BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/HP/2021-22/11995-11997]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 AND UNDER SECTION 23-I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005

In respect of –

1. **Sohan Lal Agarwal (PAN:AIFPA5183P)** having address at -9 New Road, Anugrah Apartment, Alipore, Kolkata - 700027, West Bengal.
2. **Websol Energy System Limited (PAN:AAACW3039L)** having address at- Plot No. 849, Block 'P', 48 Pramatha Choudhary Sarani, 2nd Floor, New Alipore, Kolkata – 700053, West Bengal.
3. **Sima Jhunjhunwala (PAN:AEOPM9836Q)** having address at - Ujaas The Condoville, Block 17, Flat No 402, 69, S.K. Deb Road, Kolkata – 700048, West Bengal.

In the matter of Websol Energy System Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as, '**SEBI**'), initiated adjudication proceedings against Sohan Lal Agarwal (**Noticee 1**), Websol Energy System Limited (**Noticee 2/Company/WESL/Scrip**) and Sima Jhunjhunwala (**Noticee 3**). Noticees 1 to 3 are collectively referred to as **'Noticees/You'**.

2. Adjudication proceedings were initiated against,

a) Noticee 1 under section 15A(b) of SEBI Act, 1992 (hereinafter referred to as, '**SEBI Act**') for alleged violation of Regulation 7(2)(a) of SEBI (PIT) Regulations, 2015 (hereinafter referred to as, '**PIT Regulations**') and Regulation 29(2) read with Regulation 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as, '**SAST Regulations**').

b) Noticee 1 under section 15HB of SEBI Act for alleged violation of Code of conduct as prescribed under Clause 4 and 6 of Schedule B of Regulation 9(1) of PIT Regulations.

c) Noticee 2 under section 15A(b) of SEBI Act for alleged violation of Regulation 7(2)(b) of PIT Regulations.

d) Noticee 2 under section 23E of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as, '**SCRA**') for alleged violation of Regulation 31 (1) read with regulation 4 (1)(e) of SEBI (LODR) Regulations, 2015 (hereinafter referred to as, '**LODR Regulations**').

e) Noticee 3 under section 15A(b) of SEBI Act for alleged violation of Regulation 7(2)(b) read with regulation 9(3) of PIT Regulations.

f) Noticee 3 under section 15HB of SEBI Act for alleged violation of Regulation 6 (2) (a) & (b) read with Regulation 31(1) read with Regulation 4 (1) (e) of LODR Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as '**AO**') *vide* order dated September 28, 2020and December 21, 2020 to inquire into and adjudge under Section15A(b) and 15HBof SEBI Act and Section 23E of SCRA, the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated *vide* order dated November 03, 2020 and December 28, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice No. SEBI/EAD5/MC/HP/20713/2020 dated December 01, 2020 was issued to the Noticees and Supplementary Show Cause Notice No. EAD5/MC/HP/5994/1/2021 dated March 12, 2021 (hereinafter referred to as '**SCN**') was issued to the Noticee 1 in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Rule 4(1) of Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing penalties) Rules, 2005(hereinafter referred to as '**Adjudication Rules**'), to show cause as to why an inquiry should not be held and penalty not be imposed against Noticee 1 in terms of Section 15A(b) and 15HBofSEBI Act, Noticee 2 in terms of Section 15A(b) of SEBI Act and Section 23E of SCRA and against Noticee 3 in terms of Section 15A(b) and 15HB of SEBI Act for the aforesaid alleged violations.

5. The allegations levelled against the Noticees in the SCN are summarized as below:

6. SEBI conducted an investigation in the matter for the period fromApril01, 2018 to June 30, 2018 (**Investigation Period/IP)**.

7. The Company was incorporated in 1990 by Noticee 1 and began production in 1994. It is engaged into the manufacturing of photovoltaic crystalline solar cells and the related modules that transform sunlight into electricity.

8. The Board of Directors of the company during the IP was as given below:

Sr. No.	Name of the Director	Designation	Date of Appointment
1	Mr. Sohan Lal Agarwal	Managing Director	24/02/2012
2	Mrs. Sima Jhunjhunwala	Whole Time Director	14/08/2015
3	Mr. Dharmendra Sethia	Director	14/08/2014
4	Mr. Ritesh Ojha	Director	14/11/2018
5	Mr. Prateek Kaushik	Director	11/02/2015

9. SEBI received a reference dated October 25, 2018 from BSE regarding alleged disclosure violation by Noticee 1, promoter of the company. *Vide* letter dated October 25, 2018, BSE *inter-alia* stated that:

"….it was observed that one of the promoter/ director of the company viz. Mr Sohan Lal Agarwal transferred 1500000 shares in off-market accounting for 5.62% of total no. of shares of the company."

Further, *"it is observed that, Sohan Lal Agarwal has taken an opposite / contra position i.e. within a period of six months from the prior transactions in off market transfer, and hence appears to have not complied with the provisions of Para 10 of Schedule B, read with Regulation 9(1) and (2) of SEBI (PIT) Regulations, 2015….."*. As the transaction were carried out in off-market and the value of transaction was not available with BSE, hence BSE *vide* email dated December 4, 2018 submitted the details of value of transaction, calculated on the basis of closing price of the scrip on the day of transaction.

