

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/BD/AA/2020-21/ 9117-9132]

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

In respect of

Sl. No.	Name of the Entity	PAN
1.	Pradeep Kumar Jindal	AAIPJ8526A
2.	Trishla Jain	AAMPJ2164N
3.	Satish Jain	ADEPJ5110B
4.	Renu Jain	AFNPJ7112E
5.	Shobha Jain	AAGPJ6737K
6.	Satender Kumar Jain and Sons (HUF)	AANHS9519P
7.	Anand Kumar Jain	AAYPJ3951B
8.	S.K Jain	ACSPJ6904A
9.	Satender Kumar Jain	AAHPJ8609H
10.	Mamta Jindal	AEEPJ6955K
11.	Chetan Jain	AEQPJ5780G
12.	Aanchal Jindal	AIHPJ4158R
13.	Archit Jindal	AGNPJ5775G
14.	Kanika	CPGPK3235J
15.	Laxman Singh Satyapal	AIDPS0821N
16.	Meera Mishra	AJBPM5839R

In the matter of Focus Industrial Resources Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the scrip of Focus Industrial Resources Ltd.,

(hereinafter referred to as '**FIRL / Company**') *inter-alia* to ascertain any disclosure related violations by the Promoters of FIRL under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SEBI (SAST) Regulations, 2011**') and SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**SEBI (PIT) Regulations, 1992**'), during the period February 1, 2013 to July 30, 2013 (hereinafter referred to as '**Investigation Period**' / '**IP**').

2. Pursuant to investigation, it was observed by SEBI that the promoters of the Company viz. Pradeep Kumar Jindal (hereinafter referred to as '**Noticee No. 1**'), Trishla Jain (hereinafter referred to as '**Noticee No. 2**'), Satish Jain (hereinafter referred to as '**Noticee No. 3**'), Renu Jain (hereinafter referred to as '**Noticee No. 4**'), Shobha Jain (hereinafter referred to as '**Noticee No. 5**'), Satender Kumar Jain and Sons (HUF) (hereinafter referred to as '**Noticee No. 6**'), Anand Kumar Jain (hereinafter referred to as '**Noticee No. 7**'), S. K. Jain (hereinafter referred to as '**Noticee No. 8**'), Satender Kumar Jain (hereinafter referred to as '**Noticee No. 9**'), Mamta Jindal (hereinafter referred to as '**Noticee No. 10**'), Chetan Jain (hereinafter referred to as '**Noticee No. 11**'), Aanchal Jindal (hereinafter referred to as '**Noticee No. 12**'), Archit Jindal (hereinafter referred to as '**Noticee No. 13**'), Kanika (hereinafter referred to as '**Noticee No. 14**'), Laxman Singh Satyapal (hereinafter referred to as '**Noticee No. 15**') and Meera Mishra (hereinafter referred to as '**Noticee No.**

16') had violated the various provisions of SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations, 1992 during the investigation period as below:

- i). Noticee Nos. 1 to 13, as acquirers / PACs failed to make disclosures under SEBI (SAST) Regulations, 2011 for acquisition/disposal of shares representing 2% or more of the share capital of the company on 5 instances viz., 12/03/2013, 21/03/2013, 20/04/2013, 11/05/2013 and 27/06/2013 and therefore, violated the provisions of Regulation 29(2) read with 29(3) of SEBI (SAST) regulations, 2011.
- ii). Noticee No. 1 to 14, as acquirers / PACs failed to make disclosures under SEBI (SAST) Regulations, 2011 for acquisition/disposal of shares representing 2% or more of the share capital of the company on 22/07/2013 and therefore, violated the provisions of Regulation 29(2) read with 29(3) of SEBI (SAST) regulations, 2011.
- iii). Noticee No. 1 to 16, as acquirers / PACs failed to make disclosures under SEBI (SAST) Regulations, 2011 for acquisition/disposal of shares representing 2% or more of the share capital of the company on 22/07/2013 and therefore, violated the provisions of Regulation 29(2) read with 29(3) of SEBI (SAST) regulations, 2011.
- iv). Noticee No. 1 to 13, as acquirers / PACs failed to make open offer for acquisition of shares exceeding 5% on 27/06/2013 and therefore, violated the provisions of Regulation 3(2) of SEBI (SAST) Regulations, 2011.

- v). Noticee No. 1 to 16, as acquirers / PACs failed to make open offer for acquisition of shares exceeding 5% on 25/09/2013 and therefore, violated the provisions of Regulation 3(2) of SEBI (SAST) Regulations, 2011.
 - vi). Noticee No. 5 to 13, Noticee No. 15 and Noticee No. 16 being part of promoter group, failed to make disclosures under SEBI (PIT) Regulations, 1992 for change in the shareholding exceeding 25,000 shares and/or Rs. 5 lakh and therefore, violated the provisions of Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992.
 - vii). Noticee No. 13 to 16 failed to make initial disclosure of becoming part of promoter group as per SEBI (PIT) Regulations, 1992 and therefore, violated the provisions of Regulation 13(2A) of SEBI (PIT) Regulations, 1992.
3. In view of the above, SEBI initiated adjudication proceedings against the above Noticees for the aforesaid violations of SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations, 1992.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as Adjudicating Officer, vide Order dated May 12, 2017 (communicated vide Order dated March 26, 2018) under Section 19 read with Sub-section (1) & (2) of Section 15-I of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

(hereinafter referred to as “**Adjudication Rules**”) to inquire into and adjudge the alleged violations committed by the Noticees under Sections 15H and 15A(b) of SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice dated December 6, 2018 (hereinafter referred to as ‘**SCN**’) was issued to the Noticees under Rule 4 (1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against the Noticees and why penalty should not be imposed upon the Noticees under Sections 15H and 15A(b) of of the SEBI Act for the violations alleged to have been committed by the Noticees.

6. The following observations were made in the SCN:

(i) *Management of the Company: The details of the Management of the Company during the investigation period is as under:*

Table-1

Sl. No.	Name	Address	Designation
1.	Pradeep Kumar Jindal	F-3/12, Model Town, Part-II, Delhi, 110009, Delhi, India	Chairman and Managing director
2.	Ashok Kumar Gupta	H-2/1, Model Town-III, Delhi, 110009, Delhi, India	Independent Director
3.	Madhvi Bhatnagar	F-8/7, Model Town-II, Delhi, 110009, Delhi, India	Independent Director
4.	Santanu Kumar Dash	Block GP-81, Ground Floor, Pitam Pura, Delhi, 110088, Delhi, India	Independent Director

(ii) *Shareholding Pattern: The category-wise shareholding pattern of the Company for the quarter ended December 2012 to September 2013 as disclosed on BSE website is given hereunder:*

Table-2

Particular	Quarter ended December 2012			Quarter ended March 2013			Quarter ended June 2013		
	No. of share holders	No. Of shares	%	No. of share holders	No. Of shares	%	No. of share holders	No. Of shares	%
Promoter Holding	12	71,23,565	58.42	13	62,05,748	50.89	13	62,10,030	50.92
Non Promoter Holding	593	50,70,634	41.58	601	59,88,451	49.11	547	59,85,469	49.08
Total	605	1,21,94,199	100.00	614	1,21,94,199	100.00	560	1,21,94,199	100.00

Particular	Quarter ended September 2013		
	No. of share holders	No. Of shares	%
Promoter Holding	11	62,08,730	50.92
Non Promoter Holding	547	59,85,469	49.08
Total	558	1,21,94,199	100.00

From the above table, it is observed that the promoter holding the quarter From December 2012 to March 2013 is decreased from 58.42% to 50.89%.

- (iii) The Promoter wise shareholding as disclosed on BSE website for the quarter ended December 31, 2012 and September 30, 2013 is tabulated below:

Table-3

Sl. No.	PAN	Entity Name	31/12/2012		31/03/2013		30/06/2013		30/09/2013	
			No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
1	AIHPJ4158R	Aanchal Jindal	2,940	0.02	2,940	0.02	2,36,321	1.94	6,00,000	4.92
2	AAYPJ3951B	Anand Kumar Jain	9,97,500	8.18	6,96,607	5.71	6,82,807	5.6	6,82,807	5.60
3	AGNPJ5775G	Archit Jindal	Not shown as promoter		4,282	0.04	5,04,282	4.14	6,04,282	4.96
4	AEQPJ5780G	Chetan Jain	5,85,000	4.8	5,85,000	4.8	3,00,000	2.46	Not shown as promoter	
5	CPGPK3235J	Kanika	Not shown as promoters						1,20,000	0.98
6	AIDPS0821N	Laxman Singh Satyapal	Not shown as promoters						4,52,227	3.71
7	AEEPJ6955K	Mamta Jindal	10,689	0.09	39,439	0.32	2,20,810	1.81	5,36,104	4.4
8	AJBPM5839R	Meera Mishra	Not shown as promoter						3,30,500	2.71
9	AAIPJ8526A	Pradeep Kumar Jindal	7,496	0.06	5,496	0.05	5,496	0.05	5,496	0.05
10	AFNPJ7112E	Renu Jain	9,97,500	8.18	9,97,500	8.18	9,97,500	8.18	9,97,500	8.18
11	ACSPJ6904A	S K Jain	16,93,440	13.89	14,03,484	11.51	12,91,814	10.59	12,91,814	10.59
12	AAHPJ8609H	Satender Kumar Jain	5,85,000	4.80	5,00,000	4.10	3,00,000	2.46	Not shown as promoter	
13	AANHS9519P	Satender Kumar Jain and Sons HUF	5,88,000	4.82	5,00,000	4.10	3,00,000	2.46		
14	ADEPJ5110B	Satish Jain	4,83,000	3.96	4,83,000	3.96	4,83,000	3.96		
15	AAGPJ6737K	Shobha Jain	5,85,000	4.8	4,00,000	3.28	3,00,000	2.46		
16	AAMPJ2164N	Trishla Jain	5,88,000	4.82	5,88,000	4.82	5,88,000	4.82	5,88,000	4.82
		Total	71,23,565	58.42	62,05,748	50.89	62,10,030	50.92	62,08,730	50.92

(iv) The quarter wise shareholding details of promoters on the basis of demat statements is given below:

