BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/RM/2021-2022/14372-14383]

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 –

1. **Mr. Subodh Bhandari** having addresses at – (i) FMC Fortuna, 3rd Floor, Room No.B1, 243/3A, JAC Bose Road, Kolkata-700002 and (ii) 46/5C, Bally Gunge Place, Kolkata-700019
2. **Mr. Sanjay Aggarwal** having address at – 74, Juhu Shalimar Apartments, Gulmohar Cross Road 10, Juhu, Mumbai-400049
3. **M/s. Euro Offshore Investments Ltd.** having address at – 5, Duke of Edinburgh Avenue, PO Box, 627, Port Louis, Mauritius
4. **M/s. Parakh Shares and Stock Broking Ltd.** having address at – 2J, Judges C Road, Alipur, Kolkata-700027
5. **AGS Financial Services Ltd.** having addresses at – (i) 45, AS Radyagath Road, SBI Building Rd., 2nd Floor, Room No.10, Kolkata, and (ii) R-64/65, Garden Reach Road, P.S.Matiabraz, Kolkata-700024
6. **Dalhousie Securities Ltd.** having address at – Raj Kutir, Ground floor, 2B, Pretroia Street, Kolkata-700001
7. **Hooghly Trading Ltd.** having address at – R-64/65, Garden Reach Road, Kolkata-700024
8. **Pacific Finance Company** having address at – R-67, Garden Reach Road, Kolkata-700024
9. **Poddar Trading Company** having address at – 71, Jamnalal Bajaj Street, Kolkata-700007
10. **Buyeverything.com** having address at – Tower 3, 5th Floor, International Infotech Park, Vashi, Navi Mumbai-400703

11. **Maniram Consultants Ltd.** having address at – 9th Floor, 143 A, Mittal Court, Nariman Point, Mumbai-400021
12. **Tellme.com** having address at – 143 A, Mittal Court, Nariman Point, Mumbai-400021

In the matter of Home Trade Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, **'SEBI'**) initiated adjudication proceedings under section 15H(ii) of the SEBI Act, in the matter of M/s. Home Trade Ltd. (hereinafter referred to as **"Home Trade / Company"**), against Mr. Subodh Bhandari, ("**Noticee 1"),** Mr. Sanjay Aggarwal **("Noticee 2"),** Euro Offshore Investments Ltd. **("Noticee 3"),** Parakh Shares and Stock Broking Ltd. **("Noticee 4"),** AGS Financial Services Ltd. **("Noticee 5"),** Dalhousie Securities Ltd. **("Noticee 6"),** Hooghly Trading Ltd. **("Noticee 7"),** Pacific Finance Company **("Noticee 8"),** Poddar Trading Company **("Noticee 9"),** Buyeverything.com **("Noticee 10")**, Maniram Consultants Ltd. **("Noticee 11)** and Tellme.com **("Noticee 12")** for the alleged violations of Regulations 11(2) and 14(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as **'SAST Regulations'**). The Noticees 1 to 12 are collectively referred to as **'Noticees'**.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer *vide* Order dated June 30, 2020 to inquire into and adjudge under Section 15H(ii) of the SEBI Act the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated *vide* order dated December 24, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/RM/18610/2021 dated August 10, 2021 (hereinafter be referred to as, the "**SCN**") was served upon the Noticees under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty not be imposed against Noticees under Section 15H(ii) of SEBI Act for the aforesaid alleged violations.

4. The allegations levelled against the Noticees in the SCN are summarized as below:

5. Home Trade was incorporated under the Companies Act, 1956, and was earlier known as Euro Asian Securities Limited. The shares of the Company were listed on the erstwhile Pune Stock Exchange Limited ("PSE") and the erstwhile Bangalore Stock Exchange Limited ("BgSE").

6. The Company had an equity capital of Rs. 23,96,10,000/- comprising of 2,39,61,000 shares of Rs.10/-. The equity capital was held by its promoters in the following manner :

Name of the promoter shareholders	**No. of shares held**	**Percentage holding (%)**
Euro Offshore Investments Limited ("Euro Offshore")	98,11,000	40.95%
Dalhousie Securities Limited ("Dalhousie Securities")	61,49,980	25.67%
Ways Inc.	40,00,000	16.69%
Euro Discover Limited ("Euro Discover")	20,00,000	8.35%
Euro Allied Limited ("Euro Allied")	20,00,000	8.35%
Mr. Sanjay Agarwal	10	0%
Mr. Rakesh Chandhak	10	0%
Total	**2,39,61,000**	**100%**

7. During the year 1999, the Company came out with a public issue, wherein one of its promoters, namely, Euro Offshore (*which subsequently came to be*

called as Euro Discovery Technology Venture Limited) made an Offer for Sale **("OFS")** of 59,90,250 equity shares (*from its total shareholding*) of Rs.10/- each for cash at a price of Rs.50/- per share, aggregating to Rs. 29.95 crore, to the public. The OFS opened on October 27, 1999 and closed on October 30, 1999. The shareholding pattern, post the OFS, was as follows:

Sr.No	**Name of the**	**No. of shares held**	**Percentage Shareholding (%)**
1	***Euro Offshore**	38,20,750	15.94%
2	Dalhousie Securities	61,49,980	25.67%
3	Ways	40,00,000	16.69%
4	Euro Discover	20,00,000	8.35%
5	Euro	20,00,000	8.35%
6	Mr. Sanjay Agarwal	10	0%
7	Mr. Rakesh Chandak	10	0%
8	Public shareholders	59,90,250	25%
	Total	**2,39,61,000**	**100%**

***** *Sr. nos. 1-7 are promoters*

8. Pursuant to the OFS, the shares of Home Trade were listed on the Pune Stock Exchange (**PSE)** and the Bangalore Stock Exchange (**BgSE).** The trading in the shares of the Company commenced from November 15, 1999.

9. An investigation was conducted into the affairs pertaining to the OFS by Euro Offshore and the subsequent listing and trading of shares at the **PSE** and the **BgSE**.

