BEFORE THE0 ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. PM/NR/2021-22/11815-11818

UNDER SECTION15-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

Sl. No.	Name of the Entity	PAN
1	Cairn India Limited	AACCC8799D
2	P Elango	AAAPE0115G
3	Aman Mehta	AHYPM9934A
4	Neerja Sharma	ACAPS7395A

In the matter of Cairn India Ltd., *(Merged with Vedanta Ltd.,)*

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an investigation in the matter of Cairn India Ltd.,*(hereinafter referred to as "Cairn" / "Noticee 1"/ "Company")* to ascertain whether the Company had violated any of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations, 2003 *(hereinafter referred to as "PFUTP" Regulations)* during the period January 23, 2014 and July 22, 2014 *(hereinafter referred to as "Investigation Period" / "IP").*

2. Cairn made a Public announcement on January 14, 2014 for buyback of 17,08,95,522 equity shares of ₹10/- each at a maximum price of ₹335/- per share for a maximum amount of ₹5,725 crores from the open market route in accordance with SEBI (Buyback of Securities) Regulations, 1998 *(hereinafter referred to as "Buyback" Regulations)*. The buyback offer was scheduled to open on January 23, 2014 and close on July 22, 2014 i.e., upon completion of six months from the opening of the offer on January 23, 2014 or when the company competes the buyback offer by deploying the amount equivalent to the maximum buyback size or when the company completes the buyback offer

to the extent of buying back equity shares equal to the maximum buyback shares provided that the company has deployed an amount equivalent to minimum buyback size or at such earlier date as may be determined by the Board or its duly authorized committee, after giving notice of such earlier closure, subject to the company having deployed an amount equivalent to the minimum buyback size (even if the maximum buyback shares have not been brought back).

3. Cairn, vide letter dated June 30, 2014 submitted that till June 27, 2014, it was able to buyback a total of 3,67,03,839 shares which represented 21.48% of the maximum buyback shares utilizing a total of ₹1,225.45 crores which represented 28.59% of the maximum buyback size. Thus, it was noted that Cairn was not able to utilize the minimum amount of 50% of the buyback size as required under Regulation 14(3) of SEBI (Buyback) Regulations. Therefore, vide letter dated June 30, 2014, Cairn had sought for extension of the buyback period which was not acceded to by SEBI. Subsequently, vide letter dated July 30, 2014, Cairn had submitted that it could not achieve the minimum amount of 50% of buyback size as required under Regulation 14(3) of SEBI (Buyback) Regulations. Further, Cairn had made an application to SEBI to release the Cash Escrow (₹143.125 crores), containing 2.5% of buyback size, under Regulation 15B (8) of Buyback Regulations.

4. Pursuant to detailed analysis of sell orders placed at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) during the buyback period, the investigation found that out of 123 trading days, buy orders were placed by Cairn for 82 days on NSE and all 123 days on BSE. The investigation found that Cairn did not place any buy orders on NSE on 24 days and placed orders for less than 5,000 shares on 14 days out of total 54 days on which the price was favourable for buyback and instead it placed orders in BSE where sell orders were much less. Thus, Cairn had failed to achieve even the minimum buyback size as it could not buyback even half the number of shares announced by it, despite available of sufficient sell orders on NSE, when the market price was lesser than the maximum buyback price.

5. Therefore, it was alleged that the public announcement and subsequent actions of Cairn show that the announcement of buyback of shares by Cairn was a misleading announcement designed to influence the decision of the investors and induce them to trade in the shares of Cairn which is reflected in the increased trading volume after the buyback announcement. Further, it is alleged that P Elango (Noticee 2), being the CEO and Director of Cairn, Aman Mehta (Noticee 3) being the Director on the Board of Cairn and Neerja Sharma (Noticee 4), being the Director (Risk Assurance) & Company Secretary of Cairn, who had signed the public advertisement dated January 14, 2014, alleged to have facilitated the Company in making the said misleading announcement.

6. In view of the above, it is alleged that by making the public announcement of buyback without any intent to fulfil it, the Noticees have acted fraudulently and thereby violated the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(K) and (r) of the SEBI (PFUTP) Regulations and Regulation 19(1)(a) of the SEBI (Buyback) Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

7. Based on the findings of investigation, SEBI initiated Adjudication proceedings against the Noticees and appointed Shri D Sura Reddy as the Adjudicating Officer vide Order dated March 20, 2017, under Section 19 read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 *(hereinafter referred to as "SEBI Adjudication Rules")* to inquire into and adjudge the alleged violations of the provisions of SEBI (PFUTP) Regulations and SEBI (Buyback) Regulations. Pursuant to internal restructuring, the instant proceedings have been transferred to the undersigned vide Order dated March 27, 2018

SHOW CAUSE NOTICE, REPLY AND HEARING

8. A common show cause notice (SCN) ref. no. EAD-2/DSR/RG/16430/2017 dated July 13, 2017 was served upon all the Noticees under Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry be not held against them

in terms of Rule 4 of the SEBI Adjudication Rules and penalty be not imposed under Section 15HA and 15HB of the SEBI Act, 1992, for the violations alleged to have been committed by them.

9. Vedanta Ltd., vide letter dated July 25, 2017 informed that Cairn India Ltd., has now merged with Vedanta Ltd., through a scheme of arrangement approved by NCLT, Mumbai bench vide its Order dated March 23, 2017 and which was made effective April 11, 2017. Accordingly, Vedanta Ltd., sought time till August 14, 2017 to furnish its response adequately. The Noticee 2 i.e., P Elango vide letter dated July 28, 2017 submitted that he had stepped down from the post of Interim CEO & Whole Time Director on May 2, 2014 and thus discontinued to be associated with the Company even before the completion of period of 6 months buyback period. Since, the Noticee 2 was not in possession of any of the relevant files/records/details pertaining to the buyback referred in the SCN, the Noticee 2 sought extension of 30 days to provide a detailed response. Further, on behalf of all the Noticees, Vedanta Ltd., vide letter dated August 11, 2017 sought additional time of 4 weeks to file their reply to the SCN. Thereafter, Vedanta Ltd., vide letter dated September 8, 2017 once again sought extension of time till September 18, 2017 to file the reply. Since, there was no reply furnished by the Noticees, vide notice dated September 21, 2017, the Noticees were provided with an opportunity of personal hearing on October 6, 2017.

10. Vedanta Ltd., vide letter dated September 21, 2017, on behalf of all the Noticees represented that it had hired a Legal Counsel and that as advised by their Legal Counsel, they are entitled for inspection of documents / records. Further, Vedanta Ltd., had provided copies of authorization letters received from the Noticees 2, 3 and 4, duly authorizing Vedanta Ltd., to represent them in the present proceedings.

11. The Authorized Representatives (ARs) of all the 4 Noticees appeared before the erstwhile Adjudicating Officer on October 6, 2017 and sought inspection of documents for the purpose of filing a reply. Accordingly, the ARs were advised to submit a list of documents proposed to be inspected by them on or before October 9, 2017. Pursuant to receipt of the list of documents to be inspected by

the Noticees vide email dated October 9, 2017, the Noticees vide letter dated October 12, 2017 were advised to get in touch with the Enforcement Department, SEBI to carry out inspection of documents at a mutually convenient time, but not later than November 13, 2017. I note from the records that the ARs of the Noticees carried out inspection of documents on October 27, 2017. Vide email dated October 31,2017, the ARs of the Noticees had once again sought another opportunity of inspection of documents, which was turned down, since all the relevant documents relied upon while issuing the SCN have already been inspected by them. Accordingly, vide letter dated November 1, 2017, the Noticees were given an opportunity to furnish their reply by November 10, 2017. The ARs of the Noticees vide email dated November 2, November 7 and November, 27, 2017 had once again sought inspection of documents.

12. On behalf of all the Noticees, Vedanta Ltd., vide letter dated January 19, 2018 furnished the reply to the charges alleged in the SCN. Pursuant to transfer of the instant proceedings to the undersigned, vide notice dated March 28, 2018 all the Noticees were given another opportunity of personal hearing on April 6, 2018. The AR appeared before me on the scheduled date of hearing i.e., on April 6, 2018 and submitted that further inspection of documents along with authority to cross examine Officials of BSE & NSE should be provided and thereafter the Noticees be granted another opportunity of hearing to file written submissions by April 13, 2018. Pursuant to receipt of a request from the ARs of the Noticees vide letter dated April 4, 2018, all the Noticees were once provided with another opportunity of personal hearing on May 29, 2018, which was communicated vide notice dated May 14, 2018. The ARs of the Noticees vide letter dated May 28, 2018 submitted that they have filed an appeal before the Hon'ble SAT against the hearing proceedings dated April 6, 2018 and once again reiterated their request for carrying out inspection of documents and cross examination of the relevant officials of BSE & NSE. Accordingly, the ARs sought adjournment of hearing scheduled on May 29, 2018.

