



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ADJUDICATING OFFICER

Through SPAD/digitally signed email

SEBI/EAD10/ EAD/SM/AD/30136 /1 /2021
October 26, 2021

SRS Real Estate Ltd.
(PAN: AAJCS5656C)

Address: SRS Multiplex, Meazannine Floor City Centre
Sector-12, Faridabad, Faridabad HR
121007 IN

Email : srsrealestate@srsparivar.com

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

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation with respect to trading in the scrip of SRS Limited (hereinafter referred to as '**SRS/Company**') during the period from February 5, 2016 to June 30, 2017 (hereinafter referred to as '**Investigation Period/IP**'). Pursuant to aforementioned investigation, SEBI found that there were several non-compliances with SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations**') by SRS Real Estate Ltd. (hereinafter referred to as '**Noticee/By name**'). Therefore, SEBI has initiated adjudication proceedings against Noticee for aforesaid alleged violations.
2. Vide order dated May 19, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 15I of SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication**')

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In the matter of SRS Limited

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Rules') to inquire into and adjudge under the provisions of Section 15HB of the SEBI Act, the alleged violation of regulation 5(2)(ii) of PIT Regulations by Noticee. A copy of the communique dated May 25, 2021, appointing the undersigned as the Adjudicating Officer is enclosed herewith as **Annexure-I**.

3. SRS is a diversified company with a business portfolio comprising of Gold and Jewellery (retailing, wholesaling, and manufacturing), Cinema exhibition, Retail, Hotel and F&B. The shares of the company were listed on the BSE Ltd. (hereinafter referred to as "**BSE**") and the National Stock Exchange of India Ltd. (hereinafter referred to as "**NSE**") during the IP. Both BSE and NSE together hereinafter referred to as "**Exchanges**". It was noted from corporate announcement of SRS dated August 31, 2018 on BSE website that Hon'ble National Company Law Tribunal (hereinafter referred to as '**NCLT**'), Chandigarh Bench, vide its order dated August 21, 2018 initiated the Corporate Insolvency Resolution Process of SRS. Further NCLT vide its order dated October 15, 2019 had initiated liquidation of the company.
4. During investigation, it was observed from replies of the NSE vide email dated September 07, 2020 and BSE vide email dated September 17, 2020 that SRS in accordance with regulation 5 of PIT Regulations had submitted to the exchanges trading plan of the promoters/insiders of the Company including that of Noticee vide letter dated August 05, 2015. The aforementioned trading plan commenced with effect from February 5, 2016 till February 4, 2017.
5. In terms of Regulation 5(1) of PIT Regulations an insider shall formulate trading plan and present it to compliance officer for approval and public disclosure pursuant to which trades may be carried out in accordance with such plan. Also, Note to regulation 5(1) of PIT Regulations, *inter alia*, states that "*This provision intends to give an option to persons who may be*



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perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner". It was noted that promoters of SRS including Noticee had made a declaration that they are not in possession of any unpublished price sensitive information and had undertaken that they would not be trading in equity shares of the Company during the cool-off period of six months from the date of disclosure of the trading plan and during the period when the trading window for dealing in the shares of the Company would be closed. Regulation 2(1)(g) of PIT Regulations define "insider" as any person who is either (i) a connected person or (ii) in possession of having access to unpublished price sensitive information. Thus by submitting trading plan to the company/compliance officer it is alleged that Noticee could either be a connected person or in perpetual possession of Unpublished Price Sensitive Information related to the company. In view of the above observations, it was noted that Noticee was an insider of SRS as per Regulation 2(1)(g) of PIT Regulations.

6. Further, following was inter-alia observed with respect to aforementioned trading plan of Noticee :

Table-1

S. no.	Name of the promoter	No. of shares	%	Nature of transaction	Trading interval
1	SRS Real Estate Ltd.	200	0.00	Sale	5 th February 2016 – 4 th February, 2017

7. As per the trading plan, it was disclosed by Noticee would sell 200 shares of SRS Ltd. during the period February 05, 2016 to February 04, 2017. As per the demat transactions provide by CDSL and NSDL and trade details provided by BSE and NSE, it was observed that SRS Real Estate Ltd. had sold 200 shares



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of SRS Ltd. on NSE on September 28, 2016. The day wise trading details of SRS are provided as **Annexure III**

8. Further, in terms of regulation 5(2)(ii) of PIT Regulations, Noticee is prohibited from trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by issuer of securities i.e, SRS and the second trading day after the disclosure of such financial results
9. Therefore, in accordance with regulation 5(2)(ii) of PIT Regulations the entities with trading plan were not allowed to trade in the scrip of SRS Ltd during the following intervals within the IP:

Table-2

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

* Company had submitted results dated February 14, 2017 and revised results dated February 15, 2017.

10. However, as per trading details of Noticee provided by the exchanges, it was noted that Noticee had sold 200 shares of SRS Ltd. on NSE on September 28, 2016 which falls within restricted interval i.e. period between the twentieth trading day prior to the last day of financial period and second trading day after the disclosure of financial results for Q.E. September 30, 2016.

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

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

"Trading Plans.

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

.....

.....

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

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

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

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13. Noticee is, therefore, called upon to show cause as to why an inquiry should not be held against it in terms of Rule 3 of Adjudication Rules read with Sections 15I of the SEBI Act, and penalty, if any, be not imposed under Section 15HB of the SEBI Act for the aforesaid violations of provisions of PIT Regulations as alleged against Noticee. The provisions of Section 15HB of SEBI Act are reproduced hereunder:

Penalty for contravention where no separate penalty has been provided-

15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

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

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

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

Soma Majumder

**SOMA
MAJUMDER**

Digitally signed by
SOMA MAJUMDER
Date: 2021.10.28
14:42:33 +05'30'

Enclosures

Annexure I - Copy of communique dated May 25, 2021

Annexure II- Copy of letters/email from SRS Ltd

Annexure III – Trade details provided by the exchanges

Annexure IV – Demat transaction statements provided by NSDL and CDSL

Annexure V – Trading plan provided by BSE/NSE