BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER Ref. No. Order/JS/RJ/2026-27/32711-32712]

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

In respect of:

Noticee No.	Name of the entity	PAN
1.	Mr. Ramakant Gupta	ADBPG5766B
2.	Mr. Manish Kumar Sowatia	CHNPS7419B

In the matter of insider trading activity of an entity in the scrip of Jindal Steel & Power Limited

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BACKGROUND OF THE CASE

1. Jindal Steel & Power Limited (hereinafter referred to as "**the company"** / "**Jindal**") is a manufacturing company listed at National Stock Exchange of India Limited and BSE Limited (hereinafter cumulatively referred to as "**stock exchanges"**).

2. On August 11, 2023 at 15:59:15, Jindal disclosed the financial results for the period ended June 30, 2023 to the stock exchanges**.** As per the examination report of NSE, there was a decrease in profit by 78.87% and 14.98% for June 23 quarter on a standalone and consolidated basis, respectively, as compared to the previous year quarter, i.e., June 2022. Subsequent to the announcement, which was made post market hours, the price of the scrip opened at Rs. 690.00, i.e., 1.17% lower as compared to the previous day's close price (i.e., Rs. 698.20) and closed at Rs. 662.25, i.e., 5.15% lower as compared to previous day's close price).

3. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) carried out an investigation to ascertain whether there was any violation of the provisions of the SEBI Act, 1992 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as **"PIT Regulations")** by any entity while trading in the scrip of Jindal Steel & Power Limited during the period June 01, 2023 to August 31, 2023 (hereinafter referred to as **"IP"**).

4. Pursuant to the investigation, it was observed that the company closed the trading window from July 01, 2023 to August 13, 2023 (48 hours after the declaration of financial results for the quarter ended June 30, 2023) under PIT Regulations. Upon analyzing the trades of the designated persons of the company (hereinafter referred to as "**DPs**"), it was observed that the DPs, Mr. Ramakant Gupta (hereinafter referred to as "**Noticee No. 1**") and Mr. Manish Kumar Sowatia (hereinafter referred to as "**Noticee No. 2"**) had traded during the trading window closure period concerning the announcement relating to financial results for the quarter ending June 30, 2023. Further, it was observed that the said Noticees had traded in the scrip of Jindal without obtaining pre-clearance from the company. Accordingly, Noticees were alleged to have violated regulations 9(1) read with clauses 4 and 6 of the PIT Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

5. The undersigned was appointed as the Adjudicating Officer, vide communique dated July 07, 2026 under section 15-I of SEBI Act, 1992 read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Rules"**), to inquire into and adjudge the aforesaid alleged violations committed by Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

6. The SCN, *inter alia,* alleged as under:

Trading without pre-clearance

(a) It is stated in the investigation report that paragraph no. 8 of company's code of conduct formulated under PIT Regulations provides as under:

"8.1 Every Designated Person who intends to conduct Trading either in his/her own name or in the name of his/her Immediate Relatives (i) beyond the minimum threshold limits mentioned in Clause 8.2 below and (ii) has not submitted a Trading Plan in accordance with Clause 6 of this Code, which has been approved by the Compliance Officer, shall obtain pre-clearance of the transactions as per the pre-Trading procedure as described hereunder. Application for pre-clearance shall be made only during Valid Trading Window period. Applications submitted during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected.

8.2 Pre-clearance will not be necessary if the number of shares to be traded is less than 1000 shares or if the aggregate market value of the Trade to be carried out is less than Rupees 1,00,000/-. Pre-clearance shall be valid for the Trades to be done within 1 (one) week from taking pre-clearance.

…"

(b) From the trading data, it was observed that Noticees had executed trades in the scrip of the company in excess of 1000 shares or Rs.1 Lakh in transaction value during the IP. The details of the trades are as follows:

Table 1

Date	Name of the Entity	Gross Buy Volume	Gross Sell Volume	Gross Buy Value (in Rs.)	Gross Sell Value (in Rs.)
14/08/2023	Mr. Ramakant Gupta	490	0	325243.50	0.00
16/08/2023	Mr. Ramakant Gupta	500	0	323770.00	0.00
16/08/2023	Mr. Ramakant Gupta	500	0	324162.20	0.00
29/08/2023	Mr. Ramakant Gupta	800	0	542060.00	0.00
29/08/2023	Mr. Ramakant Gupta	0	800	0.00	542540.00
30/08/2023	Mr. Ramakant Gupta	400	0	269320.00	0.00
30/08/2023	Mr. Ramakant Gupta	0	600	0.00	404100.00
01/06/2023	Mr. Manish Kumar Sowatia	1500	1500	767750.00	769200.00
08/06/2023	Mr. Manish Kumar Sowatia	1500	0	803600.00	0.00
14/06/2023	Mr. Manish Kumar Sowatia	0	1500	0.00	812000.00
15/06/2023	Mr. Manish Kumar Sowatia	500	500	267696.50	268625.00
14/08/2023	Mr. Manish Kumar Sowatia	4500	3286	2983500.00	2181077.75
24/08/2023	Mr. Manish Kumar Sowatia	1000	0	662000.00	0.00
29/08/2023	Mr. Manish Kumar Sowatia	0	2214	0.00	1481719.50

