

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: Order/AP/SK/2020-21/9768]

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 BY ADJUDICATING OFFICER) RULES, 1995.

In respect of:

Ms. Sushila Devi
(PA No. ACXPD9987E)
F-3 Circular Mansion,
222 AJC Bose Road,
Kolkata – 700017.

In the matter of Maithan Alloys Limited

1. Maithan Alloys Limited (hereinafter referred to as 'the company' or 'MAL'), is a company having its shares listed on National Stock Exchange of India limited ('NSE'), The Calcutta Stock Exchange Limited ('CSE') and Metropolitan Stock Exchange of India Limited (MSE) and is traded on BSE Ltd. ('BSE') trading platform under "Permitted to Trade" category. Securities and Exchange Board of India ("SEBI") conducted investigation in the affairs of the company during the period from April 13, 2015 to June 12, 2015. Pursuant to the investigation, SEBI observed the following with regard to disclosure requirements to be made by the promoter/promoter group of the company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter also referred to as "PIT Regulations") read with SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter also referred to as "2015 PIT Regulations"):

Observations pertaining to disclosure requirements under Regulation 13(4A) read with 13(5) of the PIT Regulations:

a) The promoter shareholding decreased from 73.86% in quarter ended March 2015 to 72.46% in quarter ended June 2015. In this regard, it was observed that Ms. Sushila Devi (hereinafter referred to as 'the Noticee') had sold 57295 shares (0.39% of total shareholding) between April 07, 2015 and May 06, 2015. The following table gives the list of transactions done by the Noticee during the investigation period indicating the requirement of disclosures under PIT Regulations.

Table-1

Date of transaction	No of shares sold (BSE & NSE)	% of shares sold	Value of transaction (Rs.)	Mode of Acq	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT
07/04/2015	713	0.005	1,44,845.5	on market	Nil	Nil	Nil	

Date of transaction	No of shares sold (BSE & NSE)	% of shares sold	Value of transaction (Rs.)	Mode of Acq	Date of disclosure to company	Date of disclosure to exchange	Disclosure by Company to exchange	Violation of Regulation(s) under PIT
08/04/2015	928	0.006	1,87,456	on market	Nil	Nil	Nil	
09/04/2015	5000	0.034	10,42,000 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
10/04/2015	6000	0.041	12,81,250 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
15/04/2015	3481	0.024	7,49,857.05 #	on market	Nil	Nil	Nil	
16/04/2015	617	0.004	1,32,038	on market	Nil	Nil	Nil	
17/04/2015	3147	0.022	6,49,661.7 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
04/05/2015	10200	0.070	20,08,400 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
05/05/2015	20850	0.143	41,41,258.25 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
06/05/2015	6989	0.048	14,11,924 #	on market	Nil	Nil	Nil	13(4A) & 13(5) of PIT
Total for the period	57925	0.39	1,17,48,690.5					

*change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower, from the last disclosure, required under Regulation 13 (4A) read with 13 (5) of the PIT Regulations read with Regulation 12 of the 2015 PIT Regulations.

- b) From the above table, it was observed that the Noticee, belonging to the promoter group, had sold shares on 10 trading days between April 07, 2015 and May 06, 2015. Since the Noticee belong to Promoter group and the transactions made on all the said 4 days exceeded the limits prescribed in PIT Regulations, disclosures were required to be provided by the Noticee to the concerned exchanges where the shares of the company are listed and to the company within 2 working days as per the provisions of Regulation 13(4A) read with 13(5) of the PIT Regulations.
- c) The details of disclosures, if provided, were sought from the Noticee, company and Exchanges. From the reply received from the company and the Exchanges, it was observed that no disclosures were filed by the Noticee with regard to the said transactions.
- d) The Noticee, vide letter dated February 02, 2018, had provided the following submission with regard to disclosures sought by SEBI vide summons dated January 24, 2018:
 - i. *Since she have sold/transferred her entire holding in Maithan Alloys Limited, her name might not be appearing in the shareholding pattern of Maithan Alloys Limited under heading Promoter and Promoter Group.*
 - ii. *She was not a Promoter of Maithan Alloys Limited at any point of time. Further, the change in the shareholding pursuant to the disposal of shares by her was less than 2% of the total shareholding of Maithan Alloys Limited. Consequently, no disclosure was filed under SEBI (SAST) Regulations, 2011.*
 - iii. *Further, she was neither the Promoter nor Director or Employee of Maithan Alloys Limited within the meaning as defined under SEBI (Prohibition of Insider Trading) Regulations, 2015 as notified on*

15th January, 2015. The entity has submitted that disclosure requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 are not applicable to her.

- e) From the reply of the Noticee, exchanges and the company, it was observed that the Noticee had failed to make disclosures required under PIT Regulations for the transactions highlighted in the Table-1 above.
- f) In view of the above, it has been alleged that the Noticee has violated the provisions of Regulation 13(4A) read with 13(5) of the PIT Regulations read with Regulation 12 of the 2015 PIT Regulations for not submitting the requisite disclosures to the stock exchanges and to the company.

2. Vide a *communication-order* dated October 05, 2020, it has been informed that the competent authority in SEBI is satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged violations as aforesaid. Vide the said *communication-order*, it has also been informed that competent authority has appointed the undersigned as Adjudicating Officer under Section 15-I (1) of the SEBI Act, 1992 read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as 'the Adjudication Rules') to inquire into and adjudge the alleged violations by the Noticee under Section 15A (b) of the SEBI Act.

3. Accordingly, after receipt of records of the proceedings, a notice to show cause no. EAD-2/AP-SKS/OW/18692/1/2020 dated November 05, 2020 (hereinafter referred to as 'the SCN') was issued to the Noticee calling upon her to show cause as to why an inquiry should not be held against her in terms of rule 4 of the Adjudication Rules and penalty be not imposed under Section 15A (b) of the SEBI Act for the aforesaid alleged violations. The SCN sent to the Noticee was served at the last known address of the Noticee.

4. In response to the SCN, Mr. Rajesh K. Shah, Company Secretary of MAL, vide letter dated December 02, 2020, informed that the Noticee had passed away on January 08, 2020 in Kolkata. In support of the claim regarding the demise of the Noticee, a copy of the Certificate of Death dated January 08, 2020 issued by the Kolkata Municipal Corporation was provided by the Company Secretary of MAL along with the said letter dated December 02, 2020. From the copy of the Certificate of Death, it is noted that the Noticee had expired on January 08, 2020. In view of this fact, no reply /submissions can be procured for considering this case under Rule 4(2) of the Adjudication Rules for further inquiry *qua* this Noticee. I am, therefore, of the opinion that matter does not deserve further inquiry under Rule 4(3) of the Adjudication Rules *qua* this Noticee and I, therefore, proceed to dispose of this matter accordingly.

5. I have considered the allegations levelled against the Noticee, the reply/submissions received from the Company Secretary of MAL and the relevant material available on record. In this case, the allegations have been levelled against the Noticee in her personal capacity as a promoter of MAL at the relevant times. However, from the reply of Company Secretary of MAL, it is noted that the Noticee had expired on January 08, 2020, subsequent to the period when the alleged transactions were conducted. Thus, the proceedings are against the acts of omission and commission of a person who is no more to face the charges.
6. In view of the foregoing, I am of the view that the proceedings against the Noticee are liable to be abated without going into the merits of the case *qua* her and the SCN dated November 05, 2020 issued against her is disposed of accordingly.
7. In terms of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticee's last known address and also to SEBI.

Date: December 08, 2020

Place: Mumbai

Amit Pradhan

Adjudicating Officer