

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER Ref No.: Order/AP/VS/2020-21/9533]**

**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:

**Mr. Snehal Bharatbhai Patel**  
**(PAN: BJBPP1597A)**

14/A, Hindu Colony,  
Nr Swastik Vidhya Mandir, Navrangpura,  
Ahmedabad, Gujarat-380009

In the matter of  
**Oasis Tradelink Limited**

1. Oasis Tradelink Limited (hereinafter referred to as 'OTL'), is a company listed on Bombay Stock Exchange Limited (BSE). Securities and Exchange Board of India ('SEBI') had conducted an investigation in the matter of trading in the scrip of the OTL by its promoter and Compliance Officer, Mr. Snehal Bharatbhai Patel (hereinafter referred to as 'the Noticee'), to ascertain whether there was any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred to as 'the PIT Regulations') and SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (hereinafter referred to as 'the SAST Regulations') during the period January 1, 2018 to March 31, 2018 (hereinafter referred to as 'investigation period').
2. During the investigation it was observed that the Noticee had sold 3,28,362 shares off market during the week January 12, 2018 to January 26, 2018. The details of his transactions are as follows:

**Table-I**

S. No.	Date of Transaction	Pre Transaction Holding	Pre Transaction Holding in %	Transaction Quantity	Post Transaction holding in %	Nature of transaction	Transaction value* (in ₹)
1	12/01/2018-19/01/2018	572842	5.27	300000	2.51	Off market transfer	2,49,15,000
2	19/01/2018-26/01/2018	272842	2.76	28362	2.25	Off market transfer	23,55,464

\*based on closing price on BSE on the date of transaction

3. From the above table it is noted that by selling 3,00,000 shares off market during the January 12, 2018 to January 19, 2018, the shareholding of Noticee reduced from 5.27% to 2.51%. As per

regulation 29(2) read with 29(3) of the SAST Regulations the Noticee was under obligation to disclose the change in his shareholding to OTL and BSE.

4. It is also noted that the transaction value of 3,00,000 shares based on closing price on BSE on the date of transaction is calculated as ₹2,49,15,000/-, in this regard the Noticee was under obligation to make requisite disclosure under regulation 7(2)(a) of PIT Regulations. Further, the selling of 28,362 shares of transaction value ₹23,55,464/- (based on closing price on BSE on the date of transaction) by the Noticee puts him under obligation of regulation 7(2)(a) of the PIT Regulations. It is alleged that the Noticee fails to make the requisite disclosure to OTL and BSE on all the above mentioned occasions.
5. In order to conduct a thorough investigation in to the disclosures made by the Noticee to BSE/OTL the Investigating Authority (IA) appointed by SEBI in the matter, vide summon dated April 10, 2019 summoned the Noticee to furnish documents/records/information etc. as per enclosed annexure therein. It was also advised to the Noticee that in case he fails to disobey the information requisition vide the aforesaid summons, SEBI may initiate prosecution/adjudication proceedings against him. The Noticee vide his letter dated May 04, 2019 acknowledged the summons and requested additional time for his submission.
6. The Noticee vide letter dated May 27, 2019, informed that he had filed the disclosures with the OTL and BSE. The Noticee had also submitted the courier delivery receipt dated January 22, 2018, addressed to BSE. However, he did not provide any copies of disclosures acknowledged by BSE/OTL.
7. Subsequently, SEBI vide its email dated June 19, 2019, asked the Noticee to provide the copies of disclosures filed by him, duly acknowledged by the OTL. However, no information was received from the Noticee. Further, reminder summons were issued to the Noticee on August 9, 2019 and Aug 21, 2019, seeking information pertaining to disclosures made by him to the OTL under PIT Regulations and SAST Regulations in respect of his transfer in the scrip of OTL during the investigation period. However no response has been received till date.
8. In view of the above, it has been alleged that the Noticee have violated the provisions of regulation 7(2)(a) of the PIT Regulations and 29(2) read with 29(3) of the SAST Regulations with regard to his transfer during the investigation period. The relevant provisions of the PIT Regulations and SAST Regulations are reproduce as follows:

### **PIT Regulations**

#### ***Disclosures by certain persons.***

##### ***7(2) Continual Disclosures.***

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

### **SAST Regulations**

#### ***Disclosure of acquisition and disposal.***

##### ***29 (1) ...***

*(2) 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.*

*(3) 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<sup>2</sup>*

9. Registrar & Transfer Agent of the company, Skyline Financial Services Private Limited (hereinafter referred to as “Skyline”), vide its email dated November 22, 2019 submitted that it sends transaction details of promoters on weekly basis through e-mail regarding weekly/fortnightly/monthly reports to OTL. Skyline provided the quarterly / weekly reports sent to OTL. It was observed that Snehbar Stockholdings Pvt. Ltd. (hereinafter referred to as ‘Snehbar’) purchased 1,28,496 shares off-market during the week February 9, 2018 to February 16, 2018 and sold 4,220 shares off market during the week February 16, 2018 to February 23, 2018. Later it also sold 1,24,276 shares during the March 16, 2018 to March 23, 2018. Due to the aforementioned transactions, the shareholding of Snehbar remained unchanged for the Quarter ended March 2018 *vis-à-vis* for the quarter ending December 2017. The details of its transactions are as follows:

**Table-II**

Sr. No	Date of transaction	Pre-transaction holding in no. of shares	Pre-transaction holding in %	Transaction Qty.	Post-transaction holding in no. of shares	Post-transaction holding in %	Nature of transaction	Transaction Value* (₹)
1	09/02/2018-16/02/2018	595000	5.47	128496	723496	6.65	Off market	1,06,34,672
2	16/02/2018-23/02/2018	723496	6.65	4220	719276	6.61	Off market	4,12,136.4
3	16/03/2018-23/03/2018	719276	6.61	124276	595000	5.47	Off market	1,25,54,350

\*(based on closing price of the scrip on BSE on the date of transaction)

10. As per the weekly reports provided by Skyline, the details of above transactions were available with OTL on February 19, 2018, March 1, 2018 and March 26, 2018 respectively. It was observed that the transactions of Snehbhar during February 9, 2018 to February 16, 2018 and March 16, 2018 to March 23, 2018 were of value more than ₹10 lakhs and OTL was under obligation to make requisite disclosures to BSE within 2 trading days under regulation 7(2)(b) of the PIT Regulations. However, the OTL did not make any disclosures to the exchange even after becoming aware of the information.
11. SEBI sought information from BSE regarding the details of disclosures filed by OTL to BSE, under relevant provisions of PIT Regulations and SAST Regulations in respect of transactions undertaken by the Noticee and other promoters of the OTL. BSE vide emails dated July 26, 2019 and August 28, 2019 submitted that they have not received any disclosures under PIT Regulations and SAST Regulations from the OTL in the scrip of OTL for the investigation period.
12. Further, BSE vide its email dated December 17, 2019, informed that as per filings made by the OTL under provision of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the Noticee was designated as Compliance Officer of the OTL during the investigation period.
13. In view of the above, it has been alleged that the Noticee being a compliance officer was under obligation to make requisite disclosures to BSE pertaining to his and Snehbhar's transaction to BSE, which he failed to do so, thus it is alleged that the Noticee has violated regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations. The relevant provisions of the PIT Regulations are reproduce as follows:

***Disclosures by certain persons.***

***7(2) Continual Disclosures.***

(a)...

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

*Explanation.* — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

***Code of Conduct.***

9 (3) Every listed company, market intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

***NOTE:*** This provision is intended to designate a senior officer as the compliance officer with the responsibility to administer the code of conduct and monitor compliance with these regulations.