Table-4

Sl. No.	PAN	Name of promoter	31/12/2012		31/03/2013		30/06/2013		30/09/2013	
			No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
1	AIHPJ4158R	Aanchal Jindal	2,940	0.02	2,940	0.02	2,36,321	1.94	6,00,000	4.92
2	AAYPJ3951B	Anand Kumar Jain	9,97,500	8.18	6,96,607	5.71	6,82,807	5.6	6,82,807	5.6
3	AGNPJ5775G	Archit Jindal	Not a Promoter		4,282	0.04	5,04,282	4.14	6,04,282	4.96
4	AEQPJ5780G	Chetan Jain	5,85,000	4.8	5,85,000	4.8	3,00,000	2.46	3,00,000	2.46
5	CPGPK3235J	Kanika	Not a promoter						1,20,000	0.98
6	AIDPS0821N	Laxman Singh Satyapal	Not a promoter						4,52,227	3.71
7	AEEPJ6955K	Mamta Jindal	10,689	0.09	39,439	0.32	2,20,810	1.81	5,36,104	4.4
8	AJBPM5839R	Meera Mishra	Not a Promoter						3,30,500	2.71
9	AAIPJ8526A	Pradeep Kumar Jindal	7,496	0.06	5,496	0.05	5,496	0.05	5,496	0.05
10	AFNPJ7112E	Renu Jain	9,97,500	8.18	9,97,500	8.18	9,97,500	8.18	9,97,500	8.18
11	ACSPJ6904A	S K Jain	16,93,440	13.89	14,03,484	11.51	12,91,814	10.59	12,91,814	10.59
12	AAHPJ8609H	Satender Kumar Jain	5,85,000	4.80	5,00,000	4.10	3,00,000	2.46	3,00,000	2.46
13	AANHS9519P	Satender Kumar Jain and Sons HUF	5,88,000	4.82	5,00,000	4.10	3,00,000	2.46	3,00,000	2.46
14	ADEPJ5110B	Satish Jain	4,83,000	3.96	4,83,000	3.96	4,83,000	3.96	4,83,000	3.96
15	AAGPJ6737K	Shobha Jain	5,85,000	4.8	4,00,000	3.28	3,00,000	2.46	3,00,000	2.46
16	AAMPJ2164N	Trisha Jain	5,88,000	4.82	5,88,000	4.82	5,88,000	4.82	5,88,000	4.82
		Total	71,23,565	58.42	62,05,748	50.89	62,10,030	50.93	78,91,730	64.72

From the above table, it is observed that the promoter shareholding of the company for the quarter ended December 2012 i.e 58.42% reduced to 50.89% by the quarter ended March 2013. Thereafter, the shareholding increased to 64.72% by quarter ended September 2013.

(v) Disclosures under SEBI (SAST) Regulations, 2011: The Noticees at Sl.No.1 to 16 being the entities of the promoter group are deemed to be Persons Acting in Concert (PACs) as per Regulation 2(1)(q), (2)(iv) of SEBI (SAST) Regulations, 2011 for the period under consideration, i.e., January 01, 2013 (quarter starting immediately before IP) to September 30, 2013 (quarter ended immediately after IP). However, regarding the entities who became part of the promoter group during quarter ended March 31, 2013 and September 30, 2013, the details of date of becoming part of PAC are tabulated as follows:

Table 5

Sl. No.	Name of promoter entity	Date from which the entity is part of PAC	Observations
1.	Archit Jindal	February 18, 2013	As per the company's reply, Archit Jindal is the son of Pradeep Kumar Jindal who is already a promoter. From the demat statement of Archit Jindal, it is observed that he acquired shares on February 18, 2013. Hence, February 18, 2013 is considered as the date from which the Archit Jindal is part of PAC.
2.	Kanika	July 22, 2013	As per the company's reply, Kanika is wife of Archit Jindal who is already a promoter. From the demat statement of Kanika, it is observed that she acquired shares on July 22, 2013. Hence, July 22, 2013 is considered as the date from which the Kanika is part of PAC.
3.	Laxman Singh Satyapal	September 05, 2013.	As per company's reply Laxman Singh Satyapal and Meera Mishra were already holding shares in the company and were not part of the promoter group. Laxman Singh Satyapal and Meera Mishra joined hands with the management and showed their interest in the affairs and control of the company from September 05, 2013. Hence, September 05, 2013 is considered as the date from which Laxman Singh Satyapal and Meera Mishra are part of PAC.
4.	Meera Mishra	September 05, 2013.	

(vi) It is observed from the Table 5 that the promoter group entities (also referred as PACs) were holding 58.42% (which is more than 5%) of the share capital of the company for the quarter ended December 31, 2012. Pursuant to disposal of shares by the promoters the shareholding of promoters reduced to 50.89% by the quarter ended March 31, 2013 i.e., decrease by 7.53% (which is more than 2%). Subsequently, due to acquisition of shares by the promoters the shareholding of promoters was increased to 64.72% i.e., increase by 13.83% (which is more than 2%).

(vii) Since, there was decrease / increase of more than 2% in the promoter group shareholding, the day wise analysis of demat statements of the promoter group entities is carried out. The day wise change in the shareholding of promoters (in terms of percentage to the total shareholding of the company) is tabulated below:

Table 6

Date	Promoter wise % of shareholding																	Change in Total share holding
	Aanchal Jindal	Anand Kumar Jain	Archit Jindal	Chetan Jain	Kanika	Laxman Singh Satyapal	Mamta Jindal	Meera Mishra	Pradeep Kumar Jindal	Renu Jain	S.K. Jain	Satender Kumar Jain	Satender Kumar Jain And Sons Huf	Satish Jain	Shobha Jain	Trishla Jain	Grand Total	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
31/12/2012	0.02	8.18	-	4.80	-	-	0.09	-	0.06	8.18	13.89	4.80	4.82	3.96	4.80	4.82	58.42	-
01/01/2013	0.02	8.18	-	4.80	-	-	0.09	-	0.05	8.18	13.89	4.80	4.82	3.96	4.80	4.82	58.40	-0.02
02/01/2013	0.02	8.18	-	4.80	-	-	0.09	-	0.05	8.18	13.89	4.59	4.82	3.96	4.80	4.82	58.20	-0.22
06/02/2013	0.02	8.18	-	4.80	-	-	0.09	-	0.05	8.18	13.89	4.39	4.82	3.96	4.80	4.82	57.99	-0.43
12/02/2013	0.02	8.18	-	4.80	-	-	0.09	-	0.05	8.18	13.89	4.10	4.82	3.96	4.39	4.82	57.29	-1.12
18/02/2013	0.02	8.18	0.04	4.80	-	-	0.09	-	0.05	8.18	13.89	4.10	4.82	3.96	4.39	4.82	57.34	-1.08
22/02/2013	0.02	8.18	0.04	4.80	-	-	0.09	-	0.05	8.18	13.89	4.10	4.82	3.96	4.39	4.82	57.33	-1.09
26/02/2013	0.02	7.93	0.04	4.80	-	-	0.09	-	0.05	8.18	13.89	4.10	4.82	3.96	4.39	4.82	57.08	-1.34
27/02/2013	0.02	7.84	0.04	4.80	-	-	0.17	-	0.05	8.18	13.89	4.10	4.82	3.96	4.39	4.82	57.07	-1.34
06/03/2013	0.02	7.84	0.04	4.80	-	-	0.17	-	0.05	8.18	13.89	4.10	4.82	3.96	4.10	4.82	56.79	-1.63
12/03/2013	0.02	6.00	0.04	4.80	-	-	0.17	-	0.05	8.18	13.89	4.10	4.10	3.96	3.69	4.82	53.81	-4.60

Date	Promoter wise % of shareholding																	
	Aanchal Jindal	Anand Kumar Jain	Archit Jindal	Chetan Jain	Kanika	Laxman Singh Satyapal	Mamta Jindal	Meera Mishra	Pradeep Kumar Jindal	Renu Jain	S.K. Jain	Satender Kumar Jain	Satender Kumar Jain And Sons Huf	Satish Jain	Shobha Jain	Trishla Jain	Grand Total	Change in Total share holding
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
13/03/2013	0.02	5.71	0.04	4.80	-	-	0.17	-	0.05	8.18	13.89	4.10	4.10	3.96	3.69	4.82	53.53	-0.29
15/03/2013	0.02	5.71	0.04	4.80	-	-	0.17	-	0.05	8.18	12.72	4.10	4.10	3.96	3.69	4.82	52.36	-1.46
16/03/2013	0.02	5.71	0.04	4.80	-	-	0.35	-	0.05	8.18	12.72	4.10	4.10	3.96	3.69	4.82	52.54	-1.27
19/03/2013	0.02	5.71	0.04	4.80	-	-	0.35	-	0.05	8.18	12.41	4.10	4.10	3.96	3.69	4.82	52.23	-1.58
20/03/2013	0.02	5.71	0.04	4.80	-	-	0.67	-	0.05	8.18	12.41	4.10	4.10	3.96	3.28	4.82	52.14	-1.67
21/03/2013	0.02	5.71	0.04	4.80	-	-	0.67	-	0.05	8.18	11.51	4.10	4.10	3.96	3.28	4.82	51.24	-2.57
22/03/2013	0.02	5.71	0.04	4.80	-	-	0.23	-	0.05	8.18	11.51	4.10	4.10	3.96	3.28	4.82	50.80	-0.44
30/03/2013	0.02	5.71	0.04	4.80	-	-	0.32	-	0.05	8.18	11.51	4.10	4.10	3.96	3.28	4.82	50.89	-0.35
04/04/2013	0.02	5.71	0.04	4.80	-	-	0.52	-	0.05	8.18	11.51	4.10	4.10	3.96	3.28	4.82	51.09	-0.15
09/04/2013	0.02	5.71	0.04	4.80	-	-	0.52	-	0.05	8.18	11.51	3.69	4.10	3.96	3.28	4.82	50.68	-0.56
11/04/2013	0.02	5.71	0.04	4.39	-	-	0.52	-	0.05	8.18	11.51	3.69	4.10	3.96	3.28	4.82	50.27	-0.97
16/04/2013	0.02	5.71	0.04	4.39	-	-	0.52	-	0.05	8.18	11.51	3.28	4.10	3.96	3.28	4.82	49.86	-1.38
18/04/2013	0.02	5.71	0.04	4.39	-	-	0.52	-	0.05	8.18	11.51	3.28	4.10	3.96	3.28	4.82	49.86	-1.38
19/04/2013	0.02	5.71	0.04	4.39	-	-	0.52	-	0.05	8.18	11.39	3.28	4.10	3.96	3.28	4.82	49.73	-1.51
20/04/2013	0.02	5.71	0.04	3.28	-	-	0.52	-	0.05	8.18	11.39	3.28	3.28	3.96	3.28	4.82	47.81	-3.43
26/04/2013	0.02	5.55	0.04	3.28	-	-	0.52	-	0.05	8.18	11.39	3.28	3.28	3.96	3.28	4.82	47.64	-0.16
27/04/2013	0.02	5.55	0.04	3.28	-	-	0.54	-	0.05	8.18	11.39	3.28	3.28	3.96	3.28	4.82	47.66	-0.14
29/04/2013	0.02	5.55	0.04	3.28	-	-	0.54	-	0.05	8.18	11.39	3.28	3.28	3.96	2.46	4.82	46.84	-0.96
03/05/2013	0.02	5.71	0.04	3.28	-	-	0.54	-	0.05	8.18	11.39	3.28	3.28	3.96	2.46	4.82	47.01	-0.80
04/05/2013	0.02	5.60	0.04	3.28	-	-	0.54	-	0.05	8.18	11.39	3.28	3.28	3.96	2.46	4.82	46.90	-0.91
11/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.39	3.28	2.46	3.96	2.46	4.82	45.26	-2.55
16/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.39	2.46	2.46	3.96	2.46	4.82	44.44	-0.82
18/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.36	2.46	2.46	3.96	2.46	4.82	44.41	-0.85
21/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.24	2.46	2.46	3.96	2.46	4.82	44.29	-0.97
23/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.09	2.46	2.46	3.96	2.46	4.82	44.14	-1.12
24/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	11.05	2.46	2.46	3.96	2.46	4.82	44.10	-1.16
27/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	10.97	2.46	2.46	3.96	2.46	4.82	44.01	-1.24
28/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	10.79	2.46	2.46	3.96	2.46	4.82	43.84	-1.42
30/05/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	10.68	2.46	2.46	3.96	2.46	4.82	43.73	-1.52
04/06/2013	0.02	5.60	0.04	2.46	-	-	0.54	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	43.64	-1.61
05/06/2013	0.02	5.60	0.04	2.46	-	-	0.28	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	43.38	-1.88
27/06/2013	1.94	5.60	2.46	2.46	-	-	1.57	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	49.01	3.75
28/06/2013	1.94	5.60	4.14	2.46	-	-	1.81	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	50.93	1.92
22/07/2013	1.94	5.60	4.14	2.46	0.98	-	1.81	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	51.91	2.90
02/09/2013	1.94	5.60	4.14	2.46	0.98	-	2.07	-	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	52.17	0.26
05/09/2013	1.94	5.60	4.14	2.46	0.98	1.36	2.07	0.98	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	54.52	2.61
25/09/2013	4.92	5.60	4.96	2.46	0.98	1.36	4.40	0.98	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	60.64	6.13
30/09/2013	4.92	5.60	4.96	2.46	0.98	3.71	4.40	2.71	0.05	8.18	10.59	2.46	2.46	3.96	2.46	4.82	64.72	4.07