Disclosure related violation by Noticee 1:

10. Details pertaining to transaction statements of Noticee 1 were sought from CDSL and NSDL. On the basis of the transaction statements, a summary of the off market transactions of Noticee 1 is as under:

Sr No	Date	Buy quantity	Sell quantity	Buy Value (in Rs lakh) (from BSE)	Sell Value (in Rs lakh)	Disclosure required under regulation	Due Date of Disclosure to company	Date of Disclosure to company by promoter	Date of Disclosure to Exchanges (BSE and NSE) by company
1	02/05/2018	0	1250000	0.00	851.88	7(2)(a) of PIT Regulations	04/05/2018	Not Disclosed	Not Disclosed
2	07/05/2018	42600	0	28.58	0.00		09/05/2018	08/05/2018	09/05/2018
3	21/05/2018	0	100000	0.00	51.90		23/05/2018	Not Disclosed	Not Disclosed
4	07/06/2018	0	72000	0.00	37.33		11/06/2018	Not Disclosed	Not Disclosed
5	13/06/2018	0	78000	0.00	42.67		15/06/2018	Not Disclosed	Not Disclosed

11. From the above table it is observed that, during the quarter April 2018- June 2018, Noticee 1, promoter of the company entered into series of transactions. The promoter entity was required to make disclosure to company within two trading days from the date of transaction as mentioned in the above table, under Regulations 7(2)(a) of PIT Regulations for executing aforementioned trades, wherein the value of each transaction exceeded Rs. 10 lakh.

Chapter lll of PIT Regulations reads as follows:

7(2) Continual Disclosures.

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

b) *Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.*

12. Information was sought from BSE and NSE *vide* email dated July 11, 2019 with respect to day-wise trading details, list of and copy of disclosure/s filed under PIT Regulations with the exchange along with supporting documents with regard to transactions done by Notice 1 in the scrip for the period from April 1, 2018 to June 30, 2018.BSE and NSE in its reply *vide* email dated July 12, 2019 and July 15, 2019respectively had *inter alia* mentioned that no trading activity was observed in the scrip by Noticee 1 during the said period. Further, BSE and NSE forwarded the copies of the disclosures received by both exchanges on May 09, 2018 from the company with respect to transaction done by Noticee 1 on May 7, 2018. However, no disclosures pertaining to his other transactions at serial number 1, 3, 4 and 5 of above table 1 were available in the exchange email.

13. Disclosure related information was also sought from the company *vide* email dated July 19, 2019.Company,*vide* email/letter dated July 31, 2019*inter alia* stated "…*that during the period 1 April 2019 to 30 June 2018, Mr Sohan Lal Agarwal had made a single disclosure on 8 May 2018 under SEBI (PIT) Regulations*.'' From the copy of disclosure forwarded by company it was observed that Noticee 1made the disclosure pertained to transaction dated May 07, 2018 (mentioned at serial number 2 of above table).

14. Further, information was also sought from Noticee 1*vide* email dated August 19, 2019 and reminder dated August 26, 2019. Noticee 1 in his reply *vide* email dated August 27, 2019 had *inter alia* stated that-

- "*Please note that I vehemently deny the allegation that I have entered into any contra trades April 1, 2018 to June 30, 2018.As already submitted by me vide my letter dated 2 May 2019, during the said period, I was in need of funds for the purposes of my business. For the purpose of raising such funds, I started approaching potential lenders to avail a loan. I was introduced to a lender who was willing to provide me such loan. After entering into a loan agreement with the lender, as per the terms of the loan agreement I had provided 17,53,000 shares of Websol Energy Systems Limited ('Websol") for creation of security towards the said loan.*

- *Subsequently, I was made aware of the fact that the process of creation of pledge of 17,53,000 shares of Websol based on the loan agreement was not in accordance with applicable law and therefore, I negotiated with the lender to return to me the said shares and to convert the loan into an unsecured one. The lender was agreeable to the same as I immediately started repayment of the loan availed from 26 July 2018.*

- *It is pertinent to note that there was no change of ownership of shares during the entire transaction and the same can be confirmed by making a reference to the shareholding pattern of the Company for the quarter ending June 2018, wherein I have been shown as the shareholder holding such shares.*

- *As I am advised that there may be technical and venial breach of certain disclosure norms, I will be filing a Settlement Application under the provisions of the Securities and Exchange Board of India (Settlement) Regulations, 2018.*

- *Further, as far as, the transaction undertaken on 7 May 2018 is concerned, it is submitted that the same has nothing to do with the loan transaction. I had only received 42,500 shares from my mother, Mrs. Indermani Devi Agarwal as gift and appropriate disclosures in this regard were duly made by me.*

- *Copy of the disclosure made by me for transaction dated 7 May 2018 to the Company and subsequent disclosure made by the Company to SEBI are attached with this email for your reference."*

15. It was observed from the reply of the Noticee 1 that, Noticee 1 *inter alia* claimed that there is no change in shareholding. However, from the transaction statement of Noticee 1 as received from NSDL and CDSL it was observed that, there is change in shareholding after the transactions executed by Noticee 1 as mentioned above. Also, no disclosures for the transactions mentioned at serial number 1, 3, 4 and 5 of table above were available in the email of the company.

16. From the replies of company, Noticee 1 and both the exchanges (BSE and NSE), it was observed that Noticee 1 had made timely disclosure for his transaction dated May 07, 2018 to the company and company further made timely disclosure to BSE and NSE. However, Noticee 1 failed to make disclosures to the company

on 4 occasions under regulation7 (2) (a) of PIT Regulations as specified in the code of conduct of the company. In view of the above, it was alleged that Noticee 1 has violatedRegulation 7 (2) (a) of PIT Regulations.

17. On the basis of the transaction statements of Noticee 1 received from CDSL and NSDL, it was observed that Noticee 1 (Promoter/Director of the WESL) has transferred 15,00,000 shares in off-market accounting for 5.62% of total shareholding of WESL, which required disclosures under Regulation 29(2) of SAST Regulations. However, no disclosures were made by the Noticee 1 in this regard. Details of such trades are as under:

Sr No	**Date**	**Buy quantity**	**Sell quantity**	**Buy Value (in Rs lakh) (from BSE)**	**Sell Value (in Rs lakh)**	**Disclosure required under regulation**	**Date of Disclosure to company by promoter**	**Date of Disclosure to Exchanges (BSE and NSE) by company**
1	02/05/2018	0	1250000	0.00	851.88	29(2) of SAST Regulations	Not Disclosed	Not Disclosed
2	21/05/2018	0	100000	0.00	51.90		Not Disclosed	Not Disclosed
3	07/06/2018	0	72000	0.00	37.33		Not Disclosed	Not Disclosed
4	13/06/2018	0	78000	0.00	42.67		Not Disclosed	Not Disclosed

18. From the above table it is observed that, during the quarter April 2018-June 2018, Noticee 1 entered into series of sale transactions. As on quarter ended March 31, 2018 Noticee1 was holding 1872108 shares (7.02%) of the company. Upon execution of sell transaction of 1250000 shares, the shareholding of the Noticee 1 changed by 4.68% i.e. from 7.02% to 2.33%. Therefore, Noticee 1 was required to make the disclosure under Regulations 29(2) of SAST Regulations to the stock exchanges and the company within two trading days from the date of transaction

i.e. May 02, 2018 as mentioned in the above table, as the percentage change in shareholding exceeded 2%.

