MAC CHARLES (INDIA) LTD.
CIN No. L55101KA1979PLC003620

Regd. Office:
No.72/4, 1st Floor,
Cunningham Road,
Bangalore – 560 052

Phone:080-4903 1078
Email:finance@maccharlesindia.com
website:www.maccharlesindia.com

To

July 30, 2020

The General Manager- Listing
BSE Limited
24th Floor, P J Towers, Dalal Street, Fort
Mumbai-400001

Dear Sir/Madam,

Sub: Regulation 30 intimation about imposition of monetary penalty of Rs 10 lakhs by the adjudicating officer, Securities and Exchange Board of India on the promoter of Company for delay in compliance with the provisions of Minimum Public Shareholding Norms

Ref: Scrip Code 507836

This is to inform you, pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the adjudicating officer appointed by the Securities and Exchange Board of India, has vide orders passed on July 30, 2020, imposed a monetary penalty of Rs 10 lakhs (Rupees ten lakhs only) on Embassy Property Developments Private Limited, the promoters of the company, for delay in compliance with Minimum Public Shareholding norms, as required under Regulation 7(4) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 read with Rule 19(A)(2) of Securities Contracts (Regulation) Rules, 1957.

A copy of the said adjudication order No Order/SR/AS/2020-21/8429/46 dated July 30, 2020 is attached for your information.

We request you to take on record of the same.

Thanking you,

Yours faithfully
For **Mac Charles (India) Limited**

Chandana Naidu Khare
Company Secretary and Compliance Officer

Encl : SEBI adjudication orders

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SR/AS/2020-21/8429/46]

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

In respect of

Embassy Property Development Pvt. Ltd

Embassy Golf Links Business Park,

Royal Oaks, Off Intermediate Ring Road,

Bengaluru-560071

(PAN-AAACD6927A)

In the matter of Mac Charles India Limited

FACTS OF THE CASE IN BRIEF

1. A Department (in short **OD**) of Securities and Exchange Board of India (in short **SEBI**) during the examination of Post Offer Report filed by Merchant Banker O3 Capital Global Advisory Pvt. Ltd. (in short **MB**) on behalf of Embassy Property Development Pvt. Ltd. (hereinafter referred to as **Noticee**) for acquisition of equity shares of Mac Charles (India) Ltd. (in short the **MC**/**target company**), observed certain non-compliances with regard to regulation 7(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (in short the **SAST Regulations, 2011**) read with (in short **r/w**) regulationn 19A of the Securities Contracts (Regulation) Rules, 1957 (in short the **SCRR, 1957**).

2. Based on the said examination, OD initiated adjudication proceedings against the Noticee to inquire into and adjudge under section 15HB of the Securities and Exchange Board of India Act, 1992 (in short the **SEBI Act, 1992**) for alleged

violation of regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19A of the SCRR, 1957.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI appointed Shri V S Sundaresan as the Adjudicating Officer under section 15-I of the SEBI Act, 1992 and rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (in short the **AO Rules**) to inquire into and adjudge under the provisions of section 15HB of the SEBI Act, 1992 for the alleged violation of regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19A of the SCRR, 1957. The said appointment was conveyed vide communique dated September 13, 2019. Subsequently, the matter was transferred to Ms. Sangeeta Rathod (undersigned). The appointment of undersigned as Adjudicating Officer was conveyed vide communique dated December 26, 2019, whereas all relevant record was received vide office note on June 05, 2020, upon which proceedings continued by undersigned AO.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A show cause notice dated June 24, 2020 (in short **SCN**) was issued to the Noticee in terms of rule 4 of the AO Rules requiring Noticee to show cause as to why an inquiry should not be held against it for the alleged violation of regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957 and why penalty be not imposed on the Noticee under section 15HB of the SEBI Act, 1992 for the alleged violation as specified in the SCN.

5. Details of the SCN are given as under:

- *OD observed that the Noticee acquired 67,43,152 shares (51.47%) and 28,73,800 shares (21.94%) on November 28, 2016 and November 29, 2016 respectively [i.e. total of 96,16,952 shares (73.41%)] from the promoter of the target company through Block deal by way of Share Purchase Agreement (in short SPA), during the processing of the Draft Letter of Offer filed for Open Offer in the matter of acquisition of equity shares of the target company by Noticee. OD further observed that as Noticee agreed to acquire 73.41% shares in the target company and the prime object was to change control and management of the target company, Noticee made an open offer in compliance with regulations 3(1) and 4 of the SAST Regulations, 2011.*
- *OD noted from the Post Offer Report filed by MB that Noticee acquired shareholding of 79.77% in the target company, which crossed the threshold limit of Maximum non-public shareholding i.e. 75% for acquirer and Persons acting in concert as stipulated under regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19(A) of the SCRR, 1957. OD observed that Noticee was required to bring down the non-public shareholding to 75% or below within twelve months from date of change in shareholding. OD further observed that the date of payment of consideration to the shareholders of the target company was February 07, 2017, so the Acquirer was required to bring down the non-public shareholding to 75% or below within a year of February 07, 2017.*

- *OD observed from the shareholding of the target company as available on Bombay Stock Exchange website, that shareholding of non-public shareholders of the target company reached 75% as on March 01, 2019.*
- *Thus, OD observed that Noticee failed to bring down the non-public shareholding to 75% or below within twelve months from the date of change in shareholding due to Open offer, allegedly violating regulation 7(4) of the SAST, 2011 r/w regulation 19(A) of the SCRR, 1957.*
- *The relevant provisions of the SAST, 2011 and the SCRR, 1957 have been reproduced below:*

SAST, 2011

3(1) No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

4 Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

7 (4) In the event the shares accepted in the open offer were such that the shareholding of the acquirer taken together with persons acting in concert with him pursuant to completion of the open offer results in their shareholding exceeding the maximum permissible non-public shareholding, the acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957.