13. Vide letter dated May 28, 2018, the Noticees were provided with another opportunity of inspection of documents and were advised to contact the Enforcement Department, SEBI. Further, the Noticees were informed that as

regards cross examination of official of BSE & NSE, the data mentioned at paragraphs 16 & 17 of the SCN dated July 13, 2017 were based on the analysis of sell orders placed by Cairn India Ltd., at BSE & NSE during the buyback period and is part of the investigation report. Further, the Noticees were informed that the conclusions of the Investigating Officer in the investigation report were drawn on the basis of the facts emerged from the material collected during the investigation. It was also informed that the Investigating Officer has not brought out any facts in the investigation report or has drawn any conclusions there from his personal knowledge. The conclusions / inferences drawn by the Investigating Officer in his report are not final in any manner and that the Noticees have sufficient opportunities to submit their defence to the allegations levelled against them. The Noticees were also informed that the investigation report with all the annexures, which were relied upon by SEBI for the purpose of issuing of SCN are also open to the Noticees for inspection. Accordingly, the request of the Noticees for cross-examination of officials of BSE & NSE was turned down and the hearing scheduled on May 29, 2018 was postponed till completion of the inspection of documents.

14. However, the ARs of the Noticees appeared before me on May 29, 2018, wherein the ARs were informed that the Hearing scheduled on May 29, 2018 had been postponed as per the request made by them vide letter dated May 24, 2018 and a communication in this regard had already been sent by email to on May 28, 2018. It appears that the learned representative of the Noticees did not notice the said communication and has turned up for hearing and accordingly the matter was being heard. The ARs referred to the submissions made vide letter dated January 19, 2018 by the Noticees in reply to the Show Cause Notice (SCN) dated July 13, 2017 and various other communications whereby they had sought inspection of documents. Since, the Noticees were provided with an opportunity of inspection vide letter dated May 28, 2018, the ARs were advised to get in touch with the concerned Officer referred to in the said letter along with the list of documents they wish to inspect. Accordingly, it was recorded that the hearing in the matter shall be resumed after completion of inspection of documents by the Noticees.

15. I note from the records that the Noticees carried out inspection of documents through their ARs on July 2, 2018. However, vide email dated July 4, 2018 the Noticees had requested for the list of files / documents. The Noticees were given another opportunity to carry out inspection of documents on October 25, 2018, which was not availed by the. Accordingly, the Noticees were once again given one more opportunity to carry out inspection of documents on November 15, 2018. I note from the records that the ARs of the Noticee carried out inspection of documents on November 15, 2018. Pursuant to carrying out inspection of documents, the Noticees filed their reply vide letter dated February 6, 2019.

16. Thereafter, the Noticees were given an opportunity of hearing on October 16, 2020, which was communicated vide email dated September 25, 2020. In view of the prevailing circumstances owing to Covid-19 pandemic, the hearing was scheduled through video conferencing on Webex platform. The ARs vide email dated October 14, 2020 sought short adjournment of hearing, which was acceded to and accordingly the hearing was rescheduled to October 22, 2020. The ARs of the Noticees appeared before me on October 22, 2020 and October 27, 2020 through videoconference and reiterated the written submissions made by the Noticees vide letter dated January 19, 2018 and February 6, 2019 and also made detailed oral submissions. Further, the ARs requested a time period of 5 days to make additional submissions, which was acceded to. Vide email dated October 31, 2020, the ARs submitted a short note of arguments on behalf of the Noticees.

17. The reply furnished by the Noticees vide letters/Email dated January 19, 2018, February 6, 2019 and October 31, 2020 is summarized hereunder:

    (a) The Noticees had every intention of undertaking a buy-back transaction and in fact actually undertook it. Cairn India deposited a substantive sum of Rs. 143.125 crores in escrow, which was eventually released only on 12.02.2016, which even at a 10% interest rate (as applied by SEBI) has in fact caused a loss of over Rs. 20 crores to Cairn India and its shareholders and stakeholders;

(b) There can be no allegation that no orders were seriously placed or that any choice was affected by Cairn India to pick one exchange over the other. The Company while placing orders categorically instructed its brokers that the orders can be placed on NSE and/or BSE and the brokers themselves used their discretion where to place the orders. It was not as if that the Company had asked the brokers not to place orders on NSE and/or to place orders only on BSE. A few sample e-mails whereby the orders were placed by the Company evidencing the same are enclosed. It is further submitted that, as aforesaid, the only reason for non-completion was increase in price during the relevant period beyond the maximum buy back price which was beyond control of the Company and the same has been accepted to be so by SEBI by releasing the escrow amount, as aforesaid.

(c) Out of the 123 trading days, on 65 days, the price went up above the maximum possible buy-back price of Rs. 335. Admittedly, the volume weighted average price for the period 23.01.2014 to 22.07.2014 i.e., the buy-back period of six months was Rs. 342.83 on the NSE and Rs 348.48 on the BSE, both higher than the maximum buy-back price of Rs. 335 per share

(d) The Buy-back was approved by board of Cairn India on 26.11.2013, whereas by the time it commenced on 23.01.2014 and was well underway, the market witnessed a significant bull run – admittedly, the 30-stock BSE Sensex and the 50-stock Nifty index witnessed an increase of over 22% while the shares of Cairn India shot up by more than 6% in the period;

(e) Therefore, there was not only no price manipulation but also there was no question of any deliberate action being the cause of the entire amount earmarked for buy-back not being absorbed;

(f) Regulation 15B(8) explicitly recognizes the possibility of such circumstances being outside the control of the parties rendering it impossible to buy-back to expend at least 50% of the amount earmarked for the buy-back. If these conditions are not met, the escrow amount is capable of being forfeited, but if they are met, there being no fault on the part of the parties, there is no scope for the escrow amount being forfeited. If conditions of release are satisfied then even the possibility of fraud is entirely ruled out and they both cannot exist at the same time. Fraud can be alleged only if the conditions of release are not satisfied.

(g) After detailed and repeated scrutiny, it became clear to SEBI that there is no case to allege that there was any deliberate action on the part of Cairn India to violate the regulations and the escrow amount was released;

(h) Even when the matter was considered for reference to a quasi-judicial scrutiny, it was made quite clear that on the same set of facts and circumstances, it would not be tenable or appropriate to allege fraud.

(i) The facts and circumstances around in the case of Cairn India, leading to the escrow amount being released are quite similar to the facts and circumstances in other contemporaneous cases of buy-back transactions where too no action was sustained and the escrow amount was released – see cases of Great Eastern Shipping.

(j) The allegation in the SCN that Cairn India chose to transact on the BSE more than on the NSE is belied by the fact that there is documentary evidence demonstrating that the opposite is true - Cairn India expressed no desire and exercised no choice on which exchange the trades should be attempted;

(k) The analysis of the purchase orders of Cairn India in comparison with the purportedly available sell orders in the market in paragraphs 16 and 17 of the SCN is flawed because: -

i. The analysis presumes that there were no other buyers in the shares on the two exchanges and that the entire sale order book was available for Cairn India; and
ii. The data does not have any analysis of time of sale order entry to be able to see which orders at what price were available at which time of the day;
iii. Most importantly, the sale order book (or the purchase order book) on a stock exchange is not available to the entire market in granular detail for a party to make a conscious choice on whether to ignore the order book or attempt to match it;

(l) The supply side of Cairn India shares was also constrained by 8.93 % held by LIC being unavailable for purchase since LIC did not intend to sell at all; and the 9.65 % held by Cairn Plc UK being incapable of being sold due to an attachment order dated 22.01.2014 passed by the tax authorities under Section 281B of the Income Tax Act in relation to dispute over tax deduction at source akin to the Vodafone case;

(m)No allegation of the premium of 4% to the market price at the time of the announcement being narrow can be made since the maximum price represented a 4% premium over the average of weekly high and low price during two preceding weeks prior to announcement; a 7% premium over the average daily closing price since 1.07.2013 till the announcement and a 23% premium over the 52-week low price.

