BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. ORDER/BM/DS/2023-24/30147-30162]

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

In respect of

Noticee No	Name of entity	PAN
1	Ms. Seema Garg	AAJPG3268R
2	Mr. Vikas Garg	AAAPG8241P
3	Ms. Sukriti Garg	ALWPG6413A
4	Ms. Vrinda Garg	BXGPG9717C
5	Mr. Vaasu Garg	BXKPG5565J
6	Mr. Nand Kishore Garg	AAHPG6278P
7	Ms. Usha Garg	AAHPG6276D
8	Mr. Madanlal Agarwal	AADPA6157D
9	Ms. Laxmidevi Agarwal	AADPA1556E
10	Ms. Tusha Garg	AMWPG9410C
11	Mr. Vaibhav Garg	AKWPG7039B
12	M/s Vaibhav Garg HUF	AAIHV8070R
13	Ms. Shashi Garg	AAJPG3275E
14	Mr. Vinod Kumar Garg	AAJPG3277G
15	M/s. Vinod Kumar Garg HUF	AAAHV2662M
16	Ms. Nidhi Garg	AHHPG9531C

In the matter of
Best Agrolife Limited (formerly known as Sahyog Multibase Limited)
(Noticees 1 to 16 are individually known by their respective name or Noticee no. and collectively referred to as the "Noticees")

BACKGROUND:

1. Securities and Exchange Board of India (hereinafter being referred to as "**SEBI**") conducted examination in the scrip of Best Agrolife Limited (formerly known as Sahyog Multibase Limited) (hereinafter referred to as "**the Company**"/ "**Best Agrolife**" / "**Target Company**"), from January 01, 2018 to December 31, 2020 (hereinafter referred to as "**Examination Period**"/ "**EP**"). During the examination, it was observed that there were non-compliances of provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**SEBI SAST Regulations, 2011**") by the Noticees.

2. In view of the above, SEBI initiated adjudication proceedings under the provisions of Section 15A(b) of the SEBI Act, 1992 against the Noticees for the aforementioned alleged violations.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as the Adjudicating Officer (**"AO"**) vide Order dated January 17, 2024, under Section 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 "**Adjudication Rules**") to inquire into and adjudge under the provisions of Section 15A(b) of the SEBI Act, 1992, the alleged violations of provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 by the Noticees.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notice no. EAD/BM/DS/4690/1/2024 dated January 31, 2024 (hereinafter referred to as "**SCN**") was issued by the undersigned to the Noticees via Speed Post Acknowledgement Due (SPAD) and digitally signed e-mail under the provisions of Rule 4(1) of the Adjudication Rules and section 15-I of the SEBI

Act, calling upon the Noticees to show cause as to why an inquiry should not be held against them for the aforesaid alleged violations of provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 and why penalty, if any, should not be imposed on them under Section 15A(b) of the SEBI Act, 1992.

5. The allegations levelled against the Noticees are as under:

5.1. The shares of the company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Noticee 1, 8, 9 and 10 were public shareholders of the Target Company. It was observed that Noticee 10 received 15,40,313 shares of the Target Company on May 11, 2018 pursuant to a scheme of arrangement and Noticee 1 received six lakh shares of the Target Company on September 17, 2019. Further, these Noticees along with other persons acting in concert (PACs) had divested their significant holdings till the month of December 2020.

<u>PAC Group 1</u>

5.2. From the KYC documents obtained from the portal of KYC Registration Agency, it was observed that Noticees 2 to 9 were immediate relatives of Noticee 1, and thus, they were deemed to be PACs in terms of regulation 2(1)(q) of SEBI SAST Regulations, 2011. Considering Noticee 1, Ms. Seema Garg as the acquirer, PAC Group was formed, which was constituted of the following Noticees.

Noticee No.	**Noticee Name**	**Relation with Noticee 1, Ms. Seema Garg**
1	Ms. Seema Garg	Self
2	Mr. Vikas Garg	Spouse of Noticee 1
3	Ms. Sukriti Garg	Daughter of Noticee 1
4	Ms. Vrinda Garg	Daughter of Noticee 1
5	Mr. Vaasu Garg	Son of Noticee 1
6	Mr. Nand Kishore Garg	Father-in-law of Noticee 1 (Spouse' father)

Noticee No.	Noticee Name	Relation with Noticee 1, Ms. Seema Garg
7	Ms. Usha Garg	Mother-in-law of Noticee 1 (Spouse' mother)
8	Mr. Madanlal Agarwal	Father of Noticee 1
9	Ms. Laxmidevi Agarwal	Mother of Noticee 1

5.3. Noticee 2 to 9, which are PACs with Noticee 1 are hereinafter collectively being referred to as "**PAC Group 1**". From the disclosures made by Noticees 2 and 5 with respect to the Target Company under regulation 29(1) of SEBI SAST Regulations, 2011 on May 15, 2018 (sourced from the BSE website), it was observed that Noticees 3 and 4 had been declared as PACs in the disclosures. Similar observations were made with respect to other Noticees, are stated in the table below.