14. It is also observed that during the investigation the Noticee was issued summons as per following details:

**Table-III**

S. No.	Date of Summons	Particular of Information asked	Delivery Status	Noticee's submissions
1	April 10, 2019	Whether the Noticee have made disclosures pertaining to change in his shareholding of more than 2% in the scrip of OTL, If yes, then provide documentary proof in support of the same.	Delivered	Noticee replied to summons
2	Aug 09, 2019	Furnish the acknowledgment copies of disclosures filed with OTL and BSE during the period January 01, 2018 to February 28, 2018	Delivered	No reply received
3	Aug 21, 2019	Furnish the acknowledgment copies of disclosures filed with OTL and BSE	Delivered	No reply received

From the above table it is noted that the Noticee had not co-operated with the Investigations by not furnishing the acknowledgment of the disclosures by OTL and BSE to IA and thus, had disobeyed the aforesaid summons dated August 9, 2019 and August 21, 2019 issued by IA and repeatedly failed to provide the documents/ information requisitioned by the IA. Thus, the Noticee, has failed to furnish the information required under the SEBI Act and thereby hampered the process of investigation and leading to violation of section 11C(3) of the SEBI Act. The relevant provisions of the SEBI Act are reproduced as follows:

### ***Investigation***

*11C(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*

15. SEBI felt satisfied that there are sufficient grounds to inquire and adjudicate upon the alleged violations of the provisions of the PIT Regulations, SAST Regulations and SEBI Act by the Noticee. By a *communication-order* dated January 24, 2020, the undersigned has been appointed as Adjudicating Officer to inquire into and adjudge under following sections for the alleged violations by the Noticee:

**Table-IV**

S. No.	Allegation	Violations	Penalty under SEBI Act
1	Did not make disclosures to OTL and BSE of % change in shareholding by more than 2%	Regulation 29(2) read with 29(3) of the SAST Regulations, 2011	Section 15A(b) of the SEBI Act, 1992
2	Did not make disclosures on two occasions to the OTL and BSE in respect of off market transactions carried out of value greater than ₹10 lakhs	Regulation 7(2)(a) of the PIT Regulations, 2015	Section 15A(b) of the SEBI Act, 1992
3	Being a Compliance officer, did not make disclosures to BSE on 2 instance each for the transaction carried out by the Snehbhar and the Noticee of value more than ₹10 lakh, even after becoming aware of the transactions	Regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations, 2015	Section 15A(b) of the SEBI Act, 1992
4	Non-compliance of SEBI Summons dated Aug 9, 2019 and Aug 21, 2019 for furnishing information sought by IA	Section 11C(3) of the SEBI Act, 1992	Section 15A(a) of the SEBI Act, 1992

16. After the receipt of the records, the notice to show cause no. EAD-2/AP/VS/4840/2020 dated February 06, 2020 (hereinafter referred to as ‘SCN’) was issued to the Noticee in terms of rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘the Adjudication Rules’) read with section 15I of the SEBI Act. By the SCN the Noticee was called upon to show cause as to why an inquiry should not be held against him in accordance with rule 4 of the Adjudication Rules read with section 15-I of the SEBI Act and why penalty, should not be imposed upon him under section 15A(a) and 15A(b) the SEBI Act for the alleged respective violation as mentioned hereinabove.
17. The SCN was sent at the last known address of the Noticee through Speed Post Acknowledgment Due, which was, duly served upon him. In the said SCN, the Noticee was asked to reply within a period of 14 days, however, no reply was received from the Noticee. Further, in the interest of

natural justice and in terms of rule 4(3) of the Adjudication Rules, the Noticee was given additional opportunity to file reply to the SCN and was also granted an opportunity of personal hearing on March 18, 2020 and the same was communicated vide notice dated February 27, 2020. On scheduled date of the hearing the Noticee did not availed the opportunity of the hearing. Thereafter, The Noticee vide his email dated May 26, 2020 submitted that due to ongoing pandemic situation the Noticee neither could reply to the SCN and nor he was able to send his authorised representative to avail the opportunity of hearing. Accordingly, in terms of rule 4(3) of the Adjudication Rules and in the interest of the natural justice an opportunity of personal hearing was granted to Noticee on August 21, 2020 and the same was communicated vide notice dated August 07, 2020. In the said notice of hearing it was clearly mentioned that if the said hearing could not be held in person for any reason due to Covid restriction, the same will be conducted online through video-conferencing on the Webex platform. The Noticee vide his email dated August 18, 2020 requested to reschedule the hearing on the ground of demise of his close family members, accordingly considering the request and situation of the Noticee the hearing was rescheduled on September 04, 2020. The Noticee vide his email dated September 03, 2020 submitted that his brother and sister in law have tested positive for COVID-19 and since they live in a joint family, the Municipal Corporation has quarantined other member and their house, therefore, the hearing may be adjourned.. Thereafter, another opportunity was given to the Noticee on September 18, 2020. Subsequently, the Noticee vide his email dated September 15, 2020 filed his reply to SCN. On schedule date of hearing such that September 18, 2020 the Noticee appeared before the undersigned and reiterated its submission dated September 15, 2020.