(n) Well qualified and reputed professionals registered with SEBI as merchant bankers were appointed as merchant bankers to the buy-back and similarly, well qualified and reputed professionals registered with SEBI were appointed as brokers for the buy-back transactions;

(o) Despite all these uphill circumstances, by sheer dint of hard work by the professional intermediaries, Cairn India managed to effect a buy-back of 3.67 crore shares, and in fact spent Rs. 1,225 crores to purchase the shares – not a small sum to be spent by someone who has no intention of spending money on a buy-back. The aforesaid sum of Rs. 1,225 crores represent 21.48% of the capital earmarked for the buy-back;

(p) Cairn India was so serious about the buy-back that it requested SEBI for extension of the buy-back period beyond the 6 months period which was rejected by SEBI as not being empowered to grant such extension. If there was a fraudulent intent and no desire to actually effect a buy-back, Cairn India would not have sought more time to continue persisting and trying with the buy-back;

(q) It cannot be argued that to disprove a future misplaced allegation of fraud, a company effecting a buy-back should place purchase orders at least to the extent of the average number of shares per trading day during the buy-back period for meeting the 50% target – the regulations consciously and deliberately do not impose any such requirement and the SCN seeks to legislate non-existent provisions;

(r) More importantly, any such mandatory entry of purchase orders as a matter of law or interpretation of law would in fact lead to a manipulative price shoot-up because bulky purchase orders at a high price would lead to the market price reacting and that would be manipulative; and in fact, adopting such an approach to purchases in a buy-back would lead to a lesser offtake because the price would go outside the range and render it impossible to buy more shares;

(s) Cairn India had been placing orders on daily basis. Details of orders placed by Cairn India during the buy-back period is provided. In the initial weeks, the Company had followed a prudent approach and placed the orders for purchase of shares after reviewing the market trend and studying the market price of the scrip of the Company. The Company avoided any aggressive purchases or even placing large orders on the exchanges to avoid any distortion to the market equilibrium. Any large order by the Company would have resulted in creating huge demands and affecting the supply of the shares which would then have affected the price of the scrip. When any announcements are made by the company to the shareholders, it is quite

common that the underlying price of the scrip gets affected and keeping such market sentiments in mind, the Company decided to not accelerate or affect any price movements in the scrip. The Company thus followed a prudent approach while placing the buy-back orders. All the orders placed by the Company were in tandem with the then prevailing market price of the scrip of the Company. The prudent approach in placing orders was also considered appropriate especially in a speculative market where it would be a fallacy to place bulk orders without understanding the securities market. The above approach was also supported by the fact that the Buy-Back Regulations prescribed a time period of 6 months for completing the buy-back obligations. The Company was confident of completing its buy-back obligations over the period of 6 months.

(t) *During the period from end of November 2013 to July 22, 2014, the BSE Sensex had moved from 20,500 to 26,026, and NSE Nifty has moved from 6,100 to 7,768, i.e., a gain of approximately 27% in both exchanges. As a result, the share price of CIL remained over INR 335 per share for a long period of time i.e., 65 working days out of the 123 working days (in the 6-month period), and this prevented the Company from completing its buy-back obligation*

(u) *The Company had placed orders on almost all 123 working days and as explained above, the price of CIL's share was above INR 335 per share for most of the time during the period of buy-back. Consequently, even when the Company was placing the buy orders @ INR 335 per share, there were no corresponding sell orders to match the buy price.*

(v) *Out of total 123 trading days during the buy-back period (23.01.2014 to 22.07.2014), on 65 days (i.e., from 02.04.2014 to 23.04.2014 and from 12.05.14 to 22.07.2014) the price of Cairn India remained above the maximum buy back price of Rs. 335. Cairn India could not have known in the beginning of the buy-back period that price of Cairn India would remain above INR 335 during most of the later period of 6 month buy-back period. In effect Cairn India got less than 3 months to complete the buy-back. Thus, no charge of fraud in case of buy-back through market purchase can be made/sustained without this allegation;*

(w) *SEBI has already examined the issue of non-completion of the buy-back while considering Regulation 15(B)(8) of Buy-Back Regulations for release of the escrow amount. After in-depth examination of all the relevant facts/materials, SEBI has come to conclusion that: -*

i *There was no impact of the public announcement on volume or price. This finding completely negates the "sine qua non allegation" made in para 29 of SCN;*

ii *The non-completion was due to:*
   a) inadequate sell orders despite the buy orders placed by the company on the stock exchanges; and
   b) VWAMP during the buy-back period was higher than the buy-back price.

(x) Regulation 14(3) of the Buy-back Regulations which obligates the company to ensure that at least 50% of the amount earmarked for the buy-back is utilized for buying-back shares, is "directory" in legal character as opposed to being "mandatory" in legal character since Regulation 15B(8) provides for situations where the consequences for Regulation 14(3) not being met, would not apply.

(y) In view of all the above, it is submitted that despite the price being above INR 335 for most of the buy-back period, Cairn India was able to buy-back shares worth Rs 1225.45. Cairn India had the intention to effect the buy-back and such intention was fully backed by action to execute the buy-back and convert the such intention into fruition.

CONSIDERATION OF ISSUES

18. I have taken into consideration the facts and material available on record. I observe that the allegation levelled against the Noticee 1 is that it had made misleading announcement regarding buyback of shares designed to influence the decision of investors and to induce sale or purchase of securities. After the announcement of the buyback, the Noticee 1 failed to put in enough buy orders at appropriate time towards the aim of completing the buyback hence failed to show intent and acted fraudulently. The Noticees 2 to 3 are alleged to have facilitated the Company in making the said misleading announcement, which is in violation of the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(K) and (r) of the SEBI (PFUTP) Regulations and Regulation 19(1)(a) of the SEBI (Buyback) Regulations.

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

ISSUE I: *Whether the Noticees have violated the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4(2) (k) and (r) of the SEBI (PFUTP) Regulations and Regulation 19(1)(a) of the SEBI (Buyback) Regulations?*

ISSUE II: *Does the violation, if any, attract monetary penalty under Section 15HA and 15HB of SEBI Act.?*

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

ISSUE I: Whether the Noticees have violated the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4(2) (k) and (r) of the SEBI (PFUTP) Regulations and Regulation 19(1)(a) of the SEBI (Buyback) Regulations?

20. Before moving forward, it is pertinent to refer to the alleged relevant provisions SEBI (PFUTP) and SEBI (Buyback) Regulations.

Regulation 3 of PFUTP Regulations

3. No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

Regulation 4 of SEBI (PFUTP) Regulations

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;
(r) planting false or misleading news which may induce sale or purchase of securities.

Regulation 19(1)(a) of SEBI (Buyback) Regulations

The company shall ensure that, —
(a) the letter of offer, the public announcement of the offer or any other advertisement, circular, brochure, publicity material shall contain true, factual and material information and shall not contain any misleading information and must state that the directors of the company accepts the responsibility for the information contained in such documents;

Brief background of the Company

21. Cairn is one of the biggest private sector exploration and production company in India. It is primarily engaged in the business of surveying, prospecting, drilling, exploring, acquiring, developing, producing, maintaining, refining, storing, trading, supplying, transporting, marketing, distributing, importing, exporting and generally dealing in minerals, oils, petroleum, gas and related by-products. Cairn was incorporated on August 21, 2006 as a subsidiary of UK-based Cairn Energy PLC. On January 9, 2007, Cairn is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE).

22. Cairn India Ltd., has merged with Vedanta Ltd., through a scheme of arrangement approved by NCLT, Mumbai bench vide its Order dated March 23, 2017 and which was made effective April 11, 2017.

23. The shareholding pattern of the company for the quarter ended December 2013 till the quarter ended December 2014 is as under:

Particular	Quarter ended Dec 2013			Quarter ended March 2014			Quarter ended June 2014		
	No. of share-holders	No. Of shares	%	No. of share-holders	No. Of shares	%	No. of share-holders	No. Of shares	%

Promoter Holding	3	1122713999	58.76	3	1122713999	58.85	3	1122713999	59.9
Non-Promoter Holding	253922	788085727	41.24	240018	784915872	40.15	232157	751482582	40.10
Total share capital	253925	1910799726	100.00	240021	1907629871	100.00	232160	1874196581	100.00

Particular	**Quarter ended Sept 2014**			**Quarter ended Dec 2014**		
	No. of share-holders	**No. Of shares**	**%**	**No. of share-holders**	**No. Of shares**	**%**
Promoter Holding	3	1122713999	59.89	3	1122713999	59.88
Non-Promoter Holding	243733	752039071	40.11	263843	752119683	40.12
Total share capital	243736	1874753070	100.00	263846	1874833682	100.00

24. The details of the promoter shareholding for the period December 2013 to December 2014 is as under:

S. No.	**Name**	**No of shares**	**% of shareholding**	**Pledged shares**	**% of promoter share holding**	**% of total shareholding**
1	Twin Star Mauritius Holdings Ltd	73,88,73,586	38.67	738873586	100	38.67
2	Sesa Sterlite Ltd	35,11,40,413	18.38	0	0	0
3	Sesa Resources Ltd	3,27,00,000	1.71	0	0	0
Total		**1,12,27,13,999**	**58.76**	**738873586**	**-**	**38.67**

It was observed that promoter shareholding remained same for the quarter ended December 2013 to Quarter ended December 2014

25. The price volume analysis of the scrip on BSE and NSE, before, during and after the investigation period is as under:

