquirer and persons acting in concert with him shall be jointly and severally responsible for fulfilment of applicable obligations under these regulations. I note from BSE's website that the Noticees have disclosed their shareholding under Regulations 30(1) and 30(2) of SAST Regulations which requires the promoter to disclose its aggregate shareholding together with PACs. This indicates that Noticee No.1 and Noticee No.2, being part of promoter group, are PACs. Therefore, the Noticees were jointly and severally responsible for fulfillment of the obligation to make a public announcement of an open offer for acquiring shares of OIVL in accordance with the SAST Regulations. I note that the open offer was not made at the relevant point of time as per the SAST Regulations by the Noticees and thus violation of 3(3) r/w 3(1) & 25(5) of SAST Regulations by the Noticees, as alleged in the SCN, stands established.

18. Further, as per 31(4) r/w 31(5) of SAST Regulations, I note that the Noticees being promoters have an obligation to declare on a yearly basis that they have not made any encumbrance, directly or indirectly, other than those already disclosed during the financial year within seven working days from the end of each financial year to the stock exchanges where the shares of the target company are listed and to the audit committee of the target company

19. I note that during the financial year 2020-2021, the Noticees had made delayed disclosures as per 31(4) r/w 31(5) of SAST Regulations. With regard to the period of delay computed, I see that SEBI, vide its circular dated March 27, 2020, had provided for relaxation of compliance with certain provisions of SAST Regulations due to the Covid-19 pandemic. According to the circular, it was decided to extend the due date of filing disclosures in terms of regulation 30(1),30(2) and 31(4) of SAST Regulations for the financial year ended March 31, 2020 to June 01, 2020. Therefore, the due date for compliance of 31(4) of SAST Regulations by the Noticees was on June 01, 2020. I note that the Noticees, vide letter dated April 09, 2021 had declared to BSE and to the

Chairman of the Audit Committee of OIVL, that they did not make any encumbrance over the shares held by them, directly or indirectly, during the financial year ended March 31, 2020 and March 31, 2021. I observe that the Noticees have delayed the compliance of Regulation 31(4) r/w 31(5) of SAST Regulations for the financial year ended 2020-2021 by 321 days and thus violation of 31(4) r/w 31(5) of SAST Regulations by the Noticees, as alleged in the SCN, stands established.

20. I note from the submissions made by the Noticees and the AR, the following;

20.1 that the alleged violations have been accepted.

20.2 that Noticees have submitted that they were not aware that individual increase shall also have to be considered.

20.3 that the Noticees have submitted that due to the Covid period and due to lack of staff, the Noticees were unable to fulfill the disclosure requirements.

21. I note that the Noticees have put forth their constraints in complying with their obligation under the SAST Regulations and the practical difficulties faced during the Covid Pandemic. I note that while the Noticees have not disputed the allegations, they have pleaded ignorance and lack of knowledge about the applicable provisions. It is a well-established legal maxim that *"Ignorantia juris non excusat"*, or "ignorance of the law excuses no one".

22. From the foregoing paragraphs, it is conclusively established that Noticees failed to comply with the SAST Regulations, as alleged. Therefore, I hold the Noticees liable for

i. failure to make public announcement of an open offer post acquisition of shares beyond the 25% threshold limit, thereby violating the provisions of 3(3) r/w 3(1) & 25(5) of SAST Regulations and

ii. for making delayed declaration on encumbrance of shares held by them, in the year 2020-2021 in violation of Regulation 31(4) r/w 31(5) of SAST Regulations.

Issue II: Do the violations attract monetary penalty u/s 15H(ii) and 15A(b) of the SEBI Act?

23. In the light of findings and observations made with respect to the Noticees brought out in the foregoing paragraphs, it is evident that the Noticees have violated the alleged provisions of SAST Regulations. The above violations, are serious in nature and make the Noticees liable for monetary penalty as under;

i. under the provisions of Section 15H(ii), for failure to make public announcement of an open offer post acquisition of shares beyond the 25% threshold limit, thereby violating the provisions of 3(3) r/w 3(1) & 25(5) of SAST Regulations and;

ii. under the provisions of Section 15A(b) of the SEBI Act for making delayed declaration on encumbrance of shares held by them, in the year 2020-2021, in violation of Regulation 31(4) r/w 31(5) of SAST Regulations.

24. In this regard, I place reliance on the order of the Hon'ble SAT in the matter of Virendrakumar Jayantilal Patel vs. SEBI (Appeal No. 299 of 2014 order dated October 14, 2014), wherein Hon'ble SAT held that*:*

".......... obligation to make disclosures within the stipulated time is a mandatory obligation and penalty is imposed for not complying with the mandatory obligation."