(viii) The column 'R' in the above table indicates the total percentage of shareholding by the promoter group and column 'S' indicates change in the promoter shareholding from the date on which disclosure requirement was triggered. For example, on December 31, 2012, the total promoter shareholding was 58.42% and it was reduced to 58.40% by January 01, 2013. Therefore, the decrease in the promoter shareholding was 0.02% (58.42%-58.40%). On January 2, 2013, the promoter shareholding was further reduced to 58.20%. Therefore, the total decrease in shareholding was 0.22% (58.42%-58.20%).

(ix) It is observed from the above table that on March 12, 2013, the decrease in total promoter shareholding was 4.60% (58.42%-53.81%) which exceeded the limit of 2% due to the disposal of shares by 3 promoters viz., Shobha Jain, Satender Kumar Jain and Sons HUF and Anand Kumar Jain. Therefore, March 12, 2013 is the date on which first disclosure requirement was triggered. On March 13, 2013, the promoter shareholding was further reduced to 53.53% and the decrease in promoter shareholding was 0.29% {53.81% (promoter shareholding on March 13, 2013 i.e., the date on which disclosure requirement is triggered) - 53.53%}.

(x) It is further observed from the above table that on various dates (given in bold) there is increase/decrease in promoter shareholding exceeding 2%. The details of the same along with entities who are required to disclose are tabulated below. The findings in the table below are to be read with Table 6 above.

Table 7

Sl. No.	Date of trigger for disclosure	Promoter Shareholding before acquisition / disposal (in %)	Shares acquired /(disposed) on the date of trigger for disclosure (in %)	Cumulative % of Shares acquired /(disposed) on the date of trigger for disclosure (column 'S' of Table 6)	Promoter Shareholding after acquisition /disposal. (in %)	Entities who are required to disclose.	
						Acquirers	PACs
1.	12/03/2013	56.79	(2.98)	(4.60)	53.81	Shobha Jain, Satender Kumar Jain & Sons HUF and Anand Kumar Jain	Remaining promoter group entities except Laxman Singh Satyapal, Meera Mishra and Kanika who were not part of PAC as on June 27, 2013.
2.	21/03/2013	52.14	(0.90)	(2.57)	51.24	S.K. Jain	
3.	20/04/2013	49.73	(1.92)	(3.43)	47.81	Chetan Jain and Satender Kumar Jain & Sons HUF and Anand Kumar Jain	
4.	11/05/2013	46.90	(1.64)	(2.55)	45.26	Chetan Jain and Satender Kumar Jain & Sons HUF and Anand Kumar Jain	
5.	27/06/2013	43.38	5.63	3.75	49.01	Aanchal Jindal, Archit Jindal and Mamta Jindal	
6.	22/07/2013	50.93	0.98	2.90	51.91	Kanika	
7.	05/09/2013	52.17	2.34	2.61	54.52	Laxman Singh Satyapal and Meera Mishra	

Sl. No.	Date of trigger for disclosure	Promoter Shareholding before acquisition / disposal (in %)	Shares acquired /(disposed) on the date of trigger for disclosure (in %)	Cumulative % of Shares acquired /(disposed) on the date of trigger for disclosure (column 'S' of Table 6)	Promoter Shareholding after acquisition /disposal. (in %)	Entities who are required to disclose.	
						Acquirers	PACs
8.	25/09/2013	54.52	6.13	6.13	60.64	Aanchal Jindal	
9.	30/09/2013	60.64	4.07	4.07	64.72	Laxman Singh Satyapal and Meera Mishra.	

(xi) Vide e-mail dated July 17, 2015 the copies of all the disclosures filed in the scrip during the period from December 2012 to December 2013 were sought from BSE. BSE, vide e-mail dated July 24, 2015 forwarded the same. On perusal of reply from BSE, it is observed that the promoter group entities/company did not file required disclosures under SAST Regulations. Vide summons dated July 13, 2015, the details of disclosures received by the company under SEBI (SAST) / (PIT) Regulations from any persons including promoters/directors were sought from the company. The Company, vide letter dated July 21, 2015, forwarded the same. On perusal of reply from the company, it is observed that the promoter group entities did not file required disclosures under SEBI (SAST) Regulations, 2011 in 9 instances as indicated in above table.

(xii) In view of the above, it is observed that the Noticees who are promoter group entities of FIRC, as Acquirers/PACs, upon change in shareholding of more than 2% have failed to make the requisite disclosures as required under Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011. Therefore, it is alleged that the Noticees have violated the provisions of Regulation 29 (2) read with Regulation 29 (3) of SEBI (SAST) Regulations, 2011.

(xiii) Open Offer requirements under SEBI (SAST) Regulations, 2011: It is observed from the Table 4 above that the promoter group was holding 50.89% (62,05,748 shares out of total no. of shares of the company i.e., 1,21,94,199 shares) in the beginning of the Financial Year 2013-14 which is more than 25%. Subsequently, the shareholding of the promoters was increased to 64.72% (increase of 13.83%) for the quarter ended September 30, 2013.

(xiv) Following is the table showing gross acquisition of shares by the promoters exceeding 5% of the share capital of the company.

Table 8

Date	Name of the Acquirer	No. of Shares acquired	% of acquisition to the share capital of the company 1,21,94,199 shares	Cumulative no. of shares acquired	Cumulative % of Acquisition
04/04/2013	Acquisition of shares by Mamta Jindal	24,000	0.20	24,000	0.20
03/05/2013	Acquisition of shares by Anand Kumar Jain	20,000	0.16	44,000	0.36
27/04/2013	Acquisition of shares by Mamta Jindal	2,570	0.02	46,570	0.38
27/06/2013	Acquisition of shares by: 1. Aanchal Jindal – 2,33,381 shares 2. Archit Jindal – 2,95,718 shares 3. Mamta Jindal – 1,56,847 shares	6,85,946	5.63	7,32,516	6.01
Cumulative Acquisition of shares exceeded 5% on June 27, 2013 and hence Regulation 3(2) of SEBI (SAST) Regulations, 2011 is triggered.					
28/06/2013	Acquisition of shares by: 1. Archit Jindal – 2,04,282 shares 2. Mamta Jindal – 29,954 shares	2,34,236	1.92	2,34,236	1.92
22/07/2013	Acquisition of shares by Kanika	1,20,000	0.98	3,54,236	2.90
02/09/2013	Acquisition of shares by Mamta Jindal	32,000	0.26	3,86,236	3.17
25/09/2013	Acquisition of shares by: 1. Aanchal Jindal – 3,63,679 shares 2. Archit Jindal – 1,00,000 shares 3. Mamta Jindal – 2,83,294 shares	7,46,973	6.13	11,33,209	9.29
Cumulative Acquisition of shares exceeded 5% on September 25, 2013 and hence Regulation 3(2) of SEBI (SAST) Regulations, 2011 is triggered					
30/09/2013	Acquisition of shares by: 1. Laxman Singh Satyapal – 2,86,292 shares 2. Meera Mishra – 2,10,500 shares	4,96,792	4.07	4,96,792	4.07

(xv) It is observed from the above table that on 2 instances i.e., June 27, 2013, and on September 25, 2013 (given in bold), pursuant to acquisition of more than 5% of shares, the obligation to make open offer as per regulation 3(2) SEBI (SAST) regulations, 2011 was triggered. The details of acquirers who are required to make open offer are tabulated below:

Table 9

Date of trigger of open offer	Acquirers who are required make open offer	PACs.
June 27, 2013	3 acquirers viz., Aanchal Jindal, Archit Jindal and Mamta Jindal along with the PACs.	Remaining promoter group entities except Laxman Singh Satyapal, Meera Mishra and Kanika who were not part of PAC as on June 27, 2013.
September 25, 2013	3 acquirers viz., Aanchal Jindal, Archit Jindal and Mamta Jindal along with the PACs.	Remaining promoter group entities.

(xvi) On verification of corporate announcements of the company and SEBI website regarding open offer in the scrip of FIRL, it was observed that there was no open offer found in the scrip. Therefore, 3 acquirers viz., Aanchal Jindal, Archit Jindal and Mamta Jindal along with the PACs failed make open offer on the two trigger dates as

indicated in above table. In view of the same, it is alleged that the Noticees who are PACs have violated the provisions of Regulation 3(2) SEBI (SAST) regulations, 2011.