19. As mentioned in earlier paragraphs BSE and NSE in its reply *inter alia* mentioned that no disclosures pertaining to his transactions mentioned in above table were available with the exchange.

20. Disclosure related information was also sought from the company *vide* email dated July 19. 2019.Company, *inter alia* stated "…*that during the period 1 April 2019 to 30 June 2018, Mr Sohan Lal Agarwal had made a single disclosure on 8 May 2018 under SEBI (PIT) Regulations*.''

21. Hence, it was observed that Noticee 1 failed to make disclosures under Regulation 29(2) of SAST Regulations to the exchanges and the company upon reduction of his shareholding by more than 2% from 7.02% to 2.33%. In view of the above, it was alleged that Noticee 1 has violated Regulation 29(2) read with Regulation 29(3) of SAST Regulations.

Contra trade executed by Noticee 1:

22. It was observed that, BSE *vide* its letter dated October 25, 2018 alleged that the Noticee 1 had taken an opposite position/executed contra trade by buying and selling shares within a period of six months from the prior transactions.
Clause 10 of Schedule B under Regulation 9 (1) of SEBI (PIT) Regulation, 2015 *inter alia* states the following:
"The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade."

23. From the list of designated persons as provided by the company *vide* email dated July 31, 2019 it was observed that Noticee 1 is included in the list of designated persons. Noticee 1 executed contra trade as mentioned below and the summary of profit made by this contra trade is given as under:

Sr No	Transaction Type	Date	Buy quantity	Sell quantity	Buy Value (in Rs lakh) #	Sell Value (in Rs lakh) #	Profit amount to be remitted to IPEF (Rs.)
1	Off Market	02/05/2018	0	1250000	0.00	851.88	44,730/-
2	Off Market	07/05/2018	42600	0	28.58	0.00	

Close price on BSE was considered for calculating the profit in the above-mentioned transactions. Close price of company on BSE on 02/05/2018 was Rs 68.15 and close price of company on BSE on 07/05/2018 was Rs 67.1.

24. Compliance related information as required under paragraph 10 of Schedule B of Regulation 9 of PIT Regulations with respect to contra trade by Noticee 1 was sought from the company. Company in its initial reply dated August 26, 2019 had *inter alia* stated that "…*the company has not received any disclosure from Mr Sohan Lal Agarwal regarding any contra position being taken by him during the period 1 April 2018 to 30 June 2018. However, in view of receipt of similar queries from BSE, we have made necessary enquiries from Mr Sohan Lal Agarwal on this issue. In reply Mr Agarwal has informed us that between April 2018 to June 2018, he was in need of funds and for that purpose he had provided 17,53,000 shares of the company for security towards a loan availed by him pursuant to an Agreement.* " Company further stated that, "*the Company has decided to obtain legal advice in respect of its obligations under SEBI (PIT) Regulations, 2015 and it shall take necessary action in this regard.*" Further, company *vide* its email dated September 16, 2019 *inter alia* stated that "*under the SEBI (PIT) Regulations, 2015 the company is required to disgorge the profits made by Mr. Agarwal vide the alleged contra trade and inform SEBI of any violation. In this regard, it is submitted that the issue of disgorgement does not*

arise in the present matter as Mr. Agarwal had only provided the shares as security and has not made any profits on the same. *Further, as far as the issue of promptly informing SEBI is concerned, it is submitted that the Company could not have promptly informed SEBI as it only becomes aware of the alleged trades done by Mr. Agarwal through the stock exchanges and emails received from SEBI. However, as a matter of abundant caution, the Company will be duly submitting the same in due course*."

25. Further, from the company letter dated February 25, 2020 it was observed that, the profits earned by Noticee 1 from such trade had been disgorged by company for remittance to the Board for credit to the Investor Protection and Education Fund. The Company along with its letter forwarded demand draft bearing number "102639 " dated February 18, 2020 favoring Investor Protection and Education Fund – SEBI for the amount of Rs. 44,730/-. Company in its letter had *inter alia* also stated that:

"….*please note that our promoter, Mr. Sohan Lal Agarwal had taken certain loans from third parties and against the same he had provided shares of our Company as security on 2nd of May 2019 and 7th of May 2019 i.e. within a period of 6 months. Considering the fact that Mr. Sohan Lal Agarwal is the Managing Director and Promoter of the Company and therefore a 'Designated Person' as per the Code of Conduct for Prevention of Insider Trading implemented by the Company, the Company has without confirming or denying any violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"), we hereby remitting a sum of Rs. 44730 by way of Demand draft dated 18th of February 2020 in favour of SEBI- Investor Protection and Education Fund-SEBI ('IPEF') (enclosed herewith), being amounts received from Mr. Sohan Lal Agarwal as alleged profits made on account of transaction executed on 2nd of May 2019 and 7th of May 2019 Regulation 9(1) read with Schedule B of the Insider Trading Regulations.*"

Other Code of Conduct violations by Noticee 1:

26. Company, *vide* email dated March 02, 2020 forwarded the code of conduct, framed by the company in conformity with requirements of PIT regulations. In the code of conduct under paragraph with heading "*Pre-clearance of Trades"* it is *inter alia* mentioned that "*All Specified Persons, who intend to deal in the securities of the Company when the trading window is open and if the value of the proposed trades is above Rs. 10,00,000 (Rupees Ten Lacs only), should pre-clear the transaction. ……..".*
27. From the trades of Noticee 1 as mentioned at serial number 1, 3, 4 and 5 in table 1 above, it was observed that the value of each transaction was more than Rs. 10 Lacs.

