BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER: Order/MC/VS/2021-22/14539-14546]

UNDER SECTION 23-I OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF THE SECURITIES CONTRACTS (REGULATIONS) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005

In respect of -

1. **Harvinder Kaur** (ALPPK4813R) having address at 290 Model Gram Ludhiana – 141001
2. **Gurpreet Kaur** (ALPPK4816L) having address at 290 Model Gram, Ludhiana – 141001
3. **Arun Gupta** (AHKPG0556G) having address at 179 Industrial Area A Ludhiana – 141003
4. **Anchit Gupta** (AXIPG7955P) having address at House No. 179 Industrial Area - A, Ludhiana – 141003
5. **Aanchal Gupta** (ABMPG6237E) having address at 179 Industrial Area A Ludhiana – 141003
6. **Baldev Prasad Gupta** (ABMPG6235G) having address at 179 Industrial Area A, Ludhiana – 141003
7. **Anoop Jindal** (AAQPJ0112Q) having address at 57-C B.R.S Nagar Near D.A.V. Public School, Ludhiana – 141001
8. **Amit Jindal** (ABBPJ9622K) having address at 57-C B.R.S Nagar Near D.A.V. Public School, Ludhiana – 141001

In the matter of Golden Legand Leasing and Finance Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") initiated adjudication proceedings against Harvinder Kaur ("**Noticee 1**"), Gurpreet Kaur ("**Noticee 2**"), Arun Gupta ("**Noticee 3**"), Anchit Gupta ("**Noticee 4**"), Aanchal Gupta ("**Noticee 5**"), Baldev Prasad Gupta ("**Noticee 6**"), Anoop Jindal ("**Noticee 7**") and Amit Jindal ("**Noticee 8**") (hereinafter together referred to as "**the Noticees**") under Section 23H of the Securities Contracts (Regulation) Act, 1956 ("hereinafter referred to as the "**SCRA**") for alleged violation of Section 16 of the SCRA read with SEBI Notification S.O. 184 (E) dated March 1, 2000, and Sections 13 and 18 of the SCRA read with Section 2 (i) of the SCRA in the context of off-market dealings in the shares of Golden Legand Leasing and Finance Ltd. ("**GLLFL**" or "**the Company**").

2. Adjudication proceedings in respect of the Noticees were initiated pursuant to investigation into off-market transfers by Somar Commodities Private Limited (hereinafter referred to as "**SCPL**") and Corporate Commodity Brokers Pvt Ltd. (hereinafter referred to as "**CCBPL**") in the scrip of Golden Legand Leasing & Finance Limited (hereinafter referred to as "**GLLFL**" or "**the company**") during the period from January 01, 2013 to March 31, 2014 ("**investigation period**" or "**the relevant period**").

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO**") under Section 23-I of the SCRA read with Rule 3 of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter be referred to as the "**Adjudication Rules**"), vide order dated September 14, 2020, to inquire into, and adjudge under Section 23H of the SCRA, the aforesaid alleged violations of the Noticees.

4. The appointment of the undersigned as AO was communicated vide order dated October 7, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Show Cause Notice No. EAD5/MC/VS/20793/2020 dated December 2, 2020 (hereinafter referred to as "**SCN**") was issued to the Noticees, in terms of Rule 4 (1) of the Adjudication Rules read with Section 23-I of the SCRA to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Section 23H of the SCRA for the aforesaid alleged violations.

6. The allegations levelled against the Noticees in the SCN are summarized as follows:-

7. SEBI investigated Suspicious Transaction Reports ("**STRs**") No. 10018781 dated December 13, 2013, 10018779 dated January 30, 2014, 10044472 dated February 18, 2014 and 10044435 dated March 29, 2014, received by SEBI from the Financial Intelligence Unit, India ("FIU") and filed by Kunvarji Finstock Pvt. Ltd., Stock Broker and Depository Participant, pertaining to off-market transfers by Somar Commodities Private Limited (hereinafter referred to as "**SCPL**") and Corporate Commodity Brokers Pvt Ltd. (hereinafter referred to as "**CCBPL**") in the scrip of Golden Legand Leasing & Finance Limited (hereinafter referred to as "**GLLFL**" or "**the company**") during the investigation period from January 01, 2013 to March 31, 2014. The findings of the investigation are given below.