(c) In this regard, the compliance officer, vide email dated September 05, 2025, submitted that the Noticees did not obtain pre-clearance during the IP.

(d) *Therefore, it was alleged that Noticees traded without obtaining pre-clearance and thus, violated the provision of clause 6 of Schedule B read with regulation 9(1) of PIT Regulations.*

Trading during Window Closure Period

(a) *Paragraph no. 7 of the company's code of conduct regarding trading window closure stated as follows:*

"7.1 The Company shall specify a Trading period for Designated Persons, to be called – "Trading Window", for Trading in compliance with the Regulations.

7.2 The Trading Window shall also be applicable to any other person having a contractual or fiduciary relation with the Company including, but not restricted to auditors, accountancy firms, law firms, analysts, consultants, etc., advising or assisting the Company, as may be specified by the Company.

7.3 All the Designated Persons or their Immediate Relatives and the category of persons mentioned in Clause 7.2 above, shall not be involved in the Trading either in their own name or in the name of their Immediate Relatives when the Trading Window is closed."

(b) *It is stated in the investigating report that the trading window for dealing in securities of the company was closed from July 01, 2023 till the expiry of 48 hours after announcement of the audited financial results for the quarter ended June 2023. However, it was observed that Noticees traded during window closure period and the details of the said trades of Noticees are as follows:*

Table 2

Date	Instrument Type	Name of The Entity	Gross Buy Volume	Gross Sell Volume	Gross Buy Value (in Rs.)	Gross Sell Value (in Rs.)
03/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	7125.00
04/07/2023	OPTSTK	Ramakant Gupta	2500	0	4750.00	0.00
04/07/2023	OPTSTK	Ramakant Gupta	2500	0	9750.00	0.00
04/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	33625.00
04/07/2023	OPTSTK	Ramakant Gupta	1250	0	11000.00	0.00
04/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	8250.00
05/07/2023	OPTSTK	Ramakant Gupta	2500	0	56312.50	0.00
06/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	9250.00
07/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	14687.50
07/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	8125.00
10/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	26312.50
10/07/2023	OPTSTK	Ramakant Gupta	2500	0	31000.00	0.00
10/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	13312.50
11/07/2023	OPTSTK	Ramakant Gupta	3750	0	17562.50	0.00
11/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	8250.00
11/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	5000.00
12/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	27062.50
12/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	11375.00

14/07/2023	OPTSTK	Ramakant Gupta	1250	1250	18750.00	18250.00
14/07/2023	OPTSTK	Ramakant Gupta	0	5000	0.00	26812.50
14/07/2023	OPTSTK	Ramakant Gupta	3750	3750	68250.00	56687.50
14/07/2023	OPTSTK	Ramakant Gupta	2500	0	25000.00	0.00
14/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	13750.00
14/07/2023	EQUITY	Ramakant Gupta	0	500	0.00	320550.00
17/07/2023	OPTSTK	Ramakant Gupta	1250	0	39062.50	0.00
17/07/2023	OPTSTK	Ramakant Gupta	1250	0	2687.50	0.00
17/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	38937.50
17/07/2023	OPTSTK	Ramakant Gupta	1250	1250	12625.00	7562.50
17/07/2023	OPTSTK	Ramakant Gupta	1250	0	5750.00	0.00
18/07/2023	OPTSTK	Ramakant Gupta	1250	1250	26812.50	25375.00
18/07/2023	OPTSTK	Ramakant Gupta	1250	0	31437.50	0.00
20/07/2023	OPTSTK	Ramakant Gupta	6250	0	14687.50	0.00
20/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	4875.00
20/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	14312.50
20/07/2023	OPTSTK	Ramakant Gupta	5000	0	8000.00	0.00
21/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	16875.00
21/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	26875.00
21/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	32500.00
21/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	20500.00
21/07/2023	OPTSTK	Ramakant Gupta	1250	0	19375.00	0.00
21/07/2023	OPTSTK	Ramakant Gupta	1250	0	12625.00	0.00
24/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	17125.00
24/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	25937.50
24/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	17437.50
24/07/2023	OPTSTK	Ramakant Gupta	1250	0	17625.00	0.00
24/07/2023	OPTSTK	Ramakant Gupta	1250	0	7812.50	0.00
24/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	9000.00
24/07/2023	OPTSTK	Ramakant Gupta	1250	0	30000.00	0.00
25/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	22187.50
25/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	11625.00
25/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	18125.00
25/07/2023	OPTSTK	Ramakant Gupta	2500	0	79375.00	0.00
25/07/2023	OPTSTK	Ramakant Gupta	2500	0	60750.00	0.00
25/07/2023	OPTSTK	Ramakant Gupta	2500	2500	44875.00	43625.00
25/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	19062.50
25/07/2023	EQUITY	Ramakant Gupta	0	800	0.00	524195.00
27/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	16562.50
28/07/2023	OPTSTK	Ramakant Gupta	12500	7500	70625.00	42812.50
28/07/2023	OPTSTK	Ramakant Gupta	0	5000	0.00	36625.00
28/07/2023	OPTSTK	Ramakant Gupta	1250	0	19062.50	0.00