S. No.	Disclosure under SAST Regulations	Disclosures made by Acquirers / Sellers	Noticees declared as PAC in the disclosures
1.	15-May-2018 under Reg 29(1)	Vikas Garg (Noticee 2) Vaasu Garg (Noticee 5)	Sukriti Garg (Noticee 3) Vrinda Garg (Noticee 4)
2.	15-May-2018 under Reg 29(1)	Madanlal Agarwal (Noticee 8) Laxmi Devi Agarwal (Noticee 9)	NA
3.	26-Mar-2019 under Reg 29(2)	Seema Garg (Noticee 1)	Vikas Garg (Noticee 2) Vaasu Garg (Noticee 5) Sukriti Garg (Noticee 3) Vrinda Garg (Noticee 4)
4.	09-Mar-2020 under Reg 29(2)	Nand Kishore Garg (Noticee 6) Seema Garg (Noticee 1) Sukriti Garg (Noticee 3)	Vikas Garg (Noticee 2) Vaasu Garg (Noticee 5) Sukriti Garg (Noticee 3) Vrinda Garg (Noticee 4)

5.4. From the transaction details received from the BSE, NSDL and CDSL of Noticees 1 to 9 during the EP, following was observed.

5.4.1. Disclosure under regulation 29(1) of SEBI SAST Regulations, 2011 was not made in one instance.

5.4.2. There were 11 instances of non-disclosure under regulation 29(2) of SEBI SAST Regulations, 2011 and one instance of delayed disclosure under the said regulation.

5.5. Thus, it was alleged that Noticees 1 to 9 have violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

5.6. Further, with respect to Noticee 1, one instance each of alleged non-disclosure under regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

5.7. With respect to Noticee 2, two instances of alleged non-disclosure under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

5.8. With respect to Noticee 5, one instance of alleged non-disclosure under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 was observed.

5.9. With respect to Noticee 8, three instances of alleged non-disclosure under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

<u>PAC Group 2</u>

5.10. From the KYC documents obtained from the portal of KYC Registration Agency, it was observed that Noticees 11 to 16 were immediate relatives of Noticee 10, and thus, they were deemed to be PACs in terms of regulation 2(1)(q) of SEBI SAST Regulations, 2011. Considering Noticee 10, Ms. Tusha Garg as the acquirer, PAC Group was formed, which was constituted of the following Noticees.

Noticee No.	Noticee Name	Relation with Noticee 10, Ms. Tusha Garg
10	Ms. Tusha Garg	Self
11	Mr. Vaibhav Garg	Spouse of Noticee 10
12	M/s Vaibhav Garg HUF	HUF of Spouse of Noticee 10
13	Ms. Shashi Garg	Mother-in-law of Noticee 10
14	Mr. Vinod Kumar Garg	Father-in-law of Noticee 10
15	M/s Vinod Kumar Garg HUF	HUF of Father-in-law of Noticee 10
16	Ms. Nidhi Garg	Sister of Spouse of Noticee 10

5.11. Noticee 11 to 16, which are PACs with Noticee 10 are hereinafter collectively being referred to as "**PAC Group 2**". From the disclosures made by Noticee 10 with respect to the Target Company under regulation 29(1) of SEBI SAST Regulations, 2011 on May 15, 2018 (sourced from the BSE website), it was observed that Noticees 11, 13, 14 and 15 had been declared as PACs in the disclosures. Similar observations were made with respect to other Noticees, are stated in the table below.

S. No.	Disclosure under SAST Regulations	Disclosures made by Acquirers / Sellers	Noticees declared as PAC in the disclosures
1.	15-May-2018 under Reg 29(1)	Tusha Garg (Noticee 10)	Shashi Garg (Noticee 13) Vinod Kumar Garg (Noticee 14) Vinod Kumar Garg HUF (Noticee 15) Vaibhav Garg (Noticee 11)
2.	12-Mar-2020 under Reg 29(2)	Tusha Garg (Noticee 10) Shashi Garg (Noticee 13) Vinod Kumar Garg (Noticee 14) Vinod Kumar Garg HUF (Noticee 15) Vaibhav Garg (Noticee 11) Nidhi Garg (Noticee 16)	Vaibhav Garg HUF (Noticee 12)

5.12. From the transaction details received from the BSE, NSDL and CDSL of Noticees 10 to 16 during the EP, following was observed.

