BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[Adjudication Order No: Order/GR/PU/2022-23/17916-17923]

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

In respect of

S.No.	Name of Noticee	PAN
1	Wave Inter Trades Pvt Ltd	AAACW0576A
2	Embassy Finance & Consultants P Ltd	AAACE1313P
3	Tohee Trading & Agencies Pvt Ltd	AAACT1354P
4	Sulabh Impex Ltd	AAICS7362Q
5	Vijay Kumar Jain	AAAPJ3197K
6	Ankit Jain	AAGPJ3942C
7	Rashmi Jain	AAGPJ3943D
8	Pearl Arcade Trading Private Limited	AAFCP6925M

In the matter of Mishka Finance and Trading Ltd.

(The aforesaid entities are hereinafter individually referred to by their respective names/ Noticee numbers and collectively as "Noticees", unless the context specifies otherwise).

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") had conducted an investigation in the matter of trading activity of certain entities in the scrip of Mishka Finance and Trading Ltd. (hereinafter referred to as '**MFTL/Company/**') from February 14, 2013 to December 31, 2014, wherever deemed necessary, reference has been made outside this period, (hereinafter referred to as '**Investigation Period**') to ascertain whether there were any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "**PIT Regulations**") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations'**).

2. The investigation inter-alia revealed that the Noticees had made wrong or not made the requisite disclosures at various point in time between 2013 and 2014 pertaining to their acquisition of shares/ change in shareholding in the company to the company, stock exchanges and SEBI as was required. Hence, SEBI initiated Adjudication Proceedings against the Noticees for their alleged violation of PIT Regulations and SAST Regulations, as under;

<table>
<tr><th>S. No.</th><th>Name of the Entity</th><th>Alleged Violations</th></tr>
<tr><td>1.</td><td>Wave Inter Trades Pvt Ltd (Noticee 1)</td><td rowspan="8"><u>Noticee 1 to 7</u>- Regulation 29(2) r/w 29(3) of SAST Regulations
<u>Noticee 1 to 3 & 5 to 7</u>- Regulation 30(1) of SAST Regulations
<u>Noticee 1 to 3 & 5 to 8</u>- Regulation 30(2) of SAST Regulations
<u>Noticee 6</u>- Regulation 13(1) of PIT Regulations
<u>Noticee 8</u>- Regulation 13(2A) of PIT Regulations
<u>Noticee 1 to 6</u>- Regulation 13(3) of PIT Regulations
<u>Noticee 5</u>- Regulation 13(4) of PIT Regulations
<u>Noticee 1 to 5</u>- Regulation 13(4A) of PIT Regulations</td></tr>
<tr><td>2.</td><td>Embassy Finance & Consultants P Ltd (Noticee 2)</td></tr>
<tr><td>3.</td><td>Tohee Trading & Agencies Pvt Ltd (Noticee 3)</td></tr>
<tr><td>4.</td><td>Sulabh Impex Ltd (Noticee 4)</td></tr>
<tr><td>5.</td><td>Vijay Kumar Jain (Noticee 5)</td></tr>
<tr><td>6.</td><td>Ankit Jain (Noticee 6)</td></tr>
<tr><td>7.</td><td>Rashmi Jain (Noticee 7)</td></tr>
<tr><td>8.</td><td>Pearl Arcade Trading Private Limited (Noticee 8)</td></tr>
</table>

APPOINTMENT OF THE ADJUDICATING OFFICER

3. SEBI appointed Ms. Rachna Anand, as Adjudicating Officer ('**AO**') vide communique dated February 22, 2018 under Section 19 read with 15-I of the SEBI Act, 1992 and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under section 15A(b) of the SEBI Act, for the alleged violations of provisions of PIT and SAST Regulation. Subsequently, Shri Suresh B. Menon, CGM was appointed as the AO in the matter in the place of Ms. Rachna Anand.

Thereafter, pursuant to the transfer of Shri Suresh B. Menon, the undersigned was appointed as the AO vide communique dated April 09, 2019 in the present matter.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notice dated March 29, 2019 (hereinafter referred to as 'SCN') was issued by the erstwhile AO Mr. Suresh B. Menon, to the Noticees in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act, 1992 to show-cause as to why an inquiry should not be initiated and penalty be not imposed under Section 15 A(b) of the SEBI Act, 1992 on the Noticees for the alleged violation as specified in the SCN.

5. The details on the status of the SCNs served on the Noticees and the date of replies, received are as under;

Table -1

Sr.No	Name of Entity	SCN Delivery status Y/N	Date of Reply Received
1	Wave Inter Trades Pvt Ltd	Yes	02.05.2022
2	Embassy Finance & Consultants P Ltd	Yes	05.05.2022
3	Tohee Trading & Agencies Pvt Ltd	Yes	02.05.2022
4	Sulabh Impex Ltd	Yes	25.05.2022
5	Vijay Kumar Jain	Yes	02.05.2022
6	Ankit Jain	Yes	05.05.2022
7	Rashmi Jain	Yes	2.5.2022
8	Pearl Arcade Trading Private Limited	Yes	09.05.2019 & 28.05.2019

6. The SCNs were issued to the Noticees, by way of SPAD and were duly delivered. Pursuant to the service of the SCN, an opportunity of personal hearing was granted to the Noticees vide hearing notice dated May 09, 2022. It was delivered through SPAD. In response, while the Authorized Representative(AR) of Noticee No.5 (appointed by wife of the Noticee No.5) informed that Noticee No.5 had passed away on October 18, 2018 and submitted the copy of the death certificate as a proof, all other Noticees had

filed their replies and attended the personal hearing through their authorized representatives (ARs).

7. The details of dates of hearing are specified in the table below;

Table -2

Sr.No	Name of Entity	Date of Hearing
1	Wave Inter Trades Pvt Ltd	09.05.2022
2	Embassy Finance & Consultants P Ltd	09.05.2022
3	Tohee Trading & Agencies Pvt Ltd	09.05.2022
4	Sulabh Impex Ltd.	18.05.2022
5	Vijay Kumar Jain	09.05.2022
6	Ankit Jain	09.05.2022
7	Rashmi Jain	09.05.2022
8	Pearl Arcade Trading Private Limited	18.05.2022

8. Noticees No 1-4 and 6-8 have attended the said personal hearing through their ARs.

9. In respect of the Noticee No.5 to continue the proceedings, I relay on the Hon'ble Supreme Court's Order in the case of **Girija Nandini vs. Bijendra Narain Choudhury** (AIR 1967 SC 2110) has stated that in case of personal actions, i.e. the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives, and in such cases the maxim "*actio personalis moritur cum persona*" (personal action dies with the death of the person) would apply, and the said view was subsequently followed by SEBI in the case of **M/s. Sakthi Finance Limited**, wherein Adjudication Proceedings against Late N. Mahalingam were abated. In the present case, I note from the copy of the Death Certificate dated October 23, 2018 issued by the Municipal Corporation of South Delhi that the Noticee had passed away on October 18, 2018. I observe that the Noticee had passed away even before the initiation of the present Adjudication Proceedings against him.