(xvii) Disclosures under SEBI (PIT) Regulations, 1992: It is observed from the Table 5 above that four entities viz., viz., Archit Jindal, Kanika, Laxman Singh Satyapal and Meera Mishra joined promoter group during the period from January 01, 2013 to September 30, 2013. The number of shares held by the above mentioned 4 entities on the date of joining the promoter group are as under:

Table 10

S.No.	Name of the Entity	Date of joining promoter group	No. of shares held as on the date of joining promoter group
1.	Archit Jindal	February 18, 2013	5,107
2.	Kanika	July 22, 2013	1,20,000
3.	Laxman Singh Satyapal	September 05, 2013.	1,65,935
4.	Meera Mishra	September 05, 2013.	1,20,000

(xviii) As per regulation 13(2A) of SEBI(PIT) Regulations, 1992, any person who is a promoter or part of promoter group of listed company shall disclose to the company the number of shares held by such person within two working days of becoming such promoter or person belonging to promoter group. It is observed from the correspondence with the Company, that the 4 promoter group entities as indicated in the above table did not file the requisite disclosures under Regulation 13(2A) of SEBI (PIT) Regulations, 1992. Therefore, it is alleged that the Noticees viz., Archit Jindal, Kanika, Laxman Singh Satyapal and Meera Mishra have violated the provisions of Regulation 13(2A) of SEBI (PIT) Regulations, 1992.

(xix) As per Regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992, any person who is a promoter or part of promoter group shall disclose to the company and the stock exchange the total number of shares held and change in shareholding, if there has been a change in such holdings and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding whichever is lower with in two working days of acquisition or sale of shares.

(xx) The total shareholding of the Company consists of 1,21,91,199 shares and 1% of shareholding is 1,21,912 shares (more than 25,000 shares). Therefore, 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992 gets triggered if there has been a change in such holdings and the change exceeds Rs. 5 lakh in value or 25,000 shares whichever is lower. On analysis of demat statements of promoters during the period from January 01, 2013 to September 30, 2013, it is observed that certain transactions of the promoters required disclosure as per regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992 as the change of promoters holding was exceeding 25,000 shares and/or Rs. 5 lakh in value. The details of the transactions that triggered disclosure requirements under Regulation 13 (4A) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992 are tabulated hereunder:

Table 11

Date	Opening balance of shares	No. of shares acquired / sold	Closing Balance	Change of holding	Closing price on the date of transaction	Value of change in holdings i.e change in holding X closing price. (Rs. in lakhs)	Observations regarding disclosures
1. Aanchal Jindal (AIHPJ4158R):							
25/09/2013	2,36,321	3,63,679	6,00,000	3,63,679	25.00	90.92	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
2. Anand Kumar Jain (PAN: AAYPJ3951B):							
26/02/2013	9,97,500	-30,166	9,67,334	-30,166	43.70	-13.18	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
27/02/2013	9,67,334	-10,942	9,56,392	-10,942	43.70	-4.78	-
12/03/2013	9,56,392	-2,24,535	7,31,857	-2,35,477	50.80	-118.85	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
13/03/2013	7,31,857	-35,250	6,96,607	-35,250	51.45	-18.14	
26/04/2013	6,96,607	-20,000	6,76,607	-20,000	74.60	-14.92	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
03/05/2013	6,76,607	20,000	6,96,607	20,000	78.15	15.63	
04/05/2013	6,96,607	-13,800	6,82,807	-13,800	78.15	-10.78	
3. Archit Jindal (AGNPJ5775G):							
26/02/2013	5,04,282	1,00,000	6,04,282	1,00,000	43.70	43.70	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
4. Chetan Jain (AEQPJ5780G)							
11/04/2013	5,85,000	-50,000	5,35,000	-50,000	59.50	-29.75	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under
20/04/2013	5,35,000	-1,35,000	4,00,000	-1,35,000	66.95	-90.38	
11/05/2013	4,00,000	-1,00,000	3,00,000	-1,00,000	89.95	-89.95	

Date	Opening balance of shares	No. of shares acquired / sold	Closing Balance	Change of holding	Closing price on the date of transaction	Value of change in holdings i.e change in holding X closing price. (Rs. in lakhs)	Observations regarding disclosures
							regulation 13(4A) was not made.
5. Laxman Singh Satyapal (AIDPS0821N):							
30/09/2013	1,65,227	2,86,292	4,52,227	2,86,292	25.20	72.15	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
6. Mamta Jindal (PAN: AEEPJ6955K):							
27/02/2013	10,689	10,000	20,689	10,000	43.70	4.37	-
16/03/2013	20,689	22,500	43,189	32,500	55.90	16.95	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
20/03/2013	43,189	39,000	82,189	39,000	62.00	24.18	
22/03/2013	82,189	-53,750	28,439	-53,750	64.40	-34.62	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
30/03/2013	28,439	11,000	39,439	11,000	58.15	6.40	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
04/04/2013	39,439	24,000	63,439	24,000	54.35	13.04	
27/04/2013	63,439	2,570	66,009	2,570	74.60	1.92	-
05/06/2013	66,009	-32,000	34,009	-29,430	62.90	-18.21	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
27/06/2013	34,009	1,56,847	1,90,856	1,56,847	32.30	50.66	Required disclosures are made.
28/06/2013	1,90,856	29,954	2,20,810	29,954	31.70	9.50	
02/09/2013	2,20,810	32,000	2,52,810	32,000	24.95	7.98	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
25/09/2013	2,52,810	2,83,294	5,36,104	2,83,294	25.00	70.82	
7. Meera Mishra (AJBPM5839R):							
30/09/2013	1,20,000	2,10,500	3,30,500	2,10,500	25.20	53.05	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
8.S K Jain (PAN: ACSPJ6904A):							
15/03/2013	16,93,440	-1,42,356	15,51,084	-1,42,356	55.90	-79.58	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
19/03/2013	15,51,084	-38,000	15,13,084	-38,000	60.05	-22.82	
21/03/2013	15,13,084	-1,09,600	14,03,484	-1,09,600	64.25	-70.42	
18/04/2013	14,03,484	-20	14,03,464	-20	66.95	-0.01	-
19/04/2013	14,03,464	-15,000	13,88,464	-15,020	66.95	-10.06	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
18/05/2013	13,88,464	-3,150	13,85,314	-3,150	79.50	-2.50	-
21/05/2013	13,85,314	-15,000	13,70,314	-18,150	79.40	-14.41	Change in holding exceeded Rs. 5 lakh, however disclosure
23/05/2013	13,70,314	-18,000	13,52,314	-18,000	72.45	-13.04	

Date	Opening balance of shares	No. of shares acquired / sold	Closing Balance	Change of holding	Closing price on the date of transaction	Value of change in holdings i.e change in holding X closing price. (Rs. in lakhs)	Observations regarding disclosures
							under regulation 13(4A) was not made.
24/05/2013	13,52,314	-5,200	13,47,114	-5,200	69.70	-3.62	-
27/05/2013	13,47,114	-10,000	13,37,114	-15,200	70.35	-10.66	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
28/05/2013	13,37,114	-21,800	13,15,314	-21,800	66.90	-14.58	
30/05/2013	13,15,314	-12,500	13,02,814	-12,500	61.45	-7.68	
04/06/2013	13,02,814	-11,000	12,91,814	-11,000	62.90	-6.92	
9. Satender Kumar Jain (PAN: AAHPJ8609H):							
02/01/2013	5,85,000	-25,000	5,60,000	-25,000	64.60	-16.15	Change in holding exceeded Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
06/01/2013	5,60,000	-25,000	5,35,000	-25,000	58.35	-14.59	
12/02/2013	5,35,000	-35,000	5,00,000	-35,000	38.60	-13.51	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
09/04/2013	5,00,000	-50,000	4,50,000	-50,000	56.30	-28.15	
16/04/2013	4,50,000	-50,000	4,00,000	-50,000	62.65	-31.33	
16/05/2013	4,00,000	-1,00,000	3,00,000	-1,00,000	83.65	-83.65	
10. Satender Kumar Jain And Sons Huf (PAN: AANHS9519P):							
12/03/2013	5,88,000	-88,000	5,00,000	-88,000	50.80	-44.70	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
20/04/2013	5,00,000	-1,00,000	4,00,000	-1,00,000	66.95	-66.95	
11/05/2013	4,00,000	-1,00,000	3,00,000	-1,00,000	89.95	-89.95	
11. Shobha Jain (PAN: AAGPJ6737K):							
12/02/2013	5,85,000	-50,000	5,35,000	-50,000	38.60	-19.30	Change in holding exceeded 25,000 shares and Rs. 5 lakh, however disclosure under regulation 13(4A) was not made.
06/03/2013	5,35,000	-35,000	5,00,000	-35,000	43.95	-15.38	
12/03/2013	5,00,000	-50,000	4,50,000	-50,000	50.80	-25.40	
20/03/2013	4,50,000	-50,000	4,00,000	-50,000	62.00	-31.00	
29/04/2013	4,00,000	-1,00,000	3,00,000	-1,00,000	74.80	-74.80	

(xxi) It is observed from the correspondence exchanged with the company and BSE that the 11 promoter group entities did not file the requisite disclosures under Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992 as indicated in the above table. Therefore, it is alleged that the Noticees viz., Aanchal Jindal Anand Kumar Jain, Archit Jindal, Chetan Jain, Laxman Singh Satyapal, Mamta Jindal, Meera Mishra, S K Jain, Satender Kumar Jain, Satender Kumar Jain & Sons HUF and Shobha Jain have violated the provisions of Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992.

7. The SCN issued to the Noticees was sent via Speed Post Acknowledgement Due. Thereafter, the Noticees (except Noticee Nos. 13 & 14), vide their

respective letters dated December 20 & 31, 2018 (as applicable) sought extension of time to submit their reply to the charges alleged in the SCN. In view of the same, the Noticees were directed, vide letter dated January 16, 2019, to furnish their reply to the SCN, so as to reach the Adjudicating Officer by January 31, 2019. However, it was observed that on behalf of the Noticee Nos. 5, 6, 9 and 11, the Noticee No. 9 vide letter dated January 29, 2019, *inter alia* requested to keep the present proceedings in abeyance on account of a parallel proceeding before Hon'ble Whole Time Member of SEBI. However, it was noted that the current Adjudication proceedings, which are civil proceedings, are separate and independent proceedings, which do not bar other civil action viz., directions issued under Section 11 and 11B of SEBI Act. Therefore, there is no requirement to keep the current Adjudication proceedings in abeyance. Further, it was observed that the Noticee Nos. 1, 10, 12, 13, 15 and 16 vide email received on various dates during the period January 31, 2019 and February 5, 2019, had once again sought extension of time till February 15, 2019 to furnish their replies. However, no reply was been filed by these Noticees. In view of the same, all Noticees were directed, vide hearing notice dated March 07, 2019, to furnish their reply to the charges alleged in the SCN by March 29, 2019.