5.12.1. Disclosure under regulation 29(2) of SEBI SAST Regulations, 2011 was not made in four instances.

5.12.2. There were 2 instances of delayed disclosures under regulation 29(2) of SEBI SAST Regulations

5.13. Thus, it was alleged that Noticees 10 to 16 have violated the provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

5.14. Further, with respect to Noticee 10, one instance of alleged non-disclosure and three instances of alleged delayed disclosures under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

5.15. With respect to Noticee 11, one instance of alleged non-disclosure under regulation 29(1) and one instance of alleged delayed disclosure under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

5.16. With respect to Noticee 14, one instance each of alleged non-disclosure under regulation 29(1) and regulation 29(2), read with regulation 29(3) of SEBI SAST Regulations, 2011 were observed.

6. Vide email dated February 21, 2024, Noticees 1 to 9 requested for 21 days' time to submit replies to the SCN. Vide email dated February 22, 2024, Noticees 10 to 16 requested for 14 days' time submit reply to the SCN. Vide emails dated February 22, 2024, Noticees 1 to 9 and Noticees 10 to 16 were granted time till March 07, 2024 to submit their replies. Noticees submitted their replies vide letters dated March 07, 2024.

7. The submissions made by the Noticees, vide letters dated March 07, 2024 are summarized as under:

7.1. *Noticees submitted that the alleged omissions in making timely disclosures, as stipulated under regulation 29 of the SEBI SAST Regulations, 2011, are merely technical and unintentional, without any mala-fide intention to hide any information.*

7.2. *Further, Noticees were holding these shares under PUBLIC Category without any intent to gain control over the Company, and subsequently divested their shareholding in the Company as well.*

7.3. *The shares of the Company i.e. Mis Sahyog Multibase Limited, were first allotted to the Noticees, during the financial year 2018 pursuant to a Merger Scheme of M/s Athena Multitrade Private Limited into M/s Sahyog Multibase Limited approved by the Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi vide its order dated April 18, 2018.*

7.4. *Their shareholding has always been in public domain, in the knowledge of the shareholders of the Company and all other concerned, either disseminated through Stock Exchange filings, or otherwise (which seems the actual intent to stipulate the disclosure requirements under regulation 29 of SEBI (SAST) Regulations).*

7.5. *Copies of quarterly shareholding patterns during the period of Examination i.e. January 1, 2018 to December 31, 2020, wherein change in Noticees' shareholding were reflecting, were also submitted by the Noticees*

7.6. *On September 17, 2019 when Noticee No 1 got 6,00,000 shares by gift from her parents (Noticee No. 8 & 9), disclosure was not made as the transaction no consideration was involved, nor it affected the overall shareholding of the PAC, and this change has also got disseminated through the Shareholding Pattern submitted by the Company for the quarter ended September 30, 2019 (filed on October 14, 2019).*

7.7. *There have been some offline transfers by way of gift among the family members and resultant changes in their shareholdings has also got* *disseminated subsequently through the shareholding pattern submitted by the Company.*

7.8. *Noticees requested to drop the proceedings. They submitted that no harm was caused to public or unlawful advantage gained by the Noticees by the alleged omissions.*

8. Vide letter dated March 12, 2024, hearing notice was issued to the Noticees to provide opportunity of personal hearing in the interest of natural justice. Noticees 1 to 9 were advised to appear before the undersigned on March 15, 2024. Noticees 10 to 16 were advised to appear before the undersigned on March 20, 2024. All the Noticees (i.e. Noticees 1 to 16) appeared for the scheduled hearing through their common authorized representative (**AR**) on March 15, 2024. The AR reiterated the submissions already made vide letter dated March 07, 2024. The AR also made additional submissions, which were submitted by him through email on March 18, 2024.

9. In its additional submissions, the Noticees referred to the Order passed by Ld. AO in the matter of Jindal Cortex Limited, dated May 11, 2017; Order passed by Ld. AO in the matter of Parnami Credits Limited dated October 30, 2017; Order passed by Ld. WTM in the matter of Refex Industries Limited dated February 02, 2017 and Order passed by Ld. AO in the matter of Starcom Information Technology Limited, dated April 30, 2021.

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

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

    ISSUE I: Whether Noticees 1 to 9, 11 and 14 have violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011? Whether Noticees 10, 12, 13, 15 and 16 have violated the

provisions of regulations 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011?

ISSUE II: Does the violation, if any, on part of the Noticees attract penalty under Section 15A(b) of the SEBI Act?

ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

11. Before moving forward it is pertinent to refer to the relevant provisions of SEBI SAST Regulations, 2011 which read as under:

SEBI SAST Regulations, 2011

Disclosures of acquisition and disposal.

29(1) *Any acquirer who acquires 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, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified.*

29(2): *Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.*

29(3): *The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition [or the disposal][1] of shares or voting rights in the target company to,—*

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

(b) the target company at its registered office.