BSE

Period	**Dates**		**Opening Price (volume) on first day of the period(Rs)**	**Closing price (volume) on last day of the period (Rs.)**	**Low price(volume) during the period (Rs.)**	**High Price(volume) during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period**
Before Investigation period	**(22/10/2013– 22/01/2014)**	**Price**	332.8	323.8	307.5	332.55	1,33,152 (65)
		Vol	470552	51480	379044	470552	
During Investigation Period	**(23/01/2014 – 22/07/2014)**	**Price**	321	343.1	320.2	382.75	1,89,027 (123)
		Vol	86087	219411	31092	407180	
After investigation period	**(23/07/2014 – 23/10/2014)**	**Price**	343	288.95	273.65	345.7	1,92,044 (60)
		Vol	173748	65063	377728	173748	

NSE

Period	Dates		Opening Price (volume) on first day of the period(Rs)	Closing price (volume) on last day of the period (Rs.)	Low price(volume) during the period (Rs.)	High Price(volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	(22/10/2013 – 22/01/2014)	Price	333	321.65	307.75	332.65	20,31,767 (65)
		Vol	4322121	8632931	2195369	4322121	
During Investigation Period	(23/01/2014 – 22/07/2014)	Price	321.65	343.1	320.05	382.8	24,35,171 (123)
		Vol	1813886	1415081	3530850	2447306	
After investigation period	(23/07/2014 – 23/10/2014)	Price	343.95	289.05	273.65	345.55	24,53,576 (60)
		Vol	1775895	414432	4342932	1775895	

26. During the period of investigation, BSE Sensex moved from 21373.66 to 26025.8 registering an increase of 4652.14points (21.76 %) and NSE Nifty moved from 6345.65 to 7765.85 registering an increase of 1422.2 points (22.14%). During the same period, price of the scrip in BSE & NSE moved from ₹321 to ₹343.1 and from ₹321.65 to ₹343.1 registering an increase of ₹22.1 (6.88%) and ₹21.45 (6.67%) respectively.

27. Cairn made a Public announcement on January 14, 2014 for buyback of 17,08,95,522 equity shares of ₹10/- each at a maximum price of ₹335/- per share for a maximum amount of ₹5,725 crores from the open market route in accordance with SEBI (Buyback) Regulations, 1998 The amount earmarked for buyback by Cairn was₹5725 Crore, whereas amount utilized for buying-back shares by Cairn was₹1,225.45 Crore (only 21.4 % of the amount earmarked for buyback). The Company was able to buyback a total of 3,67,03,839 shares which represented 21.48% of the maximum buyback shares

Findings

28. An analysis of sell orders placed at NSE and BSE was carried out during buyback period, on days when buyback orders were placed by Cairn, the details of which are as under:

NSE

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
1	24-Jan-14	1100	26542385	-26541285
2	27-Jan-14	138709	19241818	-19103109
3	03-Feb-14	867012	25253043	-24386031
4	04-Feb-14	1051713	22442272	-21390559
5	05-Feb-14	976376	9126166	-8149790
6	06-Feb-14	60000	18459964	-18399964
7	07-Feb-14	500	11381693	-11381193
8	14-Feb-14	739606	12482361	-11742755
9	17-Feb-14	1381771	13115865	-11734094
10	18-Feb-14	500	40742858	-40742358
11	20-Feb-14	5000	13568657	-13563657
12	21-Feb-14	10000	16683366	-16673366
13	03-Mar-14	5000	11300134	-11295134
14	04-Mar-14	5000	11790472	-11785472
15	06-Mar-14	5000	13018020	-13013020
16	07-Mar-14	5000	15768450	-15763450
17	14-Mar-14	64700	6702091	-6637391
18	18-Mar-14	5000	8166733	-8161733
19	21-Mar-14	3000	5192773	-5189773
20	24-Mar-14	2000	3471195	-3469195
21	25-Mar-14	2000	4736328	-4734328
22	26-Mar-14	2000	3144109	-3142109
23	31-Mar-14	2000	7540411	-7538411
24	01-Apr-14	2000	2371767	-2369767
25	02-Apr-14	2000	120595	-118595
26	03-Apr-14	2000	69807	-67807
27	04-Apr-14	500	67348	-66848
28	25-Apr-14	10234671	15176701	-4942030
29	28-Apr-14	2610000	2732829	-122829
30	29-Apr-14	3507745	3418033	89712
31	30-Apr-14	990000	1390378	-400378
32	02-May-14	3142559	7024769	-3882210
33	05-May-14	2800000	3156725	-356725
34	06-May-14	3900000	2175110	1724890
35	07-May-14	2089248	1777495	311753
36	08-May-14	910000	689659	220341
37	09-May-14	7750000	10551956	-2801956
38	12-May-14	450000	86087	363913
39	13-May-14	650000	133704	516296

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
40	14-May-14	200000	85678	114322
41	15-May-14	620000	173332	446668
42	16-May-14	600000	125718	474282
43	19-May-14	100000	168733	-68733
44	20-May-14	100000	79431	20569
45	21-May-14	100000	294349	-194349
46	22-May-14	100000	152165	-52165
47	23-May-14	100000	149357	-49357
48	26-May-14	100000	294923	-194923
49	28-May-14	50000	114277	-64277
50	29-May-14	100000	232748	-132748
51	30-May-14	900000	165722	734278
52	02-Jun-14	500000	94503	405497
53	03-Jun-14	200000	125189	74811
54	04-Jun-14	500000	247901	252099
55	05-Jun-14	500000	336680	163320
56	06-Jun-14	200000	239206	-39206
57	12-Jun-14	5000	131608	-126608
58	13-Jun-14	50000	309002	-259002
59	16-Jun-14	50000	178279	-128279
60	17-Jun-14	50000	201917	-151917
61	19-Jun-14	50000	103061	-53061
62	20-Jun-14	50000	115313	-65313
63	23-Jun-14	50000	74398	-24398
64	26-Jun-14	200000	134174	65826
65	27-Jun-14	50000	98961	-48961
66	30-Jun-14	50000	80499	-30499
67	01-Jul-14	50000	129786	-79786
68	02-Jul-14	50000	80880	-30880
69	03-Jul-14	50000	111799	-61799
70	04-Jul-14	50000	52649	-2649
71	07-Jul-14	50000	151850	-101850
72	08-Jul-14	50000	92372	-42372
73	09-Jul-14	50000	121830	-71830
74	10-Jul-14	50000	91737	-41737
75	11-Jul-14	50000	121956	-71956
76	14-Jul-14	200000	193570	6430
77	15-Jul-14	300000	61168	238832
78	16-Jul-14	300000	112524	187476
79	17-Jul-14	200000	58834	141166

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
80	18-Jul-14	50000	46392	3608
81	21-Jul-14	200000	36715	163285
82	22-Jul-14	200000	34026	165974

BSE

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
1	23-Jan-14	1168515	510828	657687
2	24-Jan-14	1592149	486191	1105958
3	27-Jan-14	1398110	590472	807638
4	28-Jan-14	1189681	644368	545313
5	29-Jan-14	895184	679228	215956
6	30-Jan-14	590783	432785	157998
7	31-Jan-14	645198	510538	134660
8	03-Feb-14	453654	729281	-275627
9	04-Feb-14	1494317	1697321	-203004
10	05-Feb-14	395512	344302	51210
11	06-Feb-14	1267311	675838	591473
12	07-Feb-14	1039116	710550	328566
13	10-Feb-14	846009	754062	91947
14	11-Feb-14	767096	487341	279755
15	12-Feb-14	1454485	942314	512171
16	13-Feb-14	493232	328212	165020
17	14-Feb-14	823487	536705	286782
18	17-Feb-14	528247	338020	190227
19	18-Feb-14	446857	431566	15291
20	19-Feb-14	456510	264619	191891
21	20-Feb-14	1028172	863622	164550
22	21-Feb-14	434535	287954	146581
23	24-Feb-14	487002	244369	242633
24	25-Feb-14	694524	419975	274549
25	26-Feb-14	524728	275455	249273
26	28-Feb-14	565039	356094	208945
27	03-Mar-14	583144	396068	187076
28	04-Mar-14	542051	334508	207543
29	05-Mar-14	649344	519925	129419
30	06-Mar-14	687222	488555	198667