8. As per the details of off-market transactions by SCPL and CCBPL during January 01, 2013 to March 31, 2014 in the scrip of GLLFL obtained from the depositories, it was observed that CCBPL had transferred 6,70,000 shares of GLLFL to 12 entities and SCPL had transferred 13,49,720 shares of GLLFL to 85 entities during the said period.

9. The Company was incorporated on 22 August 1984. It is classified as non-government Company and is registered at Registrar of Companies, Mumbai. Its

authorized share capital is Rs.15 Crores and its paid up capital is Rs.14.87 Crores. The Company is engaged in equipment leasing, hire purchase agreements and finances the leasing of all plant & machinery. Registered address of the Company is UNIT 506, Shri Ramakrishna Chambers, PLOT No. 67B TPS - IV, Linking Road, Khar (W), Mumbai 400052. The Company is listed at Bombay Stock Exchange ("**BSE**"). However, as of now, it is suspended due to non-payment of listing fees.

10. The promoters' shareholding in the Company was 5.44% in quarter ended March 2013 and reduced to NIL as on quarter ended June 2013. Thereafter, the promoter shareholding had remained nil during the investigation period.

11. Further, the Company had issued 98,70,000 warrants of Rs. 10 each convertible in to equity shares in January 2014, thus, the total shares have increased from 50,00,000 in December 2013 to 1,48,70,000 in March 2014.

12. SCPL had its demat account in CDSL and transferred 85000 shares to the accounts of Noticees 1 to 8. The details of the off-market transactions along with the Depository Instruction Slips (hereinafter referred to as "DIS slips") are as depicted in Table below:-

Sr. No.	**Name of transferee**	**Transferee PAN**	**Transferred Quantity**	**Date of Transaction (transfer of shares)**	**Reason for transfer as mentioned in DIS**	**Consideration mentioned in DIS (in Rs.)**
1.	HARVINDER KAUR	ALPPK4813R	17000	15/07/2013	Against payment Received	170000
2.	GURPREET KAUR	ALPPK4813R	17000	15/07/2013	Against payment Received	170000
3.	ARUN GUPTA	AHKPG0556G	8500	15/07/2013	Against payment Received	85000
4.	ANCHIT GUPTA	AXIPG7955P	8500	15/07/2013	Against payment Received	85000
5.	AANCHAL GUPTA	ABMPG6237E	8500	15/07/2013	Against payment Received	85000
6.	BALDEV PRASAD GUPTA	ABMPG6235G	8500	15/07/2013	Against payment Received	85000
7.	ANOOP JINDAL	AAQPJ0112Q	8500	27/08/2013	Against payment Received	85000

Sr. No.	Name of transferee	Transferee PAN	Transferred Quantity	Date of Transaction (transfer of shares)	Reason for transfer as mentioned in DIS	Consideration mentioned in DIS (in Rs.)
8.	AMIT JINDAL	ABBPJ9622K	8500	27/08/2013	Against payment Received	85000

13. The details of payments made in respect of the aforesaid off-market transactions by the Noticees are summarised as follows:-

Sr. No.	Name of transferee	Transferred Quantity	Date of transfer of shares	Amount as mentioned in DIS (in Rs.)	Consideration received by SCPL (in Rs.)	Date of receipt of Payment by SCPL (as SCPL's/ transferees bank account)
1.	HARVINDER KAUR (ALPPK4813R)	17000	15-Jul-13	170000	187000	06-Jul-13
2.	GURPREET KAUR (ALPPK4816L)	17000	15-Jul-13	170000	187000	06-Jul-13
3.	ARUN GUPTA (AHKPG0556G)	8500	15-Jul-13	85000	100000	22-Mar-13
4.	ANCHIT GUPTA (AXIPG7955P)	8500	15-Jul-13	85000	93500	06-Jul-13
5.	AANCHAL GUPTA (ABMPG6237E)	8500	15-Jul-13	85000	93500	06-Jul-13
6.	BALDEV PRASAD GUPTA (ABMPG6235G)	8500	15-Jul-13	85000	93500	06-Jul-13
7.	ANOOP JINDAL (AAQPJ0112Q)	8500	27-Aug-13	85000	93500	10-Aug-13
8.	AMIT JINDAL (ABBPJ9622K)	8500	27-Aug-13	85000	93500	10-Aug-13

14. The transferor ("SCPL') received consideration for transfer of shares of GLLFL in off-market mode to the transferees mentioned above. As per the Spot Delivery Contract provisions mentioned at Section 2(i) of the SCRA the transferee was required to make actual payment for the shares on the same day as the date of the receipt of shares or on the next day. However, it was observed from the Table

above that the Noticees paid consideration to SCPL much before the shares were actually transferred to them in their demat accounts.