28/07/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	20750.00
28/07/2023	OPTSTK	Ramakant Gupta	1250	2500	15875.00	30812.50
28/07/2023	OPTSTK	Ramakant Gupta	0	3750	0.00	44625.00
31/07/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	27750.00
31/07/2023	OPTSTK	Ramakant Gupta	1250	1250	18312.50	17937.50
31/07/2023	OPTSTK	Ramakant Gupta	2500	0	68750.00	0.00
31/07/2023	OPTSTK	Ramakant Gupta	1250	0	23000.00	0.00
31/07/2023	OPTSTK	Ramakant Gupta	0	5000	0.00	77562.50
31/07/2023	EQUITY	Ramakant Gupta	0	100	0.00	67305.00
01/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	20625.00
04/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	10312.50
04/08/2023	OPTSTK	Ramakant Gupta	1250	1250	24062.50	22250.00
04/08/2023	OPTSTK	Ramakant Gupta	1250	1250	27500.00	23125.00
04/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	9937.50
08/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	25125.00
08/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	18375.00
08/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	10875.00
09/08/2023	OPTSTK	Ramakant Gupta	2500	0	10375.00	0.00
09/08/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	24750.00
09/08/2023	OPTSTK	Ramakant Gupta	6250	0	90000.00	0.00
09/08/2023	EQUITY	Ramakant Gupta	0	200	0.00	135880.00
09/08/2023	OPTSTK	Ramakant Gupta	1250	1250	14375.00	12875.00
09/08/2023	OPTSTK	Ramakant Gupta	1250	1250	15312.50	18687.50
09/08/2023	OPTSTK	Ramakant Gupta	1250	0	15437.50	0.00
09/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	9937.50
10/08/2023	OPTSTK	Ramakant Gupta	3750	0	13687.50	0.00
10/08/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	23562.50
10/08/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	29125.00
10/08/2023	OPTSTK	Ramakant Gupta	1250	0	18875.00	0.00
10/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	17062.50
10/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	10750.00
11/08/2023	OPTSTK	Ramakant Gupta	1250	0	3812.50	0.00
11/08/2023	OPTSTK	Ramakant Gupta	2500	0	9500.00	0.00
11/08/2023	OPTSTK	Ramakant Gupta	6250	1250	25000.00	10000.00
11/08/2023	OPTSTK	Ramakant Gupta	5000	0	27750.00	0.00
11/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	12937.50
11/08/2023	OPTSTK	Ramakant Gupta	0	5000	0.00	49687.50
11/08/2023	OPTSTK	Ramakant Gupta	0	2500	0.00	34625.00
11/08/2023	OPTSTK	Ramakant Gupta	2500	0	39937.50	0.00
11/08/2023	OPTSTK	Ramakant Gupta	0	3750	0.00	38562.50
11/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	12062.50
11/08/2023	OPTSTK	Ramakant Gupta	0	1250	0.00	36875.00

02/08/2023	EQUITY	Manish Kumar Sowatia	1500	0	967550.00	0.00
03/08/2023	EQUITY	Manish Kumar Sowatia	0	1500	0.00	969000.00
04/08/2023	EQUITY	Manish Kumar Sowatia	1000	1000	653000.00	654200.00
11/08/2023	EQUITY	Manish Kumar Sowatia	1000	1000	688500.00	689100.00

(c) In this context, it was alleged that Noticees have allegedly violated the provisions of clause 4 of Schedule B read with regulations 9(1) of PIT Regulations, by trading during trading window closure period.