SCRR, 1957

19A(2) Where the public shareholding in a listed company falls below twenty-five per cent at any time, such company shall bring the public shareholding to twenty-five per cent within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India.

- *In view of the above, it is alleged that Noticee violated regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19(A) of the SCRR, 1957.*

Annexures to the SCN are communique of AO appointment (Annexure A), the draft letter of offer (Annexure B), the Post Offer Report (Annexure C) and shareholding of the target company as available on BSE website (Annexure D).

6. The SCN no SEBI/HO/EAD/E&AO/SR/AS/OW/11053/1/2020 was sent to the Noticee vide email dated June 24, 2020, at bhargavi.r@embassyindia.com, which is the email id on record. Proof of service of said SCN by email is available on record. Noticee submitted reply to the SCN vide email dated July 09, 2020. Noticee was granted an opportunity of personal hearing scheduled on July 15, 2020, vide email dated July 09, 2020. Vide email dated July 10, 2020, Noticee confirmed names of authorized representatives (in short **ARs**), who would appear in the hearing along with the Noticee. The ARs and the Noticee appeared for personal hearing held on July 15, 2020 at 12 pm, via telecon. The ARs and the Noticee reiterated submissions made in the reply to SCN. During proceedings of the hearing, the ARs and the Noticee requested for additional time to submit additional

information and acceding to the said request, time till July 23, 2020 was granted. Hearing minutes are on record. Noticee made additional submissions vide email dated July 22, 2020. Reply and additional submissions of the Noticee are summarized hereunder :

<u>Reply submitted vide email dated July 09, 2020</u>

1. *At the outset we note that the allegations against EPDPL in the Notice do not take into consideration certain specific facts of the case. As stated in paragraph 4 of your Notice, Mac Charles and EPDPL had a period of one year from February 7, 2017 (<u>i.e.</u>, until February 6, 2018) to comply with the minimum public shareholding ("**MPS**") requirement under the SCRR. However, during such period, EPDPL was unable to comply with the MPS requirement because, even before February 6, 2018:(i) the shares of Mac Charles held by EPDPL were frozen by the BSE for non-compliance with the MPS requirement (<u>i.e.</u>, the BSE did not even give the required time to comply with the requirement); and (ii) the shares of Mac Charles were moved to the 'Z' category and then suspended from trading by the BSE for alleged non-compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"). As such, it was impossible to comply with the MPS requirement when the shares of Mac Charles held by EPDPL were frozen (and could not be sold) and the equity shares of Mac Charles were suspended from trading.*
2. *EPDPL made consistent efforts to rectify this issue with the BSE. Once the BSE revoked the suspension on trading and permitted EPDPL to sell its shares in February 2019, the shareholding of the promoters of Mac Charles was reduced to 75% in an offer for sale on the stock exchanges on March 1, 2019 and EPDPL continues to be in compliance with the MPS requirement as of the date of this letter. It is surprising that the Notice is now being issued to EPDPL, over one year after having admittedly complied with the MPS requirement, as also stated in paragraph 5 of the Notice.*
3. *Please note the following facts set out in paragraphs 5-24, based on which EPDPL was unable to comply with the MPS requirement within the prescribed timeline of one year from February 7, 2017.*
4. *As stated in paragraphs 3 and 4 of the Notice, EPDPL acquired an aggregate of 9,616,952 equity shares of Mac Charles (representing 73.41% of the equity share capital) through block deals pursuant to a share purchase agreement in November 2016. In accordance with the SAST Regulations, EPDPL also made an open offer (the "**Open Offer**"), to the shareholders of Mac Charles due to the change in management and control. The option to tender shares in the Open Offer was available from January 12, 2017 to January 25, 2017. Pursuant to the Open Offer, EPDPL's aggregate shareholding in Mac Charles increased to 10,450,670 equity shares (representing 79.77% of the equity share capital). The last date for payment of consideration to the shareholders for the Open Offer was February 7, 2017. Further, paragraph 3 of the Notice records that EPDPL was in compliance of Regulation 3(1) and Regulation 4 of the SAST Regulations.*
5. *Accordingly, based on Regulation 7(4) of the SAST Regulations read with Rule 19(A) of the SCRR, the public shareholding in Mac Charles was required to be brought down to 25% within 12 months from February 7, 2017, <u>i.e.</u>, on or prior to February 6, 2018. This has also been noted in paragraph 4 of your Notice.*
6. *As early as October 26, 2017, which is well before the expiry of the period for compliance with MPS requirement, Mac Charles received an e-mail from BSE stating that based on the shareholding pattern for the quarter ended September 30, 2017, the BSE had observed that Mac Charles was not in compliance with the MPS requirements. The BSE e-mail also stated that further to the SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated October 10, 2017 ("**October 2017 Circular**"), a fine of Rs.5,000 per day was being levied on Mac Charles until the date of compliance with the MPS requirement. The e-mail also stated that depositories were being instructed to freeze the equity shares of the promoter/promoter group of Mac Charles. This e-mail was sent by the BSE without warning and without taking into account the key fact that Mac Charles and its promoters had time until February 6, 2018 to comply with MPS requirement.*
7. *Even before, on October 5, 2017 Mac Charles received an e-mail from the BSE alleging that Mac Charles was not in compliance with Regulation 33 of the LODR Regulations as it was late in the submission of financial results for the quarter ended June 2017. The e-mail from the BSE in October 2017 also stated that further*

*to the SEBI Circular no. CIR/CFD/CMD/12/2015 dated November 30, 2015 ("**November 2015 Circular**"), Mac Charles was liable to pay a penalty of a specified amount.*