15. Off-market dealings are required to conform to the conditions mentioned in Spot Delivery Contract provisions as mentioned at Section 2(i) of SCRA read with Section 16 of SCRA read with SEBI Notification S.O. 184(E) dated March 01, 2000, and Section 13 and Section 18 of SCRA, in order to be valid.

16. As seen above, the Noticees 1-8 were counterparties to spot delivery contracts carried out off-market by SCPL for which payment of consideration was not made within the timelines stipulated in Section 2 (i) of the SCRA read with Section 16 of SCRA, read with SEBI Notification S.O. 184(E) dated March 01, 2000 and Section 13 and Section 18 of the SCRA in alleged violation of the said provisions.

17. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 23H of the SCRA.

18. The SCN was served upon the Noticees through SPAD between 07.12.2020 and 10.12.2020 and to all Noticees on 03.12.2020 by e-mail.

19. Vide replies dated 16.12.2020 and 09.10.2021 Noticees 1 submitted the following:-
    (a) Noticee 1 purchased 17000 shares of GLLFL from SCPL for which she made payment vide Cheque No.915979 dated 02.07.2013 of Corporation Bank.
    (b) Noticee 1 is residing at Ludhiana and SCPL is in Mumbai. Therefore, as per advice she made payment earlier so that at the time of transferring shares payment should be in the hand of transferor. Thus payment was deemed to have been made on the same date when the share was transferred. As per Spot Delivery Contract provisions as mentioned at section 2 of the SCRA, payment for the purchase of share is required to be made before next day of the transaction. Under no circumstances payment was required to be made beyond next day of the transaction. However, it was nowhere stipulated that if

transferee made payment earlier, the same will not be treated as payment as if the same was paid before expiring of next day of the transaction.

(c) Noticee 1 was under the *bona fide* belief that if payment was made earlier, without any problem share will be transfer in her name as she was putting her residence beyond Mumbai. The broker was not ready to take payment through cheque on the date of transaction, therefore he advised to make payment earlier so that at the time of transfer of shares payment against the shares should be available.

20. Vide replies dated 16.12.2020 and 09.10.2021, Noticee 2 made the same submissions as Noticee 1. Vide replies dated 17.12.2020 and 11.10.2021 Noticee 3, 4 , 5 and 6 also made submissions similar to those made by Noticees 1 and 2.

21. Noticees 7 and 8 vide identical submissions dated 19.12.2020 submitted the following:-

(a) Noticees had purchased 20,000 shares each of GLLFL from SCPL in spot trade in off market mode and consideration for transaction was handed over to seller on 20.01.2013 who assured that the transfer of shares in their D-Mat account would take place once the cheque got cleared from bank. The seller handed over the debit note & and receipt as a confirmation of transaction. The cheque got cleared from their bank accounts on 22.01.2013. The seller informed the Noticees 7 and 8 that he would be sending the transfer slip to its depository for transfer of shares. Noticees believed him and thought that shares would reach their D-Mat account in routine manner. However, after few days, when Noticees checked with their broker who was handling their depository accounts, they came to know that shares were not appearing in their D-Mat account. They immediately got in touch with Somar Commodities Pvt Ltd. and it informed them that due to some unavoidable reasons they could not send the transfer slip to their depository and would do the same in couple of days. After some regular follow up with the seller, the shares were ultimately transferred by the seller in the Noticees' D-Mat accounts on 20.02.2013.

(b) Noticees 7 and 8 clarified that there was no transgression of any provision of law as well as any SEBI notification as indicated in the SCN. The delay in transfer was occasioned at the seller's & his depository's end. Noticees had complied with the requirements as regards regulatory compliances and since this was a DEMAT transaction the actual delivery and transfer of shares was not in the Noticees' hand.