28. Information was sought from the company with respect to pre-clearances sought by Noticee 1. Company in its reply *vide* email dated August 26, 2019 *inter-alia* stated that, "*Please note that no preclearance was sought by Mr Sohan Lal Agarwal in respect of the Transaction mentioned by us hereinabove. However, during the same period, he had sought pre-clearance for receipt of certain shares in a gift from his mother Mrs Indermani Devi Agarwal and the same was duly provided by the company…."*. From the above submission of the company it is clear that, the entity being designated person had not sought any pre-clearance on 4 occasions(i.e. May 02, 2018, May 21, 2018, June 07, 2018 and June 13, 2018)for his trades mentioned at serial number 1, 3, 4 and 5 of table 1 above.

29. In view of the above, it was alleged that no preclearance was taken by Noticee 1 for his 4 trades in the scrip during April 01, 2018 to June 30, 2018. Therefore, Noticee 1 was alleged to have violated clause 6 of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders specified in Schedule B read with Regulation 9(1) of PIT Regulations by trading repeatedly (4 occasions) in the scrip during the IP without taking pre-clearances.

Trading by Noticee 1 during the Trading Window closure period:

30. From the corporate announcements available on BSE, it was observed that company on May 24, 2018 at 18:57:20 *inter alia* announced that the trading window in respect of dealings in the Equity Shares of the Company will remain closed for the Directors and other designated persons of the Company from May 25, 2018 till the expiry of 48 hours after the declaration of financial results. The meeting of the Board of Directors of the Company for declaration of financial results was initially scheduled to be held on May 30, 2018. However, on May 30, 2018 at 16:17:14 company announced /informed that the meeting of the Board of Directors of the Company is postponed and rescheduled on June 11, 2018. On June 11, 2018 financial results of the company for FY 2017-18 were announced. Noticee 1had transacted in the scrip on June 07, 2018 and June 13, 2018 i.e. when the trading window closure was applicable.

31. In view of the above, it was alleged that Noticee 1 has violated clause 4 of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders specified in Schedule B read with Regulation 9(1) of PIT Regulations by trading in the scrip during trading window closure.

Role of the Company:

32. *Vide* email dated March 02, 2020, information was sought from the company about when did the transactions executed during April 01, 2018 to June 01, 2018 by Noticee 1 came to initial notice of the Company. In reply *vide* email dated March 02, 2020,company *inter alia* stated that *"….it is submitted that the transactions executed by Mr. Sohan Lal Agarwal from 1 April 2018 to 30 June 2018 came to the knowledge/notice of the Company vide BSE Limited's emails dated 19th September 2018. Copies of the said e-mails are annexed hereto and*

marked as '' clarification required from the company'' to this letter. "Further, information was sought from the Registrar and Transfer Agent (RTA) about the information being given to the company. RTA of the company, R & D Infotech Pvt Ltd (R&D), *vide* its letter dated November 05, 2019forwarded copy of emails which it had forwarded to the company. From these emails it was observed that, R&D had forwarded BENPOSE report dated May 04, 2018 (for the week ending May 04, 2018), May 25, 2018 (for the week ending May 25, 2018), June 08, 2018 (for the week ending June 08, 2018) and June 15, 2018 (for the week ending June 15, 2018) to company on May 09, 2018, May 28, 2018, June 11, 2018 and June 19, 2018 respectively. The BENPOSE report for the week ending May 04, 2018 indicates that Noticee 1 was holding 1380000 shares as on April 27, 2018, 130000 shares as on May 05, 2018 and transferred 1250000 shares. Further, the BENPOSE report for the week ending May 25, 2018 indicates that Noticee 1 was holding 172600 shares as on May 18, 2018,72600 shares as on May 05, 2018 andtransferred100000 shares. The BENPOSE report for the week ending June 08, 2018 indicates that Noticee 1 was holding 72600 shares as on June 01, 2018,600 shares as on June 08, 2018 andtransferred72000 shares. The BENPOSE report for the week ending June 15, 2018 indicates that Noticee 1 was holding 475508 shares as on June 08, 2018,397508 shares as on June 15, 2018 andtransferred78000 shares. The abovementioned Benpose reports clearly show the transfer of shares by Noticee 1 which are also mentioned in the table 1 above.

33. The company in its email dated November 11, 2019 also has provided the copy of these emails received by the company from R&D thereby confirming the submission made by R&D. Based on analysis of information / details submitted by the company, correspondences made with the RTA (R&D) and the disclosure related information submitted by both the exchanges it was observed that company failed to disclose the change in shareholding of Noticee 1 under Regulation 7 (2) (b) of PIT Regulations pursuant to receipt of the same from its

RTA on 4 occasion(i.e. May 02, 2018, May 21, 2018, June 07, 2018 and June 13, 2018) as mentioned above. Thus, it was alleged that Noticee 2 has violated Regulation7 (2) (b) of PIT Regulations by not disclosing the sale transactions of Noticee 1 on 4 occasions.

Role of Compliance Officer / Person in Charge of and responsible for making disclosures on behalf of the Company to BSE and NSE:

34. The information pertaining to person in charge of and responsible for submitting all disclosure requirement to the exchange(s) on behalf of the company during the period April 01, 2018 to June 30, 2018 as required under PIT regulations was sought from the company. Company in its reply dated September 26, 2019 and its letter dated November 11, 2019 had *inter alia* stated that "*The responsibility of submitting all disclosures to the exchanges was originally required to be complied with by Ms. Sweta Biyani. However, Ms. Sweta Biyani left the Company on 29.03.2019…*"Company also furnished the copy of minutes of the meeting of Board of Directors of the company dated February 14, 2017 which mentions Ms. Sweta Biyani was appointed as company secretary and compliance officer. In this email company had *inter alia* stated that the minutes of the Board meeting dated February 14, 2017 and offer letter were given by the Company to her. However, the company could not provide any acknowledgment by Ms. Sweta Biyani with regard to receipt of board minutes. Further, the offer letter mentions appointment of Ms. Sweta Biyani as Company Secretary.

