



BIJU S
Chief General Manger &
Adjudicating officer

**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

Through SPAD/ Email

SEBI/EAD-1/BS/DP/22018/6/2023
May 30, 2023

1. Shri Roshanlal Daulatram Aggarwal House No. 372, 1 Shiv Shakti Nagar, Near Abada Chandlodiya, Ahmedabad – 382481	2. Shri Hardasbhai Babubhai Patel 2 Abad Nagar, Row House, K Park , Chandlodiya, Ahmedabad – 382481
3. Shri Vinitkumar Popatlal Parikh 219 Shiv Shakti Nagar, Near Kashidha Duplex, Chandlodiya, Ahmedabad 382481	4. Shri Maulik Vinitkumar Parikh 219 Shiv Shakti Nagar, Near Kailash Dham Duplex, Chandlodiya, Ahmedabad 382481
5. Shri Subhadraben Rameshchandra Shah 74, Shiv Shakti Nagar, Near J K Park, Chandlodia, Ahmedabad – 380015	⑥ Shri Nilesh Rameshchandra Shah 59, Girija Sut Co Op Housing Society Ltd., Giriraj 2, Near Dhanjibhai No. Kvoat Post, Chandlodia, Ahmedabad - 382481

**Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties)
Rules, 1995 read with Section 15I of the SEBI Act, 1992 in the matter of Mega Nirman and
Industries Limited**

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) conducted an investigation in the scrip of Mega Nirman and Industries Ltd. (hereinafter referred to as “company”) during the period of August 19, 2016 to March 31, 2017 (hereinafter referred to as “Investigation Period”) to ascertain whether there was any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations”) by Shri Roshanlal Daulatram Aggarwal, Shri Hardasbhai Babubhai Patel, Shri Vinitkumar Popatlal Parikh, Shri Maulik Vinitkumar Parikh, Shri Subhadraben Rameshchandra Shah and Shri Nilesh

In the matter of Mega Nirman & Industries Limited

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel : 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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Rameshchandra Shah (hereinafter referred to as "Noticee No. 1 to 6, respectively and collectively as Noticees/You/Your").

- The undersigned is appointed as the Adjudicating Officer under Section 15I of SEBI Act read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties), 1995 (hereinafter referred to as "Rules"), vide communique dated May 22, 2023 to enquire into and adjudge under Section 15HA of SEBI Act, the alleged violations of Section 12A(a), (b), (c) of SEBI Act read with Regulations 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a), (e) and (g) of PFUTP Regulations by the Noticees.
- It is observed that during the investigation period, price of the scrip of the company rose from Rs. 12.5 to a high of Rs. 132.05 and closed at Rs. 94.9. Based on the price variation and volume movement at BSE Limited (hereinafter referred to as "BSE"), the investigation was divided in following 3 period:

Period	Particulars	Opening Price/vol on 1st day of period (Rs.)	Closing Price/Vol on last day of period (Rs.)	Low Price/Vol during the Period (Rs.)	High Price/Vol during the Period (Rs.)	Avg no of shares traded daily during the period
Patch 1 (19.08.2016-11.01.2017)	Price	12.5	121.6	12.5 (19.08.2016)	132.05 (11.01.2017)	4,731.33
	Vol	600	60,946	1 (17.11.2016)	60,946 (11.01.2017)	
Patch 2 (12.01.2017-31.03.2017)	Price	124.5	94.9	72.4 (22.03.2017)	132.05 (12.01.2017)	43,148.27
	Vol	47,518	3	1 (20.01.2017)	9,14,031 (17.03.2017)	
Post investigation period (01.04.2017-30.06.2017)	Price	98.9	97.25	93.1 (08.05.2017)	100.95 (05.05.2017)	40,633.9
	Vol	718	45,000	(06.06.2017) Multiple dates	98,000 (03.05.2017)	

- It is observed that Noticees are connected to each other in the following manner:

Sr No	Client		Connected To		Basis of Connection
	PAN	Name	PAN	Name	
1	CYBPP2358H	Hardasbhai Babubhai Patel	GKCPS4278A	Subhadraben Rameshchandra Shah	Both the entities have off market transaction in the scrip Rushil Décor Ltd on 20/02/2017 and Both the entities share common mobile no 7778049781



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Sr No	Client		Connected To		Basis of Connection
	PAN	Name	PAN	Name	
2	BPDPA3589K	Roshanlal Daulatram Aggarwal	GKCPS4278A	Subhadraaben Rameshchandra Shah	Both the entities have common telephone number viz, , 9054846830
3	CYBPP2358H	Hardasbhai Babubhai Patel	GTPPS2917N	Nilesh Rameshchandra Shah	Both the entities have off market transaction in the scrip SFL International Ltd on 11/04/2017
4	CYBPP2358H	Hardasbhai Babubhai Patel	CYNPP0545E	Vinit Kumar Popatlal Parikh	Both the entities have common telephone number viz, 7778049781
5	CYNPP0545E	Vinit Kumar Popatlal Parikh	DEYPP9464L	Jitendra Bhogilal Parikh	Both the entities have common email id viz, PARIKHPARIKH123@GMAIL.COM
6	CYNPP0545E	Vinit Kumar Popatlal Parikh	CYMPP9923K	Maulik Vinitkumar Parikh	Both the entities have common email id viz, VINITPPARIKH@GMAIL.COM