22. Vide Hearing Notice dated 14.09.2021, Notices 1 and 2 were provided an opportunity of hearing through videoconferencing on 22.10.2021. However, the said Noticees did not join the hearing. Noticees 3 and 5 availed of the hearing opportunity granted to them through videoconferencing on 22.10.2021 by appearing in-person and reiterating their earlier replies. Noticees 4 and 6 availed of the hearing opportunity granted to them through videoconferencing by appearing in-person on 17.11.2021 and reiterating their earlier replies. Noticees 7 and 8 also appeared in-person during the hearing opportunity granted to them through videoconferencing on 17.11.2021 and reiterated their written submissions. Noticees 7 and 8 stated that they did not have copies of debit notes or records related to agreement with SCPL or broker regarding the impugned off-market purchase of shares.

23. In the light of the allegations contained in the SCN, the Noticees' submissions in respect of the allegations made in the SCN and relevant material available on record, I hereby proceed to decide the case on merits.

CONSIDERATION OF ISSUES AND FINDINGS

24. The issues arising for consideration in the instant proceedings before me are:-

I. Whether the provisions of Section 16 of the SCRA read with SEBI Notification S.O. 184 (E) dated March 1, 2000, and Sections 13 and 18 read with Section 2 (i) of the SCRA have been violated by the Noticees?

II. If yes, whether the Noticees are liable for imposition of monetary penalty under Section 23H of the SCRA?

III. If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 23 J of the SEBI Act read with Rule 5 (2) of the SCRA Adjudication Rules?

I. Whether the provisions of Section 16 of the SCRA read with SEBI Notification S.O. 184 (E) dated March 1, 2000, and Sections 13 and 18 read with Section 2 (i) of the SCRA have been violated by the Noticees?

25. In the present case, the Noticees, when considered together, purchased 85000 shares from SCPL off-market, for Rs. 9,41,500. Noticees 1 and 2 transferred the consideration for the shares of GLLFL purchased by them to SCPL on 06.07.2013, but the shares were actually received by the said Noticees only on 15.07.2013. In the case of Noticees 3,4,5 and 6 as well, payment for the shares purchased by each of them was made on 06.07.2013, but the shares were transferred to their demat accounts only on 15.07.2013. In the case of Noticees 7 and 8, payment for shares of GLLFL was made on 10.08.2013, but the shares were received into the demat accounts of the said Noticees only on 27.08.2013. This was in apparent breach of the stipulated time-frame of "*same day as the date of contract or on the next day*" specified for delivery of shares and payment of price in the definition of "spot delivery contract" in Section 2 (i) of the SCRA, which was applicable to the said off-market transactions.

26. The legal provisions which the Noticees are alleged to have violated are reproduced as follows:-

*"**Section** 2 (i) - **Spot Delivery Contract***

"*Spot Delivery Contract" means a contract which provides for:*

(a) actual delivery of securities and the payment of a price therefore either on the same day as the date of the contract or on the next day, the actual period taken for the dispatch of the securities or the remittance of money therefore through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality;

(b) transfer of the securities by the depository from the account of a beneficial owner to the account of another beneficial owner when such securities are dealt with by a depository;

Section 13: Contracts in notified areas illegal in certain circumstances.

If the Central Government is satisfied, having regard to the nature or the Volume of transactions in securities in any State or States or area that it is necessary so to do, it may, by notification in the Official Gazette, declared this section to apply to such State or States or area, and thereupon every contract in such State or States or area which is entered into after the date of the notification otherwise than between members of a recognised stock exchange or recognized stock exchanges in such State or States or area or through or with such member shall be illegal:

Provided that any contract entered into between members of two or more recognised stock exchanges in such State or States or area, shall —

(i) be subject to such terms and conditions as may be stipulated by the respective stock exchanges with prior approval of Securities and Exchange Board of India;

(ii) require prior permission from the respective stock exchanges if so stipulated by the stock exchanges with prior approval of Securities and Exchange Board of India.

Section 16: Power to prohibit contracts in certain cases*.*

16. (1) *If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein.*

(2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of notification issued thereunder shall be illegal.

Section 18: Exclusion of spot delivery contracts from sections 13, 14, 15 and 17.