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
31	07-Mar-14	946980	575300	371680
32	10-Mar-14	1462117	526505	935612
33	11-Mar-14	880499	546584	333915
34	12-Mar-14	777761	333994	443767
35	13-Mar-14	702796	372218	330578
36	14-Mar-14	460167	422060	38107
37	18-Mar-14	757392	554089	203303
38	19-Mar-14	618369	374793	243576
39	20-Mar-14	509120	279989	229131
40	21-Mar-14	524340	249044	275296
41	22-Mar-14	258015	102615	155400
42	24-Mar-14	493398	256101	237297
43	25-Mar-14	789836	473399	316437
44	26-Mar-14	567998	260480	307518
45	27-Mar-14	569140	279328	289812
46	28-Mar-14	750348	514263	236085
47	31-Mar-14	514628	242853	271775
48	01-Apr-14	5310795	167325	5143470
49	02-Apr-14	1170258	1583	1168675
50	03-Apr-14	763239	4602	758637
51	04-Apr-14	967886	1706	966180
52	07-Apr-14	621883	1380	620503
53	09-Apr-14	599605	3759	595846
54	10-Apr-14	1500709	3972	1496737
55	11-Apr-14	784002	3059	780943
56	15-Apr-14	651478	1685	649793
57	16-Apr-14	907181	1297	905884
58	17-Apr-14	1051511	6793	1044718
59	21-Apr-14	903251	1274	901977
60	22-Apr-14	733382	2487	730895
61	23-Apr-14	2094524	8490	2086034
62	25-Apr-14	2293738	687105	1606633
63	28-Apr-14	1077184	285151	792033
64	29-Apr-14	643608	227035	416573
65	30-Apr-14	459108	31451	427657
66	02-May-14	554805	423126	131679
67	05-May-14	391295	71351	319944
68	06-May-14	388122	24936	363186
69	07-May-14	677617	60929	616688
70	08-May-14	451482	8815	442667
71	09-May-14	1896125	625299	1270826

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
72	12-May-14	636023	4578	631445
73	13-May-14	1039464	16317	1023147
74	14-May-14	818283	6572	811711
75	15-May-14	916118	14435	901683
76	16-May-14	1484366	5609	1478757
77	19-May-14	1447006	2299	1444707
78	20-May-14	897515	3521	893994
79	21-May-14	707425	1207	706218
80	22-May-14	614453	3129	611324
81	23-May-14	701266	4826	696440
82	26-May-14	2261653	8136	2253517
83	27-May-14	677156	2280	674876
84	28-May-14	707125	999	706126
85	29-May-14	1160723	1246	1159477
86	30-May-14	890717	1885	888832
87	02-Jun-14	1043347	5174	1038173
88	03-Jun-14	1578255	2110	1576145
89	04-Jun-14	1489096	1717	1487379
90	05-Jun-14	3281480	2025	3279455
91	06-Jun-14	3502679	3041	3499638
92	09-Jun-14	1650886	3263	1647623
93	10-Jun-14	1480307	14163	1466144
94	11-Jun-14	2076315	2269	2074046
95	12-Jun-14	1089426	3670	1085756
96	13-Jun-14	2474493	4136	2470357
97	16-Jun-14	2382773	3461	2379312
98	17-Jun-14	2028734	6286	2022448
99	18-Jun-14	1336828	5567	1331261
100	19-Jun-14	1171143	1236	1169907
101	20-Jun-14	864764	1585	863179
102	23-Jun-14	568022	3362	564660
103	24-Jun-14	681638	1722	679916
104	25-Jun-14	455520	1252	454268
105	26-Jun-14	906250	1238	905012
106	27-Jun-14	644930	4838	640092
107	30-Jun-14	575129	1746	573383
108	01-Jul-14	645232	2163	643069
109	02-Jul-14	556856	2073	554783
110	03-Jul-14	504148	700	503448
111	04-Jul-14	771637	2147	769490
112	07-Jul-14	734028	2683	731345

Sl. No.	Date	Quantity for Buy Side - Cain India Limited at or below ₹335	Quantity for Sell Side - Across Market at or below ₹335	Diff between Buy orders placed by Cairn - Sell orders available
113	08-Jul-14	728834	2064	726770
114	09-Jul-14	1324174	4824	1319350
115	10-Jul-14	2044308	4636	2039672
116	11-Jul-14	1079040	1671	1077369
117	14-Jul-14	9495452	15440	9480012
118	15-Jul-14	763944	3974	759970
119	16-Jul-14	824483	2515	821968
120	17-Jul-14	805965	2026	803939
121	18-Jul-14	810847	2294	808553
122	21-Jul-14	750331	3578	746753
123	22-Jul-14	974344	1885	972459

29. It is noted from the above two tables that out of the 123 trading days, buy orders were placed by Cairn for 82 days on NSE and all 123 days on BSE. Cairn in its reply submitted that there cannot be any fault finding in terms of the rationale or decision by the company in placing the orders on the stock exchange. Cairn in its replies provided details of its orders and asserted that it was placing order on a daily basis.

30. While Cairn's claim of putting orders on daily basis with regards to BSE is true, failure to do so on NSE where the number of sell orders available were substantially more than at BSE, is evident and is further analysed below. The analysis of trades of Cairn under the buyback programme vis-à-vis price volume of NSE and BSE is as under:

31. The size of the buyback was ₹5725 crores or 17,08,95,022 shares at the maximum buyback price of ₹335.Thus, in terms of regulation 14(3) of SEBI (Buyback) Regulations, Cairn had to ensure buy back of shares worth ₹2862.5 Crores which means at least 8,54,47,761 shares or more at buy back price of ₹335 or less.

32. Since there were 123 trading days in the 6-month buyback period, the daily requirement of Cairn to achieve the 'buyback size', would be to buyback

13,89,390 shares everyday assuming the closing price was favourable each day.

33. Based on the historical daily traded volume and actual deliverable quantity at both NSE and BSE, across calendar years 2012 and 2013, following table can be construed in terms of daily requirement of Cairn to purchase shares in the buyback:

2012		**2013**		**Daily requirement of Cairn to achieve 'buyback size'**	**2012**		**2013**	
Average daily traded volume					% of quantity required daily (as a percentage of daily traded volume)			
NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
27,68,489	5,63,299	23,49,370	2,03,739	13,89,390	50%	247%	59%	682
Average daily Delivered volume					% of quantity required daily (as a percentage of daily delivered volume)			
NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
22,12,890	2,92,525	16,08,070	99,886		63%	475%	86%	1391%

34. It can be seen from the table that at BSE, the daily traded volumes during 2012 and 2013 were always insufficient to fulfil Cairn requirement under its buyback programme. As can be seen from right half of the above table, if the daily volumes in 2014 remained similar to those in 2012 and 2013, and price remained favourable, Cairn had to buy daily at least 50% of the daily traded volume of NSE, to come even anywhere closer to achieving the 'buyback size'. To achieve 50 % minimum buyback target, Cairn had to buy at least half this quantity daily.

35. The closing price would be favourable if it was less than or equal to the maximum buyback price of ₹335. The premium margin fixed by Cairn for the maximum buyback price reduced the probability of the closing price remaining favourable during the buyback period.

36. I note from the submissions made by the Noticees that there is no regulatory requirement that buy-back should place purchase orders at least to the extent of the average number of shares per trading day during the buy-back period for meeting the 50% target. However, given the magnitude of the issue size and the number of shares to be bought back, I am of the view that high degree of monitoring should have been put in place taking into consideration the existing trading pattern in the previous years and also vying the demand and supply of shares on the Exchanges, to ensure that at least 50% of the target should be fulfilled. However, in the instant case, I note that the Company was able to buyback only 3,67,03,839 shares which represented 21.48% of the maximum buyback shares of 17,08,95,522 equity shares and utilized an amount of ₹1,225.45 Crore (only 21.4 % of the amount earmarked for buyback) as against amount earmarked for buyback by Cairn was ₹5,725 Crore.

37. Thus, I note that for the purpose of ensuing successful buyback of the maximum number of shares, the daily buyback requirement of Cairn to fulfil full buyback size was 13,89,390 shares. However, given that the premium for maximum buyback price was low and thus the reduced likelihood of the market price remaining favourable on all 123 days, Cairn had to necessarily put buy orders even larger than the minimum daily requirement of 13,89,390 at NSE (whenever price was favourable) notwithstanding the volumes of BSE. Anything less than this clearly indicates lack of intent to fulfil obligation towards completing buyback.

38. Since to achieve the buyback target, Cairn had to necessarily buy large volumes from NSE as mentioned above, it was analysed whether Cairn had put in enough orders at NSE to show intent towards achieving the buyback target.

NSE Volume details

Total No. of Trading days for buybac k	No. of days closing price favourable (<=335)	Average daily volume traded on all 123 trading days	Daily Average delivered quantity on all 123 days	Total quantity traded on 123 days	Total quantity traded on 54 favourable days	Total quantity delivered on 123 days	Total quantity Delivered on 54 favourable days	Actual bought quantity	% of bought to total traded on favoura ble days

A'	B'	X'	Y '	X'*123	Z'='X'*54	='Y'*123	='Y'*54	K '	='K'/'Z'
123	54	24,35,171	17,28,579	29,95,26,050	13,14,99,241	21,26,15,244	9,33,43,278	3,60,34,541	27.40%

39. From the above table of analysis, the following is noted:

    a) Out of the 123 trading days, Cairn put in buy orders only on 82 days. Over all, Cairn bought 3,60,34,541 shares on NSE, during the buyback period which is not even 25% of the buyback size advertised.

    b) On 54 out of 123 days, the closing price at NSE remained favourable for buyback. Out of such 54 days, Cairn had placed orders only on 30 days.

    c) Even in those 30 days, Cairn put in order for 5,000 or less shares on 14 days.

    d) On only 13 out of 54 favourable trading days Cairn had put in buy orders for more than 1,00,000 (1 lakh) shares and out of such orders, Cairn was able to buy back 2,69,89,428 shares.

    e) Observing the buy order/trade logs of Cairn at NSE during the buyback, it is seen that the days on which Cairn bought minimum 1,00,000 quantity – the ratio of the total quantity bought by Cairn (3,59,70,082) to the total volume traded (6,98,96,214) was 51.46 %.