35. Information was also sought from Ms. Sweta Biyani relating her appointment and her responsibilities. Ms. Sweta Biyani in her reply vide email dated March 04,2020 had *inter alia* stated that "*apart from the appointment letter, I haven't received any documented letter/paper which signifies my role and responsibility as a Compliance officer."* She also stated that *"Sir, I was never assigned to make any correspondence with the Stock Exchanges."*

36. Information was also sought from both the exchanges (BSE and NSE) to provide the details (Name, Phone number, Mobile number, Designation, etc.) of the person/s of the company, who was/were filing the disclosures, on behalf of company with BSE/NSE under PIT Regulations and SEBI (SAST) Regulations, 2011 for the period of FY 2018-19. BSE and NSE in their reply *vide* email dated March 04, 2020 and March 04, 2020 respectively *inter alia* mentioned that Noticee 3filed the disclosures, on behalf of company with NSE under PIT Regulations for the period of FY 2018-19.Also, RTA vide its letter dated November 08, 2019 had forwarded copy of the complete BENPOSE report file for 4 dates and the screen printout of first page of the respective emails forwarded to the company. From the copy of these emails it was observed that all 4 emails were marked to Noticee 3 only.

37. Subsequently, comments were again sought from the company. Company in its reply vide email dated March 11, 2020 had *inter alia* stated that "*We would like to clarify that due to the bad financial position our loan accounts had turned NPA and the company was referred to BIFR. As a result, we always used to have vacancy for the post of company secretary and independent director for which company has paid huge penalties to both the stock exchanges in the past. It is in view of these issues that Ms. Sima Jhunjhunwala being a senior official and a regular in the Company used to correspond with the authorities to maintain continuity and to ensure timely compliances. However, Sweta Biyani was assisting Sima Jhunjhunwala in complying all the compliances with the stock exchanges. Further in the year 2016 the previous company secretary, Ms Swati Agarwal had resigned. Accordingly, it was intimated to the RTA that the Benpose should be forwarded to sima@webelsolar.com. However, the RTA was never directed to not to send the same to the company secretary".*

38. Based on the abovementioned information / submissions by company, RTA (R&D), BSE and NSE and Ms. Sweta Biyani it was observed that for the

abovementioned period / dates, Noticee 3 was receiving the BENPOSE details from RTA and Noticee 3 was also filing the necessary disclosures under PIT Regulations with the exchanges (BSE and NSE).

39. In view of the above, it was observed that Noticee 3, CFO of the company was acting as a compliance officer of the company. Therefore, it was alleged that Noticee 3 failed to make necessary disclosures to the stock exchange with respect to the transactions executed by Noticee 1 on 4 occasion(i.e. May 02, 2018, May 21, 2018, June 07, 2018 and June 13, 2018) and thereby violated Regulation7 (2) (b) read with regulation 9(3) of PIT Regulations.

Analysis of Quarterly Shareholding Pattern disclosures on the exchange websites:

40. From the shareholding pattern available on the BSE website, it was observed that, for the quarter ended March 2018 shareholding of Noticee 1 in the scrip was 18,73,108 shares and 19,15,708 for the quarter ended June 2018.However, from the transaction statement of Noticee 1 it was observed that, he had transferred 15,00,000 shares and received 42,600 shares during IP. Details regarding change in shareholding pertaining to Noticee 1 were sought from RTA. RTA in its reply *vide* email dated March 20, 2020 had *inter alia* forwarded shareholding (physical and demat) of Noticee 1 as on March 31, 2018 and as on June 30, 2018 in the company. It was observed that, Noticee 1 was holding 18,73,108 shares of the company (15,73,108 in Demat + 3,00,000 in physical) as on March 31, 2018 and 4,15,708 (all Demat) as on June 30, 2018.

41. Both the exchanges were advised to provide the details of the person/s of the company who was/were filing quarterly shareholding pattern details for the period of FY 2018-19.BSE and NSE in their reply *vide* email dated March 18, 2020 and March 19, 2020 *inter-alia* mentioned that Noticee 3 was filing quarterly

shareholding pattern details for the period of FY 2018-19 on behalf of the company. As explained in earlier paragraph, Noticee 3 was receiving weekly BENPOSE reports from RTA through email, wherein, change in shareholding of Noticee 1 for the period from April 01, 2018 to June 30, 2018 in the company was mentioned.

42. From the replies of RTA, BSE and NSE it was observed that, the company had made wrong disclosure with respect to change in shareholding of Noticee 1 for the quarter ended June 2018. It was also observed that, Noticee 3 was the person who was filing quarterly shareholding disclosure to both exchanges on behalf of company. In view of the above, it was alleged that acting compliance officer of the company, Noticee 3 by wrongly disclosing quarterly shareholding of the company, had violated Regulation 6 (2) (a) & (b) read with Regulation 31(1) read with Regulation 4(1) (e) of LODR Regulations. Further, Noticee 2was alleged to have violated regulation 31(1) read with regulation 4(1) (e) of LODR Regulations by filling wrong quarterly shareholding pattern for the quarter ended June 2018.

43. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 15G and 15HB of SEBI Act, as applicable.

44. In response to the SCNs, Noticee 1 and 2 filed the reply to the SCN *vide* letter dated December 14, 2020. Opportunity of hearing was provided to the Noticee 1 through video conferencing. Noticee 1 attended the hearing on January 15, 2021 and April 07, 2021 and reiterated the submissions made in his reply dated December 14, 2020. Noticee 1 also filed additional submissions on January 22, 2021.