18. I have carefully considered the allegations and charges levelled against the Noticee, the Noticee's representation and materials relied upon by SEBI and proceeded to examine the facts and circumstances and the material available on record.
19. With respect to allegation of regulation 7(2)(a) of the PIT Regulations and 29(2) read with 29(3) of the SAST Regulations, it is noted that the basis of this allegation is selling 3,00,000 shares off market during the January 12, 2018 to January 19, 2018, and the shareholding of Noticee reduced from 5.27% to 2.51%. As per regulation 7(2)(a) of the PIT Regulations the Noticee was required to disclose the same to OTL with in two trading days and as per 29(2) read with 29(3) of the SAST Regulations the same was required to disclose to exchange and OTL with in two working days of his transaction. I note that the Noticee vide his email dated September 15, 2020 provided the copies of disclosures made to OTL and BSE as per the requirement of the PIT Regulations and SAST

Regulation. The Noticee has also provided the courier docket receipt through which the Noticee had sent these disclosures to BSE.

20. I note that the Noticee has provided the copy of the disclosures under regulation 7(2)(a) of the PIT Regulations duly acknowledged by OTL. Therefore, the charges alleged under regulation 7(2)(a) of the PIT Regulations is not found to be established. With regard to BSE the Noticees has provided proof of dispatch, however, no proof of delivery of aforesaid disclosures to the concerned stock exchange as claimed within mandatory timeline as specified in regulation 29(3) of SAST Regulations has been provided. In this regard, it is relevant to refer to and rely upon the following observations of Hon'ble SAT in the matter of *Mega Resources Ltd. v. SEBI (Appeal No. 49/2001)* wherein it was observed that:

*“...regulation is not simply on sending the information, it requires disclosure. Mere dispatch of the information is short of the said requirement. If the requirement was only "to send", on sufficient proof of posting the letter would have in the normal course to some extent met with such a requirement. But Regulation 7(1) requires the acquirer to disclose the aggregate of his holding in the Target Company to the company. Sub regulation (2) prescribes the time limit within which the disclosure is required to be made.....According to Black's Law Dictionary "Disclosure" means –act of disclosing, revelation, the impartation of that which is secret or not fully understood. Disclose is to expose to review or knowledge anything, which before was secret, hidden or concealed. Thus the requirement is that the information should reach the person to whom it is meant. The obligation does not end by simply posting the information in a letter box.”*

21. The agency through which the document is sent, acts as the agent of the sender and if a dispute were, to arise whether the said document has been received by the addressee or not, the onus would be on the sender to establish the fact by clear and cogent evidence in this regard. In this case, the Noticee has not submitted any proof of receipt of any disclosures to the BSE in this regard. On the other hand, the BSE, vide its aforesaid emails available on record, has denied having received any of the alleged disclosures. I, therefore, find that the Noticees has made disclosure to OTL, however, he has failed to establish that he made any disclosure to BSE as mandated by the regulation 29(2) read with regulation 29(3) of the SAST Regulations. The statutory timelines stipulated in regulation 29(3) of the SAST Regulations is mandatory. In this regard, it is noted that the Hon'ble SAT in its Order dated September 30, 2014, in the matter of *Akriti Global Traders Ltd. Vs SEBI* observed that-

*“...Obligation to make disclosures under the provisions contained in SAST Regulations, 2011 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess*



*of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired.....”*

In view of the above it is observed that the Noticee has violated the provisions of regulation 29(2) read with regulation 29(3) of the SAST Regulations.