FINDINGS

12. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder:

ISSUE I. Whether Noticees 1 to 9, 11 and 14 have violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011? Whether Noticees 10, 12, 13, 15 and 16 have violated the provisions of regulations 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011?

13. I note from the available records that Noticees 2 to 9 are immediate relatives of Noticee 1. Thus, they are deemed to be persons acting in concert (PACs) with Noticee 1 (PAC Group 1) in terms of Regulation 2(1)(q) of SEBI SAST Regulations, 2011. I also note that Noticees 11 to 16 are immediate relatives of Noticee 10. Thus, they are also deemed to be persons acting in concert (PACs) with Noticee 10 (PAC Group 2) in terms of Regulation 2(1)(q) of SEBI SAST Regulations, 2011.

14. As per regulation 29(1) of the SEBI SAST Regulations, 2011, if an acquirer acquires shares in a target company, and the acquired shares along with the existing shares held by the acquirer and persons acting in concert (PACs) with the

[1] *Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018, w.e.f.11-09-2018.*

acquirer in such target company, aggregate to five percent or more of the shares of the target company, then the acquirer along with PACs shall disclose their aggregate shareholding in such target company in the prescribed form.

15. As per regulation 29(2) of the SEBI SAST Regulations, 2011, any person, who together with PACs, holds five percent or more shares in a target company, shall disclose the number of shares and change in shareholding, even if such change results in shareholding falling below five percent, if there has been change in such holdings from the last disclosure made under regulation 29(1) or under regulation 29(2); and such change exceeds two per cent of total shareholding in the target company, in the prescribed form.

16. As per regulation 29(3) of the SEBI SAST Regulations, 2011, the disclosures to be made under regulations 29(1) and 29(2) shall be made within two working days of the receipt of intimation of allotment of shares or the acquisition or the disposal of shares in the target company to the stock exchanges where the target company is listed and also to the target company at its registered office.

<u>PAC Group 1</u>

17. From the transaction details, I note that during the EP, in 12 instances, the change in PAC Group 1's shareholding in Best Agrolife exceeded two percent from the last disclosures made under regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011. Out of these 12 instances, disclosures were not made to the Exchanges within 2 working days of such disposal of shares in 11 instances; and disclosures were made in one instance with a delay of 55 days. I also note that equity shares acquired by the PAC Group 1 on June 04, 2020, along with their existing shareholding, had exceeded 5% of the paid up capital of Best Agrolife. However, disclosures were not made to the Exchanges in this regard. The details of non-disclosures and delayed disclosures are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	% Of Cumulative Shareholding	Change In % Holding	Disclosure under 29(1)	Disclosure under 29(2)
28-Nov-18	28,49,935		1,90,000	26,59,935	33.35%	**-3.76%**		**Delayed Disclosure by 55 days on 18-Feb-2019**
15-Feb-19	25,53,840		1,16,194	24,37,646	30.56%	**-2.79%**		**Disclosure not made**
20-Feb-19	24,37,646		1,77,000	22,60,646	28.34%	**-2.22%**		**Disclosure not made**
25-Mar-19	17,39,047	2,31,599	4,30,599	15,40,047	19.31%	**-2.49%**		**Disclosure not made**
27-Mar-19	15,40,047	1,10,000	2,80,000	13,70,047	17.18%	**-2.13%**		**Disclosure not made**
26-Jun-19	12,20,047		40,000	11,80,047	14.79%	**-2.38%**		**Disclosure not made**
13-Aug-19	10,70,140		59,892	10,10,248	12.67%	**-2.13%**		**Disclosure not made**
18-Oct-19	8,59,696		13,931	8,45,765	10.60%	**-2.06%**		**Disclosure not made**
21-Dec-19	8,11,015		1,50,000	6,61,015	8.29%	**-2.32%**		**Disclosure not made**
03-Mar-20	6,31,290	1,210	1,50,000	4,82,500	6.05%	**-2.24%**		**Disclosure not made**
05-Mar-20	4,82,500	74,088	3,15,000	2,41,588	3.03%	**-3.02%**		**Disclosure not made**
04-Jun-20	1,97,828	2,08,000	1,400	4,04,428	**5.07%**		**Disclosure not made**	
10-Sep-20	2,79,956		55,580	2,24,376	2.81%	**-2.26%**		**Disclosure not made**

18. From the above table, I note that in 11 instances, the PAC Group 1 has not made disclosures under regulation 29(2) read with 29(3) of SEBI SAST Regulations, 2011 with respect to greater than two percent change in their cumulative shareholding in Best Agrolife. I also note that with respect to the disposal of equity shares on November 28, 2018, disclosures were made to the Exchanges on February 15, 2019, i.e. with a delay of 55 days. PAC Group 1 has also not made

disclosures to the Exchanges under regulation 29(1) read with 29(3) of SEBI SAST Regulations, 2011 with respect to the acquisition of equity shares on June 04, 2020, which resulted in their cumulative shareholding to exceed five percent. Admittedly, the disclosures were not made within the prescribed time under the provisions of SEBI SAST Regulations, 2011.

