BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/HG/2022-23/24450-24471]

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

In respect of:

Noticee No.	Name of the Noticee	PAN
1	**Nagaraja Ravichandran**	**BVPPR8784M**
2	**Arpit Mathur**	**BSXPM4364B**
3	**Johnson Victor Arockiaraj**	**ABUPV3321L**
4	**Chandra Mohan Singh**	**BVSPS9912D**
5	**Kuldeep Singh Yadav**	**AGQPY7392H**
6	**Ganesan Muthusamy**	**AFGPM4624P**
7	**P Tamilarasan**	**ADZPT5932G**
8	**Bellan Sathish**	**AMFPS6873A**
9	**Vijendra Bisht**	**BAGPB4169Q**
10	**O Boopathi**	**AEKPB7761D**
11	**Anandan**	**ADBPA0462A**
12	**Praveen Joshi**	**AMDPJ7646Q**
13	**Chandrakant Kalauni**	**CCRPK0521K**
14	**Y S Manjunath**	**ACAPM2604C**
15	**Rajakumar G**	**ACQPR1282B**
16	**Kuppusamy Kanivel**	**AETPK1951K**
17	**R Saravanan**	**AMGPS2080J**
18	**Raghuraman Rangharajan**	**ACLPR2748D**
19	**V P V Vijay Kumar**	**AJHPV1493N**
20	**D Arun Kumar**	**ABOPA4454D**

21	**Govind Narayan Gupta**	**AFLPN1696M**
22	**Ganeshkumar k**	**AHMPG8793M**

*(hereinafter collectively referred to as '**Noticees'**)*

In the matter of Titan Company Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings in the scrip of Titan Company Limited (hereinafter referred to as '**Company/Titan/TCL**') for alleged violation of provision of Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations**') during the period April 01, 2018 to March 31, 2019 (hereinafter referred to as '**Investigation Period/IP'**) by certain entities including Noticees.

2. Subsequently, Adjudication orders were passed against Noticees wherein penalties were imposed on them. The details of the Adjudication Orders passed against Noticees are given in the table below:

Noticee No.	Name of the Noticee	Adjudication Order No.	Adjudication Order Date	Penalty imposed (in Rs.)
1	Nagaraja Ravichandran	Order/SM/DD/2022-23/18016	July 27, 2022	1,00,000
2	Arpit Mathur	Order/SM/DD/2022-23/18388	August 19, 2022	1,00,000
3	Johnson Victorarockiaraj	Order/SM/DD/2021-22/14937	February 09,2022	1,00,000
4	Chandra Mohan Singh	Order/SM/HG/2022-23/19768	September 29, 2022	1,00,000
5	Kuldeep Singh Yadav	Order/SM/DD/2022-23/18448	August 24, 2022	1,00,000
6	Ganesan Muthusamy	Order/SM/AD/2021-22/15058	February 23, 2022	1,00,000
7	P Tamilarasan	Order/SM/DD/2022-23/18445	August 24, 2022	1,00,000
8	Bellan Sathish	Order/SM/HG/2022-23/19796	September 29, 2022	1,25,000
9	Vijendra Bisht	Order/SM/DD/2022-23/18386	August 19, 2022	1,00,000
10	O Boopathi	Order/SM/DD/2022-23/18446	August 24, 2022	1,00,000
11	Anandan	Order/SM/KH/2021-22/14765	January 24, 2022	1,00,000
12	Praveen Joshi	Order/SM/DD/2022-23/16260	April 29, 2022	1,00,000
13	Chandrakant Kalauni	Order/SM/DD/2022-23/16263	April 29, 2022	1,00,000
14	Y S Manjunath	Order/SM/DD/2022-23/18024	July 27, 2022	1,00,000
15	Rajakumar G	Order/SM/DD/2022-23/18389	August 19, 2022	1,00,000
16	Kuppusamy Kanivel	Order/SM/DD/2021-22/15212	February 28, 2022	1,00,000

17	R Saravanan	Order/SM/DD/2022-23/18015	July 27, 2022	1,00,000
18	Raghuraman Rangharajan	Order/SM/DD/2022-23/18013	July 27, 2022	1,00,000
19	V P V Vijay Kumar	Order/SM/DD/2022-23/18346	August 19, 2022	1,00,000
20	D Arun Kumar	Order/SM/DD/2021-22/14950	February 11, 2022	1,00,000
21	Govind Narayan Gupta	Order/SM/HG/2022-23/19797	September 29, 2022	1,25,000
22	Ganeshkumar k	Order/SM/DD/2022-23/18449	August 24, 2022	1,00,000

3. Noticees challenged the aforesaid Adjudication Orders before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**'). The details of appeals by Noticees before Hon'ble SAT are given in the below table:

Noticee No.	Name of the Noticee	Hon'ble SAT Appeal no.
1	Nagaraja Ravichandran	141 of 2023
2	Arpit Mathur	144 of 2023
3	Johnson Victorarockiaraj	148 of 2023
4	Chandra Mohan Singh	149 of 2023
5	Kuldeep Singh Yadav	150 of 2023
6	Ganesan Muthusamy	151 of 2023
7	P Tamilarasan	152 of 2023
8	Bellan Sathish	153 of 2023
9	Vijendra Bisht	154 of 2023
10	O Boopathi	155 of 2023
11	Anandan	156 of 2023
12	Praveen Joshi	157 of 2023
13	Chandrakant Kalauni	158 of 2023
14	Y S Manjunath	160 of 2023
15	Rajakumar G	161 of 2023
16	Kuppusamy Kanivel	162 of 2023
17	R Saravanan	163 of 2023
18	Raghuraman Rangharajan	166 of 2023
19	V P V Vijay Kumar	167 of 2023
20	D Arun Kumar	168 of 2023
21	Govind Narayan Gupta	169 of 2023
22	Ganeshkumar k	170 of 2023

4. Vide order dated February 07, 2023 in the aforesaid appeals, Hon'ble SAT had quashed the impugned orders and remitted the matter back to the Adjudicating Officer (hereinafter referred to as '**AO'**) to pass a fresh order in light of the decision of Hon'ble SAT in appeal no. 654 of 2022, Sudhir Bapusaheb Devkar vs. SEBI decided on October 10, 2022, within three months. The relevant extract of the aforementioned order of Hon'ble SAT is reproduced below:

"……………..

3. We find that the controversy involved in the present appeals is squarely covered by the decision of this Tribunal in Appeal no.654 of 2022, Sudhir Bapusaheb Devkar v. SEBI decided on 10th October, 2022. Accordingly, the impugned orders are quashed. The appeals are allowed. The matter is remitted to the Adjudicating Officer to pass a fresh order in the light of the decision of this Tribunal within three months

………………."

APPOINTMENT OF ADJUDICATING OFFICER

5. Pursuant to the above direction of Hon'ble SAT, vide order dated February 16, 2023, SEBI appointed the undersigned as AO under Section 15I of the SEBI Act read with Section 19 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 provision of Section 15A(b) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act'**), the aforesaid alleged violations of provision of Regulation 7(2)(a) of PIT Regulations by Noticees.

SHOW CAUSE NOTICE

6. A common Show Cause Notice dated August 09, 2021 (hereinafter referred to as '**SCN**') was issued to Noticees through Speed Post Acknowledgement Due (hereinafter referred to as '**SPAD**") and through digitally signed email, under Rule 4 of the Adjudication Rules, to show-cause as to why an inquiry should not be initiated against Noticees and penalty, if any, not to be imposed upon them under the provisions of Section 15A(b) of SEBI Act for the aforesaid violations alleged to have been committed by them.

7. The allegations levelled against Noticees in the SCN are summarised below:

a. During investigation, it was observed that transactions by Noticees aggregating to traded value in the securities of Titan in a calendar quarter during the IP had exceeded Rs. 10 lakhs. The details of such traded value of Noticees during the IP along with the number of occasions in which their traded value exceeded 10 lakhs in a calendar quarter are mentioned in the table below:

Noticee No.	**Name of Noticees**	**Total Traded value (BSE + NSE) (In Rs.)**				**No. of Occasions on which traded value exceeded Rs. 10 Lakh**
		Apr-June 2018	**July-Sep 2018**	**Oct-Dec 2018**	**Jan-Mar 2019**	
1	Nagaraja Ravichandran	-	1,93,58,275	-	-	4
2	Arpit Mathur	-	-	-	96,22,333	6
3	Johnson Victorarockiaraj	16,68,065	25,51,838	-	-	3
4	Chandra Mohan Singh	7,13,56,628	-	-	-	9
5	Kuldeep Singh Yadav	-	-	98,98,063	-	5
6	Ganesan Muthusamy	-	-	53,19,450	-	3
7	P Tamilarasan	53,91,750	26,91,638	-	-	5
8	Bellan Sathish	93,70,875	53,76,017	-	1,49,31,675	16
9	Vijendra Bisht	77,73,939	-	-	-	5
10	O Boopathi	-	-	-	60,08,050	5
11	Anandan	-	-	-	46,37,156	3
12	Praveen Joshi	-	-	30,46,084	32,61,822	3
13	Chandrakant Kalauni	-	-	56,82,560	-	3
14	Y S Manjunath	-	-	13,95,138	31,54,052	4
15	Rajakumar G	-	17,66,162	29,10,489	41,06,247	6
16	Kuppusamy Kanivel	-	26,45,630	-	15,14,250	3
17	R Saravanan	31,08,675	41,40,525	-	-	4
18	Raghuraman Rangharajan	45,96,668	33,05,550	-	-	4
19	V P V Vijay Kumar	1,08,40,950	-	-	-	4
20	D Arun Kumar	-	60,10,988	-	-	3
21	Govind Narayan Gupta	2,93,32,547	-	-	-	17
22	Ganeshkumar k	-	24,28,275	21,20,483	13,29,386	5