22. With respect to allegation of regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations, the Noticee vide his email dated September 15, 2020 and also during the hearing categorically denied that he was a Compliance Officer of OTL. I note from Annual Report for the year 2015-16, 2016-17 and 2017-18 submitted by the Noticee in the capacity of Whole-Time Director, available on BSE website, the Noticee was Compliance Officer of the OTL. Therefore, the contention of the Noticee is not tenable. I note that the Noticee being Compliance Officer, was under the obligation to make the requisite disclosure of the transaction as per Table-II in para 9, as mandated by the PIT Regulations. However, the Noticee has failed to make any disclosures as required under regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations and thus, the Noticee has violated the provisions of regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations. Non-disclosures of such events on his part made the investors deprived from taking an informed decision.
23. The provisions regarding disclosures under the PIT Regulations and SAST Regulations are meant to ensure timely disclosures of significant change in shareholding; as such disclosures also enable the stock exchanges and regulators to monitor such material event. Such disclosures also bring about transparency and enable the investors in the scrip to take an informed investment or disinvestment decision. All stakeholders, including minority shareholders should be aware of the change in shareholding of the promoters. Any information asymmetry with regard to such transactions as in this case would defeat the purpose of disclosures. Hon'ble SAT in the matter of *Coimbatore Flavors & Fragrances Ltd. vs SEBI* (Appeal No. 209 of 2014 order dated August 11, 2014), has also held that “*Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same.*” Further in the matter of Appeal No. 66 of 2003 - *Milan Mahendra Securities Pvt. Ltd. vs. SEBI* – the Hon'ble SAT, vide its order dated April 15, 2005 held that, “*the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market.*”
24. In view of the above, I hold that the Noticee has failed to make disclosures as required under (i) Regulation 29(2) read with 29(3) of the SAST Regulation and (ii) Regulation 7(2)(b) read with

regulation 9(3) of the PIT Regulations and such defaults attract the levy of penalty as prescribed under Section 15A(b) of the SEBI Act, which reads as follows:

**Penalties and Adjudication**

***Penalty for failure to furnish information, return, etc.***

**15A.** *If any person, who is required under this Act or any rules or regulations made thereunder,—*

*(a) ...*

*(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 or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, 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.*

25. Further, with regard to the third allegation of non-compliance of summons, the Noticee did not make any submissions. In this regard, the limited question for determination in the instant proceeding is whether the Noticee has failed to comply with and disobeyed the summons dated April 10, 2019, August 09, 2019 and August 21, 2019. It is noted that Section 11C(3) of the SEBI Act, empowers the IA to seek such information or record evidences/ statement which are relevant or necessary for the purpose of investigations, from any person associated with securities market in any manner. Section 11C(2) casts mandatory duty upon such person, from whom documents/ records/ information/ evidence has been sought by the IA, to produce to the IA or any person authorised by it in this behalf, all the books, registers, other documents and record of, or relating to such person.
26. It is matter of record that although the Noticee received the aforesaid summons and reminders, he failed to submit the documents/ records/ information sought by the IA in the matter. The Noticee was under statutory obligation in terms of section 11C(2) of the SEBI Act to co-operate in the investigation and to provide the documents/ records/ information to the IA as requisitioned by him by the way of summons/ reminders. Not furnishing the documents/ records/ information requisitioned by the IA in terms of the aforesaid summons/ reminders has potential to hamper the investigation. In this regard, in the matter of *Gennex Laboratories Ltd. Vs. SEBI (Appeal No. 172/2011)*, the Hon'ble Securities Appellate Tribunal (SAT) has held that "*non-compliance to summons and consequent non furnishing of information hampers investigation by statutory authorities and it acts as a severe handicap in arriving at just and reasonable conclusion by the statutory authorities within a reasonable period of time.*"