19. In view of the aforesaid, I find that Noticees 1 to 9 have violated provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Ms. Seema Garg – Noticee 1

20. I note from the transaction details that Noticee 1 has not made disclosure under regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	Off-Market Or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure under 29(1)	Disclosure under 29(2)
17-Sep-19	1,000	6,00,000		6,01,000	Off-Market	7.54%		Disclosure not made	
20-Dec-19	6,01,000	-	5,00,000	1,01,000	Off-Market	1.27%	-6.27%		Disclosure not made

21. From the above table, I note that Noticee 1 acquired 6 lakh equity shares of Best Agrolife on September 17, 2019, which resulted in her aggregate shareholding to exceed five percent of the shares of Best Agrolife. Thus, she was required to make disclosures of the acquisition of shares to the Exchanges under regulation 29(1) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days, which she, admittedly, failed to do. I also note that Noticee 1 disposed 5 lakh equity shares of Best Agrolife on December 20, 2019. As no previous disclosures

under regulation 29(1) and 29(2) of SEBI SAST Regulations, 2011 had been made by Noticee 1, and as her shareholding was more than 5% before the disposal of shares, she was required to make disclosures to the exchanges under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days of such disposal of 5 lakh equity shares of Best Agrolife, which she admittedly failed to do.

22. In view of the aforesaid, I find that Noticee 1 has violated the provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

<u>Mr. Vikas Garg – Noticee 2</u>

23. I note from the transaction details that Noticee 2 has not made disclosures under 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	Off-Market or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure Under 29(2)
28-Nov-18	7,95,125		1,90,000	6,05,125	On Market	7.59%	**-3.64%**	**Disclosure not made**
15-Feb-19	5,09,530		1,16,194	3,93,336	On Market	4.93%	**-2.66%**	**Disclosure not made**

24. From the above table, I note that Noticee 2 sold equity shares of Best Agrolife on November 28, 2018, which resulted in change in shareholding by more than two percent. As Noticee 2 was holding more than 5% of the shares of Best Agrolife before sale of equity shares, he was required to make disclosures under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. I also note that Noticee 2 disposed 1,16,194 equity shares (2.66%) of Best Agrolife on February 15, 2019. As Noticee 2 was holding 11.22% shares of Best Agrolife (i.e. more than 5%), when previous disclosures under regulation 29(1) and 29(2) of SEBI SAST

Regulations, 2011 were made by Noticee 2 on May 15, 2018, he was required to make disclosures to the exchanges under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days of such disposal of 1,16,194 equity shares of Best Agrolife, which he admittedly failed to do.

25. In view of the aforesaid, I find that Noticee 2 has violated the provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Mr. Vaasu Garg – Noticee 5

26. I note from the transaction details that Noticee 5 has not made disclosures under 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. The details are provided in the table below.

TRADE DATE	Opening Balance	Credit Qty	Debit Qty	Closing Balance	Off-Market or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure under 29(2)
22-Mar-19	5,93,750		2,00,000	3,93,750	Off-Market	4.94%	**-2.51%**	**Disclosure not made**

27. From the table above, I note that Noticee 5 had disposed of 2 lakh shares of Best Agrolife, amounting to 2.51% of the paid up capital of Best Agrolife, on March 22, 2019. Before the disposal of shares, he was holding 7.44% shares of Best Agrolife. As the change in shareholding due to disposal of shares on March 22, 2019 exceeded 2%, Noticee 5 was required to make disclosures to the exchanges under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days of such disposal of 2 lakh equity shares of Best Agrolife, which he admittedly failed to do.

28. In view of the aforesaid, I find that Noticee 5 has violated the provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Mr. Madanlal Agarwal – Noticee 8

29. I note from the transaction details that Noticee 8 has not made disclosures under 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	Off-Market Or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure Under 29(2)
26-Jun-19	8,18,750		40,000	7,78,750	On Market	9.76%	**-2.38%**	**Disclosure not made**
13-Aug-19	6,68,843		59,892	6,08,951	On Market	7.63%	**-2.13%**	**Disclosure not made**
17-Sep-19	4,70,951		3,50,000	1,20,951	Off-Market	1.52%	**-6.12%**	**Disclosure not made**

30. From the above table, I note that Noticee 8 has disposed of his shareholding in Best Agrolife on June 26, 2019, August 13, 2019 and September 17, 2019. In all the three instances, more than 2% of the shareholding was disposed of. Before each of the disposals, Noticee 8 was holding more than 5% of the equity shares of Best Agrolife. Thus, Noticee 8 was required to make disclosures to the exchanges under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days of such disposals of equity shares of Best Agrolife, which he admittedly failed to do.