b. As seen from the above table, the number of occasions in which the traded value of Noticees in different calendar quarters during the IP exceeded Rs. 10 lakhs ranges from 3 to 17.

c. Noticees, being employees of Titan, the disclosure requirement under Regulation 7(2)(a) of the PIT Regulations was triggered when the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter aggregates to a traded value in excess of Rs. 10 lakhs. Therefore, Noticees were required to make disclosure in terms of the aforesaid regulation. In this regard, in reply to a query by SEBI, TCL vide email dated October 28, 2020, confirmed that it had not received any disclosures from Noticees

d. In view of the above observations, it was alleged that Noticees have violated Regulation 7(2)(a) of PIT Regulations by not making disclosures as required in terms of aforesaid regulation.

8. The facts available on record w.r.t the service of SCN are given as under:

Noticee No.	Name of the Noticee	Details of Service of SCN
1	Nagaraja Ravichandran	• SCN was duly served on Noticee through digitally signed email dated August 12, 2021.
2	Arpit Mathur	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
3	Johnson Victorarockiaraj	• SCN sent through SPAD on August 09, 2021 was duly served on Noticee.
4	Chandra Mohan Singh	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 13, 2021 was duly served on Noticee
5	Kuldeep Singh Yadav	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee
6	Ganesan Muthusamy	• SCN sent through SPAD on August 09, 2021 was duly served on the Noticee

Noticee No.	Name of the Noticee	Details of Service of SCN
7	P Tamilarasan	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee
8	Bellan Sathish	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee
9	Vijendra Bisht	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee
10	O Boopathi	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee
11	Anandan	• SCN sent through SPAD on August 09, 2021 was duly served on Noticee.
12	Praveen Joshi	• SCN was duly served on Noticee through digitally signed email dated August 12, 2021.
13	Chandrakant Kalauni	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
14	Y S Manjunath	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
15	Rajakumar G	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
16	Kuppusamy Kanivel	• SCN was duly served on Noticee through digitally signed email dated August 12, 2021.
17	R Saravanan	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
18	Raghuraman Rangharajan	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.

Noticee No.	Name of the Noticee	Details of Service of SCN
19	V P V Vijay Kumar	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
20	D Arun Kumar	• SCN sent through SPAD on August 09, 2021 was duly served on Noticee.
21	Govind Narayan Gupta	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.
22	Ganeshkumar k	• SCN sent through SPAD on August 09, 2021 and digitally signed email dated August 12, 2021 was duly served on Noticee.

CONSIDERATION OF ISSUES

9. I have carefully perused the charges levelled against Noticees and other documents/ evidence available on record. The issues that arise for consideration in the present case are:

    I. Whether Noticees have violated Regulation 7(2)(a) of PIT Regulations?

    II. Do the violations, if any, attract monetary penalty under Section 15A(b) of SEBI Act?

    III. If the answer to issue no. II is in affirmative, then what should be the quantum of monetary penalty?

10. Before moving forward, it is pertinent to refer to the relevant provision of the PIT Regulations which was in force at the time of impugned transactions, which are reproduced as under:

    <u>Relevant provision of PIT Regulations:</u>

    Disclosures by certain persons.

7(2) continual disclosure.

(a)Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

Issue No. 9(I)- Whether Noticees have violated Regulation 7(2)(a) of PIT Regulations?

11. I note from available records that Noticees were employees of Titan at the relevant time. While in employment of Titan, Noticees had transacted in securities of Titan in different calendar quarters, ending on June 2018, September 2018, December 2018 and March 2019 with their traded values exceeding rupees ten lakhs. The details of the traded value of securities by Noticees in different calendar quarters along with number of occasions in which the traded value of securities of Titan by Noticees exceeded rupees ten lakhs are given below:

Noticee No.	Name of Noticees	Total Traded value (BSE + NSE) (In Rs.)				No. of Occasions on which traded value exceeded Rs. 10 Lakh
		Apr-June 2018	July-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	
1	Nagaraja Ravichandran	-	1,93,58,275	-	-	4
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7	P Tamilarasan	53,91,750	26,91,638	-	-	5
8	Bellan Sathish	93,70,875	53,76,017	-	1,49,31,675	16
9	Vijendra Bisht	77,73,939	-	-	-	5
10	O Boopathi	-	-	-	60,08,050	5
11	Anandan	-	-	-	46,37,156	3
12	Praveen Joshi	-	-	30,46,084	32,61,822	3