18. (1) *Nothing contained in sections 13, 14, 15 and 17 shall apply to spot delivery contracts.*

(2) *Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control the business of dealing in spot delivery contracts also in any State or area (whether section 13 has been declared to apply to that State or area or not), it may, by notification in the Official Gazette, declare that the provisions of section 17 shall also apply to such State or area in respect of spot delivery contracts generally or in respect* *of spot delivery contracts for the sale or purchase of such securities as may be specified in the notification, and may also specify the manner in which, and the extent to which, the provisions of that section shall so apply.*

SEBI Notification S.O. 184(E) dated March 01, 2000

"In exercise of the powers conferred by sub-section (1) of section 16 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), read with Government of India Notification No. S.O. 573(E), dated 30th July, 1992, (See [1992] 75 Comp Cas (St.) 216.) and Notification No. 183(E), dated 1st March, 2000, (See page 53 supra.) issued under section 29A of the said Act, the Securities and Exchange Board of India (hereinafter referred to as "the Board") being of the opinion that it is necessary to prevent undesirable speculation in securities in the whole of India, hereby declare that no person in the territory to which the said Act extends, shall, save with the permission of the Board, enter into any contract for sale or purchase of securities other than such spot delivery contract or contract for cash or hand delivery or special delivery or contract in derivatives as is permissible under the said Act or the Securities and Exchange Board of India Act, 1992 (15 of 1992), and the rules and regulations made under such Acts and rules, regulations and bye-laws of a recognised stock exchange

Provided that any contracts for sale or purchase of Government securities, gold related securities, money market securities and ready forward contracts in debt securities entered into on the recognised stock exchange shall be entered into in accordance with-

(a) the rules or regulations or the bye-laws made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956), or the Securities and Exchange Board of India Act, 1992 (15 of 1992), or the directions issued by the Securities and Exchange Board of India under the said Acts;

(b) the rules made or guidelines or directions issued under the Reserve Bank of India Act, 1934 (2 of 1934), or the Banking Regulation Act, 1949 (10 of 1949) or the Foreign Exchange Regulation Act, 1973 (46 of 1973), by the Reserve Bank of India;

(c) the provisions contained in the notifications issued by the Reserve Bank of India under the Securities Contracts (Regulation) Act, 1956 (42 of 1956)"

27. I note that Section 16 of the SCRA as well as the SEBI Notification S.O. 184(E) dated March 01, 2000 issued in terms of Section 16, emphasises legislative intent to prevent undesirable speculation in securities, by ensuring that parties to off-market dealings in shares comply with Section 2 (i) of the SCRA which in turn required a spot delivery contract to provide for "*actual delivery of securities and the payment of a price therefore either on the same day as the date of the contract or on the next day".* As per Section 2 (i), it is important to note that the reference to payment of price and delivery of securities is from the date of

contract. Further, the duration of 'same day or next day' does not include *"the actual period taken for the dispatch of the securities or the remittance of money therefore through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality*". Thus, unavoidable procedural delays due to the process involved in receiving payment for, and transferring shares on account of contract for off-market transaction in shares, have been excluded from the computation of same day or next day in Section 2 (i).

28. In respect of Noticees 1 and 2, I take note of the submission of the said Noticees that they had paid for the shares of GLLFL purchased by them from SCPL vide cheques dated 02.07.2013, which were cleared on 06.07.2013. No proof of the date when the contract for purchase of shares was entered into with SCPL has been provided. I also take note of the submission by Noticee 3 that he purchased shares of GLLFL from SCPL by making payment vide cheque dated 03.07.2013 drawn on Punjab National Bank, which was encashed on 06.07.2013.

29. With respect to Noticee 3, I note that the SCN mentions a date of payment of 22.03.2013. However, the bank statements provided by Noticee 3 show that a cheque for Rs. 93,500 in favour of SCPL was encashed on 06.07.2013. Therefore, the date of payment of consideration by Noticee 3 is 06.07.2013 and not 22.03.2013 as stated in the SCN. Noticees 4, 5 and 6 have also submitted that they made payment of consideration for shares of GLLFL purchased from SCPL vide cheques dated 03.07.2013 which were encashed on 06.07.2013, and have submitted their bank account statements in support of their submissions. Noticees 7 and 8 have submitted bank account statements in support of their contention that they paid for shares of SCPL vide cheques dated 08.08.2013 which were encashed on 10.10.2013.

30. Relevant bank statements provided by each of the Noticees in evidence of date of payment of consideration have been perused.