8. Noticee Nos. 2, 3, 4, 7 and 8, vide separate letters dated March 27, 2019, vide common letter dated June 3, 2020 and in the hearing conducted on May 28, 2020 *inter alia* made the following common submissions:

- a) *SEBI, based on the wrong disclosures made by FIRL, has treated them under the category of promoter under the SAST Regulations read with SEBI (issue of Capital and Disclosure requirements) Regulations, 2009. It is submitted that they were never the promoter of FIRL de-facto or de-jure.*
- b) *They were holding shares in one of the transferor companies (Lord Shiv Investment and Trading Co. Pvt. Ltd. / Instant Travels and Tours Pvt. Ltd./ Parsandi Leasing and Finance Pvt. Ltd.) which got merged with the transferee company i.e. FIRL in terms of Scheme of Arrangement being sanctioned by the Hon'ble High Court of Delhi on April 27, 2010. Thus, they become shareholders of FIRL pursuant to the Scheme of Arrangement.*
- c) *They have never been qualified under the definition of 'acquirer' under Section 2(a), 'person acting in concert' under Section 2(q) and 'Promoter' under Section 2(s) and 'Promoter Group' under Section 2(t). As they do not fall under any of the said categories of the definitions as mentioned above, there is no compulsion for them to make the disclosure under Regulation 29(2) and Regulation 29(3) of the SEBI (SAST) Regulation 2011. Further, as they are not the acquirer or acting in concert, therefore, the allegation of the non-compliance of the Regulation 3(2) of SEBI (SAST) Regulations, 2011 cannot be imposed against them.*
- d) *In the present similar case, another order has been passed by the Hon'ble SEBI under Section 11(1) and Section 11(B) of SEBI Act, 1992 and Regulation 32 of the SEBI (SAST) Regulations, 2011 on 19th March 2020. They intend to file appeal before the Hon'ble SAT against the order dated 19th March 2020. The same could not be filed because of the lockdown due to COVID-19. The said appeal would be filed shortly after lifting of the lockdown. Till such time, no final order in the present may be passed against them.*

9. Noticee Nos. 5, 6, 9 and 11 vide their letter dated April 08, 2019, letter dated May 11, 2020 and in the hearing conducted on June 09, 2020 have *inter alia* raised the following contentions to the allegations raised in the SCN:

- a) *They were holding shares in one of the transferor companies (Instant Travels and Tours Pvt. Ltd./ Parsandi Leasing and Finance Pvt. Ltd.) which got merged with the transferee company i.e. FIRL in terms of Scheme of Arrangement being sanctioned by the Hon'ble High Court of Delhi on April 27, 2010. Thus, they become shareholders of FIRL pursuant to the Scheme of Arrangement. If they had any intention of entering into the promoter/promoter group of FIRL, they would have made some changes in their shareholding pattern by either infusing more capital or contributing to the capital in any other manner. However, they have made no such contribution in FIRL.*
- b) *They have never participated in the management or day to day business of either the transferor company or the transferee company.*
- c) *They have never signed any document in respect of merger or for the purpose of becoming the promoters of FIRL.*
- d) *They carry on the business of manufacturing gram flour in the family, whereas FIRL is an NBFC. They, therefore, do not possess any knowledge, expertise or information to even get involved in financing business of FIRL.*
- e) *They became aware that they were being shown as promoters of FIRL after its listing on BSE in 2012. As soon as they noticed this, they contacted their*

acquaintance /promoter of transferor companies, who informed them that, pursuant to the merger of Transferor Company with FIRL, the shareholder of transferor private company were mandatorily shown as promoters of the merged listed entity FIRL to satisfy certain conditions of Clause 40A of the erstwhile Listing Agreement.

- f) Considering that they were never part of promoters of transferor companies and never intended to be part of promoter group of FIRL, this was brought to the notice of management of FIRL and requested to remove their name from promoter group of FIRL. Accordingly, their name was removed from the promoter group of FIRL w.e.f. quarter ending September 2013.*
- g) They were neither a part of the promoter group in the transferor company, nor did they have any intention to become part of the promoter group in transferee company i.e. FIRL. Any act carried out by other entity cannot be added on to them, since from the beginning they were neither the promoters of FIRL, nor did they ever express any intention at any point in time to be part of its promoter group.*
- h) In view of the above, it is denied that they are 'Persons Acting in Concert' along with other promoters in FIRL. Thus, they are not liable to give any open offer along with other promoters of FIRL in the given matter. It is further submitted that they have not carried out any transaction which would attract violation of regulation 29(2) read with regulation 29(3) of SEBI (SAST) Regulations, 2011. Further, they were not required to make any disclosures under regulation 13(4A) of SEBI (PIT) Regulations, 1992 as they were never the part of the promoter group, and hence*

their shareholding should not be shown in the promoter shareholding in the first place.

10. Noticee Nos. 1, 10, 12, 13, 14, 15 and 16, vide their letters dated September 10, 2020 and in the hearing conducted on August 27, 2020 have *inter alia* raised the following contentions to the allegations raised in the SCN:

- a) *The Noticees are all shown as the promoters of FIRL. The Jindal Group has been running the affairs of the Company since 2002.*
- b) *The Noticee No. 1 i.e. Mr. Pradeep Kumar Jindal is one of the initial promoters of the Company and was the Managing Director/Chairman of the Board of the Company during the period of investigation. Noticee No. 10, i.e., Mamta Jindal is the wife of Noticee No. 1 and is being shown as promoter since the time of listing of the Company on the Bourse of BSE in December 2012. Noticee No. 10 is currently holding the position of the Chairman/Managing Director of FIRL. Both, Noticee No. 1 & 10 have been at the helm of affairs of the Company for the past 18 years and have played a crucial role in expansion of FIRL.*
- c) *The Noticee(s) No. 12 & 13, i.e. Aanchal Jindal & Archit Jindal are the daughter & son of the Noticees No. 1 & 10 respectively. Noticee No. 12 was also part of the promoter group since the time of listing of the Company on BSE. Noticee No. 13, became a part of the promoter group on acquisition of shares in February 2013. The Noticee No. 14 i.e. Kanika is the wife of Noticee no. 13 and daughter-in-law of Noticee No. 1 & 10. She became part of the promoter group on her marriage to Noticee No. 13 in July 2013 and subsequent acquisition of shares. Therefore, Noticees No. 1, 10, 12, 13 & 14 are part of the same promoter i.e. Jindal Family Group.*

- d) There is another promoter group in the Company who are all part of the same family i.e. the Jain Family Group. The Jain Family Group became part of FIRL pursuant to the Scheme of Arrangement dated April 27, 2010 approved by the Hon'ble Delhi High Court.
- e) However, the Jain Family Group and the Jindal Family Group, despite being shown as the part of the promoter group, never acted as one homogenous group of promoters. The Jain Family Group has never been part of the Management of FIRL and also, has never shown any interest in the management of the FIRL. Further, 4 members of the Jain Family Group i.e. Noticees No. 5, 6, 9 and 11 had vide their letter dated September 02, 2013 to the Company had requested to be removed from the promoter group of FIRL citing that they are not part of the management & are not interested in being part of the management.
- f) Therefore, it is a matter of record & fact that the Jindal Family Group & the Jain Family Group are two separate groups which were being shown as part of the promoter group of FIRL during the period of investigation.
- g) In furtherance of the aforesaid, it is pertinent to highlight the shareholding of all the groups during the period of investigation i.e. February 01, 2013 to July 30,2013:

Name of the Group	Shareholding as on				
	31.03.2013	27.06.2013	30.06.2013	22.07.2013	30.07.2013
Jindal Family Group	0.43	6.02	6.02	7.11	7.11
Jain Family Group	50.46	42.99	44.90	44.80	44.80
Total alleged promoter holding	50.89	49.01	50.92	51.91	51.91

- h) As, can be seen clearly from the promoter holding of Jindal Family Group, the cumulative holding in relation to the Jindal Family Group never crossed 25% to be able to violate the provisions of Regulation 3(2) of the SAST Regulations.*
- i) The Noticee no. 15 and 16 became part of the promoter group much later and for reasons completely different from the other promoters of FIRL. The total holding of the said Noticees never crossed 25% to be able to violate the provisions of Regulation 3(2) of the SEBI (SAST) Regulations, 2011.*
- j) Considering the aforementioned submissions that the Jain Family Group & the Jindal Family Group are two separate PACs group and are not in fact one homogenous group for the purpose of the SAST Regulations. It is clearly established that the shareholding of the Jindal Family Group never crossed the threshold of 25% as mentioned in the Regulation 29(2), to warrant the disclosure of any increase of 2% or more, on part of the members of the Jindal Family Group.*
- k) Considering the fact the Noticee No. 15 and 16 were not a PAC with the other members of the Promoter Group and hence, there was no obligation to make disclosure under Regulations 29(2) & 29(3) of the SAST Regulations. Their individual acquisitions did not constitute more than the threshold limit of 25% for them to make disclosures under Regulation 29(2) & 29(3) of the SAST Regulations.*
- l) With respect to the alleged violation of Regulation 13(2A) of PIT Regulations, the Noticees No. 13, 14, 15 and 16 admit the non-disclosure(s) under Regulation 13(2A) of the PIT Regulations and this being the first instance of violation by them, it is prayed that they be let off with a warning. Further, the said Noticees are in the*

- process of filing delayed disclosures and further, undertake to be in compliance of the SAST Regulations & PIT Regulations in future, as & when applicable.*
- m) With respect to alleged violation of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, the Noticees have had a limited understanding of the legal requirements under SEBI Laws & Regulations, and have relied on the Company Secretary/Compliance Officer of FIRL as well as other professionals to file the relevant disclosures etc. with the Stock Exchanges & SEBI. Further, it is also submitted that the Noticees were under the presumption that the disclosure in relation to PIT Regulations was to be made only when there was a change in holding of 1% of the shareholding. Since, the 1% of the shareholding of FIRL works out to be 1,21,912, the Noticees, did not make any disclosure in respect of Regulation 13(4A) read with Regulation 13(5) of the PIT Regulations.*
- n) Further, Noticee No. 13 was not aware of the need of disclosure on his part regarding the acquisition on February 26, 2013 as he was not part of the promoter group prior to the acquisition.*

CONSIDERATION OF ISSUES AND FINDINGS

11. I have carefully perused the charges levelled against the Noticees, their reply and the documents / material available on record. The issues that arise for consideration in the present case are :
- (a) Whether the Noticees have violated regulation 3(2) and regulation 29(2) read with regulation 29(3) of SEBI (SAST) Regulations.
 - (b) Whether Noticee No. 13 to 16 have violated the provisions of Regulation 13(2A) of SEBI (PIT) Regulations, 1992.

- (c) Whether Noticee No. 5 to 13, Noticee No. 15 and Noticee No. 16 have violated the provisions of Regulation 13(4A) read with 13(5) of SEBI (PIT) Regulations, 1992.
- (d) Do the violations, if any, attract monetary penalty, as applicable, under Sections 15H and 15A(b) of the SEBI Act?
- (e) If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act?