40. I note that the days on which the market price remained favourable and Cairn did not put in any orders, the total quantity was 4,60,03,441 shares. Assuming 50% of this quantity was also bought by Cairn, then Cairn would have been able to buy 2,30,00,000 shares more on NSE. Thus, Cairn could have bought a total of 5,90,34,541 shares on NSE instead of the 3,60,34,541 shares it actually bought.

41. An analysis of buy orders placed by Cairn at BSE is as under:

BSE Volume details

Total No. of Trading days for buyback	No. of days closing price favorable (<=335)	Daily Average volume traded on all 123 trading days	Daily Average delivered quanitity on all 123 days	Total quantity traded on 123 days	Total quantity traded on 55 favorable days	Total quantity delivered on 123 days	Total quantity Delivered on 55 favorable days	Actual bought quantity	% of bought to total traded on favorable days
A'	**B'**	**X'**	**Y '**	X'*123	Z'='X'*55	='Y'*123	='Y'*54	**K '**	='K'/'Z'
123	55	1,89,028	81,908	2,32,50,430	1,03,96,534	1,00,74,638	45,04,919	6,69,298	6.44%

42. As stated in the pre-paragraphs, the daily traded volumes at BSE during 2012 and 2013 were always insufficient to fulfil Cairn requirement under its buyback programme, it was still analysed whether Cairn had put in enough orders even at BSE which could supplement its buying from NSE and could have helped it in achieving the buyback target. As can be seen from the above table, even at BSE, Cairn has bought only 6.44% of the traded quantity on the favourable closing price days thus showing its lack of intent in achieving the buyback target.

43. From the above table of analysis, the following is noted:

    a) Cairn could have bought a total of 5,90,34,541 shares on NSE (3,60,34,541 shares which it actually bought 2,30,00,000 shares which it could have bought had it placed enough orders on days when the market price was favourable).

    b) In addition, Cairn also bought 6,69,298 shares on BSE. The total buying on NSE and BSE would have taken the total shares bought by Cairn to 5,97,03,839 (5,90,34,541 shares on NSE and 6,69,298 shares on BSE) taking it closer to Minimum Buyback Size of 8,54,47,761 shares. Instead, as it turned out, Cairn actually bought only 3,60,34,541 shares.

44. Cairn was putting buy orders in BSE where volumes were far less whereas Cairn was required to buy more than 50% quantity in NSE to achieve the buyback size, which is evident from the following:

    a) In BSE, on the favourable days, sell orders for only 2,45,93,723 shares were available whereas Cairn placed orders for 4,33,38,624 shares.

b) On the other hand, in NSE, on the favourable days, sell orders were available for 67,50,91,575 shares whereas Cairn placed buy orders for only 3,36,17,210 shares which is merely about 5% of the total shares available for sell.

45. To sum up the above analysis, I note that Cairn, in order to complete the buyback, it should have absorbed the sell orders available on NSE instead of allowing the sell orders at NSE to lapse and placing buy orders on BSE where enough sell orders were not available. Since, Cairn was required to buy a little over 17 crore shares to achieve the buyback target whereas the number of shares available on the favourable days was more than 67 crore shares on NSE as mentioned at paragraph 44(b) above, Cairn would have been able to achieve the buyback target even if it had bought 25% of the shares available for sell in NSE. However, Cairn did not do so.

46. The Noticees in their submissions stated that Cairn while placing orders categorically instructed its brokers that the orders can be placed on NSE and/or BSE and the brokers themselves had used their discretion where to place the orders. However, given the magnitude of the buyback issue (i.e., ₹5,725 crores or 17,08,95,022 shares), I am of the view that the Company cannot just leave it to the discretion of the intermediaries in placing and executing the transactions, rather would oversee the process diligently and if the Company was serious in fulfilling the buyback, would definitely chip-in to suggest the ways and means to achieve at least 50% of the buyback size. However, in the instant case, there is nothing on record to show that it had taken steps effectively in ensuring that at least 50% of the buyback size is fulfilled. Further, I note from the records that the Noticee Company has given instructions to the stockbrokers to place orders on some occasions on both the exchanges viz., BSE & NSE and at times only on BSE. I note from the instructions given by the Company to its stockbrokers in placing the orders that it had not taken into consideration the depth of sell orders available at NSE below the maximum buyback price. Further, I note that there is nothing on record to demonstrate that it had taken effective steps on the progress made on the buyback of shares on day-to-day basis. I find that the instructions given by Cairn to the stockbrokers were rather monotonous, without

taking into consideration the demand for the shares on NSE, which is evident from the order placements by Cairn on NSE.

47. Further, it is noted that BSE and NSE price volume is a publicly available data. Unlike tender offer, any company which is serious about the success of its intended buyback of shares using the stock exchange mechanism would certainly take into consideration the historical price volume on the stock exchanges to analyse the probable impact of its offer on trading in the scrip and the possibility of achieving the buyback target through stock exchanges. Cairn had fixed a buyback target of more than 17 crore shares within the 6-month buyback period thereby requiring Cairn to buy almost 14 lakh shares daily. In the 2 years preceding the buyback, the daily volumes on BSE were in the range of 2 lakh to 5.6 lakh shares while on NSE, the volumes were in the range of 23.50 to 27.70 lakh shares. This meant that while historical volumes on BSE were always insufficient to meet the minimum buyback target, even on NSE, Cairn was required to buyback everyday more than one half of the daily traded volume. Thus, Cairn had given the indicative buyback quantity in the buyback announcement without taking into consideration the historical volumes. This itself indicates a lack of seriousness and intent on the part of Cairn in making the buyback announcement. Therefore, I find no merit in the submissions made by the Noticees that the Company had given suitable instructions to its stockbrokers in placing the buy orders.

48. Cairn vide Public Announcement dated January 14,2014 declared that at the Maximum Buyback Price (₹335) and for the Maximum Buyback Size (₹5,725 crore), the indicative maximum number of shares bought back would be 17,08,95,522 (Maximum Buyback Quantity) and if the shares are bought back at a price below the Maximum Buyback Price, the actual number of shares bought back could exceed the indicative Maximum Buyback Quantity but will always be subject to Maximum Buyback Size.

49. Therefore, Cairn in its Public Announcement also indicated that the shares could be bought back at a price lesser than the Maximum Buyback Price which could result in even greater number of shares being bought back than the

indicative Maximum Buyback Quantity. Thus, Cairn indicated an intent to buyback even more than 17,08,95,522 shares. As it actually turned out, Cairn failed to achieve even the minimum buyback size as it could not buyback even half the number of shares announced by it.

50. The visible reason for Cairn's failure was that it did not place any buy orders on NSE on 24 days and placed orders for less than 5,000 shares on 14 days out of total 54 days on which the price was favourable for buyback, instead it placed orders in BSE where sell orders were much less. Thus, Cairn has not put in enough orders towards achieving the buyback target.

51. An announcement of buyback is generally perceived by investors as a positive announcement indicating a favourable position of the company thereby inducing investors to buy or sell securities at increased price levels. The Public Announcement and subsequent actions of Cairn show that the announcement of buyback by Cairn was a misleading announcement designed to influence the decision of the investors and induce them to trade in the shares of Cairn which is reflected in the increased trading volume after the buyback announcement as brought out in price volume analysis at paragraph 25 above.

52. In view of the foregoing, I conclude that the announcement of buyback of shares by Cairn (Noticee 1) was an announcement without any intent to fulfil it and hence fraudulent. Further, I conclude that P Elango (Noticee 2), being the CEO and Director of Cairn, Aman Mehta (Noticee 3), being the Director on the Board of Cairn and Neerja Sharma (Noticee 4), being the Director – Risk Assurance & Company Secretary of Cairn, who had signed the public advertisement dated January 14, 204 had facilitated the Company in making the said misleading announcement.

53. The Noticees in their reply submitted that, if conditions of release of escrow account are satisfied then even the possibility of fraud is entirely ruled out and they both cannot exist at the same time and thus fraud can be alleged only if the conditions of release are not satisfied.

54. I note that Cairn could not ensure to comply with the requirement of at least fifty per cent of the amount earmarked for buy-back being utilized for buying-back shares. Vide letter dated July 30, 2014, Cairn had submitted that it could not achieve the minimum amount of 50% of buyback size as required under Regulation 14(3) of SEBI (Buyback) Regulations, 1998.