8. *On October 23, 2017, the BSE issued a notice informing the public that, pursuant to the November 2015 Circular, the scrip of Mac Charles would be transferred to the 'Z' group with effect from October 31, 2017 due to alleged non-compliance for two consecutive quarters (March 2017 and June 2017) with Regulation 33 of the LODR Regulations.*
9. *Mac Charles responded to the BSE's email of October 26, 2017 on November 14, 2017 providing details of the Open Offer and stated that since it still had time to comply with the MPS requirement, it is not liable to pay any fines under the October 2017 Circular. Mac Charles further requested the BSE to revoke the instructions issued to the depositories to freeze the equity shares of the promoter and promoter group. Mac Charles also committed to comply with MPS requirements through the modes prescribed by the SEBI within the applicable 12-month timeline.*
10. *On November 15, 2017, Mac Charles received another letter from the BSE alleging that the company was liable to pay penalties for March 2017 and June 2017. The letter directed the company to submit financial results for the quarters ending March 2017 and June 2017 and pay the applicable fine within 21 days of the letter, failing which the BSE would instruct the depositories to freeze the entire shareholding of the promoter and promoter group and initiate the process for suspension of trading. Mac Charles responded again to the BSE on November 17, 2017, stating that it had submitted the financial results for the quarters ended March 2017, June 2017 and September 2017 and provided acknowledgements of the relevant submissions to the BSE. Further, Mac Charles requested the BSE to drop any further proceedings for the alleged non-compliance, including imposition of penalties.*
11. *On December 7, 2017, the BSE issued a notice stating that pursuant to the provisions of the November 2015 Circular, trading in securities of Mac Charles would be suspended with effect from December 29, 2017 on account of non-compliance with Regulation 33 of the LODR Regulations for two consecutive quarters (March 2017 and June 2017), and the entire promoter shareholding would be frozen with effect from December 7, 2017 until further notice.*
12. *Between December 21, 2017 and December 27, 2017, representatives of Mac Charles and the BSE exchanged e-mails and had discussions in relation to certain alleged deficiencies in the financial results submitted for the quarter and year ended March 2017 and non-payment of fines for late submission of financial results for the quarter ended June 2017.*
13. *Thereafter, on December 29, 2017, the equity shares of Mac Charles were suspended from trading by the BSE ("Suspension") and the shares of the promoters continued to remain frozen.*
14. *During January and February 2018, representatives of Mac Charles had discussions with officials of the BSE. However, the Suspension and the freeze on the promoter and promoter group shares continued to remain in effect. Accordingly, it was not possible to comply with MPS requirements on or prior to February 6, 2018.*
15. *On March 6, 2018, Mac Charles filed an application for revocation of the Suspension in the prescribed format. Subsequently, on June 11, 2018, Mac Charles sent a follow-up letter requesting the BSE to revoke the Suspension and grant an extension until September 30, 2018 to comply with the MPS requirements. The letter reiterated that EPDPL never had any intention to hold more than 75% of the equity share capital – the prescribed limit of 75% was exceeded only due to the Open Offer based on the requirements under the SAST Regulations. The letter also stated that action had even been initiated for an offer for sale in the secondary market which could not succeed due to the Suspension.*
16. *On August 13, 2018, the BSE issued its in-principle approval for the revocation of the Suspension subject to certain conditions, including a three month lock-in on the entire promoter holding from the date of commencement of trading pursuant to the November 2015 Circular, payment of re-instatement fees and the submission of certain documents. These documents and confirmations were then submitted by Mac Charles.*
17. *On September 19, 2018, the BSE issued a notice for revocation of the Suspension with effect from September 27, 2018. However, the shareholding of the promoters of Mac Charles, which included EPDPL's entire shareholding, was frozen until December 31, 2018.*
18. *On November 29, 2018, Mac Charles received another unexpected letter from the BSE stating that Mac Charles was not in compliance with MPS requirements for the quarter ended September 2018. A fine of Rs.5,000 per day (aggregating to Rs.1,817,200 as at November 29, 2018) was levied on Mac Charles until*

the date of compliance with MPS requirements. The letter also stated that instructions would be given to the depositories to freeze the promoters' (and promoter group's) shareholding. This letter from the BSE was unwarranted, considering the numerous prior representations made by Mac Charles to the BSE in relation to the time period for compliance with MPS requirements and the fact that EPDPL's shareholding had already been frozen by the BSE until December 31, 2018.

19. *Thereafter, on February 7, 2019, Mac Charles received another similar letter from the BSE alleging that Mac Charles was not in compliance with MPS requirements based on the shareholding pattern for the quarter ended December 2018. An increased fine of Rs.10,000 per day (aggregating to Rs.4,460,400 as at February 6, 2019) was levied on Mac Charles until the date of compliance. The letter also stated that instructions would be given to the depositories to freeze the promoters' (and promoter group's) shareholding in Mac Charles as well as all other securities held by the promoters/promoter group. As before, this letter was unwarranted, given the number of discussions and representations that had already occurred.*

20. *On February 11, 2019, EPDPL sent an e-mail to the BSE requesting that its shareholding be unfrozen at the earliest as it was in the process of undertaking an offer for sale of its shareholding in Mac Charles. At this point, the BSE had continued to keep a freeze on the promoter shareholding even though it had earlier stated that the freeze would be lifted on December 31, 2018. EPDPL and another member of the promoter group even attempted to undertake an offer for sale between February 11, 2019 and February 13, 2019; however, this could not be completed since the shares were frozen.*