31. In view of the aforesaid, I find that Noticee 8 has violated the provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

PAC Group 2

32. From the transaction details, I note that during the EP, in 6 instances, the change in PAC Group 2's shareholding in Best Agrolife exceeded two percent from the last disclosures made under regulations 29(2) and 29(3) of SEBI SAST Regulations, 2011. Out of these 6 instances, disclosures were not made to the Exchanges within 2 working days of such disposal of shares in 4 instances; and disclosures were

made in two instances with a delay of 17 - 204 days. The details of non-disclosures and delayed disclosures are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	% Of Cumulative Shareholding	Change In % Holding	Disclosure under 29(2)
24-May-19	17,17,714		98,000	16,19,714	20.31%	**-2.47%**	**Delayed disclosure By 204 days on 12-Mar-20**
16-Mar-20	14,80,695		1,50,000	13,30,695	16.68%	**-3.62%**	**Disclosure not made**
01-Jun-20	11,87,140		32,300	11,54,840	14.48%	**-2.20%**	**Disclosure not made**
03-Jun-20	11,54,840		2,23,750	9,31,090	11.67%	**-2.81%**	**Disclosure not made**
04-Jun-20	9,31,090		3,00,000	6,31,090	7.91%	**-3.76%**	**Disclosure not made**
13-Jul-20	5,53,090		1,50,000	4,03,090	5.05%	**-2.86%**	**Delayed disclosure By 17 days on 06-Aug-20**

33. From the above table, I note that in 4 instances, the PAC Group 2 has not made disclosures under regulation 29(2) read with 29(3) of SEBI SAST Regulations, 2011 with respect to greater than two percent change in their cumulative shareholding in Best Agrolife. I also note that with respect to the disposal of equity shares on May 24, 2019, disclosures were made to the Exchanges on March 12, 2020, i.e. with a delay of 204 days. Further, with respect to the disposal of equity shares on July 13, 2020, disclosures were made to the Exchanges on August 06, 2020, i.e. with a delay of 17 days. Admittedly, the disclosures were not made within the prescribed time under the provisions of SEBI SAST Regulations, 2011.

34. In view of the aforesaid, I find that Noticees 10 to 16 have violated provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Ms. Tusha Garg – Noticee 10

35. I note from the transaction details that Noticee 10 has not made disclosures or made delayed disclosures under 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	Opening Balance	Debit Qty	Closing Balance	Off-Market Or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure under 29(2)
21-Jan-20	14,78,368	1,00,000	13,78,368	Off-market	17.28%	**-3.09%**	**Delayed disclosure By 36 days on 12-Mar-20**
05-Feb-20	13,78,368	2,00,000	11,78,368	Off-market	14.77%	**-2.51%**	**Delayed disclosure By 25 days on 12-Mar-20**
09-Jul-20	4,00,758	4,00,000	758	Off-market	0.01%	**-5.99%**	**Disclosure not made**

36. From the table above, I note that Noticee 10 had disposed of equity shares of Best Agrolife, exceeding 2% of the paid up capital of Best Agrolife, in three instances, on January 21, 2020, February 05, 2020 and July 09, 2020. Before the disposal of shares on January 21, 2020 and February 05, 2020, she was holding more than 5% shares of Best Agrolife. Noticee 10 was holding 6.27% shares of Best Agrolife (i.e. more than 5%), when previous disclosures under regulation 29(2) of SEBI SAST Regulations, 2011 were made by Noticee 10 on March 12, 2020. Thus, Noticee 10 was required to make disclosures to the exchanges under regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011, within two working days of such disposals of equity shares of Best Agrolife. However, Noticee 10 did not make disclosure with respect to the disposal of 4 lakh equity shares on July 09, 2020. She made disclosures with respect to the disposals on January 21, 2020 and February 05, 2020 with a delay of 25 – 36 days. Admittedly, the disclosures were not made within the prescribed time under the provisions of SEBI SAST Regulations, 2011.

37. In view of the aforesaid, I find that Noticee 10 has violated provisions of regulation 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Mr. Vaibhav Garg – Noticee 11

38. I note from the transaction details that Noticee 11 has not made disclosures under regulation 29(1) of SEBI SAST Regulations, 2011 and has made delayed disclosures under regulation 29(2) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	**Opening Balance**	**Credit Qty**	**Debit Qty**	**Closing Balance**	**Off-Market Or On Market**	**% Of Cumulative Shareholding**	**Change In % Holding**	**Disclosure Under 29(1)**	**Disclosure Under 29(2)**
09-Jul-20	-	4,00,000		4,00,000	Off-market	**5.01%**		**Disclosure not made**	
29-Jul-20	3,75,000		1,50,000	2,25,000	Off-market	2.82%	**-2.19%**		**Delayed disclosure By 05 days on 06-Aug-20**

39. From the table above, I note that Noticee 11 acquired 4 lakh equity shares, i.e. 5.01% of paid up capital of Best Agrolife on July 09, 2020. Thus, Noticee 11 was required to make disclosures under regulation 29(1) read with regulation 29(3) of the SEBI SAST Regulations, 2011, which it admittedly failed to do. I also note that Noticee 11 disposed of 2.19% of the equity shares of Best Agrolife on July 29, 2020. In this regard, it made disclosures under regulation 29(2) read with regulation 29(3) of the SEBI SAST Regulations, 2011 on August 06, 2020, i.e. with a delay of 5 days.