Noticee No.	Name of Noticees	Total Traded value (BSE + NSE) (In Rs.)				No. of Occasions on which traded value exceeded Rs. 10 Lakh
		Apr-June 2018	July-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	
13	Chandrakant Kalauni	-	-	56,82,560	-	3
14	Y S Manjunath	-	-	13,95,138	31,54,052	4
15	Rajakumar G	-	17,66,162	29,10,489	41,06,247	6
16	Kuppusamy Kanivel	-	26,45,630	-	15,14,250	3
17	R Saravanan	31,08,675	41,40,525	-	-	4
18	Raghuraman Rangharajan	45,96,668	33,05,550	-	-	4
19	V P V Vijay Kumar	1,08,40,950	-	-	-	4
20	D Arun Kumar	-	60,10,988	-	-	3
21	Govind Narayan Gupta	2,93,32,547	-	-	-	17
22	Ganeshkumar k	-	24,28,275	21,20,483	13,29,386	5

12. I note that it has been alleged in the SCN that the non-disclosure of the abovementioned trading of Noticees as employees of Titan, in calendar quarters ending on June 2018, September 2018, December 2018 and March 2019 had resulted in violation of Regulation 7(2)(a) of the PIT Regulations by them. In this context, I find it pertinent to refer to Regulation 7(2)(a) of the PIT Regulations, as it stood during the relevant time, which is reproduced hereunder:

"7(2) Continual Disclosures.

(a). Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified."

13. In this regard, I note that the term "employee" in the aforementioned provision was substituted with "designated person" by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. I also note that the amendment came into effect from April 01, 2019. By virtue of the amendment, the obligation to make disclosures under Regulation 7(2)(a) of the PIT Regulations no longer lies on every employee of the company but is restricted to designated

persons only. In this context, I find it pertinent to quote a recent decision of Hon'ble SAT in Sudhir Bapusaheb Devkar & Anr v SEBI (Date of Decision: 10.10.2022, Appeal No. 654 of 2022; Appeal No. 655 of 2022); wherein Hon'ble SAT has held as under:

"*In view of the aforesaid, coupled with the fact that no disproportionate gain or unfair advantage resulted to any party for the default committed by the appellants, coupled with the fact that no loss was caused to the investors, as a result of the aforesaid default, we are of the opinion that without going into the controversy as to whether the appellants had in fact acquired or disposed of the shares through intra-day trading and whether the appellants have in fact violated the provisions of Regulation 7(2)(a) of the PIT Regulations, and* <u>*in view of the decision of the Hon'ble Supreme Court in Commissioner of Income Tax (supra), the amendment made in Regulation 7(2)(a) with effect from April 1, 2019 would apply retrospectively. We are of the opinion that the amendment was a beneficial piece of legislation and the benefit was conferred for the entire community as a whole. As such, even though the amendment came into effect from April 1, 2019, the amended provision would apply with retrospective effect to the transactions made by the appellants."*</u> (emphasis supplied)

14. From the above, I note that Hon'ble SAT in its aforementioned decision has laid down that amendment to Regulation 7(2)(a) of PIT Regulations which came into effect on April 1, 2019, would apply with retrospective effect i.e. benefit of amendment would go to the "employees" for the trades done by them prior to amendment. I also note that Hon'ble SAT while remanding back the instant matter has held that the case of Noticees are squarely covered by the decision of Hon'ble SAT in appeal no. 654 of 2022, Sudhir Bapusaheb Devkar vs. SEBI decided on October 10, 2022. Considering the principle laid down in the aforementioned judgment and the fact that Noticees were not designated persons of the company at the time of impugned trades, I find that for the trades done by Noticees during the relevant time i.e. from April 01, 2018 to March 31, 2019, Noticees would not be liable for violation of Regulation 7(2)(a) of the PIT Regulations. Therefore, I find

allegation in SCN that Noticees have violated Regulation 7(2)(a) of the PIT Regulations does not stand established.

15. Since the alleged violation against Noticees are not established, I find that the Issues No. 9(II) and 9(III) require no further consideration.

ORDER

16. Accordingly, taking into account the aforesaid findings and in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, the Adjudication proceedings against Noticees initiated vide SCN dated August 09, 2021, stand disposed of without imposition of any penalty.

17. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees and also to SEBI.

Place: Mumbai	**SOMA MAJUMDER**
Date: March 09, 2023	**ADJUDICATING OFFICER**