10. On scrutiny of the details submitted by the stock exchanges and the registrar to the offer, it was observed that certain individuals had applied for large quantities of shares offered in the OFS by Euro Offshore. Mr. Ketan Sheth and his associate/family members and associate/connected firms were large shareholders in Home Trade Limited. In the prospectus with respect to the OFS, it was mentioned that Mr. Ketan Sheth was a director in Euro Offshore (*promoter*

of Home Trade and the offeror in the OFS). The subsidiaries of Euro Offshore were M/s. Ways Inc., Euro Allied Limited and Euro Discover Limited. Mr. Ketan Sheth was inducted as an additional director on the Board of Directors' of Home Trade during the financial year 1999-2000 and continued to be the director till May 2001.

11. It was noticed that Mr. Ketan Sheth and associate persons/family members made large applications for the shares of Home Trade in the offer, the details of which are as under:

Sr. No.	**Name of the applicant**	**Address (as per the allotment registrar)**	**No. of shares applied for**	**No. of shares allotted**	**Amount (Rs.)**
1	Ketan Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's) Vile Parle (W)Mumbai 400056	800000	795950	40000000
2	Kantilal K Sheth Nila K Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	230000	228900	11500000
3	Tejal Navneetbhai Sanghvi Bina N Sanghvi	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
4	Nilesh Sheth Harsha Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
5	Trupti Sheth Amit Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
6	Amit Sheth Trupti Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
7	Bina Navneet bhai Sanghavi Tejal Navneet bhai Sanghavi	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
8	Jagruti Sheth Ketan Sheth	103 Liberty Apartment 80-A Sarojin Roadi oad(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000

9	Harsha Sheth	103 Liberty Apartment 80-A Sarojini Road(B/H MC Donald's)Vile Parle (W)Mumbai 400056	200000	199000	10000000
		Total	**24,30,000**	**24,17,850**	**12,15,00,000**

12. The 9 applications (mentioned in the table above) were made by the Ketan Sheth Group for 24,30,000 shares (out of the total offer of 59,90,250 shares on sale) constituting 40.56% of the total offer for sale. An aggregate of 24,17,850 shares were allotted to the 9 applicants.

13. The subscription money received from the 9 applicants were paid back to them by Home Trade out of the issue proceeds in the following manner:

    (i) After closure of the OFS, the proceeds were deposited in the bank account of Euro Offshore held with IndusInd Bank Limited (*the collection bank*).

    (ii) The issue proceeds were then converted into an 'FCNR Deposit' and against a lien on such deposit, a bridge loan was sanctioned by IndusInd Bank to the associate entities/entities under the same management of Home Trade, namely, Tellme.Com (India) Limited ("Tellme.com") and Buyeverything.Com (India) Limited ("Buyeverything.com") for an amount of Rs.14,54,44,000/- each. The said entities did not have any bank account with IndusInd Bank. The funds received against lien were collected in the bank accounts of the said entities held with Janata Sahakari Bank Limited, Fort Branch, Mumbai, on November 11, 1999.

    (iii) Tellme.com transferred Rs.12,05,00,000/- from the loan amount to the account of an entity M/s. Poddar Trading Co. on the same day (i.e., November 11, 1999). From there, the funds were transferred to the account of Parakh Shares and Stock Broking Services Limited ("Parakh Shares"). On the same day, an amount of Rs.5,00,00,000/- was paid by Parakh Shares to Mr. Ketan Sheth.

(iv) Tellme.com also transferred an amount of Rs. 2,49,00,000/- to the account of Pacific Finance. This was routed through the account of M/s. Hooghly Trading Co.

(v) From the funds received by Buyeverything.com, an amount of Rs.10,29,00,000/- was transferred to Hooghly Trading and an amount of Rs.4,25,00,000/- was transferred to the account of Pacific Finance.

(vi) Pacific Finance had received Rs.6,74,00,000/- and the same were transferred to the account of AGS Financial Services Limited on the same day i.e., November 19, 1999.

(vii) AGS Financial Services had, on the same day, transferred an amount of Rs. 3 crores to Mr. Ketan Sheth.

(viii) Hooghly Trading, on receipt of Rs.10,29,00,000/- from Buyeverything.com, transferred the same to M/s. Maniram Consultants on the same day. Out of the funds so received, M/s. Maniram Consultants paid an amount of Rs.4,15,00,000/- to Mr. Ketan Sheth on the same day.

14. Thus, Mr. Ketan Sheth had received an aggregate of Rs.12,15,00,000/- from Parakh Shares (Rs.5,00,00,000/-), AGS Financial (Rs.3,00,00,000/-) and Maniram Consultants (Rs.4,15,00,000/-) showing that the amount of Rs.12.15 crore received by Ketan Sheth had come from proceeds of OFS, which were routed in circuitous manner through the aforesaid accounts. Hence, Ketan Sheth group subscribed in the OFS to the extent of Rs.12.15 crore and received exactly the same amount from Euro Offshore, which was routed in a circuitous manner as stated above.

15. Tellme.com, Buyeverything.com, Parakh Shares & Stock Broking, AGS Financial Services, Maniram Consultants, Dalhousie Securities, Hooghly Trading, Pacific Finance and Poddar Trading were the fronts/associated/connected entities of the Company, on the basis of the following facts:

(i) Dalhousie Securities was shown as the promoter of the Company in the prospectus for the OFS and the distribution schedule of the Company.

(ii) All the said entities who have their bank accounts with the Janata Sahakari Bank Limited, Fort Branch, Mumbai, were introduced by the company i.e., Home Trade.

(iii) Maniram Consultants shared its office address (*143, Wing A, Mittal Court, Nariman Point, Mumbai*) with that of the Company. The authorized signatory for the bank account of Maniram Consultants were Mr. Sanjay Agarwal and Mr. N.S. Trivedi, who were the promoter and director respectively of Home Trade.

(iv) The Janata Sahakari Bank Limited had stated that representatives used to visit the bank regularly for the purpose of deposit of cheques and collection of cheque book for the accounts of the aforesaid accounts as well as for Home Trade and other related accounts like Parakh Shares, AGS Financial Services, Maniram Consultants, Dalhousie Securities, Hoogly Trading and Investments, Poddar Trading, Maniram Consultants, Pacific Finance.