31. From the material produced by the Noticees, I note that the delay in receipt of shares from SCPL ranges from eight days (from the date of receipt of consideration by SCPL on 06.07.2013 to date of receipt of shares on 15.07.2013) in the case of Noticees 1 – 6, to seventeen days (from the date of receipt of consideration by SCPL on 10.08.2013 to date of receipt of shares on 27.08.2013) in the case of Noticees 7 and 8.

32. In order to arrive at a finding of whether there was pre-payment by the Noticees as alleged, it is essential to arrive at the date on which the contract for purchase of shares was made by the Noticees with SCPL. From the material on record, it is evident that the Noticees accepted SCPL's offer to sell shares of GLLFL through their cheques dated 02.07.2013 (Noticees 1 and 2), 03.07.2013 (Noticees 3-6) and 08.07.2013 (Noticees 7-8). There is nothing on record to indicate that the contract for purchase of shares of GLLFL from SCPL was entered into by the Noticees on dates different from the dates on which cheques were issued. I note that the Noticees have not produced any debit notes or receipts from SCPL. However, I also take into account the Noticees' submissions that they resided in cities which were different from the location of SCPL, and that the payment preceded the actual transfer of shares into their demat accounts by only eight to seventeen days.

33. In this regard, I must also take into account the fact that the time lag of 8 days in the case of Noticees 1 – 6, and 17 days days in the case of Noticees 7 and 8 between receipt of funds by SCPL and transfer of shares to the Noticees was explained by SCPL in its reply dated 07.02.2021 detailed in Adjudication Order No. Order/MC/VS/2021-22/11554 dated 28.04.2021 issued in respect of Somar Commodities Pvt. Ltd. SCPL explained the delay in transferring shares to 82 entities including the Noticees, stating that "immediate transfer of shares even after receipt of consideration was not effected due to certain technical difficulty arises at the time of approving DIS slips at Noticee's share broker M/s. Kunvarji Finstock Pvt Ltd and that caused delay in transfer of shares to buyers'

demat account". From the reply of SCPL, I note that SCPL admitted that there was delay on the part of SCPL in transferring shares to the accounts of buyers. This rules out pre-payment by the Noticees.

34. I also note that there is no evidence of forward contract or speculation with respect to the off-market transaction by the Noticees in the material on record. Hence, I find that there is no evidence to conclude that the Noticees were party to any intent to make early payment for purchase of shares in violation of Section 2 (i) of the SCRA or that the Noticees tried to engage in speculative transactions contrary to the provisions of the SEBI Notification dated 01.03.2000 read with Section 16 of the SCRA.

35. In this regard, I note that SEBI has earlier in the case of *Amol Sadashiv Solaskar* also passed an order dated 08.05.2017 absolving the Noticee therein, of liability for belated payment in respect of 15000 shares transferred off-market to the said Noticee in the light of the total facts and circumstances of that case. It was observed that "*Although the impugned transaction does not fulfill the spot delivery contract norms in as much as the consideration did not pass within the time limit for the same, it cannot further be equated with any undesirable speculation that is sought to be prohibited by Section 16 of SCRA as well as by the Notification dated 01st March, 2000. There is no charge that the impugned transaction is a result of excessive or undesirable speculation or that it had any market wide adverse impact*.".

36. In view of the above, I find that the material on record is insufficient to establish that there had been pre-payment of more than the 2 days from date of contract in making payment by the Noticees 1 – 8 as prescribed in Section 2 (i) of the SCRA for purchase of shares of GLLFL from SCPL.

37. Therefore, I find that the allegation levelled against the Noticees of violation of Section 16 SCRA read with SEBI Notification S.O. 184(E) dated March 01, 2000, Section 13 and Section 18 of SCRA read with Section 2(i) of SCRA does not stand established.

38. As the alleged violations by the Noticees are not established, Issues II and III do not merit consideration.

ORDER

39. In the light of the findings noted hereinabove, the adjudication proceedings initiated against the Noticees vide SCN dated December 2, 2020 are disposed of.

40. Copies of this Adjudication Order are being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

MANINDER CHEEMA
Digitally signed by MANINDER CHEEMA
Date: 2021.12.23 13:57:07 +05'30'

DATE: DECEMBER 23, 2021 | **MANINDER CHEEMA**

PLACE: MUMBAI | **ADJUDICATING OFFICER**