10. Therefore, by relying on the aforementioned Order of Hon'ble Supreme Court, I am of the view that the Adjudication Proceedings initiated against the Noticee No. 5 will not survive and is liable to be abated without going into the merits of the case.

11. The response/replies submitted by the Noticees No.1 to 4 and 6 to 8 are summaries as under:

The common issues raised vide replies dated May 02, 2022 of Noticee No 1 & 3, May 05, 2022 of Noticee No. 2 and May 25, 2022 of Noticee No 4 are as under:

- The Noticees stated that they were holding investment in equity shares of "Pyramid Trading and Finance Limited" (Now named as M/s Mishka Finance and Trading Limited) herein after called the "Company", while dealing in the equity shares of the said Company in question. Hence they were not associated with the present promoters/persons or persons acting in concert or associated directly or indirectly.

- They contended that they sold their investment ie Equity shares of the Company through one broker M/s Roongta Rising Stock Pvt. Ltd who had purchased all the shares and paid the entire consideration @ Rs. 5/- (Five) per share from its account.

- Further, they stated that the said transfer of shares was done on the instructions of Noticee No. 5 and necessary intimations were also made to the stock exchange.

- The transfer of shares was done off market as trading in the scrip was suspended at that point in time. Further, they stated that they were not aware of M/s. Roongta Rising Stock Pvt. Ltd.

- They also stated that the outgoing Promoters/shareholders nowhere directly or indirectly connected or associated with the various shareholders/Transferees/Directors/existing Promoters or any other person/Company or person acting in concert as given in the said SEBI Order dated 17th April, 2015, only the incoming Directors/Promoters are solely responsible for the act and omissions mentioned in the said SEBI Order dated 17th April, 2015.

- They declared that neither they nor their relatives or associates or person acting in concert or Company were involved in any Stock Market Scam or non-compliance of SEBI Act and Regulations.

Reply dated May 25, 2022 of Noticee No. 4.

- The Noticee had requested for the complete investigation report, if any to reply in detail.

Reply dated May 28, 2022 of Noticee No.8

- The Noticee stated that it has made the disclosure under Regulation 30 (2) to the company while admitting that it had not made the delayed disclosure to the stock exchange.
- Further, Noticee also stated that it has submitted the disclosure under Regulation 13(2A) of the PIT Regulations.

Summary of the common reply dated May 12, 2022 of Noticee No. 1, 2, 3, 6 & 7

- Noticee No. 1, 2 and 3 submitted that as they have already transferred their equity shares, they were neither the directors/Promoters of the company nor associated with the present promoters/persons or persons acting in concert or associated directly or indirectly and therefore are not responsible /liable for any non-compliances.
- They stated that Noticee No.5 and One Mr. Satish Maheshwari had entered into an MOU which was signed on November 24, 2011 and accordingly, the company was taken over by Mr. Satish Maheswari and introduced Noticee No. 5 to broker namely Roongta Rising Stock Pvt. Ltd. for smooth transfer of company in the off market mode.
- Further, they stated that the shareholding pattern of the company as on September 2011 was wrongly submitted by the present directors/promoters and have provided the chronology of events with regard to the company transfer. Further, they stated that the outgoing directors were not aware of the preferential allotment as the entire secretarial record and books of accounts were handed over to the incoming directors and promoters for the completion of the balance sheet as on March 31, 2011 as per the MOU.

CONSIDERATION OF ISSUES

12. Considering the above facts, in the present proceedings, the examination has been done with respect to the allegations against the Noticee No.1-4 and 6-8 taking into consideration of their replies to the SCN and the documents / material available on record. The issues that arise for consideration in the present case are:

   a. ***Whether the Noticee No 1-4 and 6-8 have violated the provisions of PIT Regulations and SAST Regulations as alleged in the SCN?***

   b. ***Does the violation, if any, attract monetary penalty under Section 15 A(b) of SEBI Act for the Noticee No 1-4 and 6-8?***

   c. ***If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?***

13. Before I proceed further with the matter, it is pertinent to mention the relevant provisions of the PIT Regulations and SAST Regulations alleged to have been violated by the Noticee No. 1-4 and 6-8. The same are reproduced below:

- ***PIT Regulation***

13.(1) *Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of :-*
(a) the receipt of intimation of allotment of shares; or
(b) the acquisition of shares or voting rights, as the case may be.

(2A)*Any person who is a promoter or part of promoter group of a listed company shall disclose to the company in Form B the number of shares or voting rights held by such person, within two working days of becoming such promoter or person belonging to promoter group.*

(3) *Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company 51[in Form C] the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, 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 2% of total shareholding or voting rights in the company.*

(4) *Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.*

(4A)*Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing Agreement or under sub-regulation (2A) or under this sub-regulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.*

(5) *The disclosure mentioned in sub-regulations 54[(3), (4) and (4A)] shall be made within two working days of:*

(a) the receipts of intimation of allotment of shares, or

(b) the acquisition or sale of shares or voting rights, as the case may be.

- ***SAST Regulation***

29.(2) *Any acquirer, 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 every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such target company in such form as may be specified.*

(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 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.

Continual disclosures.

30(1) *Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.*

(2) *The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.*

(3)*The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—*

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

(b) the target company at its registered office.

Issue a: Whether the Noticee No 1-4 and 6-8 have violated the provisions of PIT Regulations and SAST Regulations as alleged in the SCN?

14. I noted from the observation of the IR that the Shareholding pattern of the Company for the quarter ended September 2011 (as available on the website of BSE) was 4,98,000 shares all of which were held by the Noticee No. 1-7 and the entire shares of the Company were in physical mode. It is further noted that, out of those 4,98,000 shares of the Company, a total of 4,19,700 shares i.e. 84.28% of total shareholding were held by Noticee No.1-4 who were shown as the Promoter entities of the company. Further, the remaining 78,300 shares i.e. 15.72% of total shareholding were held by Noticee No. 5-7. I also note that the Noticee No. 5- 7 were shown as public shareholders of the Company.

15. Further I noted from the reply dated August 24, 2017 of Noticee No. 5 to Investigating Officer of SEBI that he is the father of Noticee No. 6 and the husband of Noticee No. 7. It is also observed that Noticee No. 5 is the Uncle of Mr. Vidit Jain and Mr. Tushar Jain, both of whom were the Directors and Promoters of Noticee No. 4 during the Investigation Period. It is further observed that Noticee No. 5-7 were the Promoters

and majority Shareholders of Noticee No. 1-4 during the investigation period. In view of this, I note that the Noticee No. 1-7 were related.