45. Noticee 3 filed the reply to the SCN *vide* email dated December 19, 2020. Opportunity of hearing was provided to the Noticee 3 through video conferencing.

Noticee 3 attended the hearing on January 15, 2021 and reiterated the submissions made in her reply dated December 19, 2020. Noticee 3 also filed her additional submissions on January 22, 2021.

46. The submissions of the Noticees are summarized as below:

Noticee 1 and 2

47. Noticee 1 submitted that the alleged transaction was purely a loan transaction and was not a sale or purchase transaction because no sales consideration was received or purchase consideration was paid. Noticee 1 submitted copy of the Loan Agreement dated May 03, 2018 and July 23, 2018.

48. Noticee 1 further submitted that a warning letter has already been received by him, so that in future the mistake of this nature does not happen again. Further, SEBI also advised to disgorge the amount of Rs. 44,730 calculated on the basis as if the profit has been made. Accordingly, Noticee 1 paid the said amount to SEBI IEPF Fund. The amount was calculated based on the market price of the two dates of transfer of share from one DP to other DP as security for the loan taken. Although, in realty the transaction was not a sale and purchase as explained to SEBI.

Noticee 3

49. Noticee 3 submitted that she left Websol on August 07, 2020. She denied that she was compliance officer of the company. As per her knowledge Ms Sweta Biyani was appointed as company secretary (CS) and compliance officer (CO) in the company which was also approved by the Board Resolution submitted to ROC-Kolkata.

50. She was working in Websol as CFO and was looking after accounts and related functions. She was never designated as compliance officer in the Company. After the resignation of compliance officer and company secretary, she started coordinating and liasoning with the stock exchanges in her capacity as a CFO with the help of professionals like merchant bankers and since there was high employee turnover for this position of CS, to keep a track of the regular compliances to be done on time, all stock exchange filings were also done using her registered mobile number for generating OTP.

51. For a period of two years company took retainer ship service from a merchant banker who was expert in SEBI matters. Also, the Company used to avail one time advisory from time to time from professionals on SEBI matter because post of CS used to be vacant on a frequent basis.

52. She submitted that the RTA was asked to send Benpose to sima@webelsolar.com because on that instance post of CS was vacant and it was decided that mails coming to sima@webelsolar can be accessed easily and compliances can be done on a timely basis with the help of professionals as stated above. Further, the secretarial and compliance function can be handled only by a member of Institute of Company Secretary of India (ICSI), and she was not a member of ICSI.

53. In her additional submissions, Noticee 3 submitted that Ms. Sweta Biyani was appointed by the Board of Directors of Websol as the Company Secretary at its Board Meeting held on February 14, 2017. Accordingly a stock exchange announcement was made appointing her as company secretary and compliance officer in the company**.** At the same Board Meeting, Ms. Sweta Biyani was appointed as the Compliance Officer within the meaning of Regulation 6 of LODR Regulations. Further, Form DIR–12 filed with the Registrar of Companies accompanied the Board Resolution, which, *inter alia*, stated that *"Ms Sweta*

Biyani is appointed as Company Secretary and Compliance Officer in the Company. "The appointment letter issued by the Company states her appointment as "Company Secretary" since "Company Secretary" is a statutory position in terms of Section 203 of the Companies Act, 2013 (as amended) (**the CoA**).

54. Noticee 3 submitted that Section 203(2) of the CoA states that *"Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.* "As per the said Regulation 6(1) of LODR Regulations, *"a listed entity shall appoint a qualified company secretary as the compliance officer.* "Further, Regulation 6(2) of LODR Regulations provides that, *"the compliance officer of the listed entity shall be, inter alia, responsible for ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit."* Further, Regulation 2(2) of LODR Regulations states that, *"All other words and expressions used but not defined in these regulations, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.* "As per Section 2(24) of the CoA, *"company secretary" or "secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a company secretary under this Act.* Section 205(1) of the CoA states the functions of the company secretary and *inter alia*, includes, *"to discharge such other duties as may be prescribed.*" Further, Rule 10 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, *inter alia*, states that, *"the Company Secretary shall also discharge such other duties as may be assigned by the Board from time to time.* "As per Regulation 2(1)(f) of LODR Regulations,

"chief financial officer" or "whole time finance director" or "head of finance", by whatever name called, shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under these regulations." Further, under Para 8.3 of the Secretarial Standards – 1 (SS- 1) issued by the Institute of Company Secretaries of India, *"Minutes Books shall be in the custody of the Company Secretary."*

55. Noticee 3 submitted that the position of Company Secretary is that of a Key Managerial Person and is a statutory position, which needs to be formalised by way of a Board Resolution (Section 203). The said appointment also needs to be filed with the Registrar of Companies under Form DIR-12 and MGT–14 and is mandatorily accompanied by a consent letter in the prescribed format (DIR - 12) and a certified copy of Board Resolution. Further, in terms of LODR Regulations, there is no statutory requirement for obtaining the consent for appointment as Compliance Officer. This is also true for designating the Compliance Officer under the SEBI (PIT) Regulations. In terms of Section 118(3) of the CoA, *all appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.* Further, in terms of Section 118(7) of the CoA, *the minutes kept in accordance with the provisions of this section shall be evidence of the proceedings recorded therein.* Accordingly, no further evidence is required regarding the appointment of Ms. Sweta Biyani as the Compliance Officer in terms of LODR Regulations and SEBI (PIT) Regulations. Therefore, the statement of Ms. Sweta Biyani's false and contrary to law.