12. Before proceeding further, I would like to refer to the relevant provisions of the SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations, 1992 as below:

Regulation 3 (2) of SEBI (SAST) Regulations, 2011

No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.

Explanation— For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation, —

(i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.

(ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

Regulation 29 (2) of SEBI (SAST) Regulations, 2011

Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

Regulation 29 (3) of SEBI (SAST) Regulations, 2011

The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to, —

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

(b) the target company at its registered office.

Regulation 13 (2A) of SEBI (PIT) Regulations, 1992

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

Regulation 13 (4A) of SEBI (PIT) Regulations, 1992

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

Regulation 13 (5) of SEBI (PIT) Regulations, 1992

The disclosures mentioned in sub-regulations (3), (4) and (4A) shall be made within two working days of

(a) the receipt of intimation of allotment of shares or

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

13. Before moving forward, I note that Noticee Nos. 2, 3, 4, 7 and 8, in their common letter dated June 3, 2020, have requested to keep the present matter

under abeyance as they intend to file an appeal before Hon'ble SAT against the order dated March 19, 2020 of Hon'ble Whole Time Member of SEBI in the matter. In this respect, I am of the view that the current Adjudication proceedings, which are civil proceedings, are separate and independent proceedings, which do not bar other civil action viz., directions issued under Section 11 and 11B of SEBI Act. Therefore, there is no requirement to keep the current Adjudication proceedings in abeyance.

14. The first issue for consideration is whether the Noticees have violated regulation 3(2) of the SEBI (SAST) Regulations, 2011. I observe that in terms of the requirements specified under Regulation 3(2) of SEBI (SAST) Regulations, 2011, the obligation to make a public announcement for open offer is triggered when an entity, along with the persons acting in concert, holding more than 25% shares of a company acquires shares or voting rights amounting to more than 5% of the total share capital of the company in a financial year, either by itself or along with the persons acting in concert with it. Further, Explanation appended to said Regulation 3(2) provide that only gross acquisitions shall be taken into account regardless of any intermittent fall in shareholding or voting rights. It was alleged in the SCN that, during the Financial Year 2013-14, Noticee no. 10 acquired 0.20% shares of FIRL on April 04, 2013, Noticee no. 7 acquired 0.16 % shares of FIRL on May 03, 2013, Noticee no. 10 acquired 0.02% shares of FIRL on April 04, 2013 and Noticee no. 10, 12 and 13, collectively, acquired 5.63 % shares of FIRL on June 27,

2013. Therefore, on June 27, 2013 ('first trigger'), by Noticee no. 7, 10, 12 and 13 (hereinafter referred to as 'acquirers in first trigger'), the shareholding of the acquirers in first trigger along with the shareholding of Noticee No. 1, 2, 3, 4, 5, 6, 8, 9 and 11 (hereinafter referred to as 'PACs in first trigger'), increased from 50.89% to 56.9% on gross basis, as calculated from Table 4 above. It is further alleged in the SCN that Noticee no. 1 to 13 were the part of the promoter group of FIRL as on the date of respective acquisitions by the acquirers in first trigger.

15. It was further alleged in the SCN that, during the same financial year 2013-14, Noticee no. 13 further acquired 1.68% shares of FIRL on June 28, 2013, Noticee no. 10 further acquired 0.24% shares of FIRL on June 28, 2013, Noticee no. 14 acquired 0.98% shares of FIRL on July 22, 2013, Noticee no. 10 has further acquired 0.26% shares of FIRL on September 02, 2013 and Noticee no. 10, 12 and 13, collectively, acquired 6.13 % shares of FIRL on September 25, 2013. In view of the same, it was alleged that because of these acquisitions, on September 25, 2013 ('second trigger') by Noticee Nos. 10, 12, 13 and 14 (hereinafter referred to as 'acquirers in second trigger'), the shareholding of the acquirers in first trigger along with shareholding of Noticee Nos. 1,2, 3, 4, 5, 6, 7, 8, 9, 11, 15 and 16 (hereinafter referred to as 'PACs in second trigger') increased from 56.9% to 66.16% on gross basis.

16. I note from the replies of the Noticees that they have not disputed the acquisitions which resulted into first trigger and second trigger. I also note that the Noticees have not disputed the percentage of their respective shareholding in FIRL or the percentage of pre or post acquisition shareholding of other Noticees in FIRL, as shown in the SCN.

17. I note that Noticee Nos. 10, 12 and 13, who are the acquirers in first as well as second triggers, have neither disputed that their said acquisitions nor denied that they were acting in concert with each other for the impugned acquisitions. I further note that Noticee No. 1 has not disputed that he was part of promoter/promoter group on both the trigger dates i.e. June 27, 2013 and September 25, 2013. Noticee No. 1 has also not disputed that he acted in concert with the acquirers in first and second trigger. I also note from available records that Noticee No. 14 acquired 0.98% shares of FIRL on July 22, 2013 and became part of promoter/promoter group on the same date. Further, Noticee No. 14 is the wife of Noticee No. 13 and daughter-in-law of Noticee No. 1.

18. However, I note that Noticee Nos. 1, 10, 12, 13 and 14 have contended that they belong to Jindal Family Group, while Noticee Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 11 belong to the Jain Family Group. Noticee Nos. 1, 10, 12, 13 and 14 have also stated that post-merger of the transferee companies with FIRL, the Jain Family Group held the majority shareholding of FIRL while they were only

holding less than 10% of shareholding of FIRL. Therefore, Noticee Nos. 1, 10, 12, 13 and 14 have contended that their shareholding never crossed 25% to be able to violate the provisions of Regulation 3(2) of SEBI (SAST) Regulations, 2011.

19. Noticee Nos. 1, 10, 12, 13 and 14 have further contended that Jain Family Group is not involved in the management of FIRL and that they are only being shown as the promoters of FIRL pursuant to the Scheme of Arrangement of FIRL. Firstly, I note that Jain Family Group continued to hold substantial shareholding even after the Scheme of Arrangement of FIRL and were also shown under promoter category. I am of view that majority shareholding of the Jain Family Group enables them to exercise control over the management and / or policy decisions of the FIRL, should they want to do so. Therefore, mere non participation in the decision making by the Jain Family Group cannot be a criteria to say that they were not PACs with other promoters, especially when their majority shareholding implicitly enables them to exercise control over the company. In the instant case, even if it assumed that they have not exercised control, the same cannot be a ground to exclude them from the promoter / PACs. Therefore, I am not inclined to accept the said contention of Noticees.

20. The Noticee Nos. 2, 3, 4, 5, 6, 7, 8, 9 and 11 have mainly contended that they were erroneously shown as the part of promoter group of FIRL in the disclosures and consequently, they cannot be termed as person acting in

concert with the acquirers in first trigger and second trigger. I note that if a wrong disclosure about promoters of a company is made, prompt corrective steps have to be taken to rectify such wrong disclosure as I am of the view that when shares of a company are listed on stock exchange, investors would base their decision on the disclosures available in public domain. I note that shareholding of the said Noticees were shown in the category of promoters for substantial period of time. In view of the foregoing, I am inclined to examine the submissions of the Noticees in light of the likely impact of such wrong disclosures on the investors while taking informed decisions. For this purpose, I am inclined to consider the steps taken by the Noticees and the promptness of such steps for rectifying the stated wrong disclosure.

21. In the instance case, I note that Noticee Nos. 5, 6, 9 and 11 have contended that on becoming aware of such disclosure by FIRL, they approached FIRL, vide their letter dated September 02, 2013, requesting therein to remove their name from the promoter/promoter group of FIRL. In view of the same, they were not shown as part of the promoter group in the quarterly shareholding disclosure made by FIRL for the quarter ending September 30, 2013. Noticee no. 3 has also raised a similar contention that he too raised objections with FIRL on inclusion of his name as promoter of FIRL and thereafter, FIRL removed his name from the promoter group in quarterly disclosure of shareholding pattern made to stock exchange for the quarter ending September 30, 2013.

22. On the other hand, I find that Noticee Nos. 2, 4, 7 and 8 did not approach FIRL for removing their names from list of promoters of FIRL promptly, although they claim that they have been wrongly included in the promoter group. On the contrary, the shareholding of these Noticee Nos. 2, 4, 7 and 8 was continued to be disclosed under promoter/promoter group shareholding by FIRL for a long period of time. I note that, after issuance of the SCN in the matter, Noticee Nos. 2, 4, 7 and 8 have now submitted a letter dated March 18, 2019 addressed to FIRL for removal of their name from the list of promoters, wherever disclosed as such by FIRL.

23. As per Regulation 2(1)(q)(2) of SAST Regulations, 2011, 'person acting in concert' means a person who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co- operate for acquisition of shares or voting rights in, or exercise of control over the target company. Further, in terms of Regulation 2(1)(q)(2)(iv) of SAST Regulations, 2011, unless the contrary is established promoters and members of the promoter group shall be deemed to be persons acting in concert with other person in the same category, as acquirers. I note that the Hon'ble Supreme Court in Daiichi Sankyo Company Ltd. Vs. Jayayram Chigurupati & Ors. (2010) 7 SCC 449 had observed as under:

“...44. The other limb of the concept requires two or more persons joining together with the shared common objective and purpose of substantial acquisition of shares etc. of a certain target company. There can be no "persons acting in concert" unless there is a shared common objective or purpose between two or more persons of substantial acquisition of shares etc. of the target company. For, dehors the element of the shared common objective or purpose the idea of "person acting in concert" is as meaningless as criminal conspiracy without any agreement to commit a criminal offence. The idea of "persons acting in concert" is not about a fortuitous relationship coming into existence by accident or chance. The relationship can come into being only by design, by meeting of minds between two or more persons leading to the shared common objective or purpose of acquisition of substantial acquisition of shares etc. of the target company. It is another matter that the common objective or purpose may be in pursuance of an agreement or an understanding, formal or informal; the acquisition of shares etc. may be direct or indirect or the persons acting in concert may cooperate in actual acquisition of shares etc. or they may agree to cooperate in such acquisition. Nonetheless, the element of the shared common objective or purpose is the sin qua non for the relationship of "persons acting in concert" to come into being.....

48..... Regulation 2(1)(e)(2) defines "person acting in concert". It is a deeming provision. It has to be read in conjunction with regulation 2(1)(e)(1) which states that person acting in concert comprises of persons who in furtherance of a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights in the target company or to acquire

control over the target company. The word "comprises" in regulation 2(1)(e) is significant. It applies to regulation 2(1)(e)(2) as much as to regulation 2(1)(e)(1). A fortiori, a person deemed to be acting in concert with others is also a person acting in concert. In other words, persons who are deemed to be acting in concert must have the intention or the aim of acquisition of shares of a target company. It is the conduct of the parties that determines their identity. Whether a person is or is not acting in concert with the acquirer would depend upon the facts of each case. In order to hold that a person is acting in concert with the acquirer or with another person it must be established that the two share the common intention of acquisition of shares of some target company..."