5. It is observed from the trade and order log (enclosed as **Annexure 2**) that Noticee Nos. 1, 3, 5 and 6, through 93 synchronised trades among themselves contributed 3.76% to the market volume and Rs. 4.00 to the net Last Traded Price (LTP). The summary of the synchronised trades is below:

Buyer Pan	Buyer Name	Seller Pan	Seller Name	Synchronized Quantity	Sum Of Ltp Diff	Number Of Days	Number Of Trades	%Market volume
BPDPA3589K	Roshanlal Daulatram Aggarwal	GKCPS4278A	Subhadraaben Rameshchandra Shah	4534	3.95	2	8	2.13%
CYNPP0545E	Vinitkumar Popatlal Parikh	GKCPS4278A	Subhadraaben Rameshchandra Shah	186	0.00	1	75	0.09%
GKCPS4278A	Subhadraaben Rameshchandra Shah	BPDPA3589K	Roshanlal Daulatram Aggarwal	3191	0.00	3	9	1.50%
GTPPS2917N	Nilesh Rameshchandra Shah	CYNPP0545E	Vinitkumar Popatlal Parikh	100	0.05	1	1	0.05%
Total				8011	4.00	7	93	3.76%

6. It is further observed that, the Noticees entered into reversal trades among themselves on 10 days and contributed 27.60% to market volume. The Noticees have traded amongst themselves through 1,480 trades during the 10 days. These trades did not result in change in beneficial ownership and created misleading appearance of trading in the scrip.



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PAN	Buyer Name	CP PAN no	Seller Name	Gross Buy	Gross Sell	Reversal Qty	Number Of Days	Net LTP in trades between buyer and seller on the day	No. of trades between buyer and seller on the day	% Market volume
BPDP3589K	Roshanlal Daulatram Aggarwal	CYMPP9923K	Maulik Vinitkumar Parikh	1500	250	500	1	0.02	0	0.23%
BPDP3589K	Roshanlal Daulatram Aggarwal	CYNPP0545E	Vinitkumar Popatlal Parikh	2074	3349	4148	2	-0.05	615	1.95%
BPDP3589K	Roshanlal Daulatram Aggarwal	GKCPS4278A	Subhadraaben Rameshchandra Shah	16110	16417	32220	7	7.05	625	15.13%
BPDP3589K	Roshanlal Daulatram Aggarwal	GTPPS2917N	Nilesh Rameshchandra Shah	5000	4235	8470	2	1.1	83	3.98%
CYBPP2358H	Hardasbhai Babubhai Patel	GKCPS4278A	Subhadraaben Rameshchandra Shah	5000	5000	10000	1	0	4	4.70%
CYNPP0545E	Vinitkumar Popatlal Parikh	GKCPS4278A	Subhadraaben Rameshchandra Shah	175	1222	350	1	.05	105	0.16%
CYNPP0545E	Vinitkumar Popatlal Parikh	GTPPS2917N	Nilesh Rameshchandra Shah	2123	1534	3068	3	-1.4	46	1.44%
Total				31,982	32,007	58,756	10	6.75	1,480	27.60%

7. Therefore, it is alleged that Noticees created a misleading appearance of trading in the scrip of the company by entering into synchronised and reversal trades in the scrip of the company and therefore, created artificial volume in violation of Section 12 A (a), (b), (c) of SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4 (2)(a), 4 (2) (e) and 4(2)(g) of PFUTP Regulations.

8. The provisions of law, alleged to be violated by the Noticees are as following:

"SEBI ACT"

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—



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(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP REGULATIONS

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices



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(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following:—

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

...

(e) any act or omission amounting to manipulation of the price of a security;

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security; ”

9. Noticees are, therefore, called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4(1) of Rules read with Section 15-I of SEBI Act and why penalty be not imposed under Section 15HA of the SEBI Act for the aforesaid alleged contravention of the SEBI Act and PFUTP Regulations by you. Section 15HA of the SEBI Act is reproduced as under:

“Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.”

10. Reply of the Noticees, if any, should reach the undersigned, at the address given below and also by email at bijus@sebi.gov.in/deeptis@sebi.gov.in, within 14 days from the date of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the material available on record in terms of Rule 4(7) of the said Rules.

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SEBI Bhavan II, Plot No. C7
'G' Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

11. You may also indicate whether you desire a personal hearing in the matter.
12. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations'). If you wish to avail the benefit of the settlement process, you may apply for the same in the manner provided in the said regulations under intimation to the undersigned. You may also note that, in terms of Regulation 8(1) of the Settlement Regulations, the filing of an application for settlement shall not affect the continuance of the instant proceedings except for the passing of the final order.
13. You are advised to provide copy of PAN and email id and also to keep the undersigned informed about the change in your correspondence address including the email id, if any, till the proceedings are complete.

Biju S.
Chief General Manager &
Adjudicating Officer

Annexures:

1. Copy of AO Appointment Order
2. Copy trade and order log.