16. I also noted from the shareholding pattern of the Company for the quarters ended December 2010, March 2011 and June 2011 (as available on the website of BSE) that the shareholding of Noticee No. 5 was shown under the category **"Promoter and Promoter Group".** However, for quarter ended September 2011, December 2011 and March 2012, his shareholding was shown under the category **"Public shareholding"**.

17. The shareholding of the Noticee No. 5 & 6 for the quarter ended March 2011, June 2011 and September 2011, are as under:

Table 1

Name of Entity	No. of shares as per shareholding pattern disclosed to BSE for quarter ended March 2011, June 2011 and September 2011	No. of shares received in off-market during the period October 01, 2011 to June 30, 2012 as per RTA Data	Cumulative Shareholding (B+C)	No. of shares transferred during the period October 01, 2011 to June 30, 2012 as per RTA Data
Vijay Kumar Jain (**Noticee 5**)	36,000	Nil	36,000	68,000
Ankit Jain (**Noticee 6**)	32,000	50,000	82,000	50,000

18. It can be noted from the above that, Noticee No. 5 was in possession of 36,000 shares of the Company for quarter ended March 2011, June 2011, September 2011. Further, it is observed from off-market transfer data received from Registrar and Transfer Agent (**RTA**) of the company, namely Universal Capital Securities Pvt. Ltd., that Noticee No. 5 did not receive any share in off-market during the period October 01, 2011 to June 30, 2012. However, he had transferred 68,000 shares of the Company in off-market during the period April 30, 2012 to June 15, 2012 to 101 different entities.

19. In this regard, it is further noted that on inquiry, RTA vide its email dated September 09, 2017, informed SEBI that the following transaction had taken place in favour of Noticee No. 5 on March 31, 2011, when it was not the RTA of the Company:

Table 2

Transfer Date	Transferor Name	Transferee Name	No. of Shares Transferred

31-Mar-2011	Ankit Jain	Vijay Kumar Jain	32,000

20. Therefore, after aforesaid transfer of 32,000 shares, the correct shareholding of Noticee No. 5 was 68,000 and that of Noticee No. 6 was Nil.

21. Further I noted from the IR that Noticee No. 6 had received 50,000 shares in off market on December 26, 2011 from Noticee No. 4. Thereafter, all the shareholders of the Company viz. Noticee No.1-3 and Noticee No. 5- 7 transferred their entire shareholding (except 2,000 shares of Noticee No. 2) i.e. 4,96,000 in off-market in physical form to 383 entities during the period of December 30, 2011 to February 04, 2013 on 12 different dates. The details of which are as follows:

Table 3

S. No.	**Date of Transfer**	**No. of shares Transferred**	**No. of entities**
1	30-Dec-2011	71,700	15
2	30-Apr-2012	17,200	20
3	15-Jun-2012	1,11,100	137
4	5-Dec-2012	94,000	54
5	12-Dec-2012	14,000	14
6	19-Dec-2012	24,900	24
7	26-Dec-2012	10,000	10
8	31-Dec-2012	27,500	25
9	15-Jan-2013	28,100	27
10	21-Jan-2013	31,000	26
11	31-Jan-2013	30,000	25
12	4-Feb-2013	36,500	20
	Total	**4,96,000**	**397****

**It was observed that out of 397 entities as mentioned in Table 3 above, 14 entities received shares twice on two different dates from two different entities. Therefore, total unique entities were 383 (397-14) who received shares in off-market.

In view of this, it is observed that the shareholding of the Noticee No. 1-7 in the company reduced from 4,98,000 shares (100% of total shareholding) to 2,000 shares (0.40% of total shareholding).

22. Further, it is observed that the company issued 7,93,700 shares on preferential basis on September 24, 2012. The company allotted 7,93,700 shares on preferential basis to 46 entities at Rs. 85 per share i.e. each share having a face value of Rs. 10 per share was issued at premium of Rs. 75 per shares. It was observed that Noticee No. 8, one of the 46 Preferential Allottees, was introduced as Promoter of the company. The shares issued under preferential allotment were under lock-in till September 23, 2013.

23. In view of this, it is alleged that Noticee No. 1 to 7, being entities belonging to 'Promoters and member of the promoter group' and also being 'immediate relatives' fall within the ambit of the definition of the term "Persons acting in concert" as per Regulation 2(q)(2)(iv) and 2(q)(2)(v) of SAST Regulations during the period December 26, 2011 to February 04, 2013.

24. Further, as per Regulation 2(q)(2)(iv) and 2(q)(2)(v) of SEBI (SAST) Regulations, 2011 six entities namely Noticee No. 1- 3 and Noticee No. 5-7 were "Persons acting in concert" during the period April 01, 2011 to March 31, 2012 and two entities namely Noticee No. 2 and 8 were "Persons acting in concert" during the period September 24, 2012 to March 31, 2013.

25. Thereafter, MFTL, in its board meeting held on February 06, 2013, allotted 90,41,900 fully paid bonus equity shares in the ratio of 7:1 and record date for this was fixed as February 06, 2012. After issue of bonus shares, total shareholding of company reached to 1,03,33,600 shares. Further, the company, on January 16, 2014, split its equity Share from the face value of Rs. 10/- each to Rs. 1/- each.

Violation of Regulation 29 (2) read with 29 (3) of SAST Regulations by Noticee No. 1-4 and 6-7

26. I noted from the IR that in response to SEBI Investigating Officer, Noticee No. 5 vide letter dated 24.08.2017, stated that he is the father of Noticee No. 6 and the husband of Noticee No. 7. It is also observed that Noticee No. 5 is the uncle of Mr. Vidit Jain and Mr. Tushar Jain, both of whom were the Directors and Promoters of Noticee No. 4 during the Investigation Period. Further, it is observed that Noticee No. 5-7 were the

Promoters and also they were the majority Shareholders of Noticee No.1-4. In view of this, it is noted that the Noticee No.1-7 were related.