(v) The bank accounts revealed that there were regular *inter-se* transfer of huge funds since their opening during October – November till March 2002.

(vi) Out of the above entities, Parakh Shares, AGS Financial Services were said to be based in Kolkata. The authorized signatory for the bank account of these entities was one Mr. Mahendra Agarwal. There was no indication of these companies being there as no books of accounts, sign boards, employees could be traced/found at the address of these companies at Kolkata.

(vii) It was noticed that a total 74,09,100 shares of Home Trade held by Parakh Shares and Maniram Consultants were pledged by Home Trade with Sahakari Bank Limited as collateral security against outstanding payment of Rs.45 crores due to the bank from Home Trade. This fact indicated a nexus and connection between the concerned entities. Shares belonging to Maniram and Parakh Shares were pledged by the promoters of Home Trade, i.e., Mr. Sanjay Aggawal, Mr. Subodh Bhandari, Mr. Ketan Shah, Mr. Rakesh Chandak, Dalhousie Securities, Euro Offshore Investments, Ways Inc., Euro Allied and Euro Discover. This clearly shows the nexus between them.

(viii) Shares were subscribed by Lippo Properties on behalf of Parakh Shares. The shares were given to Parakh Shares after the subscription money along with the interest received by Lippo Properties. The whole deal was negotiated by Mr. N.S.Trivedi, director of the Company. This shows that subscription was arranged by promoters Mr. Sanjay Aggarwal, Mr. Subodh Bhandari, Mr. Ketan Sheth, Mr. Rakesh Chandak, Dalhousie Securities, Euro Offshore Investments, Ways Inc., Euro Allied and Euro Discover, and that Parah Shares was merely a 'front' entity.

(ix) Parakh Shares, AGS Financial Services, Poddar Trading, Maniram Consultants, Pacific Finance, Hoogly Trading were investors in the unlisted associate company (i.e, Ways India Ltd.) of Home Trade.

(x) Shares purchased in the name of Parakh Shares, AGS Financial Services, Poddar Trading, Maniram Consultants were acquired from the funds received from the company.

16. Ketan Sheth group were allotted about 40.35% shares of the total OFS and about 10.14% of the post issue equity share capital of the Company. Hence, it is clear that the shares allotted to the applications in the name of Ketan Sheth group were beneficially owned by the Company/promoters. This is clear from the fact that the entire application amount was paid back to Ketan Sheth group and, as confirmed by the registrar to the OFS, the shares allotted to Ketan Shah group were hand

delivered to the Company/its director Mr. N.S. Trivedi and not to the allottees. Thus, the above application of Ketan Sheth group were not genuine. This led to cornering of a substantial portion of the floating stock in the scrip in the hands of the Company and its promoters /directors /associate persons.

17. The request of issuing 'Jumbo Share Certificates' of these applicants was also made by the Company to the registrar and the registrar had delivered the Jumbo Share Certificates for these applicants also to the company. The Registrar had also submitted acknowledged copies of the letters addressed to Home Trade in which it was stated that, the share certificates in respect to Mr. Ketan Sheth and family members /associate persons had been sent to the Company.

18. The applications were made in the OFS by certain directors/key management personnel of the Company also as per the details below :

Sr. No.	Name of the applicant	No. of shares applied for	No. of shares allotted	Amount
1	**Sanjay Agarwal** (Whole Time Director and head of the management team)	600000	597000	30000000
2	**N.S.Trivedi** (Director-Finance and Company Secretary)	410000	408000	20500000
3	**Subodh Bhandari** (Senior Vice President and director of Dalhousie Securities, a promoter of the Company)	131000	130300	6550000
	Total	**11,41,000**	**11,35,300**	**Rs.5,70,50,000**

19. From the above table, it can be seen that Sanjay Agarwal, N.S. Trivedi and Mr. Subodh Bhandari had in total applied for 11,41,000 shares of the Company for Rs.5,70,50,000/- and were allotted 11,35,300 shares, which constituted 18.95% of the total OFS.

20. The application money for the applications in the name of Mr. N.S.Trivedi was given by the company through circuitous route as follows: On November 5, 1999 an amount of Rs. 2,05,00,000/- was transferred from the account of the company to the account of Dalhousie Securities and on the same day this amount was transferred to the account of Maniram Consultants. It was further observed that on the same day this amount was transferred from the account of Maniram Consultant to the account of Mr. N S Trivedi, and apparently this was given as the application money for the application made in the OFS by Mr. N S Trivedi.

21. Further, an amount of Rs.75,00,000/- was transferred from Komac Investments and Finance Private Limited (*who was an applicant in the OFS and the shares allotted to it were purchased by Parakh Shares*) to the account of Maniram Consultants, which in turn transferred Rs. 65,50,000/- to Mr. Subodh Bhandari on the same day i.e. November 6, 1999 apparently as application money for the application made in the OFS by Mr. Subodh Bhandari.

22. It was also noticed that an amount of Rs.1,20,12,000/- was transferred from the account of Maniram Consultants to the account of Mr. Sanjay Aggarwal on November 19, 1999. As stated earlier, the proceeds of the OFS were transferred from the account of Euro Offshore through a circuitous route of bank account and out of these Rs. 10,29,00,000/- were transferred to the account of Maniram Consultants through viz., Buyeverything.com to Hoogly Trading to Maniram Consultants on November 19, 1999.

23. During the investigation, the statement of a director of R & D Consultants Limited (registrar to the OFS) was recorded. As per the said statement, the following is noted :

    (i) The registrar had sent the envelopes containing the allotment advice and refunds, if any, with respect to 85 applications in the OFS to the Company. The share certificates printed against those 85 applications were also hand-delivered to the Company at the same time.

(ii) Mr. N.S. Trivedi who was the secretary and director of the Company along with his assistants had come to the office of the registrar and collected the envelopes and share certificates with respect to the 85 applications on November 13, 1999 and informed that he would deliver the share certificates to the applicants and send the acknowledgements.

(iii) The registrar had received acknowledgements from 46 applicants.

