BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. IVD/SIL/AO/DRK-CS/EAD-3/473-486/16-29-14]

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

Against:

Sr.	Name of Noticees	PAN No.
1.	**Sumeet Industries Ltd.** 504, Trividh Chambers, Opp. Fire Station, Ring Road, Surpat, Gujarat- 395002	**AAECS2583B**
2.	**Shankar Somani,** (Chairman) 504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat, Gujarat- 395002	**ABNPS7087D**
3.	**Raj Kumar Somani,** (Managing Director), 504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat, Gujarat- 395002	**ACIPS4806L**
4.	**Bajranglal Somani,** (Director) 306, Nilkanta Apartments, Near Umrajakat Naka Athwa Lines, Surat, Gujarat- 395002	**ABNPS7085B**
5.	**Sumeet Kumar Somani,** (Director) 504, Trividh Chambers, Opp.Fire Station, Ring Road, Surat, Gujarat-395002	**ANPPS3016A**
6.	**Mahesh Kumar Somani,** (Director) 504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat, Gujarat- 395002	**ABNPS7084A**
7.	**Somani Overseas Pvt. Ltd.,** (Promoter) 306, Nilkanta Apartments, Near Umrajakat Naka Athwa Lines, Surat, Gujarat- 395002	**AAECS2257A**
8.	**Sumeet Menthol Pvt. Ltd.** (formerly Mahesh Texturisers Pvt. Ltd.), (Promoter) 504, Trividh Chambers, Opp. Fire Station, Ring Road, Surat, Gujarat - 395002	**AABCM9702F**
9.	**Sumeet Silk Processors Pvt. Ltd.,** (Promoter) 504, Trividh Chambers, Opp.Fire Station, Ring Road, Surat, Gujarat-395002	**AADCS3516M**
10.	**Sitaram Prints Pvt. Ltd.,** (Promoter) 306, Nilkanta Apartments, Near Umrajakat Naka Athwa Lines, Surat, Gujarat- 395002	**AAECS2255C**
11.	**Ambaji Syntex Pvt. Ltd.,** (Promoter) 504, Trividh Chambers, Opp.Fire Station, Ring Road, Surat, Gujarat-395002	**AABCA9728K**
12.	**Urmila Sunder** 129, Sarjan Society, Umrajakat Naka Parle Point, Surat, Gujarat - 395002	**ABIPS4331F**
13.	**Ganga Somani** 12, Keshav Park Society, Parle point, Surat, Gujarat- 395002	**ABNPS7081F**
14.	**Sumandevi Somani** 37, Ghod Dod Road, Surat, Gujarat- 395002	**ACIPS4869H**

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India *(hereinafter referred to as "SEBI")* conducted an investigation in the trading of the scrip of Sumeet Industries Ltd. *(hereinafter referred to as "SIL"/"Noticee 1"/"Company")* during the period from October 1, 2006 to March 12, 2007 *(hereinafter referred to as "Investigation Period"/"IP")*. The scrip of SIL is listed at Bombay Stock Exchange Ltd. *(hereinafter referred to as "BSE")* and National Stock Exchange of India Ltd. *(hereinafter referred to as "NSE")*. It was observed that during the IP the price of the scrip increased from ₹4.81 (opening price on December 05, 2006) to ₹34.25 (opening price on February 21, 2007- a rise of 612%) along with volume spurt, and decreased to ₹26.30 on March 12, 2007.

2. SIL was incorporated on August 1, 1988 as a private limited company and was converted into a public limited company on February 1, 1992. The company's area of business activity is primarily textile which includes manufacture, sale and export of textile goods.