27. Further, it was noted that Noticee No. 1 - 7, who were holding 4,98,000 shares i.e. 100% shareholding of the company as on quarter ended September 2011 transferred their entire shareholding (except 2,000 shares) i.e. 4,96,000 shares (99.60% of total share capital of the company) in off-market to various entities. The details of acquisition and disposal of these seven entities and date of disclosure made to company and BSE are as follows:

Table 4

S. No.	Date	Acquisition/Disposal	No. of shares	% of total share capital held pre Acquisition/ Disposal	% of total share capital Acquired/ Disposed	% of total share capital held post Acquisition/ Disposal	Date of Disclosure made to Company u/r 29(2) of SAST	Date of Disclosure made to Exchange u/r 29(2) of SAST
1	26-Dec-2011	Disposal	50,000	100.00%	10.04%	89.96%	09.02.2012	09.02.2012
2	26-Dec-2011	Acquisition	50,000	89.96%	10.04%	100.00%	No disclosure	No disclosure
3	30-Dec-2011	Disposal	71,700	100.00%	14.40%	85.60%	09.02.2012	10.02.2012
4	30-Apr-2012	Disposal	17,200	85.60%	3.45%	82.15%	No disclosure	No disclosure
5	15-Jun-2012	Disposal	1,11,100	82.15%	22.31%	59.84%	No disclosure	No disclosure
6	5-Dec-2012	Disposal	94,000	59.84%	18.88%	40.96%	05.12.2012	07.12.2012
7	12-Dec-2012	Disposal	14,000	40.96%	2.81%	38.15%	No disclosure	No disclosure
8	19-Dec-2012	Disposal	24,900	38.15%	5.00%	33.15%	No disclosure	No disclosure
9	26-Dec-2012	Disposal	10,000	33.15%	2.01%	31.14%	No disclosure	No disclosure
10	31-Dec-2012	Disposal	27,500	31.14%	5.52%	25.62%	No disclosure	No disclosure
11	15-Jan-2013	Disposal	28,100	25.62%	5.64%	19.98%	No disclosure	No disclosure
12	21-Jan-2013	Disposal	31,000	19.98%	6.22%	13.76%	No disclosure	No disclosure
13	31-Jan-2013	Disposal	30,000	13.76%	6.02%	7.74%	No disclosure	No disclosure
14	4-Feb-2013	Disposal	36,500	7.74%	7.33%	0.41%	No disclosure	No disclosure

28. I note that all the transactions mentioned therein involved change in total shareholding of Noticee No. 1-4 and 6-7 by more than 2% of total shareholding of the company. Also considering that they were also persons acting in concert, they were required to disclose every acquisition or disposal of shares of company, representing two per cent or more of the shares or voting rights, to company and exchange within two days of each of the transaction as per Regulation 29(2) of SAST Regulations read with Regulation 29(3) of the said Regulations.

29. However, I note from the reply of the Company and BSE to SEBI that Noticee No. 1-4 and 6-7 made delayed disclosures for the transactions mentioned at S. No. 1 and 3 and failed to make any disclosures for the transactions mentioned at S. No. 2, 4, 5 and 7 - 14 of the above table. Further, I also note that with regard to the transaction at S. No. 6 of the said table that they had made wrong disclosures to the company and BSE, as total number of shares disposed on that day were 94,000 shares but in disclosures submitted, the disclosed quantity was 2,96,000 shares, as confirmed by BSE.

30. The above facts clearly establishes that Noticee No. 1-4 and 6-7 had made delayed/wrong disclosure and did not make any disclosures for every acquisition/ disposal representing two per cent or more of shares during the period December 2011 to February 2013.

Violation of Regulation 30 (1) of SAST Regulations by Noticee No. 1-3 and 6-7

31. As regards to the aforesaid violation, I noted from the shareholding pattern of the Company, as submitted to BSE for the quarter ended March 2012, that Noticee No. 1-3 and Noticee No. 5-7 being ‘persons acting in concert’ were together holding 85.60% of total share capital of the company i.e. more than 25% of share capital of the company. In this regard, it is observed that, as per Regulation 30(1) of SAST Regulation read with Regulation 30(3) of SAST Regulations, they were required to disclose their aggregate shareholding and voting rights as on the thirty-first day of March, within seven working days from the end of each financial year to company and BSE. However, from reply of company and BSE, I note that no disclosure was made to the company and BSE. This fact clearly establishes that Noticee No. 1-3 and Noticee No. 6-7 have failed to disclose to this effect for the quarter ending March 31, 2012.

Violation of Regulation 30 (2) of SAST Regulations by Noticee No. 1-3 and 6-8

32. I further note that, as per Regulation 30(2) of SAST Regulations, the promoters of every target company together with persons acting in concert are required to disclose their aggregate shareholding and voting rights as of the thirty-first day of March in such

target company to the Company and Stock Exchange within 7 working days of the end of the financial year.

33. In this regard, I note that, as on March 31, 2012, Noticee No. 1- 3 and Noticee No. 5 were promoters of the company and Noticee No. 6 - 7 were persons acting in concert. Therefore, they were required to disclose their shareholding and voting rights in the Company within 7 working days from March 31, 2012 to the Company and BSE. However, in view of letters of Company and BSE, I note that the Noticee No. 1-3 and Noticee No. 6 & 7 failed to make such disclosure under Regulation 30(2) of SAST Regulations during the quarter ending March 31, 2012.

34. I also note that Noticee No. 2 and Noticee No. 8 were "*Persons acting in concert*" during the period September 24, 2012 to March 31, 2013. Further, as on March 31, 2013, they were promoters of the Company and were required to disclose their shareholding and voting rights in the Company within 7 working days from March 31, 2013 to the Company and BSE. However, from reply of company and BSE, it was noted the aforesaid Noticees failed to make a disclosure to the company and BSE under Regulation 30(2) of SAST Regulations,

Violation of Regulation 13 (3) and 13 (4A) of PIT Regulations by Noticee No. 1

35. I also note that Noticee No. 1 had entered in the following transactions during the investigation period:

Table 5

SN	Date of off-market Transfer	No. of shares held pre-transfer	% of share capital held pre-transfer	No. of shares Transferred	No. of shares Transferred as a % of paid up capital	No. of shares held Post Transfer	% of share capital held Post Transfer	Disclosure u/r 13(4A) of PIT to Company	Disclosure u/r 13(4A) of PIT to Exchange
1	05.12.2012	1,24,000	24.90%	34,500	6.93%	89,500	17.97%	05.12.2012	06.12.2012
2	12.12.2012	89,500	17.97%	4,000	0.80%	85,500	17.17%	No Disclosure	No Disclosure
3	19.12.2012	85,500	17.17%	9,500	1.91%	76,000	15.26%	No Disclosure	No Disclosure
4	31.12.2012	76,000	15.26%	3,500	0.70%	72,500	14.56%	No Disclosure	No Disclosure
5	15.01.2013	72,500	14.56%	3,000	0.60%	69,500	13.96%	No Disclosure	No Disclosure

6	21.01.2013	69,500	13.96%	25,500	5.12%	44,000	8.84%	No Disclosure	No Disclosure
7	31.01.2013	44,000	8.84%	28,500	5.72%	15,500	3.11%	No Disclosure	No Disclosure
8	04.02.2013	15,500	3.11%	15,500	3.11%	0	0.00%	No Disclosure	No Disclosure

36. I note from the table above that Noticee No. 1 was holding more than 5% of shares of the company and as a result of sale of 34,500 shares (SN 1), 9,500 shares (SN 3), 25,500 shares (SN 6) and 28,500 shares (SN 7), there was change in its shareholding of more than 2%. I note that, as per Regulation 13(3) read with 13(5) of PIT Regulations, any person holding more than 5% of total shareholding of a company is required to make disclosure to company within two working days from date of change in its shareholding amounting to a change of more than 2% of total shareholding of the Company. However, from reply of company, I note that Noticee No. 1 had failed to make disclosure to the company under Regulation 13(3) read with 13(5) of PIT Regulations for the transactions mention above.