(iv) During the month of January 2000, the Company made a request for consolidation and issue of Jumbo Share Certificates with respect to the shares allotted to nine applicants namely Ketan Sheth (759950 shares), and his family members/associates, namely, Kantilal K. Sheth (2,28,900 shares), Harsha Sheth (1,99,000 shares), Trupti Sheth (1,99,000 shares), Amit Sheth (1,99,000 shares), Nilesh Sheth (1,99,000 shares), Jagruti Sheth (1,99,000 shares), Bina Navneetbhai Sanghvi (1,99,000 shares) and Tejal Navneetbhai Sanghvi (1,99,000 shares). The Company had submitted the share certificates of the said nine allottees in marketable lot for consolidation. The registrar had printed Jumbo Certificates for each of the nine allottees and the same were hand-delivered to the authorised representative (one Raju) of the Company on February 04, 2000.

24. An application was made in the OFS in the name of Lippo Properties Pvt. Ltd. The said entity had applied for 5,64,000 shares and was allotted 5,61,200 shares for an amount of Rs. 2,82,00,000/-. In view of the application for large quantity in the name of Lippo Properties, enquiries were made with applicant. With regard to the application in the offer for sale, Lippo Properties had submitted a copy of MoU and bank account statement for the relevant period. On perusal of the MoU, it is seen that, Lippo Properties had entered into an agreement with Parakh Shares during October 1999 for financing an application in the OFS. The terms of the agreement were such that Lippo Properties would make an application for an

amount of Rs.2.82 crores in the OFS on behalf of Parakh Shares. The consideration would carry an interest of 31% per annum. It was further stated in the MoU that shares of Zee Telefilms Ltd. in the name of sister/associate firm of Parakh Shares would be kept with Lippo Properties as security for this loan/finance. It was seen that, pursuant to this agreement, an application for an amount of Rs.2.82 corers (5,64,000 shares) was made by Lippo Properties in the aforesaid offer for sale on behalf of Parakh Shares. The shares allotted in the name of Lippo Properties were purchased back by Parakh Shares by making a payment of Rs.2.82 crore to Lippo Properties on November 19, 1999. Along with this repayment of principal amount, an interest of Rs.3,90,000/- was also paid by Parakh Shares to Lippo Properties. The said transfer is also noticed in the bank account statement submitted by Lippo Properties.

25. Pursuant to the MoU with Parakh Shares, Lippo Properties financed an application in the OFS for 5,64,000 shares amounting to Rs.2.82 crores. These shares allotted in the name of Lippo Properties were purchased back by Parakh Shares at a pre-determined rate. This purchase was at a rate of Rs.50/- per share though the opening price since listing was hovering around Rs.250/- to Rs.270/- per share. The money was credited in the account of the seller around November 19, 1999. The sell price had no bearing with the market price. The money for the purchase had come from the public issue proceeds. Investigations also revealed that Parakh Sahres was an associate /group company of the Company.

26. Apart from the aforesaid large applicants, there were several applicants who had applied in the OFS with an arrangement that the shares allotted against those applications would be purchased back at a pre-determined rate. It also appeared that, on allotment of the shares against the applications made by those applicants, they were purchased by the noticees through their associate companies namely, Parakh Shares, AGS Financial Services and Maniram Consultants out of the proceeds of the offer for sale, which was routed through a number of Bank Accounts in the circuitous manner.

27. The table below presents the details of the applicants who had sold the shares allotted to them in pursuance of a prior arrangement with Parakh Shares at the rate of Rs.50/- per share when the market price was around Rs.250/- per share.

Table 1 : Shares purchased back from the account of Parakh Shares				
Sr. No.	**Name of the applicant**	**No. of shares applied for**	**No. of shares allotted**	**Amount (Rs.)**
1	Komac Investment	100000	99500	5042315
2	Rupa Dilip Gosalia	14000	13900	695000
3	Raj Daryani	8000	8000	407001
4	Nayan N Shah	40000	39800	2011156
5	N R Muchala	6000	6000	305100
6	Anjanli Chandiramani	2500	2500	127188
7	Aruna Manubhai Trivedi	1500	1500	76010
8	Dharmesh B Mehta	6000	6000	305100
9	Jayesh S Bakhai	50000	49800	2523658
10	B J Shukla	7000	7000	354488
11	Praful P Mithwani	6000	6000	304039
12	Gulab Chandiramani	4000	4000	203500
13	B.B. Desai	10000	10000	508750
14	Priti Sanghvi	4000	4000	203334
15	Rekha Mehta	1000	1000	50875
16	Bakul M Mehta	1500	1500	76250
17	Panna H Batavia	18000	17900	907117
18	Renu M Motiani	10000	10000	508078
19	Rahul B Dedhia	20000	19900	1011668
20	Parimal C Parekh	30000	29900	1495000
21	Manish Bakhai	14000	13900	703975
22	Darias N Sethna	6000	6000	300000
23	Mukesh B Sanghnani	3000	3000	152743
24	Aruna M Sanghnani	5000	5000	254572
25	Bhikhubhai R Sanghnani	4000	4000	203658

26	Mangula B Sanghnani	4000	4000	203658
27	Ashok K Javeri	10000	10000	509114
28	Kriti P Mehta	1400	1400	71280
29	Niti S Shah	900	900	45823
30	Asha S Shah	4000	4000	203658
31	Rukhiben K Mehta	6000	6000	305480
32	Kuber Capital	2000	2000	101603
33	Pragna K Mehta	600	600	30000
34	Malini J Shah	900	900	45823
35	Mukund C Doshi	2000	2000	101829
36	Babita Aarwal	200	200	10219
37	Bhagwan S Sharma	500	500	25547
38	Bhupendra Kumar Jain	10000	10000	511412
39	Jitendra K Jain	20000	19900	1017823
40	Madheo Singh	400	400	20437
41	Mahaveer Sharma	500	500	25547
42	Aniket Mangal	600	600	30656
43	Anjali Kumar Baheti	4000	4000	204374
44	Anil Mongal	200	200	10219
45	Sanjay Mongal	600	600	30654
46	Mahendra Kumar	500	500	25547
47	Mamata Mangal	1000	1000	51094
48	Nepear Disuja	400	400	20437
49	Nikita Mongal	700	700	35766
50	Poonji Mongal	600	600	30656
51	Pramod Jain	800	800	40875
52	Rajendra K Jain	20000	19900	1017823
	Total	**4,64,300**	**4,62,700**	**2,34,57,929**

28. The table below give details of the applicants who had sold the shares allotted to them pursuant to prior arrangement to AGS Financial Services Ltd. at the rate of Rs.50/- per share when the market price was around Rs. 250/- per share.