24. In this regard, as mentioned above, the shareholding of Noticee Nos. 5, 6, 9 and 11 was disclosed under shareholding of promoter/promoter group of FIRL, in the quarterly shareholding disclosures made by FIRL to the stock exchange for the quarters ending June, 2012, September, 2012, December, 2012, March, 2013 and June, 2013. However, these Noticees objected to inclusion of their shareholding in the shareholding of the promoter/promoter group disclosed by FIRL to the stock exchange, vide their letter dated September 02, 2013. Subsequently, their shareholding was removed from shareholding of promoter/promoter group of FIRL from the quarter ending September, 2013. It is also noted that Noticees No. 5, 6, 9 and 11 have sold nearly 50% of their shares in FIRL during the period of January - June, 2013. Considering the above facts and circumstances, I am of the view that Noticee Nos. 5, 6, 9 and 11, who were shareholders of transferor companies, did not share common

objective or purpose of acquiring shares or voting rights in the FIRL, with acquirers in first and second trigger, which as per the observations in the Daichi Sankyo judgment (*supra*) is must for terming a person as 'person acting in concert', as they took objection to inclusion of their shareholding in the promoter/promoter group of FIRL and also sold nearly 50% of their shareholding in FIRL.

25. I also note that Noticee no. 3 has also raised a similar contention and that his case is similarly placed as that of Noticee Nos. 5, 6, 9 and 11 to the extent that he was disclosed as part of the promoter group by FIRL pursuant to scheme of the merger of the transferor companies with FIRL wherein he was a shareholder and that he raised objections with FIRL on inclusion of his name as promoter of FIRL and that acceding to his request FIRL removed his name from the promoter group in quarterly disclosure of shareholding pattern made to stock exchange for the quarter ending September 30, 2013.

26. I note that Noticee Nos. 2, 4, 7 and 8 have also been alleged to be 'persons acting in concert' with the acquirers in the first and second trigger, in terms of Regulation 2(q)(2)(iv) of SAST Regulations, 2011 as their names were disclosed as promoter/members of promoter group of FIRL, as per the disclosure of quarterly shareholding pattern by FIRL to the stock exchange for the quarters ending December, 2012, March 2013, June, 2013 and September, 2013. As noted earlier, the Noticee Nos. 2, 4, 7 and 8 have not

demonstrated that they had taken steps for removal of their shareholding from the promoter group shareholding of FIRL. I further note that Noticee no. 7 has acquired 0.16% shares on May 03, 2013. In view of the same, I find that Noticee Nos. 2, 4, 7 and 8 were persons acting in concert with Noticee No. 1 along with the acquirers in first trigger viz. Noticee No. 10, 12 and 13 & the acquirers in second trigger viz. Noticee No. 10, 12, 13, and 14.

27. It was also alleged in the SCN that Noticee Nos. 15 and 16, as part of the promoter/members of promoter group of FIRL, are deemed to be 'persons acting in concert' with the acquirers in the second trigger in terms of Regulation 2(1)(q)(2)(iv) of SAST Regulations, 2011. I note that FIRL in its letter dated February 15, 2017 had informed SEBI that Noticee Nos. 15 and 16 had joined hands with the management of FIRL and showed their interest in the affairs and control of FIRL from September 05, 2013, hence, they were shown as part of promoter group in the quarterly shareholding disclosures on September 30, 2013. Thus, I find that Noticee Nos. 15 and 16 had common objective and purpose of acquiring shares/voting right/control in FIRL for the acquisitions made by the acquirers in second trigger on September 25, 2013. Therefore, I find that allegation made in the SCN that Noticee Nos. 15 and 16 acted in concert with acquirers in second trigger, stands established.

28. In view of the aforesaid discussions, I find that -

- (i) Noticee No. 10 acquired 0.20% shares of FIRL on April 04, 2013, Noticee No. 7 acquired 0.16 % shares of FIRL on May 03, 2013, Noticee No. 10 acquired 0.02% shares of FIRL on April 04, 2013 and Noticee Nos. 10, 12 and 13, collectively, acquired 5.63 % shares of FIRL on June 27, 2013. I note that because of these acquisitions, on June 27, 2013 by Noticee No. 7, 10, 12 and 13, the shareholding of the said acquirers along with the shareholding of persons acting in concert with them for the said acquisitions i.e. Noticee no. 1, 2, 4 and 8 increased by 6.01% (more than 5% in a financial year), on gross basis. Since, these acquirers along with the PACs were already holding 50.63% in FIRL, the said acquirers on acquiring 6.01% on June 27, 2013 along with the PACs were required to make a public announcement for an open offer, in terms of Regulation 3(2) of SAST Regulations, 2011, which these acquires have failed to make.
- (ii) During the same Financial Year 2013-14, Noticee No. 13 further acquired 1.68% shares of FIRL on June 28, 2013, Noticee No. 10 further acquired 0.24% shares of FIRL on June 28, 2013, Noticee No. 14 acquired 0.98% shares of FIRL on July 22, 2013, Noticee No. 10 further acquired 0.26% shares of FIRL on September 02, 2013 and Noticee No. 10, 12 and 13, collectively, acquired 6.13 % shares of FIRL on September 25, 2013. I note that because of these acquisition by Noticee Nos. 10, 12, 13 and 14, the shareholding of the said acquirers along with shareholding of the persons acting in concert with them for the said acquisitions i.e. Noticee

no. 1, 2, 4, 7, 8, 15 and 16 further increased by 9.29% (more than 5% in a financial year) in the in the same financial year, on gross basis. The said acquirers on again acquiring more than 9.29% shares, i.e., more than 5% shares in a financial year, on September 25, 2013 were required to make a public announcement for an open offer, in terms of Regulation 3(2) of SAST Regulations, 2011 along with the PACs, which they have failed to make.

29. In view of the above, I find that the allegation of the violation of Regulation 3(2) of SEBI (SAST) Regulations, 2011 is established against Noticee Nos. 1, 2, 4, 7, 8, 10, 12, 13, 14, 15 and 16.

30. The next allegation against the Noticees in the SCN was that they, as Acquirers/PACs, upon change in shareholding of more than 2%, had failed to make the requisite disclosures as required under Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011. It was alleged in the SCN that there was decrease / increase of more than 2% on various occasions in the shareholding of the promoter group, which included Noticee Nos. 1 to 16. The day wise change in the shareholding of promoters (in terms of percentage to the total shareholding of the company) was tabulated in Table 6 of the SCN, which has been reproduced earlier.

31. In this respect, as established earlier, I note that Noticee Nos. 3, 5, 6, 9 and 11 are not found to be in persons acting in concert with the remaining Noticees. Therefore, change in their shareholding cannot be clubbed with other Noticees as alleged in the SCN. In view of the same, I note from the available records that, on various dates, there is increase/decrease exceeding 2% in the shareholding of the remaining Noticees as below:

Date	Promoter wise % of shareholding												Change in Total share holding
	Aanchal Jindal	Anand Kumar Jain	Archit Jindal	Kanika	Laxman Singh Satyapal	Mamta Jindal	Meera Mishra	Pradeep Kumar Jindal	Renu Jain	S.K. Jain	Trishla Jain	Grand Total	
A	B	C	D	F	G	H	I	J	K	L	Q	R	S
31/12/2012	0.02	8.18	0	0	0	0.09	0	0.06	8.18	13.89	4.82	35.24	-
1/1/2013	0.02	8.18	0	0	0	0.09	0	0.05	8.18	13.89	4.82	35.23	0.01
18/02/2013	0.02	8.18	0.04	0	0	0.09	0	0.05	8.18	13.89	4.82	35.27	-0.03
26/02/2013	0.02	7.93	0.04	0	0	0.09	0	0.05	8.18	13.89	4.82	35.02	-0.22
27/02/2013	0.02	7.84	0.04	0	0	0.17	0	0.05	8.18	13.89	4.82	35.01	-0.23
12/3/2013	0.02	6	0.04	0	0	0.17	0	0.05	8.18	13.89	4.82	33.17	-2.07
13/03/2013	0.02	5.71	0.04	0	0	0.17	0	0.05	8.18	13.89	4.82	32.88	-0.29
15/03/2013	0.02	5.71	0.04	0	0	0.17	0	0.05	8.18	12.72	4.82	31.71	-1.46
16/03/2013	0.02	5.71	0.04	0	0	0.35	0	0.05	8.18	12.72	4.82	31.89	-1.28
19/03/2013	0.02	5.71	0.04	0	0	0.35	0	0.05	8.18	12.41	4.82	31.58	-1.59
20/03/2013	0.02	5.71	0.04	0	0	0.67	0	0.05	8.18	12.41	4.82	31.90	-1.27
21/03/2013	0.02	5.71	0.04	0	0	0.67	0	0.05	8.18	11.51	4.82	31.00	-2.17
22/03/2013	0.02	5.71	0.04	0	0	0.23	0	0.05	8.18	11.51	4.82	30.56	-0.44
30/03/2013	0.02	5.71	0.04	0	0	0.32	0	0.05	8.18	11.51	4.82	30.65	-0.35
4/4/2013	0.02	5.71	0.04	0	0	0.52	0	0.05	8.18	11.51	4.82	30.85	-0.15
19/04/2013	0.02	5.71	0.04	0	0	0.52	0	0.05	8.18	11.39	4.82	30.73	-0.27
26/04/2013	0.02	5.55	0.04	0	0	0.52	0	0.05	8.18	11.39	4.82	30.57	-0.43
27/04/2013	0.02	5.55	0.04	0	0	0.54	0	0.05	8.18	11.39	4.82	30.59	-0.41
3/5/2013	0.02	5.71	0.04	0	0	0.54	0	0.05	8.18	11.39	4.82	30.75	-0.25
4/5/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	11.39	4.82	30.64	-0.36
18/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	11.36	4.82	30.61	-0.39
21/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	11.24	4.82	30.49	-0.51
23/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	11.09	4.82	30.34	-0.66

24/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	11.05	4.82	30.30	-0.70
27/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	10.97	4.82	30.22	-0.78
28/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	10.79	4.82	30.04	-0.96
30/05/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	10.68	4.82	29.93	-1.07
4/6/2013	0.02	5.6	0.04	0	0	0.54	0	0.05	8.18	10.59	4.82	29.84	-1.16
5/6/2013	0.02	5.6	0.04	0	0	0.28	0	0.05	8.18	10.59	4.82	29.58	-1.42
27/06/2013	1.94	5.6	2.46	0	0	1.57	0	0.05	8.18	10.59	4.82	35.21	4.21
28/06/2013	1.94	5.6	4.14	0	0	1.81	0	0.05	8.18	10.59	4.82	37.13	1.92
22/07/2013	1.94	5.6	4.14	0.98	0	1.81	0	0.05	8.18	10.59	4.82	38.11	2.90
2/9/2013	1.94	5.6	4.14	0.98	0	2.07	0	0.05	8.18	10.59	4.82	38.37	0.26
5/9/2013	1.94	5.6	4.14	0.98	1.36	2.07	0.98	0.05	8.18	10.59	4.82	40.71	2.60
25/09/2013	4.92	5.6	4.96	0.98	1.36	4.4	0.98	0.05	8.18	10.59	4.82	46.84	6.13
30/09/2013	4.92	5.6	4.96	0.98	3.71	4.4	2.71	0.05	8.18	10.59	4.82	50.92	4.08