APPOINTMENT OF ADJUDICATING OFFICER

3. Consequent to the transfer of previous Adjudicating Officer, the undersigned was appointed as Adjudicating Officer under Section 15-I of the Securities and Exchange Board of India Act, 1992 *(hereinafter referred to as "SEBI Act")* read with Rule 3 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 *(hereinafter referred to as the "Rules")*, Section 23-I of the Securities Contracts (Regulation) Act, 1956 *(hereinafter referred to as "SC(R)A")* read with Rule 3 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 *(hereinafter referred as "SC(R)R")* to inquire into and adjudge under section 15HA of the SEBI Act and Section 23E of the SC(R)A and the said appointment order was communicated vide proceedings of appointing Adjudicating Officer dated August 16, 2012 for the alleged violation of provisions of:

- regulations 3 (b),(c),(d) and 4(1), 4(2)(a),(d),(e),(f) and (r) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 *(hereinafter referred to as "PFUTP Regulations")* read with Section 12A(a),(b) & (c) of the

SEBI Act, Clause 35 of the Listing Agreement read with SEBI Circular No. SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 and Section 21 of SC(R)A by SIL, Sumeet Kumar Somani *(hereinafter referred to as "Sumeet"/Noticee 5")* and Mahesh Kumar Somani *(hereinafter referred to as "Mahesh"/"Noticee 6"),*

- regulations 3 (a),(b),(c),(d) and 4(1), 4(2)(a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act, Clause 35 of the Listing Agreement read with SEBI Circular No. SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 and Section 21 of SC(R)A by Shankar Somani *(hereinafter referred to as "Shankar"/"Noticee 2"),* Raj Kumar Somani *(hereinafter referred to as "Rajkumar"/"Noticee 3"),* Bajranglal Somani *(hereinafter referred to as "Bajranglal"/"Noticee 4")*,

- regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act by Somani Overseas Pvt. Ltd. *(hereinafter referred to as "Somani Overseas"/"Noticee 7")***,** Sumeet Menthol Pvt. Ltd**.** *(hereinafter referred to as "Sumeet Menthol"/"Noticee 8")***,** Sumeet Silk Processors Pvt. Ltd. *(hereinafter referred to as "Sumeet Silk"/"Noticee 9")* Sitaram Prints Pvt. Ltd. *(hereinafter referred to as "Sitaram Prints"/"Noticee 10")* Ambaji Syntex Pvt. Ltd *(hereinafter referred to as "Ambaji"/"Noticee 11")*, Urmila Sunder *(hereinafter referred to as "Urmila"/"Noticee 12"),* Ganga Somani *(hereinafter referred to as "Ganga"/"Noticee 13")* and Sumandevi Somani *(hereinafter referred to as "Sumandevi"/"Noticee 14")*.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Show Cause Notices no. *EAD-7/PB/CS/31437/2011, EAD-7/PB/CS/31139/2011, EAD-7/PB/CS/31140/2011, EAD-7/PB/CS/31145/2011, EAD-7/PB/CS/31134/2011, EAD-7/PB/CS/31135/2011, EAD-7/PB/CS/31147/2011, EAD-7/PB/CS/31149/2011, EAD-7/PB/CS/31150/2011, EAD-7/PB/CS/31152/2011, EAD-7/PB/CS/31154/2011, EAD-7/PB/CS/31155/2011, EAD-7/PB/CS/31156/2011, EAD-7/PB/CS/31157/2011* dated September 30, 2011 *(hereinafter referred to as "SCNs")* were served on the Noticees by "SPAD" in terms of the provisions of Rule 4 of the Rules requiring the Noticees to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed under Section 15HA of the SEBI Act against Noticee 1-14 and Section 23E of the SC(R)A against Noticee 1-6. In the said SCN, it was stated/ alleged that:

I. Out of eighteen corporate announcements, three corporate announcements pertaining to preferential allotment to promoters, further acquisition of 200 acres of land in Bhuj, a joint venture with Vishwas Infrastructure Ltd., amalgamation of its group companies Somani Overseas Ltd., Sitaram Prints Pvt. Ltd. and Mahesh Texturisers Pvt. Ltd. and preferential allotment of shares to Bennett Coleman and Co. Ltd. and Vishwas Infrastructure Ltd. etc. were not implemented.

II. During the IP the top buying and selling stock broker was SIC Stocks and Services Pvt. Ltd. (*hereinafter referred to as "SIC"*). Out of 33,05,36,616 shares (total valid buy orders), SIC had placed buy orders of 25,60,82,540 shares constituting 77.47% of total valid buy orders quantity in the market and placed sell orders of 3,52,03,323 shares constituting 32.80% of total valid sell orders in the market.