55. Regulation 14 (3) Buyback Regulations reads as –"*The company shall ensure that at least fifty per cent of the amount earmarked for buy-back, as specified in resolutions referred to in regulation 5 or regulation 5A, is utilized for buying-back shares or other specified securities".*

56. In this connection I note that an analysis of Volume Weighted Average Market Price (VWAMP) of the Cairn scrip along with the sell orders during buyback period was carried out for the investigation period. Vide letter dated July 28, 2014, in terms of regulation 15B (8) (a) & (b) of SEBI (Buyback) Regulations, the Merchant Bankers for the buyback issue viz., - Standard Chartered Securities (India) Ltd., and Morgan Stanley India Company Pvt., Ltd., certified as under: -

    a) The volume weighted average market price of equity shares of Cairn during the period of January 23, 2014 to July 22, 2014 i.e., the buyback period was as follows: -

Exchange	**Volume Weighted Average Market Price**
BSE	INR 348.48 per Equity Share
NSE	INR 342.83 per Equity Share

    b) During the period of January 23, 2014 to July 22, 2014, the days on which orders were placed by Cairn, corresponding sell orders at or below Cairn's limit price were inadequate to cover number of shares for which buy orders were placed.

57. The Merchant Bankers for the buyback issue informed that for providing the aforesaid certification, they relied on the following information: -

    a) Data / inputs provided by stock exchanges viz BSE Limited and National Stock Exchange India Limited ("Stock Exchange Data") on the number of shares traded at each price point on the days on which Cairn had; placed Buy-Back orders and;

b) Data provided by Axis Capital Limited and Morgan Stanley India Company Private Limited, the brokers through whom orders had been placed by the Cairn ("Trade Execution Data")

58. However, I note that during the buyback period, VWAMP as certified by BSE and NSE vide email dated January 29, 2015 was higher than the buyback price of ₹335, i.e., ₹348.10 at BSE and ₹343.11 at NSE.

59. The provisions of Regulation 15B (8) of SEBI (Buyback) Regulations reads as under: - *In the event of non-compliance with sub-regulation (3) of regulation 14, except in cases where, -*

> *a. volume weighted average market price (VWAMP) of the shares of the company during the buy-back period was higher than the buy-back price as certified by the Merchant banker based on the inputs provided by the Stock Exchanges.*
>
> *b. inadequate sell orders despite the buy orders placed by the company as certified by the Merchant banker based on the inputs provided by the Stock Exchanges.*
>
> *c. such circumstances which were beyond the control of the company and in the opinion of the Board merit consideration,*

the Board may direct the merchant banker to forfeit the escrow account, subject to a maximum of 2.5 per cent of the amount earmarked for buy-back as specified in the resolutions referred to in regulations 5 or 5A.

60. The Regulation 15B (8) of SEBI (Buyback) Regulations, provides for exemptions from forfeiture of escrow amount due non-fulfilling of minimum buyback size provided in Regulation 14(3) of SEBI (Buyback) Regulations. I note that the clauses (a), (b) and (c) of Regulation 15B(8) of SEBI (Buyback Regulations) which are three conditions for exemption from forfeiture of escrow account, operate independently of each other. Therefore, since VWAMP of the Cairn scrip was higher than the buyback price during the buyback period, in terms of the provisions of Regulation 15B(8) (a) of SEBI (Buyback) Regulations, Cairn was exempted from forfeiture of the escrow amount and accordingly the amount of.2.5% of the buyback size was refunded to Cairn.

61. However, the exemption granted to the Company does not preclude SEBI from initiating an action against the Noticees, if it is found that the buyback announcement by the Company was a misleading one and without an intention to fulfil it. Therefore, I find that the contention raised by the Noticees in this regard is devoid of any merit.

62. Further, the Noticees tried to demonstrate that, Cairn was so serious about the buy-back that it requested SEBI for extension of the buy-back period beyond the 6 months period which was rejected by SEBI. The Noticees contended that if there was a fraudulent intent and no desire to actually effect a buy-back, Cairn would not have sought more time to continue persisting and trying with the buy-back.

63. I note that the timeline of 6 months along with minimum buyback quantity requirements were put in place so as to ensure that genuine open market buybacks are floated in the market. However, in the instant case, I note that the maximum buyback price fixed by Cairn was at a premium (4%) to the WAP during two preceding weeks prior to the Board resolution announcement. Further, it is noted that the Company was not serious in placing sell orders when sufficient sell orders were available and when the price was favourable for buyback. Accordingly, the Company was not granted an extension of the buyback period, since granting any extension of time will dilute the regulatory requirements and would send a wrong signal to the market as a whole. Therefore, the contention raised by the Noticees in this regard does not find any merit.

64. The Noticees also submitted that the facts and circumstances around in the case of Cairn India, leading to the escrow amount being released are quite similar to the facts and circumstances in other contemporaneous cases of buy-back transactions where too no action was sustained and the escrow amount was released (Example: The Great Eastern Shipping Company Ltd.,).

65. I have perused the case quoted by the Noticees and note that The Great Eastern Shipping Company Ltd., (TGESCL) came out with an offer for buyback of its shares in the year 2013. The Board of Directors of TGESCL in its meeting

held on August 8, 2013 approved the proposal for buyback of shares and accordingly the maximum buyback price was fixed at ₹279/-, whereas the WAP (one month prior to board announcement) of the TGESCL scrip was ₹219.38 i.e., with a 27.18% premium. I note that TGESCL was obligated to utilize at least ₹139.50 crores and the minimum number of shares to be bought back calculated at the maximum buyback price was 50,00,000 shares.

66. I note that in the case of buyback of TGESCL, the market low was lesser than the maximum buyback price only on 32 trading days and the WAP was lesser than the maximum buyback price only on 28 trading days during the entire buyback period. It is also noted that TGESCL placed buyback orders of total 62,01,367 shares on 27 days out of these 32 trading days and bought back 15,12,347 shares (15% of the maximum buyback size), which was 22% of the trading volume on these 32 trading days. Thus, I note that TGESCL achieved an average buyback of 47,261 shares per day during the 32 days on which the market low was lesser than the maximum buyback price. It is seen from the order placement by TGESCL that it placed sufficient buy orders in order to fulfil at least 50% of the buyback size, however owing to insufficient sell orders it could not achieve the target. However, in the instant case, it is established that despite sufficient sell orders available on NSE, Cairn could not place sufficient buy orders in order to absorb the sell orders and thus could not achieve at least 50% of the buyback size. In view of the above, it can be seen that the case of TGESCL is totally distinguishable, which does not help the Noticees in any manner.

67. The Noticees in their reply submitted that “when the matter was considered for reference to a quasi-judicial scrutiny, it was made clear that on the same set of facts and circumstances, it would not be tenable or appropriate to allege fraud”. Accordingly, the Noticees claim that the instant case does not warrant any quasi-judication action against them.

68. It is pertinent to note that since Cairn had fulfilled one of the clauses mentioned Regulation 15(B)(8) of SEBI (Buyback) Regulations, Cairn was exempted from

forfeiture of escrow amount and the escrow amount deposited by Cairn was refunded after due consideration of the facts.

69. However, as regards the alleged violation of SEBI (PFUTP) Regulations by the Noticees is concerned, after detailed investigation, it was found that Cairn did not place adequate buy orders despite availability of adequate sell orders at NSE. It is to be noted distinctly noted that the investigation revealed that Cairn was not able to fulfil at least 50% of the buyback issue despite the conditions were favourable to Cairn.

70. It is pertinent to note from the findings at pre-paragraphs that Cairn by not placing adequate buy orders despite availability of adequate sell orders at NSE had perpetrated a fraud by making a misleading announcement regarding buyback of shares designed to influence the decision of investors and to induce sale or purchase of securities. I am of the view that opinion can't take the place of substantiative evidence and therefore, I find no merit in the submissions made by the Noticees in this regard.

71. The Noticees in their submission contended that the analysis of the purchase orders of Cairn India in comparison with the purportedly available sell orders in the market in paragraphs 16 and 17 of the SCN is flawed in view of presumed analysis that no other buyers on the two stock exchanges, no time of sale order of entry and non-availability of sale order book on a stock exchange.

72. I note that a detailed analysis of placement of buy orders by Cairn vis-à-vis sell orders prevailing in the order book were done and the extracts of the same were depicted in the pre-paragraphs 28 to 44 above. It is clearly brought in the aforesaid paragraphs of the historical data in the previous two years to buyback, availability of sell orders and the order placement mechanism adopted by Cairn in two stock exchanges. The analysis of the trade log and order log were done based on the data received from both the stock exchanges viz., BSE & NSE, which is a conclusive evidence. Therefore, the contentions raised by the Noticees in this regard is negated.