21. *Once the freeze on the total promoter and promoter group shareholding was lifted, EPDPL transferred 872,900 equity shares (approximately 6.67% of the equity share capital) into a separate account on February 18, 2019 for purposes of an offer for sale in the secondary market and initiated an offer for sale for such shares pursuant to a notice dated February 26, 2019. The offer for sale was completed on February 28, 2019 and the shareholding pattern of Mac Charles as of March 1, 2019 reflected the reduction in the shareholding of the promoter and promoter group to 75%.*

22. *Mac Charles informed the BSE on March 4, 2019 that compliance with MPS requirements had been ensured through an offer for sale that had resulted in a reduction in the total promoter and promoter group shareholding to 75% and an increase in the total public shareholding to 25%.*

23. *Subsequently, Mac Charles sent a letter to the SEBI on April 26, 2019, stating that the BSE had shown its inability to reconsider the fines imposed on Mac Charles and the BSE had suggested that the company approach the SEBI to reconsider the fine imposed for non-compliance with MPS. Mac Charles requested the SEBI to direct BSE to revoke the fines imposed for non-compliance with MPS. Mac Charles also repeated the contentions that it had made to the BSE. However, no response has been received from SEBI.*

24. *In light of the above facts and circumstances, EPDPL submits that:*

  a. *EPDPL never had any intention to hold more than 75% of the equity share capital – the prescribed limit of 75% was exceeded only due to the Open Offer based on the requirements under the SAST Regulations.*
  b. *EPDPL diligently made every effort to comply with MPS requirements within the 12-month period after the Open Offer, <u>i.e.</u>, on or prior to February 6, 2018, but was unable to do so because of the freeze on the promoter shareholding and the suspension in trading of the shares by the BSE.*
  c. *It was impossible for EPDPL to comply with the MPS requirement when the shares of Mac Charles held by EPDPL were frozen (and could not be sold) and the equity shares of Mac Charles were suspended from trading. Under the principle of 'impossibility of performance', the law cannot expect or compel a person to perform an act which is incapable of being performed by such person at the relevant time.*
  d. *EPDPL completed an offer for sale and ensured compliance with the MPS requirements on March 1, 2019.*

25. *We invite your attention to the observations made by the SEBI in paragraph 9 (quoted below) of the adjudication order dated February 14, 2018 in the matter of Swaraj Automotives Limited in relation to non-compliance with the requirement of minimum public shareholding by listed companies:*

"The mandate to maintain minimum public shareholding was introduced through amendments made in the year 2010 to the SCRR, subsequent to which several circulars also had been issued by SEBI to ensure that listed companies comply with the said requirement. I note that the default in compliance with MPS norms arose on account of a public offer made by the Promoter pursuant to its acquisition of equity shares of the Company from the erstwhile promoter. After completion of the open offer process, though the company had twelve months to comply with MPS norms (as per Rule 19A of the SCRR), there was a delay of approximately 10 months in complying with the same. <u>I note that the Company/Promoter had made consistent efforts to rectify the default,</u>

<u>both before and after the interim order was passed. I also do not find the delay in compliance to be very substantial. The delay is reasonably mitigated by the fact that the Company and its Promoters have been able to demonstrate active efforts on their part to remedy the default.</u> In view of the aforesaid facts and circumstances, I do not find the violation on the part of the Company/Promoter considerable enough to warrant any other enforcement action against the Company or its directors/promoters. Therefore I find it appropriate to dispose the matter off without any further enforcement action."

26. *We further invite your attention to the observations made by the Securities Appellate Tribunal on page 4 (quoted below) of the order dated March 17, 2008 in M/s. CSL Securities Private Limited v. SEBI (appeal number 95 of 2007) in respect of impossibility of performance: "…<u>It is trite law that when the fulfillment of a condition prescribed by law, though mandatory,becomes impossible to be complied with because of an act of God or otherwise, law will excuse the fulfillment of that condition. Law can never insist upon the performance of an act which has otherwise become impossible of performance</u>."*
27. *EPDPL once again submits that the delay in compliance with MPS requirements was not within the control of EPDPL. EPDPL made consistent efforts to rectify any alleged default, both prior to the freeze on the promoter shareholding and suspension of trading and after the revocation. Neither EPDPL nor Mac Charles demonstrated any mala fide intention to take advantage of the excess promoter shareholding or received the benefit of any disproportionate gain or unfair advantage (through corporate benefits such as dividend, bonus shares, split etc.).*
28. *In support of the above mentioned facts and submissions, EPDPL intends to rely on the documents filed along with this reply in a separate 'Compilation of Documents'.*
29. *In view of the foregoing unusual facts, documents and submissions, EPDPL would request you not to take further action on the Notice by initiating an inquiry in terms of Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 or impose any penalty on EPDPL. EPDPL further requests you to dispose of the Notice and close the file.*

<u>Additional submission made vide email dated July 22, 2020</u>

1. *The present Letter is being issued on behalf of EPDPL to make additional submissions in connection with:*
(i) EPDPL's efforts to rectify any alleged default in connection with MPS requirements, both prior to the freeze on the promoter shareholding and the Suspension and after the revocation;
(ii) the actions of the BSE;
(iii) the conditions for imposition of penalty under Rule 5(2) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties Rules, 1995 ("Inquiry Rules") and Section 15J of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") not being satisfied; and
(iv) case law relied upon in support of EPDPL's submissions
We seek to rely on the Compilation of Documents together with the Response on Merits.
It is clarified that these submission are made in addition and without prejudice to the submissions made by EPDPL in its Response on Merits.