III. Out of valid buy orders 18,39,36,413 shares (7540 buy orders) constituting 71.83% of the total valid buy orders1611 i.e. 21.37% orders (constituting 74% of his order quantity) were deleted and only 7.95% orders got executed by SIC for its client namely Purshottam Khandelwal (*hereinafter referred to as "PK"*). Out of 80% of his buy orders (14,61,80,942 shares) 4.85% (70,83,070 shares) got executed. Further, buy orders for 7,16,45,712 shares (i.e. 48% of 14,90,80,942 shares) were placed at a rate slightly lower than the prevailing market price (i.e. LTP). Only 4.9% of such orders (>=1,00,000 shares) were executed and 73.68% were deleted. SIC through PK placed large buy orders at prices lower than the prevailing market price and only fraction of these were executed and bulk of these orders were later deleted showing that there was only intention to create false appearance of volume in the market.

IV. In view of the above it was alleged that the SIL in collusion with SIC manipulated its order book, created buying pressure in the scrip of SIL and paid the consideration to SIC. It was alleged that Noticee 2-6 being the Directors of SIL have acted in concert with SIC and PK to manipulate the price and volume of the scrip of SIL so as to enable promoters/directors/company related entities of SIL offload their shares at higher prices. Further, it was alleged that Noticee 7 to Noticee 11 were corporate bodies connected with SIL as promoter group companies and Noticee 12 to Noticee 14 were relatives of directors of SIL. Promoter group companies, viz., Somani Overseas Ltd., Sumeet Menthol Pvt. Ltd., Sitaram Prints Pvt. Ltd., Ambaji Syntex Pvt. Ltd. have common directors as of SIL and individuals Urmila Sunder is wife of Bajranglal Somani, Ganga Somani is wife of Shankar lal Somani and Suman devi Somani is wife of Rajkumar Somani respectively. Shri Bajranglal Somani, Shankar Lal Somani and Rajkumar Somani are directors in SIL. It was alleged that Noticees being the directors of SIL were responsible for the day-to-day management of SIL and having regard to the fact that Noticees were connected with SIL and its directors as mentioned above, the Noticees have traded in the scrip of SIL taking advantage of their relationship with SIL and its directors. It is alleged that Noticees by acting in concert with SIC and PK manipulated the price and volume of the scrip of SIL.

V. In view of the above it was alleged that by making aforesaid corporate announcements and by acting in concert with SIC and PK, SIL and Noticee no. 1 to Noticee no. 6 had manipulated the price and volume of the scrip of SIL which enabled the promoters/directors/related entities of the SIL to offload their shares at higher prices. Therefore, in view of the abovementioned reasons it was alleged that the Noticees had violated the provisions of PFUTP Regulations, SEBI Act and SC(R)A.

VI. It was further alleged that the SIL had provided incorrect information by stating that it was client of SIC and done trading through it whereas SIC stated that as per their records, they did not have any such client active in their database and no records of any trading done by the Noticee was available.

VII. It was also alleged that the SIL in the shareholding pattern filed with the exchanges for the quarter ending June 2007 had shown Betex India Ltd. under the classification *"Public" and holding more than 1% of the Total No. of Shares*. In the filing of the shareholding pattern for the quarters prior to June 2007, Betex India Ltd. is shown under the classification *"Promoter and Promoter Group".* Thus, it was alleged that SIL by the act of placing Betex India Ltd. under the classification Public have provided incorrect information which resulted in violation of Clause 35 of the listing agreement read with SEBI Circular no. SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 and section 21 of SCRA.