25. In view of the above, it is clear that if a person fails to comply with the SAST regulations, he is liable for penalty under Section 15H(ii) and 15A(b) of the SEBI Act. As the violation of provisions of the SAST Regulations by the Noticees have been established, I find that Noticees are liable for monetary penalty u/s 15H(ii) and 15A(b) of SEBI Act. The contents of the said provisions of law is reproduced herein below:

SEBI Act

<u>Penalties and Adjudication</u>

Penalty for non-disclosure of acquisition of shares and takeovers.

15H (ii) If any person, who is required under this Act or any rules or regulations made thereunder, fails to make a public announcement to acquire shares at a minimum price, he 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 such failure, whichever is higher.

Penalty for failure to furnish information, return, etc.

15A (b) If any person, who is required under this Act or any rules or regulations made there under, to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

Issue III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the Adjudication Rules?

26. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15J of the SEBI Act which reads as under:-

15J – Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under [15-I or section 11 or section 11B, the Board or 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.

27. The principle of the SAST Regulations stipulating a public announcement of an open offer to be made on acquiring shares beyond the threshold limits prescribed is to provide transparency, information and fair treatment for shareholders who are affected by any change in shareholdings. The Regulation also seeks to achieve disclosure of timely and adequate information to enable shareholders to make an informed decision. Timely disclosures are also an essential part of the proper functioning of the securities market and failure to do so results in preventing investors from taking well-informed decisions. The announcements of open offer have its impact on the price behavior before and after the announcement date along with impact on shareholders' wealth of a company. Further, the declarations/disclosures as required under the SAST Regulations have significant importance from the point of view of market Regulation too.

28. Although the loss suffered by the investors due to non-disclosure by the Noticees has not been quantified, I would also like to rely on following observation of Hon'ble Securities Appellate Tribunal (SAT) in the case of Mrs. Komal Nahata vs. SEBI (Appeal No. 5 of 2014 decided on January 27, 2014) "*Argument that no investor has suffered on account of non- disclosure and that the AO has not considered the mitigating factors set out under Section 15J of SEBI Act, 1992 is without any merit because firstly penalty for non-compliance of SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non-disclosure."*

29. I note that the traded price of shares of OIVL on the date when public announcement should have been made i.e. June 01, 2017 (four days after trigger date) was 14.80/-. I note that, had the Noticees given the open offer at the time when they triggered the Takeover Regulations on May 27, 2017, if fully subscribed, they would have acquired 8,00,000 shares, which is 26% of the issued shares of the OIVL @ Rs.16/- per share and accordingly had an obligation amounting to Rs. 1,28,00,000/ -. In the open offer the Noticees would have acquired shares worth Rs. 14.80 per share and hence by not making the public announcement for open offer the Noticee avoided a loss of Rs. 1.20 (Rs. 16 – Rs. 14.80) per share which amounts to total avoidance of loss of Rs. 9,60,000/- (Re. 1.20 x 8,00,000 shares) in 2017.

30. I note that Noticees have been penalized in the past also for violation of provisions of SEBI Act and Regulations made thereunder. Therefore, the Noticees have repeatedly disregarded fulfilling the statutory obligation under SEBI Act.

ORDER

31. Considering all the facts and circumstances of the case, the violations by the Noticees, the loss avoided by the Noticees, time elapsed since the violation occurred, factors mentioned in section 15J of the SEBI Act and exercising the

powers conferred upon me u/s 15-I of the SEBI Act r/w rule 5 of the Adjudication Rules, I hereby impose the following penalty on the Noticee u/s 15H(ii) and 15A(b) of SEBI Act, for not complying with the SAST Regulations, as under;

Name of the Noticee/s	Provisions Violated & Penalty in Rs.	Total Penalty in Rs.
Mala Jhunjhunwala (**PAN**: ACTPJ4169L)	Rs. 20,00,000/- (Rupees Twenty Lakhs only) for violating Regulation 3(3) r/w 3(1), 25(5) of SAST Regulations	Rs. 24,00,000/- (Rupees Twenty Four Lakhs only) jointly and severally.
B. P. Jhunjhunwala & others HUF (**PAN**: AACHB0680D)	Rs. 4,00,000/- (Rupees Four Lakhs only) for violating Regulation 31(4) r/w 31(5) of SAST Regulations	

I find that the said penalty is commensurate with the violations committed by the Noticee.

32. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

33. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to “The Division Chief (Enforcement Department-1 DRA-4), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.” The Noticee shall also provide the following details while forwarding DD / payment information:

Case Name :	
Name of Payee :	
Date of Payment:	
Amount Paid :	
Transaction No. :	
Bank Details in which payment is made :	
Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount etc.)	Penalty

34. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

35. In terms 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.

Place: Mumbai **AMIT KAPOOR**

Date: December 15, 2022 **ADJUDICATING OFFICER**