56. In terms of Rule 10 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, inter alia, state that *the Company Secretary is required to discharge such other duties as may be assigned by the Board from time to time.* The duty of compliance of the provisions of LODR Regulations and SEBI PIT Regulations was assigned to Ms. Sweta Biyani at the Board Meeting held on February 14, 2017. Non-mentioning of "Compliance Officer" in the offer

letter cannot absolve Ms. Sweta Biyani from her responsibility. If the same logic is to be applied, then as per the Notice of AGM dated August 14, 2015 wherein the terms of appointment of Noticee 3 are mentioned and it doesn't include "Compliance Officer" and her appointment letter issued by the company in March 2015 which does not include appointment as compliance officer. Further, the statement of Ms. Sweta Biyani that minutes were never provided to Ms. Sweta Biyani is false and contrary to law, since in terms of SS – 1, the Company Secretary is the custodian of the Minutes Books. There is no alternative to the same in terms of SS – 1. No acknowledgement of the same is required to be obtained or maintained by the Company.

57. In terms of Regulation 2(1)(f) of LODR Regulations, the Chief Financial Officer is responsible for the finance function. Further, Regulation 6(2) of LODR Regulations provides that the compliance officer of the listed entity shall be, *inter alia*, responsible for ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

58. With regard to Paragraph 26 of the SCN, Noticee 3 submitted that Ms. Sweta Biyani was appointed as Company Secretary and also as Compliance Officer. She held the position from February 29, 2017 and resigned on March 29, 2019. Regulation 6(2) of LODR Regulations provide that the compliance officer of the listed entity shall be, *inter alia*, responsible for ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit. In terms of Section 205 of the CoA, the functions of the company secretary shall include, to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company. In terms of Rule 10 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, *inter alia*, state that the Company Secretary is required to discharge such other duties as may be assigned by the Board from time to time.

59. The role and responsibility of the Company Secretary and Compliance Officer flows from the CoA and LODR Regulations and other applicable laws of the Company. Ms. Sweta Biyani being a qualified company secretary cannot be absolved of her responsibilities as the Company Secretary and Compliance Officer. She held the said position for more than 24 months and cannot be absolved of her responsibilities, basis her statement *"I haven't received any documented letter/paper which signifies my role and responsibility as a Compliance Officer",* since the roles and responsibilities of a Company Secretary are expressly stated in the applicable laws.

60. With regard to Paragraph 27 to 31, she submitted that Regulation 30(1) of LODR Regulations state that, *Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.* Further, Regulation 30(5) of the said Regulations states that *the board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s**)** and as well as on the listed entity's website.* Since, Noticee 3 was working with the Company as a whole-time director and also as a CFO (being one of the Key Managerial Personnel, apart from the Managing Director and Company Secretary), the Board felt that both the Managing Director and the Whole-time Director-cum-CFO can perform the determination of materiality and can also be authorised for making disclosures to the Stock Exchanges. The said authorisation for making disclosures mandate that her contact details were furnished to the Stock Exchanges. Even till today all the stock exchange compliances are signed by the Managing Director of the Company although there is a appointed Compliance officer in the Company.This was the basic understanding of the company that since most of the events fall under material event so it is better that all the letters should be signed by Noticee 1 or Noticee 3

since they are designated under this Regulation.Authorisation for making stock exchange disclosures cannot shift the statutory responsibilities that are assigned to the Company Secretary and Compliance Officer under the applicable law.

61. As regards receipt of BENPOS from the Registrar, she submitted that the same was obtained weekly from her for the purpose of institutional investor relations. A company secretary or a compliance officer plays a vital role in ensuring that the employer company complies with the requirements of law both in the letter and spirit. Besides ensuring compliance with the statutory responsibilities, the professionals are expected to be proactive in updating themselves regarding the changing rules and laws. Based on the submission of Ms. Sweta Biyani the statutory responsibility and liabilities cannot shift to the Noticee 3.

62. Section 203 of the CoA mandatorily requires engaging KMPs on “whole time basis” in listed companies. KMP hold office on whole time basis means that the KMP contributes all their time in management of the company. Noticee 3 was only coordinating with the Company Secretary that too whenever it was required and she was never designated as Compliance Officer by the Company anytime and no document has been ever made appointing her as compliance officer in the Company and hence, she cannot be penalised for the same. The company secretary reports to the Board, any negligence on her part towards her duty, if any cannot be shifted on the Noticee 3. Benpose received on email id sima@webelsolar.com. But it was not the job of Noticee 3 to check benpose and match with any kind of shareholding report. It was the job of Compliance officer and Company Secretary. At the time of filing shareholding pattern, OTP used to get generated on Mobile Number of Noticee 3 for the reasons stated above but she never used to check shareholding pattern as it did not fall under her job responsibility.

63. As the inquiry in the matter is complete, I now proceed to decide the matter on the basis of SCN issued, replies received and material placed on record.

CONSIDERATION OF ISSUES AND FINDINGS

64. The issues that arise for consideration in the instant matter are:

Issue No. I	Whether the Noticee 1 violated Regulation 7(2)(a) of SEBI (PIT) Regulations and Code of conduct as prescribed under Clause 4 and 6 of Schedule B of Regulation 9(1) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations; whether Noticee 2 violated 7(2)(b) of PIT Regulations and Regulation 31 (1) read with regulation 4 (1)(e) of LODR Regulations and whether Noticee 3 violated Regulation 7(2)(b) read with regulation 9(3) of PIT Regulations and Regulation 6 (2) (a) & (b) read with Regulation 31(1) read with Regulation 4 (1) (e) of LODR Regulations.
Issue No. II	If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A(b) and 15HB of the SEBI Act and Section 23E of SCRA.
Issue No. III	If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act and Section 23J of SCRA read with Rule 5(2) of the Adjudication Rules?