Shares Purchased back from the account of AGS Financial Services Ltd			
Name of the applicant	**No. of Shares applied for**	**No. of shares allotted**	**Amount Refunded**
Sangram Shah	200000	199000	10098093
Sanjay R Mulchandani	4000	4000	203334
Sarala Gandhi	4500	4500	228750
Shyam Chandiramani	4000	4000	203500
Siddarth Sanghvi	30000	29900	1520003
Sunita Motiani	10000	10000	508078
Trilok P Motiani	30000	29900	1519233
Sonal J Bhakari	2000	2000	101282
Sushila Bhavnani	3000	3000	152625
Satyanarayan Parekh	900	900	46884
Subhas Mangal	1000	1000	52094
Sudirkumar Gungwal	6000	6000	312562
V B Agarwal	10000	10000	520936
Vinod K Sharma	400	400	20837
Total	**305800**	**304600**	**15488211**

29. The table below give details of the applicants who had sold the shares allotted to them pursuant to prior arrangement to Maniram Consultants at the rate of Rs. 50/- per share when the market price was around Rs. 250/- per share.

Shares Purchased back from the account of Maniram Consultants Ltd.			
Name of the applicant	**No. of Shares applied for**	**No. of shares allotted**	**Amount Refunded**
Apoorva L Sanghvi	140000	139900	6965000
Amol Financial Services Pvt Ltd	100000	99500	4975000
Nikko Capital Market	8000	8000	384303
M. M. Trivedi	2500	2500	125000
Kiran Daryanani	6000	6000	300000

Alka Virani	20000	19900	1009809
Anil M Virani	20000	19900	995000
Dadia Fin Stock	20000	19900	1012502
Arti A Virani	20000	19900	995000
Gamataka B Sheth	50000	49800	2523658
Lalubhai v Sanghvi	3500	3500	177917
Bakal M Mehta	5500	5500	279813
Muktaben S Sanghvi	500	500	25000
DTC Securities Ltd	20000	19900	995000
Ganapati Creative P Ltd	30000	29900	1495000
Subhash Gangwal	18000	17800	915541
Total	**464000**	**462400**	**23173543**

30. From the above, it can be seen that the Company and its directors /promoters purchased back shares allotted in the Offer for Sale during October 1999, through their associate/connected companies namely Parakh Shares (4,64,300 shares for Rs.2.34 crore), AGS Financial (3,04,000 shares for Rs.1.43 crore) and through Maniram Consutlants (4,62,400 shares for Rs.2.31 crore) totaling 12,31,300 shares. The purchases were made immediately after listing and trading at the stock exchanges and the payments were found to be made out of the OFS proceeds. The money was seen to be credited in the account of seller around November 19, 1999. It is pertinent to mention that the market price at the exchange was Rs.270/- per share when it was allowed to be traded. The sale price thus had no bearing with the market price. These purchase constitute around 20.76% of the total offer for sale and around 5.13% of the post issue paid up equity share capital of the company. This led to cornering a large portion of floating stock of the scrip. It is therefore observed that the OFS did not receive genuine public subscription and over 89% of the subscription was arranged by the Company and Mr. Sanjay Agarwal, Mr. Subodh Bhandari, Mr. N.S. Trivedi, Mr. Ketan Sheth, Mr. Rakesh Chandak, Dalhousie Securities, Euro Offshore, Ways Inc., Euro Allied and Euro Discover.

31. The aforesaid applications were made with an arrangement to purchase back the shares allotted against these application at a pre-determined rate of Rs.50/- per share as against the rate at which they were listed i.e, Rs.250/-. The purchase of shares from the allottees was made by transferring the funds from Euro Offshore to various entities which were fronts/ associated/connected entities. Thus, the offer for sale of 25% of the equity was merely an eye wash and most of the persons to whom the shares were allotted were entities controlled/connected /front for the noticees. Further, the promoters i.e. Mr. Sanjay Aggarwal, Mr. Subodh Bhandari, Mr. N.S.Trivedi, Mr. Ketan Sheth, Mr. Rakesh Chandak, Dalhousie Securities, Euro Offshore, Ways Inc., Euro Allied and Euro Discover, controlled around 97% of the equity of the Company and can hardly be stated as genuine public shareholding by the public. Thus, Euro Offshore, Dalhousie Securities acting in concert with Mr. Ketan Sheth group, Poddar Trading, Pacific Finance, Maniram Consultants, Hooghly Trading, AGS Financial, Parakh Shares acquired around 22% shares offered to the public apart from the 75% shareholding they held in the Company.

32. Therefore, it was alleged that 53,45,650 shares out of the total offer of 59,90,250 shares allotted were purchased back by the Company through its associate/connected companies namely Parakh Shares, AGS Financial Services and Maniram Consultants through the aforesaid arrangements and Mr. Sanjay Agarwal, Mr. Subodh Bhandari, Mr. N.S. Trivedi, Mr. Ketan Sheth, Mr. Rakesh Chandak, Dalhousie Securities, Euro Offshore, Ways Inc., Euro Allied and Euro Discover had acquired around 89% of the shares offered in the OFS. Post the OFS, the promoters of the Company had cornered 97% of the floating stock of the Company.

33. The application made by Lippo Properties was on behalf of Parakh Shares and Stock Broking. Lippo Properties had funded the application towards allotment of shares in the OFS. On allotment, Parakh Shares had paid consideration along

with interest, whereby shares were given to Parakh Shares. Thus, it is seen that Parakh Shares was allotted 5,61,200 shares in the OFS.