40. In view of the aforesaid, I find that Noticee 11 has violated provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

Mr. Vinod Kumar Garg – Noticee 14

41. I note from the transaction details that Noticee 14 has not made disclosures under regulation 29(1) and 29(2) of SEBI SAST Regulations, 2011. The details are provided in the table below.

Trade Date	Opening Balance	Credit Qty	Debit Qty	Closing Balance	Off-Market Or On Market	% Of Cumulative Shareholding	Change In % Holding	Disclosure Under 29(1)	Disclosure Under 29(2)
09-Mar-20	4	5,00,000		5,00,004	Off-market	**6.27%**	6.27%	**Disclosure not made**	
03-Jun-20	5,00,004		2,00,000	3,00,004	Off-market	3.76%	**-2.51%**		**Disclosure not made**

42. From the table above, I note that Noticee 14 acquired 5 lakh equity shares, i.e. 6.27% of paid up capital of Best Agrolife on March 09, 2020. Thus, Noticee 14 was required to make disclosures under regulation 29(1) read with regulation 29(3) of the SEBI SAST Regulations, 2011, which it admittedly failed to do. I also note that Noticee 14 disposed of 2.51% of the equity shares of Best Agrolife on June 03, 2020. Thus, he was required to make disclosures under regulation 29(2) read with regulation 29(3) of the SEBI SAST Regulations, 2011, which it failed to do.

43. In view of the aforesaid, I find that Noticee 14 has violated provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

44. Noticees have submitted that they inadvertently did not make disclosures of their change in shareholding in Best Agrolife, during the EP. They also submitted that the intention was not malafide.

45. As regards the Noticees' contention that their intention was not malafide, I note the observation made by SAT in the matter of Akriti Global Traders Ltd. Vs. SEBI, decided on 30.09.2014, that *"… Argument of appellant that the delay was unintentional and that the appellant has not gained from such delay and therefore penalty ought not to have been imposed is without any merit, because, firstly, penal liability arises as soon as provisions under the regulations are violated and that penal liability is neither dependent upon intention of parties nor gains accrued from such delay.."*. In view of the same, I am not inclined to accept said contention of the Noticee.

46. Noticees have also submitted that they did not delay making disclosures to gain anything and no loss has been caused to the investors and that the investors were already aware about their change in shareholding from the quarterly shareholding patterns submitted by the Company. In this regard, I note that the allegation is not of making non-genuine gains, but of not disclosing information to the Exchanges as required under SAST Regulations.

47. I am of the view that the disclosures requirements under the respective regulations serve very important purposes. The stock exchange is informed via disclosures so that the investing public will come to know of the position enabling them to continue on with or exit from the company. Further, timely disclosures of the details of the shareholding of the persons acquiring substantial stake is of significant importance as such disclosures also enable the regulators to monitor such acquisitions. Further, Hon'ble Securities Appellate Tribunal ('SAT') in the matter of Coimbatore Flavors & Fragrances Ltd. vs SEBI(Appeal No. 209 of 2014 order dated August 11, 2014), has also held that "*Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision*

to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."

48. Further, Hon'ble SAT in its judgement dated October 14, 2014 in the matter of Virendrakumar Jayantilal Patel vs. SEBI(Appeal No. 299 of 2014), has 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."*

49. Based on the aforesaid findings, I conclude that Noticees 1 to 9, 11 and 14 have violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 and Noticees 10, 12, 13, 15 and 16 have violated the provisions of regulations 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

ISSUE II: Does the violation, if any, on part of the Noticees attract penalty under Section 15A(b) of the SEBI Act?

50. The provisions of Section 15A(b) of the SEBI Act read as under:

    Penalties and Adjudication

    Penalty for failure to furnish information, return, etc.

    15A. *If any person, who is required under this Act or any rules or regulations made thereunder,-*

    (b) 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, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

51. I further note that, the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund {[2006]5 SCC 361} has held that:
"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant..............."

52. I also note that in Appeal No. 66 of 2003 – Milan Mahendra Securities Pvt. Ltd. Vs. SEBI – the Hon'ble Securities Appellate Tribunal (SAT) has observed that, *"the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market*".