(i) <u>Efforts to rectify any alleged default and reduce promoter shareholding in Mac Charles on or prior to February 6, 2018</u>:

3. *As stated in paragraph 1 of the Notice, O3 Capital Global Advisory Private Limited ("**O3 Capital**") was the merchant banker for the Open Offer. Please note the following facts set out in paragraphs 4-9 to demonstrate EPDPL's efforts towards compliance with MPS requirements on or prior to February 6, 2018.*
4. *In February 2017, soon after the completion of the Offer pursuant to which EPDPL's aggregate shareholding increased to 79.77% of the equity share capital of Mac Charles, EPDPL had discussions with O3 Capital in relation to the modes of offloading its additional stake for purposes of compliance with MPS requirements.*
5. *Thereafter, during April 2017 to September 2017, EPDPL had meetings and discussions with O3 Capital in relation to a potential offer for sale through the stock exchange mechanism to reduce its shareholding in Mac Charles. Given that EPDPL had time until February 6, 2018 to comply with MPS requirements, EPDPL decided to wait for some more time until the markets improved to comply with MPS requirements.*
6. *However, from October, 2017, post the Mac Charles scrip being transferred to the 'Z' category by the BSE and with BSE having frozen EPDPL's shareholding in Mac Charles, basis discussions with relevant authorities, O3 Capital and EPDPL were given to understand that no transactions including*

any offer for sale in relation to EPDPL's shares in the open market could be undertaken while the shareholding of the promoter/promoter group remained frozen.

7. *Subsequently, in December 2017, the shares of Mac Charles were suspended from trading and the entire shareholding of the promoters and promoter group was frozen until further notice. EPDPL and O3 Capital had discussions again, and were again given to understand that no open market transactions could be undertaken until the suspension was revoked as investors would not be comfortable dealing with suspended and frozen shares.*
8. *As stated in paragraph 15 of the Response on Merits, the Suspension and the freeze on the promoter and promoter group shares continued to remain in effect during January-February 2018 and thereafter. Accordingly, although EPDPL made consistent efforts to reduce its shareholding in Mac Charles, it was not possible to comply with MPS requirements on or prior to February 6, 2018.*

(ii) *Actions of the BSE:*

9. *As stated in paragraph 7 of the Response on Merits, as early as October 26, 2017, the BSE sent an e-mail alleging that Mac Charles was not in compliance with MPS requirements, imposed a penalty until the date of compliance with MPS requirements and stated that depositories were being instructed to freeze the equity shares of the promoter/promoter group of Mac Charles in furtherance of the October 2017 Circular (the "* ***October 2017 E-mail****").*
10. *Against this background, we invite your attention to the letter dated February 7, 2019 (the "****February 2019 Letter****") from the BSE to Mac Charles, on page 52 of the Compilation of Documents, that levied the enhanced penalty of Rs.10,000 per day on Mac Charles for alleged non- compliance with MPS requirements. Under paragraph 4.3 of the October 2017 circular, this enhanced penalty is only applicable to listed entities that continue to remain non-compliant for one year or longer.*
11. *Therefore, even after issuing the October 2017 Email and instructing the depositories to freeze shareholding in October 2017, the BSE was well aware that Mac Charles and its promoters had, under law, time until February 6, 2018 to comply with MPS requirements. The BSE did not take steps to rectify its mistake of freezing EPDPL's shareholding in Mac Charles for MPS non-compliance prior to February 6, 2018 and continued to impose penalties compounding the issue for EPDPL. Accordingly, it was not possible for EPDPL to reduce shareholding in Mac Charles on or prior to February 6, 2018.*
12. *Further, as stated in paragraph 18 of the Response on Merits, the Suspension was revoked in September 2018 subject to entire shareholding continuing to remain frozen for a period of three months, i.e., until December 31, 2018. However, instructions to lift the freeze were actually given to the depositories only after February 13, 2019, which caused EPDPL to withdraw filings made for an offer for sale to reduce its shareholding. In fact, as stated in paragraph 21 of the Response on Merits, EPDPL had even sent an e-mail to the BSE on February 11, 2019 requesting it to lift the freeze to enable the transfer of EPDPL's shares. Accordingly, while EPDPL consistently made efforts, it was not possible to sell any of its shares until the freeze was lifted in the second half of February 2019. Shortly thereafter, EPDPL completed an offer for sale on February 28, 2019 and achieved compliance with MPS requirements.*

(iii) *Conditions for imposition of penalty under the Inquiry Rules and the SEBI Act:*

13. *Rule 5(2) of the Inquiry Rules (which mirrors Section 15J of the SEBI Act) requires the adjudicating officer to have due regard to the following factors while adjudging the quantum of penalty under Section 15I of the SEBI Act:*
    (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; and*
    (c) *the repetitive nature of the default.*
14. *In the present matter, as stated in paragraph 28 of the Response on Merits, we reiterate that neither EPDPL nor Mac Charles received the benefit of any disproportionate gain or unfair advantage (through corporate benefits such as dividend, bonus shares, split etc.) nor did they demonstrate any mala fide intention to take advantage of the excess promoter shareholding. Further, no such allegation is found in the Notice.*
15. *Further, we submit that EPDPL has not caused loss to any investors EPDPL never had any intention to hold more than 75% of the equity share capital the prescribed limit of 75% was exceeded only due to the Open Offer based on the requirements under the SAST Regulations. Further, no such allegation is found in the Notice.*
16. *The delay in compliance with MPS requirements was not within EPDPL's control. It made consistent efforts to rectify any alleged default, both prior to the freeze on the promoter shareholding and the Suspension and after the revocation. As soon as it was possible for EPDPL to do so, it reduced its shareholding through an offer for*

sale on the stock exchange, which was a permitted mode of achieving compliance with MPS requirements under the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018, in compliance with applicable law. As on date, EPDPL continues to be in compliance with MPS requirements. The alleged non- compliance by EPDPL with the MPS requirement was a one-time event in certain peculiar factual circumstances.