7. Noticee No. 1 submitted his reply vide emails dated August 04, 2026 and August 24, 2026 wherein he stated as under:

(a) The alleged non-compliances, namely, trading during the trading-window closure period and executing trades above threshold limits without pre-clearance, were inadvertent, unintentional, and the result of procedural oversight. The trades were conducted without any malice, market manipulation, or possession of UPSI. They were not undertaken with any intention to violate the PIT Regulations, to avoid the company's compliance process, or to obtain any unfair market advantage.

(b) The SCN concerned alleged violations of clauses 4 and 6 of Schedule B read with regulation 9(1) of the PIT Regulations and proposed action under section 15HB of the SEBI Act. It did not allege that he communicated UPSI, received UPSI, or traded while in possession of UPSI.

(c) He was an Electrical Engineer by profession. At the relevant time, he worked as Vice President (Electrical) at JSPL's Angul plant. His duties were technical and operational, concerning electrical infrastructure, plant maintenance, engineering systems, and execution.

(d) He was not associated with the finance, accounts, secretarial, legal, audit, investor relations, or financial-results preparation functions. He had no role in preparing, reviewing, discussing, or approving JSPL's financial results for the quarter ended 30 June 2023.

(e) He had no access to draft financial results, internal financial figures, board materials, or any UPSI relating to the financial results before their public disclosure on 11 August 2023.

(f) He did not receive or communicate any UPSI to any person. His transactions were personal market transactions and were not based on the company's financial results or any non-public information.

Bona fide misunderstanding of compliance applicability

(a) At the relevant time, he genuinely and mistakenly believed that the trading-window restrictions principally applied to employees who directly handled financial accounts, results, secretarial matters, or other price-sensitive information.

(b) As a technical and operational engineer, he failed to appreciate that the restrictions applied to him as a DP and also covered personal transactions in equity and stock options.

(c) He submitted that this was a bona fide misunderstanding and not a deliberate attempt to disregard the company's PIT Code.

Trading-window and pre-clearance allegations

(a) He noted that the SCN stated that JSPL's trading window was closed from 1 July 2023 to 13 August 2023 in relation to the financial results for the quarter ended June 30, 2023.

(b) He also noted that the SCN alleged transactions without pre-clearance after the reopening of the trading window, including transactions dated August 14, 2023, August 16, 2023, August 29, 2023, and August 30, 2023.

(c) Any such transactions occurred under the same bona fide misunderstanding regarding the applicability of the trading-window and pre-clearance provisions. There was no intention to conceal the transactions, bypass the compliance officer, or evade the company's code of conduct.

Absence of UPSI misuse, manipulation, or investor harm

(a) The SCN did not allege that he possessed UPSI or traded on UPSI. Nor did it allege fraud, deception, market manipulation, price manipulation, communication of UPSI, or loss caused to investors by him.

(b) The investigation material concerned compliance with the company's code of conduct and monitoring requirements. He requested that the absence of UPSI misuse, dishonest intent, market harm, and investor loss be given substantial weight while determining liability and penalty, if any.

Disgorgement / contra-trade amount

(a) He understood that the Investigation Report recorded an aggregate contra-trade profit of Rs. 2,08,862.15 in his name and also recorded that JSPL deposited an aggregate amount in the SEBI Investor Protection and Education Fund (hereinafter referred to as "**IPEF**") on behalf of concerned employees.

(b) The amount attributable to him was already recovered/adjusted by JSPL and remitted to the SEBI IPEF. Therefore, no gain or unjust enrichment from the relevant contra trades remained with him.

(c) If the exact recovery amount or its attribution required verification, he requested that the same be verified from JSPL's records. He cooperated in this regard.

Medical retirement and exceptional hardship

(a) He retired from active service in March 2024 due to serious medical reasons. He suffered from Parkinson's disease, heart-related ailments, and was recently diagnosed with osteoporosis. These conditions severely restricted his movement and physical ability.

(b) After retirement, he was retained temporarily in a limited capacity. However, due to deterioration in his health and mobility, he discontinued the retainership as well. He was homebound and had no active employment income.

(c) His wife underwent treatment for Chronic Myeloid Leukemia (CML), a blood cancer. Her treatment and his own neurological, cardiac, and bone-related treatment created substantial and continuous medical expenditure.

(d) In these circumstances, any monetary penalty would cause severe and disproportionate hardship to his family.