27. It is important to note that for discharging its duties and with a view to achieve the underlined object under the SEBI Act, SEBI is required to conduct investigation in the affairs of various persons from time to time. For this purpose, first and the foremost thing is co-operation from the concerned persons associated with the securities market to produce the relevant records as and when required by the IA. I note that the Noticee has not denied non-submission of information in compliance of By disobeying and disregarding the summons of the IA and non-submission of information, the Noticee has failed to comply with these mandatory statutory obligations.
28. In view of the above, on failing to furnish information by the Noticee as sought by the summons issued to him under section 11C(3) of the SEBI Act, as found hereinabove, has made himself liable for imposition of penalty under Section 15A (a) of the SEBI Act. The relevant provisions of section 15A(a) of the SEBI Act is reproduced as follows:

**Penalties and Adjudication**

***Penalty for failure to furnish information, return, etc.***

**15A.** *If any person, who is required under this Act or any rules or regulations made thereunder,—*

*(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, 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;*

29. Further, in these facts and circumstances of this case, the quantum of penalty has to be adjudged also taking into account the conduct of the Noticee as found in this case and the principle of proportionality. The failure as found in this case, had clearly defeated the purposes of the regulations i.e. investor protection and ensuring regulation of market. Considering the role and responsibility of the Noticee in these regards and obligations cast upon it under the PIT Regulations, SAST Regulations and SEBI Act, the defaults deserve imposition of monetary penalty against the Noticee.
30. For the purpose of adjudging the quantum of penalty it is relevant to mention that under section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that "*he may impose such penalty*" are of considerable significance, especially in view of the guidelines provided by the legislature in section 15J. The factors stipulated in Section 15J of the SEBI Act, are as follows:-

***“15J - Factors to be taken into account by the adjudicating officer***

*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 investor/ +s 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.”*

31. In this case, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of the default cannot be computed. It is however noted that defaults as noted in this matter are repetitive in nature. Further the disclosure related violations as required under the PIT Regulations are of significant importance from the point of view of the investors and regulators.
32. Considering the facts and circumstances of the case and above factors and exercising the powers conferred upon me under section 15I of the SEBI Act read with rule 5 of the Adjudication Rules, I am of the view that the findings as aforesaid support imposition of penalty upon Noticee with regard to the violations committed by him, I hereby impose a monetary penalty on Noticee *viz.*, Snehal Bharabhai Patel as per following table and in my view, the said penalty is commensurate with the violation committed by him in this case.

**Table-V**

<b>S. No.</b>	<b>Violations</b>	<b>Penalty under SEBI Act, 1992</b>	<b>Penalty</b>
1	Regulation 29(2) read with 29(3) of the SAST Regulations, 2011	Section 15A(b)	₹1,00,000/- (Rupees One Lakh only)
2	Regulation 7(2)(b) read with regulation 9(3) of the PIT Regulations, 2015	Section 15A(b)	₹1,00,000/- (Rupees One Lakh only)
3	Section 11C(3) of the SEBI Act, 1992	Section 15A(a)	₹1,00,000/- (Rupees One Lakh only)
	<b>Total</b>		<b>₹3,00,000/- (Rupees Three Lakh only)</b>

33. The Noticee shall remit / pay the said total amount of penalty within 45 days of the receipt of this Order 20 in either of the way of demand draft in favour of “SEBI – Penalties Remittable to Government of India”, payable at Mumbai, or by following the path at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), ENFORCEMENT> Orders> Orders of AO> PAY NOW; OR by using the web link <https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>. In case of any difficulties in payment of penalties, the Noticee may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in)
34. The Demand Draft or details and confirmation of e-payment made in the format as given in table below shall be sent to "The Division Chief, EFD-DRA-4, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.” and also to e-mail id :- [tad@sebi.gov.in](mailto:tad@sebi.gov.in)

**Table-VI**

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)	

35. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.
36. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

**Date: November 03, 2020**

**Place: Mumbai**

**Amit Pradhan**  
**Adjudicating Officer**