73. The Noticee 2 i.e., P Elango submitted that he had stepped down from the post of Interim CEO & Whole Time Director on May 2, 2014 and thus discontinued to be associated with the Company even before the completion of period of 6 months buyback period.

74. It is pertinent to note that the Noticee 2 was part of the Board meeting held in the month of November 2013, wherein a decision to buyback the Company's shares was approved and he was also a Signatory to the Public announcement made in the month of January 2014. Thus, he was very much part of the entire buyback process, baring for last 2 months of the buyback period. However, I am of the view that the Noticee cannot absolve his liability for the misrepresentation while he was part of the Board when the buyback announcement was made and when the issue buyback was in progress, while he was at the helm of affairs. In view of the above, I am not inclined to take a lenient view in this regard.

75. I note that the definition of "fraud" in Regulation 2(1)(c)of the SEBI (PFUTP) Regulations is an inclusive one. It is inclusive with respect to act, expression, omission or concealment committed by any person whether in deceitful manner or not, while dealing in securities in order to induce another person. The definition is also inclusive with respect to knowing misrepresentation, concealment of material fact, suggestion to an untrue fact, active concealment of fact with knowledge, promise without intention to perform, reckless and careless representations, deceptive behaviour, false statement, etc. as listed in points (1) to (8) of regulation 2(1)(c). Further the expression 'dealing in securities' as defined in regulation 2(1)(b) includes an act of buying, selling or subscribing pursuant to any issue of securities or agreeing to buy, sell or subscribe any issue of any security. I, therefore, find that false and misleading information to investors in connection with the buyback of shares would be covered within the scope of Regulations 3 and 4 of the SEBI (PFUTP) Regulations.

76. Further, it is noted from the minutes of the Board meeting of Cairn held on November 26, 2013, wherein with regard to the proposed buyback issue it is

mentioned that *"the public announcement and any other advertisement, circular, brochure and publicity material shall contain true, factual and material information and shall not contain any misleading information and the Directors of the Company accept responsibility for the information contained in such documents".*

77. From the contents of public announcement, I note that the Board of the Company is fully responsible for the contents of public announcement which is also reflected in the language mentioned in Cairn's advertisement dated January 14,2014, which reads as under:

> *4. Directors' Responsibility: As per Regulation 19(1)(a) of the Buy-Back Regulations, the Board accepts responsibility for the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued in relation to the Buy Back Offer and confirm that the information in such documents contains and will contain true, factual and material information and does not and will not contain any misleading information.*
>
> *For and on behalf of the Board of Cairn India Ltd.,*

78. I note that the aforesaid public announcement was signed by the Noticees 2, 3 and 4 in their respective positions as Directors of Cairn. It is established that the Noticees made a misleading announcement regarding buyback of shares to investors in connection with the buyback of shares.

79. At this point it is also pertinent to refer to the observations of Hon'ble SAT in the matter of Brooks Laboratories Ltd., vs. SEBI (decided on March 21, 2018) wherein Hon'ble SAT, emphasizing on the liability of Managing Director and others held as under:

> *"Failure to disclose material information and making false/ misleading statements in the RHP/ Prospectus constitutes serious violation of the*

PFUTP/ ICDR Regulations. Appellants who are Chairman, Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company cannot escape penal liability for the aforesaid violations by merely stating that they had relied on the merchant banker. Appellants were equally responsible to ensure that all material facts were disclosed and further ensure that false and misleading statements were not made in the RHP/ Prospectus."

80. The observations of the Hon'ble SAT as mentioned above is drawn in the instant case, the liability casts on the Board of Directors, who signed the Public Announcement, cannot escape the liability. It is established that Cairn (Noticee 1) did not place enough buy orders at appropriate time towards the aim of completing the buyback, hence failed to show intent and acted fraudulently. The Noticees 2 3, and 4 viz., P Elango, Aman Mehta and Neerja Sharma who had signed the public advertisement dated January 14, 2014 have facilitated the Company in making the said misleading announcement. Accordingly, I hold that the Noticees have violated the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(K) and (r) of the SEBI (PFUTP) Regulations and Regulation 19(1)(a) of the SEBI (Buyback) Regulations.

ISSUE II: Does the violation, if any, attract monetary penalty under Sections 15HA and 15HB of SEBI Act.?

81. It is noted from the above findings that the violation of the provisions of SEBI (PFUTP) Regulations and SEBI (Buyback) Regulations as alleged against the Noticees in the SCN have been established. The said Regulations apart from bringing transparency and fairness among other things aims to preserve and protect the market integrity in order to boost investor confidence in the securities market. The misleading announcement regarding buyback of shares by Cairn was designed to influence the decision of investors and to induce sale or purchase of securities. After the announcement of the buyback, Cairn failed to put in enough buy orders at appropriate time towards the aim of completing the buyback hence failed to show intent and acted fraudulently. The aforesaid acts of the Noticees were not only detrimental to the interest of the investors, but also impairs the integrity of the securities market.

82. Therefore, since the alleged violation against the Noticees stands established, the Noticees are liable for monetary penalty under Sections 15HA and 15HB of SEBI Act, the provisions of which are reproduced hereunder:

Section 15HA of SEBI Act

"If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher".

Section 15HB of SEBI Act

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.

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

83. While determining the quantum of monetary penalty under Sections 15HA and 15HB of SEBI Act, I have considered the factors stipulated in Section 15J of SEBI Act, which reads as under:

Section 15J SEBI Act - Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under Section 15-I of SEBI Act, 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.

84. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the other Noticees and the

loss suffered by the investors as a result of these Noticees' default. The consequences resulting from violations committed by the Noticees are of serious of nature and are prejudicial to the interests of investors in the securities market. If violations of this nature and magnitude are not dealt with seriously with a firm hand then investors will lose faith in the Indian Securities Market.

85. A basic premise that underlies the integrity of the securities market is that persons connected with the securities market conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities. The manner in which the Noticee Company failed to execute buy order when sufficient sell orders were available, demonstrates beyond reasonable doubt the manipulative intent to deliberately to make misleading announcement regarding buyback of shares. Such a conduct by a listed company erodes the trust and confidence of investors and also threatens the integrity of the securities market. Therefore, such lapses need to be dealt with sternly to protect the interest of investors in the securities market. Therefore, I find it appropriate to impose suitable penalty on the Noticee 1. In respect of the Noticees 2, 3 and 4 it is established that they have acted as colluding parties to the above stated scheme, which calls for suitable penalty on the Noticees 2, 3 and 4.

ORDER

86. In view of the foregoing, I, therefore, in exercise of the powers conferred upon me under Section 15I of SEBI Act read with Rule 5 of SEBI Adjudication Rules, hereby impose a penalty on the Noticees as under.

Sl. No.,	Name of the Noticee	Penalty amount in ₹ and words	Imposition of penalty under
1	Cairn India Ltd.,	5,00,00,000 (Rupees Five Crore only)	Section 15HA of SEBI Act for violation of the provisions of Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (k)and (r) of SEBI (PFUTP) Regulations, 2003
		25,00,000/-	Section 15HB of SEBI Act for violation of the

		(Rupees Twenty Five Lakhs only)	provisions of Section 19(1) (a) of SEBI (Buyback) Regulations.
2	P Elango	10,00,000/- (Rupees Ten lakhs only)	Section 15HA of SEBI Act for violation of the provisions of Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (k) and (r) of SEBI (PFUTP) Regulations, 2003
		5,00,000/- (Rupees Five lakhs only)	Section 15HB of SEBI Act for violation of the provisions of Section 19(1) (a) of SEBI (Buyback) Regulations.
3	Aman Mehta	10,00,000/- (Rupees Ten lakhs only)	Section 15HA of SEBI Act for violation of the provisions of Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (k) and (r) of SEBI (PFUTP) Regulations, 2003
		5,00,000/- (Rupees Five lakhs only)	Section 15HB of SEBI Act for violation of the provisions of Section 19(1) (a) of SEBI (Buyback) Regulations.
4	Neerja Sharma	10,00,000/- (Rupees Ten lakhs only)	Section 15HA of SEBI Act for violation of the provisions of Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (k) and (r) of SEBI (PFUTP) Regulations, 2003
		5,00,000/- (Rupees Five lakhs only)	Section 15HB of SEBI Act for violation of the provisions of Section 19(1) (a) of SEBI (Buyback) Regulations.

87. The said penalty imposed on the Noticees, as mentioned above, is commensurate with the violation committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors.

88. The Noticees 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 SEBI website **www.sebi.gov.in** on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

89. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-IV, SEBI, in the format as given in table below:

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

90. In terms of Rule 6 of the SEBI Adjudication Rules, copies of this Order are sent to all the Noticees and also to SEBI.

Date: May 19, 2021
Place: Mumbai

PRASANTA MAHAPATRA
ADJUDICATING OFFICER