Clean record and cooperation

(a) This was his first and only alleged regulatory/compliance lapse in his career. He was not previously subject to a SEBI enforcement action, warning, or inquiry.

(b) He cooperated with the company and continued to cooperate fully with SEBI in those proceedings.

(c) In light of the above, he requested to consider:
- his technical and non-finance role as Vice President (Electrical);
- the absence of access to, possession of, or trading on UPSI;
- the bona fide and unintentional nature of the compliance lapse; and
- the absence of fraud, deception, market manipulation, investor loss, or market harm.

8. Noticee No. 2 submitted his reply vide email dated August 21, 2026 wherein he stated as under:

Lack of communication regarding board meeting date and re-opening of trading window

(a) No Information on board meeting: He was working in plant/site operations at JSPL. He did not receive any internal email, official circular, or communication specifying the actual date scheduled for the board meeting to consider and approve the financial results for the quarter ended June 30, 2023.

(b) Only generic closure mails received: The only email communication received by general employees was the automated notification stating that the trading window was closed with effect from July 01, 2023. That email explicitly mentioned that *"the date of the Board meeting to consider the Un-audited Financial Results... shall be intimated separately in due course."* However, no follow-up communication intimating the board meeting date or the actual re-opening of the trading window was ever received by him.

(c) Absence of window opening intimation: Because no broadcast email was issued to inform general employees when the 48-hour post-result cooling period ended or when the trading window officially re-opened, he had no operational visibility or technical understanding as to when the window closed or opened.

Absence of knowledge regarding "designated person" (DP) status and insider trading rules

(a) He was entirely unaware that his name had been designated under the company's internal list of DPs pursuant to Schedule B read with regulation 9(1) of the PIT Regulations.

(b) Due to his purely operational job profile, he had no access to corporate accounts, financial statements, or any Unpublished Price Sensitive Information (hereinafter referred to as "**UPSI**"). SEBI's own IR confirms that no communication or possession of UPSI could be established in his case.

Lack of awareness regarding pre-clearance and cooling period (contra-trade) rules

(a) He was not aware of the procedural requirement of seeking prior pre-clearance from the Compliance Officer for trades exceeding the pre-defined limits.

(b) Similarly, he had no knowledge or understanding of the “cooling period” (6-month contra-trade restriction). The buy and sell transactions placed before, during, and after the relevant period were executed purely as routine retail market investments in good faith, without any intent to violate regulations.

Complete disgorgement of profit and salary recovery

(a) The total calculated profit from the contra-trades executed during the relevant period was Rs. 31,325.75/-.

(b) The company has already deposited the entire disgorgement amount into the IPEF and subsequently recovered the same from his monthly salary. Therefore, he has retained no pecuniary benefit or unjust enrichment from these inadvertent trades.

(c) In light of the fact that:
   - (i) the minor delay in response was purely due to his mother’s critical medical treatment at CMC Vellore and Apollo Hospitals, Bhubaneswar;
   - (ii) no UPSI was accessed, possessed, or misused;
   - (iii) there was a genuine lack of communication regarding the board meeting date and trading window re-opening dates;
   - (iv) the procedural omissions were unintentional and arose from a lack of technical/regulatory awareness as an operational employee; and
   - (v) full disgorgement has already been completed into the SEBI IPEF.

9. An opportunity of hearing was granted to the Noticees on September 04, 2026. Noticees attended the hearing on the said date through video conference and reiterated their respective submissions.

10. Subsequently, Noticee No. 1, vide email dated September 06, 2026, submitted the following additional reply:

(a) The surviving allegations were confined to procedural lapses relating to trading during the window closure period and failure to obtain pre clearance, and did not amount to substantive insider trading under regulation 4. He further stated that there was no allegation of fraud, manipulation, or investor harm.

(b) He had served as vice president electrical at JSPL’s Angul plant and that his duties had been confined to electrical infrastructure and maintenance. He stated that he had no association with finance, accounts, secretarial, legal, or investor relations functions. He further submitted that he had no access to financial results, board materials, or any UPSI before its public disclosure on August 11, 2023, and relied on internal records and the company’s confirmation that there had been no leakage of UPSI. He also stated that he had been under a bona fide misunderstanding that the trading window restrictions had applied only to personnel directly dealing with UPSI related matters, and that the lapse had been unintentional.