37. I also note from the table above that transactions mentioned at S. No. 1, S. No.3 (S. No. 2 and 3 exceeding 1%), S. No. 5 (S. No. 4 + S. No. 5 exceeding 1%), S. No. 6, S. No. 7 and S. No. 8 exceeded 1% of total shareholding of Noticee No. 1 in the company. Further I note that, as per Regulation 13(4A) of PIT Regulations, any person who is "promoter or part of promoter group" is required to disclose any change in his shareholding to the company and stock exchange when change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding, whichever is lower. In view of this, Noticee No.1, being Promoter of company, was required to make disclosure to company and exchange within two working days from date of the said transactions. It is observed that for transfer of 34,500 shares on December 05, 2012 (mentioned at S. No. 1 in Table above), Noticee No.1 made wrong disclosures to company on December 05, 2012 and to BSE on December 06, 2012, as in the disclosure to company and BSE, Noticee No.1 had disclosed the transferred quantity as 1,24,000 shares. Further, on analysis of shareholding pattern submitted by the Company to BSE for the quarter ended December 2012, it is observed that Noticee No.1 was holding 72,500 shares. The said noncompliance established that Noticee No.1 had made wrong disclosure on one

occasion and also failed to make any disclosure under Regulation 13(4A) read with 13(5) of PIT Regulations on the other 5 occasions as mentioned above.

Violation of Regulation 13 (3) and 13 (4A) of PIT Regulations by Noticee No. 2

38. It is further noted that Noticee No. 2 had entered in the following transactions during the investigation period:

Table 6

SN	Date of off-market Transfer	No. of shares held pre-transfer	% of share capital held pre-transfer	No. of shares Transferred	No. of shares Transferred as a % of paid up capital	No. of shares held Post Transfer	% of share capital held Post Transfer	Disclosure u/r 13(4A) of PIT and 29(2) of SAST to Company by Promoter	Disclosure u/r 13(4A) of PIT and {29(2) of SAST} to Exchange by Promoter
1	05.12.2012	1,24,500	25.00%	54,500	10.94%	70,000	14.06%	05.12.2012	06.12.2012
2	12.12.2012	70,000	14.06%	10,000	2.01%	60,000	12.05%	No Disclosure	No Disclosure
3	31.12.2012	60,000	12.05%	19,000	3.82%	41,000	8.23%	No Disclosure	No Disclosure
4	15.01.2013	41,000	8.23%	19,500	3.91%	21,500	4.32%	No Disclosure	No Disclosure
5	21.01.2013	21,500	4.32%	2,000	0.40%	19,500	3.92%	No Disclosure	No Disclosure
6	04.02.2013	19,500	3.92%	17,500	3.51%	2,000	0.41%	No Disclosure	No Disclosure

39. I note that since Noticee No. 2 was holding more than 5% of shares of the company and as a result of transactions mentioned at S. No. 1- 4 and 6 at the above table there was a change in its shareholding of more than 2%. As per Regulation 13(3) read with 13(5) of PIT Regulations, any person holding more than 5% of total shareholding of a company is required to make disclosure to company within two working days from date of change in its shareholding amounting to a change of more than 2% of total shareholding of the Company. However, from reply of company, I note that Noticee No. 2, did not make any disclosure to company under Regulation 13(3) read with 13(5) of PIT Regulations.

40. Further, I note from the table above that with regard to transactions mentioned at S. No. 1, 2, 3, 4 and 6, change in the shareholding of Noticee No. 2 exceeded 1%. In terms of Regulation 13(4A) read with 13(5) of PIT Regulations, Noticee No. 2, being a

Promoter of the Company, was required to make disclosure to company and exchange within two working days from date of the said transactions. In this regard, it is observed that for transfer of 54,500 shares on December 05, 2012 (S. No. 1 at Table 6), Noticee No. 2, made wrong disclosure to company on December 05, 2012 and to BSE on December 06, 2012 as the total number of shares transferred on that day were 54,500 shares but in the disclosure made to the company and BSE, Noticee No. 2 had disclosed 1,22,500 shares as transferred quantity. Further, I also note that Noticee No. 2 did not make any disclosures with regard to transactions specified at S. No. 2-6 of table 6 above. The said noncompliance established that Noticee No. 2 failed to make any disclosures under Regulation 13(4A) read with 13(5) of PIT Regulations on the abovementioned occasions.

Violation of Regulation 13 (3) and 13 (4A) of PIT Regulations by Noticee No. 3

41. It is further observed that Noticee No. 3 had entered in the following transactions during the investigation period:

Table 7

SN	Date of off-market Transfer	No. of shares held pre-transfer	% of share capital held pre-transfer	No. of shares Transferred	No. of shares Transferred as a % of paid up capital	No. of shares held Post Transfer	% of share capital held Post Transfer	Disclosure u/r 13(4A) of PIT to Company	Disclosure u/r 13(4A) of PIT to Exchange
1	30.12.2011	1,21,200	24.34%	71,700	14.40%	49,500	9.94%	09.02.2012	10.02.2012
2	05.12.2012	49,500	9.94%	5,000	1.00%	44,500	8.94%	05.12.2012	06.12.2012
3	19.12.2012	44,500	8.94%	15,400	3.09%	29,100	5.84%	No Disclosure	No Disclosure
4	26.12.2012	29,100	5.85%	10,000	2.01%	19,100	3.84%	No Disclosure	No Disclosure
5	31.12.2012	19,100	3.84%	5,000	1.00%	14,100	2.83%	No Disclosure	No Disclosure
6	15.01.2013	14,100	2.83%	5,600	1.12%	8,500	1.71%	No Disclosure	No Disclosure
7	21.01.2013	8,500	1.71%	3,500	0.70%	5,000	1.00%	No Disclosure	No Disclosure
8	31.01.2013	5,000	1.00%	1,500	0.30%	3,500	0.70%	No Disclosure	No Disclosure
9	04.02.2013	3,500	0.70%	3,500	0.70%	0	24.90%	No Disclosure	No Disclosure

42. I note that since Noticee No. 3 was holding more than 5% of shares of the company and as a result of transactions mentioned at S. No. 1, 3 and 4 in above table, there was a change in its shareholding of more than 2%. As per Regulation 13(3) read with 13(5) of PIT Regulations, any person holding more than 5% of total shareholding of a

company is required to make disclosure to company within two working days from date of change in its shareholding amounting to a change of more than 2% of total shareholding of the Company. However, from the reply of company I note that, Noticee No. 3 failed to make any disclosure to company under Regulation 13(3) read with 13(5) of PIT Regulations.