5. In response to the SCNs, Noticees had filed consent applications to obtain a consent order. Noticees vide its/ their letters dated October 22, 2013, October 23, 2014, October 24, 2011 requested for one month time to submit its /their reply. However, no reply was received from the Noticees. An opportunity of hearing was granted to all the Noticees vide hearing notice dated November 29, 2011 to appear for personal hearing on December 13, 2011 at SEBI Bhavan, Mumbai. Noticees vide their letter dated November 30, 2011, December 1, 2011 sought certain documents like copy of investigation report (IR), copy of all correspondence/communication between the persons/ entities with SEBI in the matter including that of SIC and PK, copy of statements of all persons/ entities recorded by SEBI etc. Noticees also requested for an opportunity to cross- examine the representatives of SIC and PK. Noticees vide their letters dated December 4, 2013, December 5, 2011, & December 6, 2011 further stated that once they receive the documents mentioned vide their letters dated November 30 and December 1, 2011 they would file their reply within three weeks. As requested, vide letter dated February 9, 2012 the

documents requested for were provided to the Noticees and were also directed to file their reply at the earliest. Noticees vide their letters dated March 11, 2012, March 12, 2012, March 13, 2012, March 14, 2012, sought some more documents like the documents referred to in the statements of Mr. Nirmal Jain (employee of SIC) and Mr. Brijpal Maurya (Compliance Officer-SIC) and also repeated their request for the cross-examination. Since proceeding under Section 11B of the SEBI Act was also pending before the Whole Time Member, a joint proceeding of cross-examination was conducted before Shri Rajeev Kumar Agarwal, Whole Time Member, SEBI as well as before the undersigned on November 6, 2012. Mr. Vinay Chauhan, advocate appeared as the authorised representative of the Noticees, Mr. Brijpal Maurya appeared as witness. The request for cross-examination of Mr. Nirmal Jain was withdrawn by the Noticees.

6. However, even after lapse of considerable time no reply was received from the Noticees, therefore an opportunity of personal hearing was granted to all the Noticees vide hearing notice dated January 18, 2013 to appear on February 7 and February 08, 2013 at SEBI Bhavan, Mumbai and also directed to file their reply on or before January 31, 2013. In response to the same, Noticees vide their email dated February 5, 2013 sought extension of time to file their reply and postponed the hearing. Further, vide another hearing notices dated February 21, 2013 Noticees were advised to appear for the personal hearing on March 7, 2013 at 3:00 pm at SEBI Bhavan, Mumbai and also to submit their reply immediately. Noticees vide their email dated March 6, 2013 again sought adjournment due to unavailability of their counsel. However, Noticees request for adjournment was not acceded to vide email dated March 6, 2007. Noticees authorised Mr. Anil Kumar Jain, Company Secretary as their Authorised Representative (AR) to appear for the hearing on March 7, 2013. AR appeared for hearing on behalf of all the 14 noticees and sought adjournment due to unavailability of their counsel, therefore, the next date of hearing was fixed at 11:00 a.m. on March 21, 2013 at SEBI Bhavan, Mumbai and Noticees were also advised to file their reply before March 13, 2013. SIL submitted its reply dated March 15, 2013 wherein it was *interalia* stated as follows:

18.3 *In response to the application by the company to the BSE to obtain in-principle approval for the said preferential allotments, BSE vide its letter dated April 11, 2007 denied in-principle approval and directed the Company to approach the Stock Exchange afresh after obtaining a fresh consent from shareholders in AGM/EGM as the allotment of instruments and dispatch of certificate was not* *completed within fifteen days from the date of the passing of the resolution by the shareholders approving the aforesaid preferential allotment in the AGM/EGM.*

18.4 *……the Company decided to start the entire matter afresh. Accordingly, on May 04, 2007 Board meeting of the Company was held wherein it was decided that fresh EOGM of the shareholders will be convened on June 04, 2007 to collect permission of shareholders for allotment of preferential shares to the promoters of the Company and their associates.*

18.5 *The Company, vide letter dated May 17, 2007, approached BSE for in-principle approval for the same, and also submitted the requisite documents as enclosures thereto.*

18.6 *Subsequently, the shareholders of the Company in the EOGM of the Company held on June 04, 2007, passed the special resolution approving the allotment of 30,00,000 equity shares in favour of promoters/promoter entities.*