(c) On penalty, the Noticee argued that any further penalty would have been disproportionate. He stated that the entire trading gain of Rs. 2,08,260 had already been disgorged through deduction from his salary, despite the gain having also been disclosed and taxed, and that he had therefore retained no net benefit. He further referred to severe medical and financial hardship, including Parkinson's disease, cardiac ailments, osteoporosis, his wife's cancer treatment, and the absence of any current income. Relying on section 15J, he contended that, given the absence of UPSI, full disgorgement, serious hardship, and his clean 36 year record, any further penalty would have served no regulatory purpose. The Noticee also highlighted his unblemished career, the absence of any prior SEBI action, and his full cooperation in the proceedings.

CONSIDERATION OF ISSUES AND FINDINGS

11. After careful perusal of the material on record, I note that the issues that arise for consideration in the present case are as follows:

I. Whether Noticees traded without obtaining pre-clearance and thereby violated clause 6 of Schedule B read with regulation 9(1) of PIT Regulations?

II. Whether Noticees traded in the scrip of the company during trading window closure period and thereby violated clause 4 of Schedule B read with regulations 9(1) of PIT Regulations?

III. Does the violation, if any, on the part of Noticees attract a monetary penalty under section 15HB of the SEBI Act?

IV. If so, what would be the monetary penalty that can be imposed upon Noticees taking into consideration the factors stipulated in section 15J of the SEBI Act?

12. The aforesaid acts, regulations and provisions alleged to have been violated, are reproduced below for reference:

PIT Regulations

"9. (1) The board of directors of every listed company and the board of directors or head(s) of the organisation of every intermediary shall ensure that the chief executive officer or managing director] shall formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B (in case of a listed company) and Schedule C (in case of an intermediary) to these regulations, without diluting the provisions of these regulations in any manner."

…

<u>Schedule B of Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons</u>

"4.(1) Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when

the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
(2) Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
(3) The trading window restrictions mentioned in sub-clause(1) shall not apply in respect of –(a)transactions specified in clauses(i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board; (b)transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.
….
6. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate….”

13. The issues raised in this matter are dealt in the following paragraphs.

I. Whether Noticees traded without obtaining pre-clearance and thereby violated clause 6 of Schedule B read with regulation 9(1) of PIT Regulations?

II. Whether Noticees traded in the scrip of the company during trading window closure period and thereby violated clause 4 of Schedule B read with regulations 9(1) of PIT Regulations?

14. It was alleged in the SCN that Noticees traded in the scrip of Jindal without obtaining pre-clearance. Further, it was alleged that Noticees traded in the scrip during the trading window closure period concerning the announcement relating to financial results for the quarter ending June 30, 2023.

15. Regulation 9(1) of the PIT Regulations prescribes that the board of directors of a listed company is required to frame a code of conduct in order to maintain minimum standards which are set out in the code of conduct of Schedule B of the PIT Regulations. The clause 4 of the Schedule B prohibits DP from trading in relevant securities during the

closure of trading window. Further, the clause 6 of the Schedule B of the PIT Regulations provides that such DP is required to obtain a pre-clearance from the compliance officer if the value of the proposed trades crosses the threshold prescribed by the board of directors.

16. In the instant case, paragraph nos. 7 and 8 of company's code of conduct formulated under PIT Regulations stated as under:

> *"…*
> *7.1 The Company shall specify a Trading period for Designated Persons, to be called – "Trading Window", for Trading in compliance with the Regulations.*
> *7.2 The Trading Window shall also be applicable to any other person having a contractual or fiduciary relation with the Company including, but not restricted to auditors, accountancy firms, law firms, analysts, consultants, etc., advising or assisting the Company, as may be specified by the Company.*
> *7.3 All the Designated Persons or their Immediate Relatives and the category of persons mentioned in Clause 7.2 above, shall not be involved in the Trading either in their own name or in the name of their Immediate Relatives when the Trading Window is closed.*
> *…*
> *8.1 Every Designated Person who intends to conduct Trading either in his/her own name or in the name of his/her Immediate Relatives (i) beyond the minimum threshold limits mentioned in Clause 8.2 below and (ii) has not submitted a Trading Plan in accordance with Clause 6 of this Code, which has been approved by the Compliance Officer, shall obtain pre-clearance of the transactions as per the pre-Trading procedure as described hereunder. Application for pre-clearance shall be made only during Valid Trading Window period. Applications submitted during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected.*
> *8.2 Pre-clearance will not be necessary if the number of shares to be traded is less than 1000 shares or if the aggregate market value of the Trade to be carried out is less than Rupees 1,00,000/-. Pre-clearance shall be valid for the Trades to be done within 1 (one) week from taking pre-clearance …"*

17. It is evident from the aforesaid code of conduct that the pre-clearance was a mandatory prerequisite for any trade by DP exceeding either 1000 shares or an aggregate market value of Rs. 1,00,000/-. Further, DPs were strictly prohibited from trading in the company's scrip during the closure of the trading window.