43. Further, I note that Noticee No. 3, being a Promoter of the Company, was required to make disclosure to company and exchange within two working days from date of transactions mentioned at S. No. 1, 2, 3, 4, 5 and 6 in Table 7 above in terms of Regulation 13(4A) read with 13(5) of PIT Regulations since the change in the shareholding of Noticee No. exceeded 1%. In this regard, I note as under;

    a) for transfer of 71,700 shares on December 30, 2011 (S. No. 1 at Table 7), Noticee No. 3, made disclosure to company and BSE only on February 09, 2012 and February 10, 2012, respectively. Therefore, Noticee No. 3 failed to make timely disclosure of the said transaction.

    b) Similarly, for transfer of 5,000 shares on December 05, 2012 (S. No. 2 at Table 7), Noticee No. 3 made disclosure to company on December 05, 2012 and to BSE on December 06, 2012. However, the said disclosures were wrong as the total number of shares transferred on that day were 5,000 shares but in disclosure to company and BSE, Noticee No. 3 had disclosed 49,500 shares as transferred quantity.

    c) Further, I also note that Noticee No. 3 did not make any disclosure to company and BSE for rest of its disclosure obligations, as mentioned above.

44. The above non-compliances establish that Noticee No. 3 did not make any disclosures and/or did not make timely disclosure and /or did not make correct disclosure as required under Regulation 13(4A) of PIT Regulations read with 13(5) of PIT Regulations.

Violation of Regulation 13 (3) and 13 (4A) of PIT Regulations by Noticee No. 4

45. It is further observed that Noticee No. 4 had entered in the following transaction during the investigation period:

Table 8

SN	Name of Entity	Date of off-market Transfer	No. of shares held pre-transfer	% of share capital held pre-transfer	No. of shares Transferred	No. of shares Transferred as a % of paid up capital	No. of shares held Post Transfer	% of share capital held Post Transfer	Disclosure u/r 13(4A) of PIT to Company	Disclosure u/r 13(4A) of PIT to Exchange
1	Sulabh Impex Limited	26.12.2011	50,000	10.04%	50,000	10.04%	0	0	09.02.2012	09.02.2012

46. I note that Noticee No. 4 was holding more than 5% of shares of the company and as a result of transactions mentioned at the table above, in terms of Regulation 13(3) read with 13(5) of PIT Regulations, Noticee No. 4 was required to make disclosure to company within two working days from date of the above transaction since the change in the shareholding exceeded 2%. However, from reply of company, I note that Noticee No. 4 failed to make disclosure to company under Regulation 13(3) read with 13(5) of PIT Regulations.

47. I note from the above table that with regard to the said transaction, Noticee No. 4, being a Promoter of the Company, was required to make disclosure to company and exchange within two working days from date of transaction in terms of Regulation 13(4A) read with 13(5) of PIT Regulations, since the change in the shareholding exceeded 1%. In this regard, I note that Noticee No. 4 made disclosure to company and BSE only on February 09, 2012 i.e. with a delay of 1 month and 9 days. Therefore, Noticee No. 4, failed to make timely disclosure of the said transaction as required under Regulation 13(4A) read with 13(5) of PIT Regulations.

Violation of Regulation 13 (1) and 13 (3) of PIT Regulations by Noticee No. 6

48. Farther, I note that Noticee No. 6 had transferred 32,000 shares of the Company to Noticee No. 5 on March 31, 2011, due to which, his shareholding in the company became Nil on March 31, 2011. Thereafter, Noticee No. 6 had received 50,000 shares (10.04% of total share capital of company) in off-market from Noticee No. 4 on December 26, 2011. Therefore, his shareholding increased from nil to 10.04 % of total

shareholding of the Company. As per Regulation 13(1) read with 13(5) of PIT Regulations, any person whose holding in a company crosses the threshold of 5% shares or voting rights in any listed company is required to disclose such change in his shareholding to the company within two working days of receipt of intimation of allotment of shares. In this regard, from reply of company, I note that Noticee No. 6 had failed to make any disclosure under Regulation 13(1) read with 13(5) of PIT Regulations.

49. Further, from the share holding pattern of Noticee No. 6, I note that he had also entered in the following transaction during the investigation period:

Table 10

SN	Name of Entity	Date of off-market Transfer	No. of shares held pre-transfer	% of share capital held pre-transfer	No. of shares Transferred	No. of shares Transferred as a % of paid up capital	No. of shares held Post Transfer	% of share capital held Post Transfer
1	Ankit Jain	30.04.2012	50,000	10.04%	11,600	2.33%	38,400	7.71%
2		15.06.2012	38,400	7.71%	38,400	7.71%	0	0.00%

50. From the above table, I note that Noticee 6 was holding more than 5% of shares in the company and as result of the abovementioned transactions, in terms of Regulation 13(3) read with 13(5) of PIT Regulations, he was required to make disclosure to company within two working days from date of the transactions mentioned at S. No. 1 and 2 since the change in his shareholding exceeded 2%. However, from reply of company I note that Noticee No. 6 failed to make any disclosure to company under Regulation 13(3) read with 13(5) of PIT Regulations.

Violation of Regulation 13 (2A) of PIT Regulations by Noticee No. 8

51. It was observed that Noticee No. 8, was introduced as Promoter of the company on September 24, 2012 when 64,000 shares were allotted to it (4.95% of post issue capital) during the preferential allotment. As per Regulation 13(2A) read with 13 (5) of PIT Regulations, Noticee No. 8, being a promoter was required to make disclosure of the number of shares or voting rights held it to company within two working days of becoming such promoter. However, from reply of company, I note that Noticee No. 8

failed to make any disclosure to company under Regulation 13(2A) read with 13 (5) of PIT Regulations.