Issue No. I **Whether the Noticee 1 violated Regulation 7(2)(a) of SEBI (PIT) Regulations and Code of conduct as prescribed under Clause 4 and 6 of Schedule B of Regulation 9(1) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations; whether Noticee 2 violated 7(2)(b) of PIT Regulations and Regulation 31 (1) read with regulation 4**

(1)(e) of LODR Regulations and whether Noticee 3 violated Regulation 7(2)(b) read with regulation 9(3) of PIT Regulations and Regulation 6 (2) (a) & (b) read with Regulation 31(1) read with Regulation 4 (1) (e) of LODR Regulations

65. As per the SCN, Noticee 1 (Promoter and Managing Director of the company) entered into 4 sell transactions for 15,00,000 shares of WESL during the quarter April 2018- June 2018. The said transactions triggered the disclosure requirement under Regulation 7(2)(a) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations. According to the reply received from the company and the stock exchanges, Noticee 1 did not disclose the said transactions to the company and the stock exchanges as per the requirements under the said Regulations. It was also alleged in the SCN that Noticee 1 had not sought any pre-clearance on 4 occasions for the trades executed during the said period. Further, it was alleged that Noticee 1 had transacted in the scrip on June 07, 2018 and June 13, 2018 i.e. when the trading window closure was applicable.

66. Noticee 1 in his reply stated that the alleged transactions were not the sell transactions but a loan transaction. In this regard, Noticee 1 submitted loan agreement dated May 03, 2018. On perusal of the loan agreement, I note that the lender (Antriksh Vypaar Ltd) had agreed to grant the loan to the Noticee 1 on the terms and conditions mentioned in the agreement including the provision of adequate security in the form of equity shares of WESL as per Schedule 2 of this agreement. As per Schedule 2 of this agreement, security was created on 12,50,000 shares of WESL i.e. 3 times of the loan amount (as per Market price).

67. Noticee 1 executed 4 off-market sell transactions during the quarter April 2018- June 2018 for the total volume of 15,00,000 shares. In his reply dated August 27, 2019 to SEBI, Noticee 1 stated *inter-alia* that "*as per the terms of the loan*

agreement I had provided 17,53,000 shares of Websol Energy Systems Limited ('Websol") for creation of security towards the said loan".

68. I note from the agreement that a total quantity of 12,50,000 shares was used to create security for loan amount of Rs.2.5 crore, with the stipulation that security would be 3 times of loan amount as per market price. I have looked at the market price of Websol on BSE during May and June 2018 and find that value of shares stated to be pledged as security as follows, based on closing price of previous day:

Date	**Shares Pledged**	**Market Price (Rs.)**	**Cumulative Market Value of Shares (in Cr Rs.)**
02/05/2018	1250000	68	8.5
21/05/2018	100000	52	7.02
07/06/2018	72000	50	7.11
13/06/2018	78000	54	8.10

69. I note that the 3 subsequent transfers of shares on 21.05.2018, and 07.06.2018 and 13.06.2018 corroborates the stipulation in the loan agreement that security would be 3 times of loan amount as per market price.

70. I note that the transfers have taken place through depository which requires a reason code to be captured in the DIS at the time of transfer and also in the system when making the transfer. The relevant information was sought from CDSL. I note from the reply of CDSL sent vide email dated May 27, 2020 that the reason for transfer recorded in CDSL system is 'others'. I have also examined the DIS slip for the aforesaid transactions and find that reason was mentioned on the

DIS as ‘Others (explained as ‘loan taken’). Thus, from the transfer instruction, it is evident that the transactions were not carried out as sale transactions.

71. I note from the material on record that SCN has not brought out any facts relating to payment leg of the aforesaid transactions. Noticee 1 has stated in his reply that no payment was made for the aforesaid transactions as the shares were given as security for loan. This contention has not been negated in the material placed before me. Hence, I find that while share transfers took place in the depository, no corresponding payment was made to complete the transactions. A sale or purchase transaction cannot be said to be complete without the settlement of the transaction by payment of consideration. In view of the above, I agree with the contention of the Noticee that the said transactions were not sale transactions but were loan transactions, whereby the shares were provided as security for a loan transaction. I further note that no charge of violation of Regulation 31 of SAST Regulations has been made, which requires disclosure of shares encumbered by promoters.

72. In view of the above, considering that no sale of shares took place, I find that violation of Regulation 7(2)(a) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations and the Code of conduct as prescribed under Clause 4 and 6 of Schedule B of Regulation 9(1) of PIT Regulations is not established against Noticee 1.

73. I further note that as the impugned transactions of Noticee 1 were not sale transactions, the buy trade of 42600 shares by Noticee 1 on 07/05/2018 is not a contra trade. In this context, I note that the company in its letter dated February 25, 2020 continued to reiterate that Noticee 1 had given shares as security against loans and remitted Rs. 44730 by way of Demand draft dated 18th of February 2020 SEBI IPEF without confirming or denying any violation of the PIT Regulations.

74. It was alleged in the SCN that Noticee 2 has failed to disclose the change in shareholding and it has made wrong disclosure with respect to change in shareholding of the company for the quarter ended June 2018. Further, it was alleged that as acting compliance officer of the company, Noticee 3 has made wrong disclosure of quarterly shareholding of the company and filed wrong quarterly shareholding pattern for the quarter ended June 2018. In this regard, I note that, it has been established in preceding paragraphs that the aforesaid off market transactions were not sell transactions, but a loan transaction. Therefore, there was no change in shareholding of the Company as a result of the aforesaid transactions. Hence, the quarterly shareholding was not wrongly disclosed by Noticee 2 or 3.

75. In view of the above, I find that violation of 7(2)(b) of PIT Regulations and Regulation 31 (1) read with regulation 4 (1)(e) of LODR Regulations is not established against Noticee 2. Further, violation of Regulation 7(2)(b) read with regulation 9(3) of PIT Regulations and Regulation 6 (2) (a) & (b) read with Regulation 31(1) read with Regulation 4 (1) (e) of LODR Regulations by the Noticee 3 is not established.

76. As the violations alleged against the Noticees are not established, issues II and III do not merit consideration.

ORDER

77. In view of the findings noted in the preceding paragraphs, the adjudication proceedings initiated against the Noticees vide SCN dated December 01, 2020 and Supplementary SCN dated March 12, 2021 are disposed of.

78. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: May 28, 2021 **MANINDER CHEEMA**

PLACE: MUMBAI **ADJUDICATING OFFICER**