53. In the context of disclosure related violations, I observe that Hon'ble SAT has consistently held that the obligation to make disclosure within the stipulated time is a mandatory obligation and penalty is imposed for non-compliance of the mandatory obligation.

54. Hence, in view of the findings as given above, I am convinced that the Noticees are liable for monetary penalty under Section 15A(b) of the SEBI Act for violating the provisions of regulation 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

55. While determining the quantum of penalty under Section 15A(b) of the SEBI Act, it is important to consider the factors relevantly as 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 section 15-I, 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 investor/+s as a result of the default;

(c) the repetitive nature of the default.

56. The main objective of disclosure related provisions in SEBI SAST Regulations, 2011 is to afford fair treatment for shareholders who are affected by the change in shareholdings. The Regulation seeks to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change. Correct and 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. Thus, the cornerstone of such provisions is investor protection. Further these timely disclosures are of significant importance from the point of view of the Regulators also.

57. I find that the Noticees 1 to 9, 11 and 14 have violated the provisions of regulations 29(1) and 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011 and Noticees 10, 12, 13, 15 and 16 have violated the provisions of regulations 29(2) read with regulation 29(3) of SEBI SAST Regulations, 2011.

58. It is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such non-compliance by the Noticees. Further from the material available on record, it is not possible to ascertain the

exact monetary loss to the investors on account of non-compliance by the Noticees, nor has it been alleged by the SEBI. On certain occasions, non-disclosures and delayed disclosures have occurred repeatedly during the EP.

ORDER

59. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act and Rule 5 of the Adjudication Rules, hereby impose following penalty under Section 15A(b) of the SEBI Act, 1992 upon the Noticees.

Name of Noticee	**Violation provisions**	**Penalty**
PAC Group 1 - consisting of following Noticees – 1. Ms. Seema Garg (PAN: AAJPG3268R), 2. Mr. Vikas Garg (PAN: AAAPG8241P), 3. Ms. Sukriti Garg (PAN: ALWPG6413A), 4. Ms. Vrinda Garg (PAN: BXGPG9717C), 5. Mr. Vaasu Garg (PAN: BXKPG5565J), 6. Mr. Nand Kishore Garg (PAN: AAHPG6278P), 7. Ms. Usha Garg (PAN: AAHPG6276D),	Regulations 29(1) and 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 6,00,000/- (Rupees Six Lakh only) to be paid jointly and severally

Name of Noticee	Violation provisions	Penalty
8. Mr. Madanlal Agarwal (PAN: AADPA6157D) and 9. Ms. Laxmidevi Agarwal (PAN: AADPA1556E)		
PAC Group 2 – consisting of following Noticees – 1. Ms. Tusha Garg (PAN: AMWPG9410C), 2. Mr. Vaibhav Garg (PAN: AKWPG7039B), 3. M/s Vaibhav Garg HUF (PAN: AAIHV8070R), 4. Ms. Shashi Garg (PAN: AAJPG3275E), 5. Mr. Vinod Kumar Garg (PAN: AAJPG3277G), 6. M/s. Vinod Kumar Garg HUF (PAN: AAAHV2662M) and 7. Ms. Nidhi Garg (PAN: AHHPG9531C)	Regulation 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 4,00,000/- (Rupees Four Lakh only) to be paid jointly and severally
Ms. Seema Garg (PAN: AAJPG3268R)	Regulations 29(1) and 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 2,00,000/- (Rupees Two Lakh only)
Mr. Vikas Garg (PAN: AAAPG8241P)	Regulation 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 2,00,000/- (Rupees Two Lakh only)

Name of Noticee	Violation provisions	Penalty
Mr. Vaasu Garg (PAN: BXKPG5565J)	Regulation 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 1,00,000/- (Rupees One Lakh only)
Mr. Madanlal Agarwal (PAN: AADPA6157D)	Regulation 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 3,00,000/- (Rupees Three Lakh only)
Ms. Tusha Garg (PAN: AMWPG9410C)	Regulation 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 2,00,000/- (Rupees Two Lakh only)
Mr. Vaibhav Garg (PAN: AKWPG7039B)	Regulations 29(1) and 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 2,00,000/- (Rupees Two Lakh only)
Mr. Vinod Kumar Garg (PAN: AAJPG3277G)	Regulations 29(1) and 29(2) read with Regulation 29(3) of SEBI SAST Regulations, 2011	₹ 2,00,000/- (Rupees Two Lakh only)

10. Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order 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. In case of any difficulties in payment of penalties, Noticees may contact the support at portalhelp@sebi.gov.in.

11. 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 under section 28A of the SEBI Act, 1992 for realization of

the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees.

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

Place: Mumbai **BARNALI MUKHERJEE**

Date: March 21, 2024 **ADJUDICATING OFFICER**