18. From the reply of the Noticees, it is noted that they have not disputed the execution of the trades mentioned in Tables 1 and 2. Further, it is a matter of record that no pre-clearance was taken by the Noticees for the aforesaid trades.

19. In view of the above, it is established that the Noticees had executed trades in contravention of paragraph nos. 7 and 8 of company's code of conduct formulated under PIT Regulations during the IP.

20. While Noticee No. 1 did not dispute his classification as a 'designated person' by the company, Noticee No. 2 claimed that he was unaware as to his identification as DP. To further his assertion, he argued that his role within the company was purely operational. In this regard, I note that as per the details furnished by the company vide letter dated December 05, 2023, Noticee No. 2 was designated as one of the DP of the company in terms of the PIT Regulations during the IP. It is a fact that such designation recorded by the company pursuant to its regulatory obligation to identify and maintain a record of DP under the PIT Regulations. Thus, the status of Noticee No. 2 as a DP stands established on the basis of the company's compliance record and cannot be displaced merely by his bald assertion of ignorance. I find it pertinent to mention that the obligations attached to a DP flow from the fact of such identification and these obligations are not dependent upon the individual's subjective acknowledgment or understanding of that status. This conclusion *qua* Noticee No. 2's status as DP is further reinforced by the email dated June 30, 2023, which shows that Noticee No. 2 was specifically informed of the closure of the trading window**.** The said email stated the following:

> *"The Trading Window shall remain closed till the expiry of 48 hours after the Audited Financial Results, both on standalone and consolidated basis, for the 1st quarter of FY 2023-24, ending on June 30, 2023 ("Financial Results"), become generally available information.*
> *…. You are requested not to trade (sell, purchase or deal) in the securities of the Company during the closure of the trading window. This restriction is also applicable to your immediate relatives as defined under the Code."*

21. The receipt of the said email establishes a clear notice to Noticee No. 2 of the restriction applicable to him in his capacity as DP. Furthermore, apart from a bare denial, Noticee No. 2 has placed no material on record to show that he did not receive the

communication regarding his designation as a DP. Therefore, the contention of the Noticee No. 2 lacks merit and hence, warrants no further consideration.

22. Noticees submitted that they did not know about the requirements for pre-clearance of trades above certain thresholds and that all trades were made in good faith as routine retail investments without any intent to breach regulations. Noticees further stated that the impugned trades were personal transactions made under the mistaken belief that trading-window restrictions mainly applied to employees directly involved with financial or price-sensitive information. Accordingly, Noticees argued that these were inadvertent, procedural lapses caused by a genuine misunderstanding of the compliance requirements. In this regard, I note that Noticees, being a DP under the PIT Regulations, were expected to exercise utmost care and prudence in their dealings in the securities of the company which necessarily includes ascertaining whether the trading window was open or whether the proposed trades required a pre-clearance. This continuing obligation is invariably attached to the status of a DP. The Noticee's contention that the restrictions applied only to persons directly connected with UPSI is contrary to the plain text, scheme, and object of the PIT Regulations. I note that clauses 4 and 6 of Schedule B read with regulation 9(1) of PIT Regulations of the PIT Regulations apply to all DP as a class as they are presumed to have access to or proximity with UPSI by virtue of their role, irrespective of whether they were in actual possession of such information at the time of the trade. Further, it is trite position of law that a violation of trading window and threshold restrictions under the PIT Regulations entails strict liability and does not require proof of *mens rea* or any intention to breach the law. These contraventions are established once it is shown that the trade was executed during the period of closure or there was a breach of prescribed limits by the DP. I note that to accept lack of intent or inadvertence as a defence would dilute the efficacy and the mandate of the PIT Regulations. Considering the aforesaid reasoning, I find the instant contention of the Noticee bereft of any merit and hence, the same is rejected.