52. As regards the allegations of non-disclosure against Noticee No. 1-4 and 6-7, they have stated that they were all holding investment in equity shares of “Pyramid Trading and Finance Limited” (Now named as M/s Mishka Finance and Trading Limited), while dealing in the equity shares of the said Company in question. Hence, they were not associated with the present promoters/persons or persons acting in concert or associated directly or indirectly. They also contended that they sold their investment i.e. equity shares of the Company through one broker M/s Roongta Rising Stock Pvt. Ltd who had purchased all the shares and paid the entire consideration @ Rs. 5/- (Five) per share from its account. Further, they stated that the said transfer of shares was done on the instructions of Noticee No. 5 and necessary intimations were also made to the stock exchange. They also stated that the transfer of shares was done off market as trading in the scrip was suspended at that point in time. Further, they stated that they were not aware of M/s. Roongta Rising Stock Pvt. Ltd. and also stated that the outgoing Promoters/shareholders nowhere directly or indirectly connected or associated with the various shareholders/Transferees/Directors/existing Promoters or any other person/Company or person acting in concert as given in the said SEBI Order dated 17th April, 2015, only the incoming Directors/Promoters are solely responsible for the act and omissions mentioned in the said SEBI Order dated 17th April, 2015. Further, they submitted that neither they nor their relatives or associates or person acting in concert or Company were involved in any Stock Market Scam or non-compliance of SEBI Act and Regulations. Additionally, they also contended that the shareholding pattern of the company as on September 2011 was wrongly submitted by the present directors/promoters and they, as the outgoing directors, were not aware of the preferential allotment.

53. In this regard, I note from the MOU and other relevant documents that the above mentioned Noticees had held the shares of the company while dealing in the scrip and pursuant to the MOU dated November 24, 2011 had later transferred their equity shares in consonance with the same. However, with regards to their contention that pursuant

to the transfer of their shares, they are not associated with the new promoters/ persons acting in concert and accordingly, they are not responsible for the non-compliances of the new management and also with regards to their contention that the shareholding pattern was wrongly submitted by the new management and further they were not aware of the preferential allotment, I note that irrespective of their association with the new promoters/ persons acting in concert, the Noticee No 1-4 and 6-7 were during the time of all the relevant transactions as specified above, connected to each other as explained in para 15 above and have been promoters and Persons acting in concert as explained at paras 23, 24, and 26 above, who had acquired and sold shares which resulted in the consequential change in the percentage of their shareholding. This makes them individually responsible at certain instances and also collectively responsible during certain instances as mentioned above, to make relevant disclosure under PIT Regulations and SAST Regulations. Therefore, I do not agree with their contention that the shareholding pattern was wrongly submitted by the new management and further they were not aware of the preferential allotment, as it is without any merits. Further, I do not agree with the contention of Noticees 1-4 and 6-7 that all the necessary intimations were done to the stock exchanges, as already mentioned above, I note from the reply provided by BSE and the company that the said Noticees failed to make disclosures/ made wrong disclosures or delayed disclosures as mentioned above.

54. As regard Noticee No. 4's contention wherein it had sought for the complete investigation report, if any, to reply in detail, I note that the Hon'ble SAT in the matter of **Anant R Sathe Vs. SEBI (**Appeal No. 150 of 2020) vide Order dated July 17, 2020, reaffirmed the principle elucidated in the judgment of Shruti Vora's case, which has been reproduced herein above and held that: *"the Authority is required to supply the documents that they rely upon while serving the show cause notice which in the instant case has been done and which is sufficient for the purpose of filing an efficacious reply in his defence*". In this regard, it is noted that all the relevant and relied upon information and records in respect of Noticee No. 4 were already provided to it in the SCN, wherein inter-alia allegation is made in respect of it. Therefore, I find no merit in the contention of the Noticee.

55. As regards Noticee No. 8's contention with regard to the allegation of Regulation 30 (2) of PIT Regulations, wherein it has stated that it has made timely disclosure under Regulation 30 (2) read with 30(3) of the PIT Regulations to the company while admitting that it had made the delayed disclosure to the stock exchange and further, with regard to the allegation of violating Regulation 13(2A) read with 13(5) of the PIT Regulations, Noticee No. 8 has stated that it has submitted the disclosure under said regulations, I note as under;

a. As regards to the allegation of non-disclosure under Regulation 30 (2) read with 30(3) of the PIT Regulations, Noticee No. 8 has submitted that the disclosure to the company was made within 7 days from March 31, 2013, i.e. on 05.04.2013 but the said disclosure was done with a delay of around 6 years and two months to BSE i.e. on 27.05.2019. I note that, as per Regulation 30 (2) of the PIT Regulations, 'a promoter of every target company is required to make the required disclosure together with persons acting in concert with him and disclose their aggregate shareholding and voting rights'. However, I note that Noticee No. 8 has only submitted the aggregate shareholding of itself vide its disclosures dated 05.04.2013 to the company and 27.05.2019 to BSE and not the aggregate shareholding of itself along with/ together with the persons acting in concert. Thus I find that the said disclosures made to the company and BSE are wrong and the contention of Noticee No. 8 that the disclosure under Regulation 30 (2) read with 30(3) of the PIT Regulations is made is without any merits.

b. As regards to the allegation of non-disclosure under Regulation 13(2A) read with 13(5) of the PIT Regulations, Noticee No. 8 has submitted a copy of the disclosure made to the company on 26.09.2012. From the same I note that the signature of the director who appears to have received it is unclear and illegible. Further, I also note that the said disclosure was not provided to SEBI at the time of the investigation and the company also in its reply to SEBI during the investigation had stated that Noticee No. 8 had not made disclosure under Regulation 13(2A) read with 13(5) of the PIT Regulations. Additionally, I also note that had Noticee No.8 actually informed the company the same would reflect on the BSE website, however upon perusal of the said website I note that no such disclosure of Noticee No. 8 is reflected on the BSE website while the disclosures of similar nature pertaining to other Noticees are reflecting in the BSE website. Therefore, I do not accept the contention of the Noticee No. 8 in this regard as it is without any merits.

56. 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 stick 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.*"

57. 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*." (Emphasis supplied).

58. Therefore, I find that the Noticee No.1-4 and 6-8 have indeed not made the requisite disclosures to the Company and the stock exchange with regard to the change in their shareholding during various points in time and made wrong disclosures with regard to the change in their shareholding during various points in time pursuant to its acquisition of shares within the stipulated time period which have contravened the aforesaid provisions of SAST Regulations and PIT Regulations. Based on the aforesaid findings, I conclude that the Noticee No. 1-4 and 6-8 have violated the following provisions ;

S. No.	**Name of the Entity**	**confirmed Violations**
1.	Wave Inter Trades Pvt. Ltd (**Noticee 1**)	**<u>Noticee 1 to 4 & 6 to 7</u>**- Regulation 29(2) r/w 29(3) of SAST Regulations

2.	Embassy Finance & Consultants P Ltd (**Noticee 2**)	**<u>Noticee 1 to 3 & 6 to 7</u>**- Regulation 30(1) of SAST Regulations **<u>Noticee 1 to 3 & 6 to 8</u>**- Regulation 30(2) of SAST Regulations **<u>Noticee 6</u>**- Regulation 13(1) of PIT Regulations **<u>Noticee 8</u>**- Regulation 13(2A) of PIT Regulations **<u>Noticee 1 to 4 & 6</u>**- Regulation 13(3) of PIT Regulations **<u>Noticee 1 to 4</u>**- Regulation 13(4A) of PIT Regulations
3.	Tohee Trading & Agencies Pvt. Ltd (**Noticee 3**)	
4.	Sulabh Impex Ltd (**Noticee 4**)	
5.	Ankit Jain (**Noticee 6**)	
6.	Rashmi Jain (**Noticee 7**)	
7.	Pearl Arcade Trading Private Limited (**Noticee 8**)	

Issue b: Does the violation, if any, attract monetary penalty under Section 15 A(b) of SEBI Act for the Noticee Nos 1-4 and 6-8?