17. *Therefore, we submit that none of the above three conditions for imposition of penalty under Rule 5(2) of the Inquiry Rules and Section 15J of the SEBI Act are met in the present case.*

(iv) *Case law relied upon in support of EPDPL's submissions:*

18. *In addition to the submissions made in paragraph 26 of the Response on Merits, we invite your attention to the fact that in the matter of Swaraj Automotives Limited, a delay of 10 months was not considered to be substantial by the adjudicating officer and it was held that the violation on the part of the promoters was not considerable enough to warrant enforcement action and the matter was disposed off without further enforcement action. Accordingly, we submit that a delay of approximately 13 months in the present case, due to factors beyond the control of EPDPL, should not be considered to be substantial and EPDPL ought not to be penalized given the consistent efforts made on its part to comply with MPS requirements.*

19. *In addition to the submissions made in paragraph 27 of the Response on Merits, we also invite your attention to the observations made by the Securities Appellate Tribunal in the order dated March 17, 2008 in M/s. CSL Securities Private Limited v. SEBI (appeal number 95 of 2007)2 in relation to impossibility of performance and submit that EPDPL should not be held liable for failure to comply with the MPS requirements on or prior to February 6, 2018, due to factors beyond its control which made any reduction of its shareholding within such timeline impossible. It is therefore submitted that in a situation where a party is prevented from complying with a certain provision of law, the assumption should be that in the absence of such prevention, the party would have complied with the provision of law.*

20. *In light of the facts, circumstances and submissions in the Response on Merits and hereinabove, we urge you to note that:*

    a. *EPDPL diligently made efforts to comply with the MPS requirements within the 12-month period after the Open Offer, i.e., on or prior to February 6, 2018, but was unable to do so because of the freeze on the promoter shareholding and the suspension in trading of the shares by the BSE.*

    b. *The freeze on EPDPL's shareholding initiated by the BSE on October 26, 2017, significantly prior to February 6, 2018, made it impossible for EPDPL to comply with the MPS requirement when the shares of Mac Charles held by EPDPL were frozen (and could not be sold). Subsequently, even after the revocation of the Suspension, instructions to lift the freeze on EPDPL's shareholding were not given by the BSE until after February 13, 2019. Under the principle of "impossibility of performance", the law cannot expect or compel a person to perform an act which is incapable of being performed by such person at the relevant time. EPDPL should not be held liable for failure to comply with the MPS requirements on or prior to February 6, 2018, due to factors beyond its control which made the reduction of its shareholding in Mac Charles impossible within such timelines.*

    c. *A delay of approximately 13 months in the present case, due to factors beyond EPDPL's control, should not be considered to be substantial delay and EPDPL should not be penalized. EPDPL was able to complete an offer for sale and ensured compliance with the MPS requirements on March 1, 2019. EPDPL continues to remain in compliance with MPS requirements as at the date of this Letter.*

    d. *None of the three conditions for imposition of penalty under Rule 5(2) of the Inquiry Rules and Section 15J of the SEBI Act are met in the present case.*

21. *In view of the facts, circumstances and submissions in the Response on Merits and hereinabove, EPDPL requests you to not take any further action on the Notice or impose any penalty on EPDPL and close the file.*

7. Noticee requested for further personal hearing in its additional submission vide email dated July 22, 2020, which I did not deem necessary, having already given an opportunity of hearing which Noticee availed of. Hearing leading to additional submissions seeking hearing would become an unending cycle. I am of the view that Noticee was given ample time and opportunity for submissions and hearing to

abide by Principles of Natural Justice, Therefore, after taking into account the allegations levelled in the SCN, reply vide email dated July 09, 2020 and additional submission vide email dated July 22, 2020 made by the Noticee, and other evidences/material available on record, I hereby proceed to decide the case on merit.

CONSIDERATION OF ISSUES, EVIDENCES AND FINDINGS

8. I have carefully perused the charges levelled against the Noticee in the SCN and other material available on record. In the instant matter, the following issues arise for consideration and determination: -

a. Whether the Noticee has violated the provisions of regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957?

b. Do the violations, if any, on the part of the Noticee attract monetary penalty under section 15HB of the SEBI Act, 1992 for the alleged violations by the Noticee?

c. If yes, then what would be the monetary penalty that can be imposed upon the Noticee, taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992 r/w rule 5(2) of the AO Rules?

9. Before proceeding further, I refer to the relevant provisions of the SAST Regulations, 2011 and the SCRR, 1957.

SAST Regulations, 2011

3(1) *No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.*

4 *Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.*

7(4) *In the event the shares accepted in the open offer were such that the shareholding of the acquirer taken together with persons acting in concert with him pursuant to completion of the open offer results in their shareholding exceeding the maximum permissible non-public shareholding, the acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957.*

SCRR, 1957

19A(2) *Where the public shareholding in a listed company falls below twenty-five per cent at any time, such company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India.*

FINDINGS:

10. On perusal of the material available on record and giving regard to the facts and circumstances of the case, I hereby record my findings as under:

Issue a: *Whether the Noticee has violated the provisions of regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957?*

a. Noticee is alleged to have acquired 73.41% shares of MC by way of Share Purchase Agreement on February 7, 2017 and then pursuant to the open offer, Noticee acquired 79.77% of the total shareholding of MC, it is all alleged that Noticee failed to bring down the said shareholding (79.77%) to 75% or less in terms of regulation 7(4) of the SAST Regulations, 2011 which states that if the shares accepted in an open offer result in shareholding of the acquirer taken together with persons acting in concert with him exceeding the maximum permissible non-public shareholding, the acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under the SCRR, 1957. I further note that regulation 19A(1) of the SCRR, 1957 requires every listed company to maintain Minimum Public Shareholding (in short **MPS**) of 25% and where the public shareholding in a listed company falls below 25% at any time, regulation 19A(2) of the SCRR, 1957 requires such company to bring the public shareholding to 25% within a maximum of twelve months from the date of such fall.