18.7 *BSE, on receipt of Company's application (vide aforesaid letter dated May 17, 2007), vide its letter dated May 29, 2007 sought various documents and details. BSE categorically pointed out in the said letter that it will consider the grant of in-principle approval in terms of Clause 24(a) of the Listing Agreement for issue and allotment of the aforesaid securities only on the Company complying with/providing the requisite formalities specified in the instant BSE letter interalia including the compliance of Regulation 10 of SAST Regulations, 1997.*

18.9 *Accordingly, vide letter dated June 23, 2007 the Company applied to SEBI under Regulation 4 of SAST 1997 seeking exemption from making open offer consequent to increase in shareholding of the promoters as a result of proposed preferential allotment. However, the Company did not receive any response from SEBI with respect to the aforesaid letter. SEBI vide its letter dated February 25, 2008 informed the rejection of application for exemption due to delay in filing the application. Promoters withdrew the exemption application vide their letter dated February 28, 2008.*

The company cannot be concerned with the trading details, since the company cannot trade in its own shares, and thus no comments to offer.

The company is neither aware of nor concerned with PK or his trading in the scrip of the company. It may be noted that the said PK is neither a promoter, director of the company or related to the company at all.

In any event, it is submitted that company had no role whatsoever in the trading done during the relevant period or in the alleged manipulation of the Order Book. "the said amount was paid by the company towards the purchase price of 67,559 shares of Mefcom to SIC. …the company had drawn all the three cheques in favour of SIC for payment towards purchase of 67,559 shares of Mefcom. The said cheques have admittedly been deposited by SIC in its bank account, since the cheques were in its name and were account payee cheques and the same have been credited in its bank account also. The same has been reflected in the bank statement of SIC (Exhibit 1 to the cross-examination of Mr. Brijpal Maurya) and expressly admitted by Mr. Brijpal Maurya (authorised representative of SIC) in the cross-examination.

Based crediting of one cheque in the ledger account of PK by SIC, behind company's back and without the company's knowledge, no adverse inferences can be drawn against the company. The company is not aware of the alleged transaction of amount of Rs. 6,91,225 between SIC and PK through cheque or *otherwise. The same has also been confirmed by the representative of SIC Mr. Brijpal Maurya at the time of cross-examination conducted on November 6, 2012.*

7. Further other Noticees (2 to 14) individually filed their reply dated March 18, 2013 wherein they have *interalia* reiterated/adopted the submissions made by SIL in its reply dated March 15, 2013. Hearing conducted on March 21, 2013 could not be completed fully due to paucity of time therefore another opportunity of hearing was granted to all the Noticees to appear on April 17, 2013 at 11:00 am at SEBI Bhavan, Mumbai. Noticees vide their email dated April 15, 2013 again sought adjournment due to unavailability of their authorised representative. Therefore, a final opportunity of hearing was granted to all the Noticees vide hearing notices dated June 7, 2013 to appear on June 12, 2013 at 11:00 am. at SEBI Bhavan, Mumbai. Noticees had authorised Mr. Vinay Chauhan, Advocate, Corporate Law Chambers India to appear for the hearing as their Authorised Representative (AR) on behalf of all the Noticees. During the final hearing AR had reiterated the submissions made in the reply dated March 15, 2013 and also undertaken to submit additional written submission with respect to corporate announcements along with the documentary proof on or before June 22, 2013.

8. Noticees have filed their additional written submissions vide reply dated July 8, 2013, July 10, 2013, July 11, 2013 wherein they have reproduced the submissions made in the reply of SIL dated March 15, 2013. Noticee 8, Noticee 9, Noticee 10, Noticee 11, in their reply dated July 11, 2013 Noticee 2, Noticee 3, Noticee 4, Noticee 5, Noticee 6, Noticee 7 and Noticee 13 in their reply dated July 8, 2013 have stated that their reply is in addition to and in continuation to their earlier reply dated March 20, 2013. However, from the records it is noted that no reply dated March 20, 2013 was received. The consent applications filed by the Noticees were subsequently rejected and the same was informed to the Noticees vide letter dated July 10, 2013 by SEBI.