34. Application were also made by certain other individuals, wherein there was an arrangement with Parakh Shares, AGS Financial Services and Maniram Consultants, that the shares allotted against such applications would be purchased back by them. A total of 12,29,700 shares were purchased back by Parakh Shares, AGS Financial Services and Maniram Consultants from such original applicants.

35. The above noted allottees/ultimate beneficiaries received funds in a circuitous manner from the proceeds of the OFS.

36. Euro Offshore was a promoter entity of the Company which was holding substantial number of shares (40.95% prior to OFS and 15.94% post the OFS).

37. Dalhousie Securities was another major holder of shares in the Company under the 'promoter' category.

38. Tellme.com, Buyeverything.com, Poddar Trading, Parakh Shares and Stock Broking, Pacific Finance, Maniram Consultants, Hoogly Trading were entities that were involved in the routing of OFS proceeds to certain applicants like Mr. Ketan Sheth, Mr. Sanjay Agarwal, Mr. N.S. Trivedi and Mr. Subodh Bhandari

39. The following persons/entities had acquired shares in the OFS:

S. N.	**Name**	**No. of shares allotted in the OFS**
1.	Mr. Ketan Sheth and his family/associates	24,17,850 shares
2.	Mr. Sanjay Agarwal	5,97,000 shares
3.	Mr. N.S. Trivedi	4,08,000 shares
4.	Mr. Subodh Bhandari	1,30,300 shares

5.	Parakh Shares	10,23,900 shares (*561200 from Lippo and 4,62,700 shares from individual allottees*)
6.	AGS Finanical Services	3,04,600 shares
7.	Maniram Consultants	4,62,400 shares
	Total	**53,44,050 shares**

40. The aforesaid allottees and recipient of shares offered for sale in the OFS were all connected as they were either the promoters or directors of the Company or entities who had circuitously routed the funds from the issue proceeds to the ultimate recipients/allottees. All the above allottees received funds (*return of consideration paid by them for subscribing to the shares in the OFS*) from the proceeds of the OFS, and hence they were are all part of the promoter group. Though it was represented that post the OFS, the promoters of the Company would be holding 75%, it can be seen that by cornering 53,44,050 shares (constituting 22.3%) offered in the OFS, the promoter group together with the said allottees hold 97.3%. This acquisition of 22.3% by the promoter group of the Company, post OFS and listing of shares, triggered an open offer in terms of regulation 11(2) of the SAST Regulations as applicable during the relevant period. The open offer was not made by the said acquirers.

41. In light of the above, Noticees-1 to 12 were alleged to have violated Regulations 11(2) and 14(1) of SAST Regulations. The relevant clauses of SAST Regulations are reproduced as under:

<u>SAST Regulations:-</u>

Consolidation of holdings-

11(2) - *No acquirer, who together with persons acting in concert with him has acquired, in accordance with the provisions of law, 75% of the shares or voting rights in a company, shall acquire either by himself or* *through persons acting in concert with him any additional shares or voting rights, unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.*

Timing of the public announcement of offer-

14. *(1)- The public announcement referred to in regulation 10 or regulation 11 shall be made by the merchant banker not later than four working days of entering into an agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the respective percentage specified therein.*

42. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under Section 15H(ii) of the SEBI.

43. SCN and Hearing Notice was duly served to the Noticee-4 on its postal addresses through Speed Post Acknowledgement (SPAD), wehereas the SCN issued to all other Noticees were returned undelivered. The SCNs and Hearing Notices to Noticees 1, 2, 5, 6, 7, 8, 9, 10, 11 and 12 was served in terms of Rule 7(d) of the Adjudication rules through newspaper publication in (i) one English daily newspaper and (ii) one Hindi daily newspaper having nationwide circulation and (iii) another in a newspaper having wide circulation published in the language of the region where the Noticee was last known to have resided or carried on business or personally worked for gain. Further, in regard to Noticee-3 (Euro Discover Technology Venture Limited), FSC Mauritius on Regulator-to-Regulator basis informed SEBI that Noticee-3 was removed from the register of the Registrar of Companies on December 13, 2008 and FSC revoked the license of the company on April 18, 2005 for statutory breaches.

44. The Noticees were granted an opportunity of personal hearing through video conferencing on November 16, 2021. However, Noticees neither appeared on

the scheduled date of personal hearing nor any reply to the SCN was received from the Noticees.

45. I note that, through the SCN and the hearing notices, the Noticees were advised to furnish their reply, if any, within stipulated time, failing which, it shall be presumed that the Noticees have no reply to submit and the matter will be proceeded on the basis of the material available on record in terms of sub-rule (7) of rule (4) of the Adjudication Rules.

46. As sufficient opportunity was given to the Noticees to submit reply and appear for hearing and no response was received from them, the adjudication proceedings against the Noticees are undertaken *ex-parte* on the basis of material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

47. The issues that arise for consideration in the instant matter are:

Issue No. I	Whether Noticees are in violation of Regulations 11(2) and 14(1) of SAST Regulations?
Issue No. II	If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15H(ii) of the SEBI Act?
Issue No. III	If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

Issue No. I **Whether Noticees are in violation of Regulations 11(2) and 14(1) of SAST Regulations?**

48. The OFS of Home Trade Ltd. for Sale of 59,90,250 equity shares by one of its promoters, Euro offshore (Noticee 3) opened on October 27, 1999 and closed on October 30, 1999. It was alleged in the SCN that although post the OFS, the public held 25% of the shares of the company and promoters shareholding was reduced to 75% of the Equity capital in the company, the promoter and its related entities (who were also the allottees of the OFS) by cornering 53,44,050 shares (constituting 22.3%) offered in the OFS held 97.3% of the shares of the company post OFS. This acquisition of 22.3% by the promoter group of the Company post OFS was made without making a public announcement to acquire shares as required in terms of regulation 11(2) and 14(1) of SAST Regulations.