OD has levelled such allegation against Noticee that the Noticee has failed to bring down its shareholding in MC within a period of one year from February 07, 2017 in compliance with regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957. It is an admitted position that Noticee has complied with the said regulation 7(4), but failed to do so within the time period stipulated under rule 19A(2) and vide reply dated July 09, 2020 Noticee also admitted the delay in complying with the MPS requirements. In this regard, Noticee has made certain submissions addressing delay in compliance with the MPS requirements.

b. Noticee interalia submitted that on October 23, 2017, the Bombay Stock Exchange (in short **BSE**) issued a notice informing the public that pursuant to SEBI Circular no. CIR/CFD/CMD/12/2015 dated November 30, 2015 (in short **November 2015 Circular**), the scrip of MC would be transferred to the 'Z' group with effect from October 31, 2017 due to alleged non-compliance for two consecutive quarters (March 2017 and June 2017) with regulation 33 of the LODR Regulations, 2015. Noticee further submitted that BSE issued a notice on December 7, 2017 stating that pursuant to the provisions of the November 2015 Circular, trading in securities of the target company were to be suspended with effect from December 29, 2017 on account of alleged non-compliance with regulation 33 of the LODR Regulations, 2015, and the entire promoter shareholding was to be frozen with effect from December 7, 2017 until further notice. Also that, on December 29, 2017, the equity shares of MC were suspended from trading by the BSE. Noticee submitted that it made efforts to comply with the MPS requirement such as discussions with the BSE, discussions with MB and also that Noticee was given to understand that no open market transactions could be undertaken until the suspension was revoked and that it was not possible for Noticee to comply with the MPS requirements as per regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957, on or prior to February 6, 2018.

c. As regards the above contentions of Noticee I note from the record that time available with the Noticee for MPS compliance started from February 7, 2017 and that BSE issued instructions for transferring scrips of the target company to 'Z' category as per the notice dated October 23, 2017 with effect from October 31, 2017 and for freezing the shares of promoter and promoter group as per the mail dated October 26, 2017. In this regard, I note that Hon'ble Securities Appellate

Tribunal (in short **SAT**) in its order dated July 03, 2013 in the matter of *M/s. Gillette India Limited vs SEBI & Ors.* observed that, *"… the Appellant should have behaved like a proactive and responsible entity by immediately putting its machinery into gear and doing everything possible to work in consonance with the law to protect the interests of the market."* In this regard, I note that Noticee has not submitted any evidentiary proof of having made an effort to ensure MPS compliance. Further, I refer to the following provision of the SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated October 10, 2017, "4.2.2 The recognized stock exchange shall intimate the depositories to freeze the entire shareholding of the promoter and promoter group in such listed entity till the date of compliance by such entity. <u>The above restriction shall not be an impediment for the entity for compliance with the minimum public shareholding norms through the methods specified/approved by SEBI."</u>

In view of above-mentioned provision, I note that the freeze in Noticee's shareholding as per communication of the BSE dated October 26, 2017 was not an impediment for the Noticee to comply with the MPS requirements. In this regard, I note that the Noticee has failed to submit any evidentiary proof of making effort to ensure MPS compliance starting from February 7, 2017 till end of the 12-month period available as per the rule 19A(2) of SCRR, 1957.

d. I also note that BSE issued a notice dated December 07, 2017, as per which BSE had frozen entire promoter shareholding with effect from the date of notice and suspended equity shares of the target company from trading with effect from December 29, 2017 interalia stating, "*15 days after suspension has been effected, trading in the shares of non-compliant companies would be allowed on Trade for Trade basis in Z group only on the first trading day of every week for six months."*

In view of the above, I note that trading on 'trade by trade' basis in the scrip of the target company was allowed 15 days even after the date of suspension of trading i.e. December 29, 2017. Further, I note following provisions of SEBI Circular CIR/CFD/CMD/14/2015 dated November 30, 2015:

"*2. In order to achieve the minimum level of public shareholding specified in Rule 19(2)(b) and/or Rule 19A of the SCRR, 1957, the Listed Entity shall adopt any of the following methods: -*

i. Issuance of shares to public through prospectus;

ii. Offer for sale of shares held by promoters to public through prospectus;

iii. *Sale of shares held by promoters through the secondary market in terms of SEBI circular CIR/MRD/DP/05/2012 dated February 1, 2012;*

iv. *Institutional Placement Programme (IPP) in terms of Chapter VIIIA of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;*

v. *Rights Issue to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, that may arise from such issue;*

vi. *Bonus Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, that may arise from such issue;*

vii. *Any other method as may be approved by SEBI on a case to case basis. For this purpose, the listed entities may approach SEBI with appropriate details. SEBI would endeavor to communicate its decision within 30 days from the date of receipt of the proposal or the date of receipt of additional information as sought from the company."*

As regards, the above options available with the Noticee to ensure MPS compliance, Noticee has failed to submit any documentary evidence of having made efforts for MPS compliance through any of the available options.

e. Further, Noticee in its reply dated July 09, 2020 and additional submission dated July 22, 2020, has drawn attention to SEBI Adjudication Order dated February 14, 2018 *in the matter of Swaraj Automotives Limited* in relation to non-compliance with the requirement of minimum public shareholding by listed companies:

2.*"The mandate to maintain minimum public shareholding was introduced through amendments made in the year 2010 to the SCRR, subsequent to which several circulars also had been issued by SEBI to ensure that listed companies comply with the said requirement. I note that the default in compliance with MPS norms arose on account of a public offer made by the Promoter pursuant to its acquisition of equity shares of the Company from the erstwhile promoter. After completion of the open offer process, though the company had twelve months to comply with MPS norms (as per Rule 19A of the SCRR), there was a delay of approximately 10 months in complying with the same. I note that the Company/Promoter had made consistent efforts to rectify the default, both before and after the interim order was passed. I also do not find the delay in compliance to be very substantial. The delay* *is reasonably mitigated by the fact that the Company and its Promoters have been able to demonstrate active efforts on their part to remedy the default. In view of the aforesaid facts and circumstances, I do not find the violation on the part of the Company/Promoter considerable enough to warrant any other enforcement action against the Company or its directors/promoters. Therefore I find it appropriate to dispose the matter off without any further enforcement action."*

I note that in the referred case, Swaraj automotive Ltd. had already made two OFS by the compliance date, therefore the said case law is not relevant as the case facts are different, as Noticee has failed to submit any evidentiary proof having made such efforts for ensuring MPS compliance.

f. I note that Noticee has also cited the principle of 'impossibility of performance', and submitted that it was impossible for Noticee to comply with the MPS requirement when the shares of the target company held by Noticee were frozen (and could not be sold) and the equity shares of Noticee were suspended from trading. Noticee has further invited attention to the observations made by Hon'ble SAT in the order dated March 17, 2008 *in the matter of M/s. CSL Securities Private Limited v. SEBI* in respect of impossibility of performance:

"…It is trite law that when the fulfillment of a condition prescribed by law, though mandatory, becomes impossible to be complied with because of an act of God or otherwise, law will excuse the fulfillment of that condition. Law can never insist upon the performance of an act which has otherwise become impossible of performance."

In the instant case, I note that Noticee has submitted no evidentiary proof of having made an effort by exploring options available to ensure MPS compliance in terms of 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957, and thereby, the principle of 'impossibility of performance' does not apply.

g. Noticee has interalia submitted that on June 11, 2018, MC sent a follow-up letter requesting the BSE to revoke the suspension of trading in the scrips and grant an extension until September 30, 2018 to comply with the MPS norms. I note that the letter stated that action had been initiated for an OFS in the secondary market which could not succeed due to the suspension of trading and other compliance issues. The letter also intimated intent of the Noticee to achieve compliance with

MPS norms via alternate ways as per as SEBI Circular CIR/CFD/CMD/14/2015 dated November 30, 2015, namely:

(1) Institutional Placement Programme (IPP) in terms of Chapter VIIIA of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

(2) Bonus Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, that may arise from such issue;

Said contentions of Noticee are not acceptable to me as the Noticee has not submitted any evidentiary proof of the attempted OFS.

h. From the above paragraphs, I am of the view that Noticee has failed to comply with the MPS requirements and that Noticee was required to bring down the non-public shareholding to 75% or below within twelve months from date of change in shareholding i.e. February 07, 2017, and thereby to ensure compliance with regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957. Therefore, the charges levelled by OD against the Noticee and conveyed vide SCN no SEBI/HO/EAD/E&AO/SR/AS/OW/11053/1/2020 dated June 24, 2020 stand established.

Issue b: Do the violations, if any, on the part of the Noticee attract any monetary penalty under section 15HB of the SEBI Act, 1992?

11. Therefore, after taking into account the aforesaid entire facts / circumstance of the case, and material available on record, I am of the view that the said failure on the part of the Noticee to make required disclosures under the relevant provisions discussed above attracts imposition of monetary penalty under section 15HB of SEBI Act, 1992 which is reproduced below:

<u>SEBI Act, 1992</u>

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

Issue c - What would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992 r/w rule 5(2) of the AO Rules?

12. While determining the quantum of penalty under section 15J of SEBI Act, 1992, it is important to consider the factors stipulated in section 15J of SEBI Act, 1992 r/w rule 5(2) of the AO Rules which reads as under: -

    While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely: -

    (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

    (b) the amount of loss caused to an investor or group of investors as a result of the default;

    (c) the repetitive nature of the default.

    I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the loss, if any, suffered by the investors due to such failure on the part of the Noticee. Further, material available on record does not show that the said failure is repetitive. I conclude that the aforementioned violation of provisions of regulation 7(4) of the SAST Regulations, 2011 r/w rule 19A(2) of the SCRR, 1957 attracts monetary penalty and therefore, taking into consideration the facts/circumstance of the case and the above case laws, I am of the view that the Noticee is liable for a monetary penalty of Rs 10,00,000/- (Rupees Ten Lakh Only) for violating the said provisions of the SAST Regulations, 2011 r/w relevant provisions of the SCRR, 1957.

ORDER

13. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under section 15-I(2) of the SEBI Act, 1992 r/w rule 5 of the AO Rules, I hereby impose a penalty of Rs 10,00,000/- (Rupees Ten Lakh Only) upon the Noticee under section 15HB of the SEBI Act, 1992 for violation of regulation 7(4) of the SAST Regulations, 2011 r/w regulation 19A(2) of the SCRR, 1957.

14. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order by one of following two modes:

a. By using the web link https://siportal.sebi.gov.in/intermediary /AOPaymentGateway.html

b. By way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai

15. Details of Demand Draft made as given in format below shall be sent to "The Division Chief, EFD-DRA-III, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051." and also to e-mail id :- tad@sebi.gov.in

a) Case Name
b) Name of the 'Payer/Noticee'
c) Date of Payment
d) Amount Paid
e) Transaction No.
f) Bank Details in which payment is made
g) Payment is made for (like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)

16. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

17. Copies of this Adjudication Order are being sent to the Noticee and also to SEBI in terms of rule 6 of the AO Rules, 1995.

Date: July 30, 2020 **SANGEETA RATHOD**

Place: Mumbai **ADJUDICATING OFFICER**