32. As noted above, there has been increase/decrease exceeding 2% in the shareholding of Noticee Nos. 1, 2, 4, 7, 8, 10, 12, 13, 14, 15 and 16 on various dates and, being persons acting in concert, it triggered the requirement of making disclosures under regulation 29(2) read with regulation 29(3) of SEBI (SAST) Regulations, 2011 by the above Noticees to FIRL and to the stock exchange. However, I note from the replies of Noticee Nos. 1, 2, 4, 7, 8, 10, 12, 13, 14, 15 and 16 that they have not claimed that they made the said disclosures under SEBI (SAST) Regulations, 2011 to the Stock Exchanges and to FIRL. Further, I note from the information submitted by BSE, vide its email dated July 24, 2015, and by FIRL, vide its letter dated July 21, 2015, that no disclosures were received by BSE and by FIRL under regulation 29(2) read with regulation 29(3) SEBI (SAST) Regulations, 2011 from the above mentioned Noticees. In view of the above, I find that Noticee No. 1, 2, 4, 7, 8,

10, 12, 13, 14, 15 and 16 have violated the provisions of regulation 29(2) read with regulation 29(3) SEBI (SAST) Regulations, 2011.

33. It was also alleged in the SCN that Noticee No. 13, 14, 15 and 16 had violated the provisions of Regulation 13(2A) of SEBI (PIT) Regulations, 1992. It was noted that Noticee No. 13, 14, 15 and 16 had joined the promoter group during the period from January 01, 2013 to September 30, 2013 as per the details given in Table 10 above. In terms of regulation 13(2A) of SEBI (PIT) Regulations, 1992, any person who is a promoter or part of promoter group of listed company shall disclose to the company the number of shares held by such person within two working days of becoming such promoter or person belonging to promoter group. However, it was noted from the correspondence with FIRL, that the said 4 promoter group entities viz. Noticee Nos. 13, 14, 15 and 16 did not file the requisite disclosures under Regulation 13(2A) of SEBI (PIT) Regulations, 1992. I note from the replies of the said Noticees that they have *inter-alia* claimed that they had very limited understanding of SEBI Laws and that they relied on the Company Secretary/Compliance Officer of FIRL to ensure compliance with the various requirements of disclosures to be made to Stock Exchanges/Company in terms of the SEBI (SAST) Regulations and SEBI (PIT) Regulations. I also note from the said replies of Noticee Nos. 13, 14, 15 and 16 that they have admittedly failed to make the requisite disclosures under regulation 13(2A) of SEBI (PIT) Regulations, 1992. In view of the same,

I find that the allegation of violation of regulation 13(2A) of SEBI (PIT) Regulations, 1992 is established against Noticee Nos. 13, 14, 15 and 16.

34. The final allegation in the SCN was that Noticee Nos. 5, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 16 had failed to make requisite disclosures under regulation 13 (4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992 for change in their shareholding where the change exceeded Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding within two working days of acquisition or sale of shares. The details of the transactions involving the said change in shareholding had been enumerated in Table 11 of the SCN, which has been reproduced earlier in this order.

35. I note that as per Regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992, any person who is a promoter or part of promoter group shall disclose to the company and the stock exchange the total number of shares held and change in shareholding, if there has been a change in such holdings and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding whichever is lower with in two working days of acquisition or sale of shares.

36. I note that Noticee Nos. 5, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 16 were shown as promoters / part of promoter group by FIRC in the disclosures made to the stock exchange for the quarters ending December,

2012; March, 2013 and June, 2013. I note that Noticee Nos. 10, 12, 13, 15 and 16 in their replies have *inter-alia* claimed that they had very limited understanding of SEBI Laws and that they relied on the Company Secretary/Compliance Officer of FIRL to ensure compliance with the various requirements of disclosures to be made to Stock Exchanges/Company in terms of the SEBI (SAST) Regulations and SEBI (PIT) Regulations. In this respect, I note from the above that Noticee Nos. 10, 12, 13, 15 and 16 have not denied that they failed to make the requisite disclosures under regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992. Therefore, I note from the said replies of Noticee No. 10, 12, 13, 15 and 16 that they have admittedly failed to make the requisite disclosures under regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992.

37. I further note that Noticee Nos. 5, 6, 7, 8, 9 and 11 have submitted that they were erroneously shown as part of promoter group by FIRL to satisfy certain conditions of Clause 40A of the erstwhile Listing Agreement and subsequently, their names were removed from the list of promoters of FIRL after the September 2013 quarter. Therefore, they were not required to make disclosures under SEBI (PIT) Regulations, 1992. In this respect, I note from available records that the names of the said Noticees was disclosed as promoters by FIRL in the disclosures made under the Equity Listing Agreement to the stock exchange for the quarters ending December, 2012; March, 2013; and June, 2013. I further note from the details of transactions undertaken by

Noticee Nos. 5, 6, 7, 8, 9, and 11 as enumerated in Table 11 above, that there were multiple transactions wherein there were material changes in their shareholding, which was more than 25, 000 shares and / or Rs. 5 lakh in value. However, no disclosure has been made by the said Noticees under SEBI (PIT) Regulations, 1992. I note that the objective of making disclosures under SEBI (PIT) Regulations, 1992 for change in shareholding is to enable the investing public to take informed decision while making investments. Therefore, I note that the disclosures under SEBI (PIT) Regulations, 1992 are required to bring more transparency by dissemination of complete information to the public as well as shareholders at large by the individual shareholder. However, the said Noticees have failed to disclose information about the change in their shareholding.

38. In view of the foregoing, I find that Noticee Nos. 5, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 16 have failed to make the requisite disclosures under regulation 13(4A) read with regulation 13(5) of SEBI (PIT) Regulations, 1992.

39. Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that - *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant..."*.

40. In view of the foregoing, I find that Noticee Nos. 1, 2, 4, 7, 8, 10, 12, 13, 14, 15 are liable for imposition of monetary penalty, for the violation of section 3(2) of SEBI (SAST) Regulations, 2011, under the provisions of Section 15H of the SEBI Act, which reads as under:

Penalty for non-disclosure of acquisition of shares and takeovers

Section 15H of SEBI Act - If any person, who is required under this Act or any rules or regulations made thereunder, fails to, -

- (i) disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate; or*
- (ii) make a public announcement to acquire shares at a minimum price; or*
- (iii) make a public offer by sending letter of offer to the shareholders of the concerned company; or*
- (iv) make payment of consideration to the shareholders who sold their shares pursuant to letter of offer,*

he shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such failure, whichever is higher..

41. I further note that Noticee Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 are liable for imposition of monetary penalty for their failure to make requisite disclosures, as discussed above, under SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations, 1992 under Section 15A(b) of the SEBI Act, which reads as under:

SEBI Act

Penalty for failure to furnish information, return, etc.

Section 15A of SEBI Act— *If any person, who is required under this Act or any rules or regulations made thereunder:-,*

.....

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees

42. While determining the quantum of penalty under Sections 15H and 15A(b) of the SEBI Act, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act which reads as under:-

SEBI Act

Factors to be taken into account by the adjudicating officer.

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

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

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

(c) the repetitive nature of the default.

Explanation.—For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to

15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

43. The material available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the non-compliance committed by the Noticees. I note that the purpose of an open offer is to provide an exit option to the existing shareholders of the target company on account of the change in control or substantial acquisition of shares occurring in the target company. The Regulations seek to achieve fair treatment by *inter alia* mandating disclosure of timely and adequate information to enable shareholders to make an informed decision and ensuring that there is a fair and informed market in the shares of companies affected by such change in control / shareholding., I note that Hon'ble Whole Time Member of SEBI in order dated March 19, 2020 has *inter alia* directed Noticee Nos. 1, 2, 4, 7, 8, 10, 12, 13, 14, 15 and 16 to make a public announcement of an open offer for acquiring shares of FIRL. They have been further directed to pay interest at the rate of 10% per annum, along with the offer price, for delay in making of open offer in terms of SAST Regulations, 2011, to the public shareholders of FIRL who were shareholders of FIRL as on the date of first or second trigger and whose shares are accepted in the open offer directed to be made. I have considered the same as a mitigating factor.

ORDER

44. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the SEBI Adjudication Rules, I hereby impose the following penalty on the Noticees as below:

S. No.	Name of the Noticees	Penalty
1.	Pradeep Kumar Jindal, Trishla Jain; Renu Jain, Anand Kumar Jain, S. K. Jain, Mamta Jindal, Aanchal Jindal, Archit Jindal, Kanika, Laxman Singh Satyapal, and Meera Mishra	Rs. 25,00,000 (Rupees Twenty Five Lakh only) under Section 15H of the SEBI Act (payable jointly and severally)
2.	Pradeep Kumar Jindal, Trishla Jain; Renu Jain, Anand Kumar Jain, S. K. Jain, Mamta Jindal, Aanchal Jindal, Archit Jindal, Kanika, Laxman Singh Satyapal, and Meera Mishra	Rs. 5,00,000 (Rupees Five Lakh only) under Section 15A(b) of the SEBI Act (payable jointly and severally)
3.	Shobha Jain	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act

4.	Satender Kumar Jain and Sons (HUF)	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
5.	Anand Kumar Jain	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
6.	S. K. Jain	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
7.	Satender Kumar Jain	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
8.	Mamta Jindal	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
9.	Chetan Jain	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
10.	Aanchal Jindal	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
11.	Archit Jindal	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
12.	Laxman Singh Satyapal	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act
13.	Meera Mishra	Rs. 1,00,000 (Rupees One Lakh only) under Section 15A(b) of the SEBI Act

45. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in.

46. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the “The Division Chief, EFD-1, DRA-II, SEBI, SEBI Bhavan 2, Plot No. C –7, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai –400 051”. The Noticee shall provide the following details while forwarding DD/ payment information:

- a) Name and PAN of the entity
- b) Name of the case / matter
- c) Purpose of Payment – Payment of penalty under AO proceedings
- d) Bank Name and Account Number
- e) Transaction Number

47. 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 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

48. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date: September 22, 2020

Place: Mumbai

B J DILIP

ADJUDICATING OFFICER