49. I note that, before OFS the Company had an equity capital of Rs. 23,96,10,000/- comprising of 2,39,61,000 shares of Rs.10/-. The equity capital was held mainly by its promoters Euro Offshore (Noticee 3) (40.95%), Dalhousie Securities (Noticee 6) (25.67%), Ways Inc.(16.69%), Euro Discover (8.35%), Euro Allied (8.35%), Mr. Sanjay Agarwal (Noticee 2) (0.00%) and Mr. Rakesh Chandak (0.00%). Euro Offshore (Noticee 3) (which subsequently came to be called as Euro Discovery Technology Venture Limited) made an OFS of 59,90,250 equity shares (from its total shareholding) of Rs.10/- each for cash at a price of Rs.50/- per share, aggregating to Rs. 29.95 crore, to the public. The shareholding pattern of the company, post the OFS, was to change to Euro Offshore (Noticee 3) (15.94%), Dalhousie Securities (Noticee 6) (25.67%), Ways Inc.(16.69%), Euro Discover (8.35%), Euro Allied (8.35%), Mr. Sanjay Agarwal (Noticee 2) (0.00%), Mr. Rakesh Chandak (0.00%) and Public Shareholders (25.00%).

50. Investigation established that 9 applications (mentioned in the table at para 11 above) were made by the Ketan Sheth Group for 24,30,000 shares (out of the total offer of 59,90,250 shares on sale) constituting 40.56% of the total offer for sale. An aggregate of 24,17,850 shares were allotted to the 9 applicants. The subscription money received from the 9 applicants were paid back to them by Home Trade out of the issue proceeds. Investigation further established that the

shares allotted to the 9 applicants of Ketan Sheth group were beneficially owned by the Company/promoters. This was established as

a) the entire application amount worth Rs.12.15 crores of the 9 allottees was paid back to Ketan Sheth group through the fronts/associated/connected entities of the Company namely Tellme.Com (Noticee 12), Poddar Trading (Noticee 9), M/s. Parakh Shares (Noticee 4), Buyeverything.Com (Noticee 10), Hooghly Trading Co (Noticee 7), Maniram Consultants (Noticee 11), Pacific Finance (Noticee 8), and AGS Financial Services Limited (Noticee 5) in circuitous manner from November 5, 1999 to November 19, 1999.
b) the shares allotted to Ketan Shah group were hand delivered to the Company/its director Mr. N.S. Trivedi and not to the allottees.
c) the request of issuing 'Jumbo Share Certificates' of these 9 applicants was also made by the Company to the registrar and the registrar had delivered the Jumbo Share Certificates for these applicants also to the company. The Registrar also submitted acknowledged copies of the letters addressed to Home Trade in which it was stated that, the share certificates in respect to Mr. Ketan Sheth and family members /associate persons had been sent to the Company.

51. Hence, I find that the 10.09% post OFS holding of Ketan Sheth group was indirectly acquired by the Company promoters i.e. Noticees 2, 3, 6 during November 11, 1999 to November 19, 1999.

52. Investigation established that Sanjay Agarwal, N.S. Trivedi and Mr. Subodh Bhandari had in total applied for 11,41,000 shares of the Company for Rs.5,70,50,000/- and were allotted 11,35,300 shares, which constituted 18.95% of the total OFS. Investigation established that the funds to these 3 persons were paid back by the company / its promoters indirectly through a circuitous route on November 5, 1999 (Rs. 2,05,00,000/- to N.S. Trivedi), on November 6, 1999 (Rs. 65,50,000/- to Mr. Subodh Bhandari) and on November 19, 1999

(Rs.1,20,12,000/- to Mr. Sanjay Aggarwal). This established that the Noticee 2, 3 and 6 indirectly acquired shares of N.S. Trivedi and Mr. Subodh Bhandari (Noticee 1) and thereby held further 4.74 % post OFS holding in Company.

53. Investigation established that the 5,61,200 shares were allotted to Lippo Properties in the OFS, and the application of Lippo Properties in the OFS was on behalf of Parakh Shares and Stock Broking (Noticee 4). Lippo Properties had funded the application towards allotment of shares in the OFS. On allotment, Parakh Shares (Noticee 4) had paid consideration along with interest, whereby shares were given to Parakh Shares (Noticee 4). Thereby Parakh Shares (Noticee 4) acquired 5,61,200 shares (2.34 % post OFS holding) from Lippo Properties on November 19, 1999. Investigation also established that Parakh Shares (Noticee 4) received Rs.12.05 Crores from Home Trade on November 11, 1999 through Tellme.com (Noticee 12) and Poddar Trading (Noticee 9). This established that the Noticee 2, 3 and 6 indirectly acquired 5,61,200 shares shares of Parakh Shares (Noticee 4) and thereby held 2.34% post OFS holding in Company.

54. Investigation further established that the Company and its directors /promoters purchased back shares allotted to several allottees in the Offer for Sale during October 1999, through their associate/connected companies namely Parakh Shares (Noticee 4) (4,62,700 shares for Rs.2.34 crore), AGS Financial (Noticee 5) (3,04,600 shares for Rs.1.54 crore) and through Maniram Consutlants (Noticee 11) (4,62,400 shares for Rs.2.31 crore) totaling 12,29,700 shares. The purchases were made immediately after listing and trading at the stock exchanges and the payments were found to be made out of the OFS proceeds. The money was seen to be credited in the account of seller around November 19, 1999. This established that Parakh Shares (Noticee 4), AGS Financial (Noticee 5) and Maniram Consutlants (Noticee 11) acquired 12,29,700 shares (5.13% post OFS holding) from several OFS Allottees on November 19, 1999. Investigation also established that Home Trade transferred Rs.12.05 Crores to

Noticee 4 on November 11, 1999, Rs. 6.74 Crores to Noticee 5 on November 19, 1999 and Rs. 10.29 Crores to Noticee 11 on November 11, 1999 through its associate/connected companies. This established that the Noticee 2, 3 and 6 indirectly acquired 12,29,700 shares of the Company, and thereby held another 5.13% post OFS holding in the company.