59. I note that Hon'ble Supreme Court of India, in the matter of Chairman, **SEBI vs. Shriram Mutual Fund** *{[2006] 5 SCC 361}* held that *"In our view, the penalty is attracted as soon as contravention of the statutory obligations as contemplated by the Act is established and, therefore, the intention of the parties committing such violation becomes immaterial. ………. Hence, we are of the view that once the contravention is established, then the penalty has to follow and only the quantum of penalty is discretionary".*

60. 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".*

61. 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.

62. In view of the foregoing, I am convinced that the Noticee No. 1-4 and 6-8 are liable for monetary penalty under Section 15A(b) of SEBI Act for violation of the above

mentioned PIT Regulations and SAST Regulations. The provisions of Section 15A (b) of the SEBI Act, 1992 read as under:

SEBI Act

15A. Penalty for failure to furnish information, return, etc*-*

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;.

Issue c: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

63. While determining the quantum of penalty under Section 15 A (b) of the SEBI Act, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act, respectively, which read as under: -.

SEBI Act
Factors to be taken into account by the adjudicating officer.

Section 15J – 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 investors as a result of the default;

c) the repetitive nature of the default.

64. The material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticee 1-4 and 6-8 and the loss, if any, and suffered by the investors as a result of the their failure. However, I note that securities market is based on free and open access to information, and that protection of the interests of the investors is the prime objective of SEBI. Disclosures in respect of the

vital information of any company has been made mandatory for the protection of the investors so as to enable them to take suitable informed investment decisions. The objective behind such requirement is that the investing public shall not be deprived of any vital information in respect of their investments in the securities market. If any person who is to make such disclosures doesn't make it and are depriving the investing public the statutory rights available to them, then SEBI is duty bound to ensure that the investing public are not deprived of any statutory rights available to them. Thus, in the present matter the facts of the case clearly bring out the default made by the Noticees No 1-4 and 6-8. Hence, I note that the Notice No 1-4 and 6-8 failed to make disclosures about the change in shareholding to the stock exchange and company and thereby have violated the relevant provisions of PIT Regulations and SAST Regulations, as mentioned above.

ORDER

65. Having considered all these facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the SEBI Adjudication Rules, 1995, I hereby impose the following penalties under Section 15 A (b) of SEBI Act, 1992, on the Noticee Nos. 1-4 and 6-8, for the violations as specified in this order:

<table>
<tr><th>S.No.</th><th>Noticee</th><th>Penalty (Rs.) / Violations</th></tr>
<tr><td>1.</td><td>Wave Inter Trades Pvt Ltd (Noticee No.1)</td><td rowspan="6">1. ₹ 2,00,000/- (Rupees Two Lakhs Only) to be paid jointly and severally on Noticee No.1 to 4 & 6 to 7 for the violation of Regulation 29(2) r/w 29(3) of SAST Regulations.
2. ₹ 2,00,000/- (Rupees Two Lakhs Only) to be paid jointly and severally on Noticee No.1 to 3 & 6 to 7 for the violation of Regulation 30(1) of SAST Regulations.
3. ₹ 2,00,000/- (Rupees Two Lakhs Only) to be paid jointly and severally on Noticee No. 1 to 3 & 6 to 8 for the violation of Regulation 30(2) of SAST Regulations
4. ₹ 1,00,000/- (Rupees One Lakh Only) to be paid by Noticee No.6 for the violation of</td></tr>
<tr><td>2.</td><td>Embassy Finance & Consultants P Ltd. (Noticee No.2)</td></tr>
<tr><td>3.</td><td>Tohee Trading & Agencies Pvt Ltd (Noticee No.3)</td></tr>
<tr><td>4.</td><td>Sulabh Impex Ltd (Noticee No.4)</td></tr>
<tr><td>5.</td><td>Ankit Jain (Noticee No.6)</td></tr>
<tr><td>6.</td><td>Rashmi Jain (Noticee No.7)</td></tr>
</table>

7.	Pearl Arcade Trading Private Limited (Noticee No.8)	Regulation 13(1) of PIT Regulations and Regulation 13(3) of PIT Regulations. 5. **₹ 1,00,000/- (Rupees One Lakh Only)** to be paid by Noticee No.1 for the violation of Regulation 13(3) of PIT Regulations and Regulation 13(4A) of PIT Regulations. 6. **₹ 1,00,000/- (Rupees One Lakh Only)** to be paid by Noticee No.2 for the violation of Regulation 13(3) of PIT Regulations and Regulation 13(4A) of PIT Regulations. 7. **₹ 1,00,000/- (Rupees One Lakh Only)** to be paid by Noticee No.3 for the violation of Regulation 13(3) of PIT Regulations and Regulation 13(4A) of PIT Regulations. 8. **₹ 1,00,000/- (Rupees One Lakh Only)** to be paid by Noticee No.4 for the violation of Regulation 13(3) of PIT Regulations and Regulation 13(4A) of PIT Regulations. 9. **₹ 1,00,000/- (Rupees One Lakh Only)** to be paid by Noticee No.8 for the violation of Regulation 13(2A) of PIT Regulations.

66. The Noticee 1-4 and 6-8 shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS→ ORDERS OF AO→ PAY NOW

67. The said demand draft or forwarding details and confirmations of e-payments made (in the format as given in table below) should be forwarded to "The Division Chief, Enforcement Department (EFD1 – DRA II), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C –4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai –400 051."

1. Case Name:	
2. Name of payee:	
3. Date of payment:	

4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for : (like penalties/ disgorgement/ recovery/ settlement amount etc.)	

68. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this order, consequential proceedings including, but not limited to, Recovery Proceedings may be initiated under Section 28A of the SEBI Act, for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

69. 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.

Date: July 14, 2022 **G. Ramar**

Place: Mumbai **Adjudicating Officer**