23. Noticee No. 2 stated that he was neither informed of the actual Board Meeting date for approving JSPL's June 30, 2023 financial results, nor of the reopening of the trading window. The only communication he received was a general email dated June 30, 2023

which stated that the trading window was closed from July 1, 2023, and that the board meeting date would be communicated later, but no follow-up email was ever received. As a result, he says he had no clear knowledge of when the trading window reopened. At the outset, I note that the obligation to ensure compliance with the responsibilities associated with the duties attached to DP rests squarely upon the DP himself and cannot be shifted onto the company merely on the ground that the date of reopening was not separately informed. I note that Noticee No. 2 has not disputed the receipt of the email dated June 30, 2023 which stated in unequivocal terms that *"…The Trading Window shall remain closed till the expiry of 48 hours after the Audited Financial Results, both on standalone and consolidated basis, for the 1st quarter of FY 2023-24, ending on June 30, 2023 ("Financial Results"), become generally available information. …".* Thus, from the perusal of the said email, it is evident that the said email dated June 30, 2023 clearly prescribed an objective basis for reopening of the trading window, namely, the expiry of 48 hours from the time the financial results became generally available. I note that Noticee No. 2 was always in a position to verify this independently from the stock exchange disclosures or, alternatively, by seeking clarification from the compliance officer before executing the trades. However, it is a matter of record that Noticee did neither of the two. If he was uncertain about the reopening of the trading window, the onus was on him to obtain clarification before trading and not to proceed on the basis of assumption. Therefore, this contention lacks merit and warrants no further consideration.

24. In this context, upon a consideration of the totality of the facts and circumstances of the case, it stands established that the Noticees traded in the scrip of Jindal in excess of the prescribed threshold without obtaining pre-clearance, and also traded during the trading window closure period in connection with the announcement of the financial results for the quarter ended June 30, 2023.

25. Therefore, Noticees have violated the provision of clauses 4 and 6 of Schedule B read with regulation 9(1) of PIT Regulations.

III. Does the violation, if any, on the part of Noticees attract a monetary penalty under section 15HB of the SEBI Act?

IV. If so, what would be the monetary penalty that can be imposed upon Noticees taking into consideration the factors stipulated in section 15J of the SEBI Act?

26. From the previous paragraphs, it has been established that Noticees violated clauses 4 and 6 of Schedule B read with regulation 9(1) of PIT Regulations.

27. With respect to Noticees submission that the profit from the contra trades executed by them have already deposited into the IPEF, I note that the instant SCN does not contain any allegation concerning contra trades undertaken by the Noticees. *Ergo*, any amount credited by them to IPEF pursuant to contra trades has no bearing in the present case. Further, I note that the observation of Hon'ble Securities Appellate Tribunal in the matter of *Snehlata Tiwari v. SEBI*[1] and *Uday Agarwal v. SEBI*[2] were specifically in relation to contra trades and clause 10 of Schedule B read with regulation 9(1) of PIT Regulations which has not been invoked in the present case. Therefore, the said orders emanate from different question of law and hence, cannot be applied to the facts of the present case.

28. The aforesaid violations make the Noticees liable for payment of a monetary penalty in terms of section 15HB of the SEBI Act. The text of the aforementioned section is reproduced below:

SEBI Act

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

29. While determining the quantum of penalty under the aforesaid sections, the following factors stipulated in section 15J of the SEBI Act have been given due regard:

SEBI Act

> *"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;*

[1] Appeal No. 175 of 2020.
[2] Appeal No. 14 of 2022.

(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."

30. The available records neither specify disproportionate gains/unfair advantage made by Noticees nor the loss, if any, suffered by the investors due to such violations. As regard the repetitive nature of the default, I note that the material on record has not brought to the fore any penalty imposed by SEBI in the past against the Noticee.

31. I have duly considered the submissions of Noticee No. 1 regarding his cooperation during the investigation, his retirement, his health conditions and the medical history of his wife. Similarly, the submission of the Noticee No. 2 regarding his mother's medical history has been noted.

32. The aforementioned factors have been taken into consideration while adjudging the penalty.

ORDER

33. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in preceding paragraphs and in the exercise of powers conferred upon me under section 15-I of the SEBI Act, I, hereby, impose the following penalty on Noticees:

Table 2

Noticee Name	Charging Provision	Penalty (in Rs.)
Mr. Ramakant Gupta	Section 15HB of the SEBI Act	Rs. 1,00,000/- (Rupees One Lakh only)
Mr. Manish Kumar Sowatia	Section 15HB of the SEBI Act	Rs. 1,00,000/- (Rupees One Lakh only

34. The said penalty is commensurate with the lapses/omissions on the part of Noticees.

35. Noticees shall remit/pay the said amount of penalty within 45 days of receipt of this order through the 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.

36. 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 of Noticees.

37. In terms of the provisions of rule 6 of the Rules, a copy of this order is being sent to Noticees and to SEBI.

JAI SEBASTIAN

Digitally signed by JAI SEBASTIAN
Date: 2026.09.09 15:01:29 +05'30'

Date : September 09, 2026
Place : Mumbai

JAI SEBASTIAN
ADJUDICATING OFFICER