55. Hence, I find that post the OFS and after listing, the Noticees 2, 3 and 6 acquired 53,44,050 shares (constituting 22.3% of the post OFS holding) offered in the OFS between November 05, 1999 to November 19, 1999, with the help of Noticees 1, 4, 5, 7, 8, 9, 10, 11 and 12 who aided and abetted the aforesaid Noticees 2, 3 and 6 in acquiring the shares. The above 12 noticees (who either acquired/cornered or who abetted in such cornering of shares) had the common objective of acquiring shares of the Company and therefore pertain to the same group i.e. acquirers and PACs.

56. The post OFS acquisition of 22.3% of equity by the promoter group of the Company which was already holding 75% equity in the company, triggered requirement of public announcment to acquire shares in terms of regulation 11(2) and 14(1) of SAST Regulations, 1997. However, the Noticees did not make any public announcement in violation of the aforesaid regulations.

57. Therefore I find that, through acquisition of 22.3% shares of the Company as brought out above and by not making a public announcement as required under the aforesaid regulations, Noticee 1 to 12 violated the provisions of Regulation 11(2) and 14(1) of SAST Regulations, 1997.

Issue No. II **If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15H(ii) of the SEBI Act? And**

Issue No. III **If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the**

factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

58. As it is established that the Noticees 1 to 12 violated provisions of of Regulations 11(2) and 14(1) of SAST Regulations, 1997 as brought out in the foregoing paragraphs, the Noticees are liable for monetary penalty under Section 15H(ii) of SEBI Act, which read as follows during the period of violation i.e. November 1999.

SEBI Act:

Penalty for non-disclosure of acquisition of shares and takeovers-

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

(ii) *Make a public announcement to acquire shares at a minimum price;*

he shall be liable to a penalty not exceeding five lakh rupees.

59. While determining the quantum of penalty under Section 15 H(ii) of the SEBI Act, the following factors stipulated in Section 15J of the SEBI Act, have to be given due regard:

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.

60. While determining the quantum of penalty, I have found that names of Noticee 4, 5, 6 and 12 have been struck off from the Register of Companies. As per Company Master Data available on website of the Ministry of Corporate Affairs,

the names Noticees 4, 5, 6 and 12 are struck from the register of Companies. It is noted from material on record that these companies were struck of prior to initiation of instant proceedings.

61. In view of the fact that the Noticee 4, 5, 6 and 12 are companies which were struck-off from the register of companies prior to initiation of proceedings in the current matter, and which consequently no longer existed at the time of initiation of instant proceedings, it would not be appropriate to determine liability against such companies.

62. In this regard, I place reliance on the following judgments

a. Judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income Tax (CIT) vs Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 in which it was held that -"*When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*

b. *Decision of the ITAT in the matter of M/s. Anujay Hycare Products (P) Ltd. Vs The Income Tax Officer (ITAT Delhi) Date of Judgement/Order -06/04/2018, Income Tax Appellate Tribunal, observed that "..........there could not have been any valid assessment order passed against the assessee-company which was not in existence as on the day of passing of the assessment order because it had already been dissolved. The assessment in the case of non-existing entity is thus nullity. Therefore, A.O. had no jurisdiction to pass the order against the non-existing company.......*

However, as on today, it is an established fact that assessee-company has already been dissolved and its name is struck-off from the Registrar of

Companies. Therefore, it is a non-existing Company and as such, A.O. cannot pass the assessment order under section 143(3) of the I.T. Act, 1961 against the assessee-company. The issue is, therefore, covered in favour of the assessee-company by the above judgments of Hon'ble Delhi High Court, relied upon by the Learned Counsel for the Assessee."

c. *Precedents of SEBI orders quoted by the Noticees in the matters of WEBEL Power Electronics Ltd. on 16.02.2017, Rajnandi Yarns Pvt. Ltd. on 27.02.2019, and Nitin Industries Ltd. on 20.12.2017.*

63. Further, in regard to Noticee 3 (Euro Offshore Investments Ltd.), FSC Mauritius on Regulator-to-Regulator basis has informed SEBI that Noticee 3 was removed from the register of the Registrar of Companies on December 13, 2008 and FSC revoked the license of the company on April 18, 2005 for statutory breaches relating to non-submission of audited financial statements, failure to pay annual license fees, vacation of office of secretary for more than 3 months, failure to have at least one director who shall be ordinarily resident in Mauritius. Hence, the Noticee 3 appears to be defunct/struck off from register of Registrar of Companies, Mauritius, prior to initiation of proceedings in the current matter. In view of the above, since Noticee 3 no longer existed at the time of initiation of instant proceedings, it would not be appropriate to determine liability against the Noticee 3.

64. I further note that the violation established against the Noticees 1 to 12 carries joint and several liability as the Noticees were persons acting in concert who failed to make public announcement to make an open offer upon acquiring 22.3% shares of the Company during November 05, 1999 to November 19, 1999. Hence, I am of the view that the Noticees are liable for maximum penalty imposable at the relevant time which was Rs. 5 lakhs. Taking note of the status of Noticees, 3, 4, 5, 6 and 12, as brought out above, I find that a penalty of Rs.5,00,000/- (Rupees Five Lakh only) under Section 15H(ii) of the SEBI Act

payable jointly and severally by Noticees 1, 2, 7, 8, 9, 10 and 11 will be commensurate with the violations committed by them.

ORDER

65. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose a penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Mr. Subodh Bhandari (Noticee 1), Mr. Sanjay Aggarwal (Noticee 2), Hooghly Trading Ltd. (Noticee 7), Pacific Finance Company (Noticee 8), Poddar Trading Company (Noticee 9), Buyeverything.com (Noticee 10), and Maniram Consultants Ltd. (Noticee 11) payable jointly and severally under Section 15H(ii) of the SEBI Act for violation of 11(2) and 14(1) of SAST Regulations, 1997.

66. 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 SEBI website www.sebi.gov.in on the following path, by clicking on the payment link

ENFORCEMENT → Orders → Orders of AO → PAY NOW

67. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – V of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:

a) Name and PAN of the entity (Noticee)
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

68. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: November 26, 2021	**MANINDER CHEEMA**
PLACE: MUMBAI	**ADJUDICATING OFFICER**