CONSIDERATION OF EVIDENCE AND FINDINGS

9. I have taken into consideration the facts and circumstances of the case and the material made available on record. Before moving forward, it would be pertinent to refer to the following provisions, which reads as under-

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 thereunder;
(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 thereunder.

***4.** Prohibition of manipulative, fraudulent and unfair trade practices*
(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, namely :—
(a) indulging in an act which creates false or misleading appearance of trading in the securities market;
(b) ---------
(c) ----------
(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;
(e) any act or omission amounting to manipulation of the price of a security;
(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;
(g) --------------
(h) --------------
(i) --------------
(j) --------------
(k) --------------
(l) --------------
(m) --------------
(n) --------------
(o) --------------
(p) --------------
(q) --------------
(r) planting false or misleading news which may induce sale or purchase of securities.

SEBI Act:

Section 12 (A) No person shall directly or indirectly-
(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognised 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 recognized 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

Clause 35 of the listing agreement read with SEBI Circular no. SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006:

35. The company agrees to file the following details with the Exchange on a quarterly basis, within 21 days from the end of each quarter, in the format specified as under:

…………

(I) (c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1 percent of the total number of shares

….

SC(R)A:

Conditions for listing.

21. *Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange.*

Allegation with respect to Corporate Announcements

10. It was alleged in the SCN that during the investigation period, SIL made eighteen corporate announcements out of which three remained unimplemented and details of which are as under:

Sr. No.	Date/time	Corporate announcement	Impact on Price (₹)		Impact on Volume	
			Open	Close	Pre. day	Current
1.	8.01. 2007/ 9:53:03 am	Board Meeting on 16.01.07 to consider the preferential allotment of shares to Promoters and their associates at a rate of ₹ 25 to ₹ 30 per share.	18.90	19.10	9,74,240	11,77,191
	16.01.2007 11:55:59 am	The BOD in the meeting held on 16.01.07 has approved the allotment of maximum shares 25 lacs on preferential basis to Promoter and their Associates at a rate of ₹ 30 per share or as per the price as may be decided as per guidelines for preferential issue of shares.	18.95	18.95	2,75,067	3,25,390
2.	5.02.2007/ 11:26:23 am	SIL has informed BSE that the Board of Directors of the Company at its meeting held on February 03, 2007, has considered the following business: 1. The Board acknowledged the importance of its land bank of 55 acres near Kandla Sea Port, District Bhuj, Gujarat. 2. The Board has approved further acquisition of land of 200 acres in adjoining area. 3. The Board has further approved the Joint Venture with leading development and infrastructure Company Vishvas Infrastructure Ltd (Formerly known as Mefcom Agro Industries Ltd) for acquisition and development of above mentioned land. Development of land would include industrial park, power generation plant for captive consumption, road and telecom infrastructure, building, interiors etc.	22.65	24.95	12,55,800	6,48,861

		4. The Company has approved amalgamation of its group Company Somani Overseas Ltd, Sitaram Prints Pvt Ltd & Mahesh Texturisers Pvt Ltd.				
3	27.02.2007	The Board of Directors has approved Issue of Shares worth Rs 20 Million on preferential basis to M/s. Bennett Coleman & Co. Ltd (Times of India Group) and 2,50,000 Shares to M/s. Vishvas Infrastructure Ltd at price of Rs 30/- per shares or as per guidelines for preferential issued by SEBI. The Board of Directors has approved to increase in Authorised Share Capital from 250 Million to 290 Million. The Board of Directors has also decided to convene an Extra Ordinary General Meeting on March 31, 2007 to obtain consent for the above mentioned matter.	28.00	28.20	4,57,960	3,31,489

a. **Preferential allotment of shares to promoters and their associates-** As can be seen from the above table, on January 8, 2007 the scrip opened at ₹18.90 and closed at ₹19.10. Total traded volume on January 8, 2007 was 11,77,191 shares (previous day's volume- 9,74,240 shares). On January 16, 2007 the scrip opened at ₹ 18.95 and closed at ₹18.95. Total traded volume on January 16, 2007 was 3,25,390 shares (previous day's volume- 2,75,067 shares).

   It is observed from the reply dated March 15, 2013 of the SIL that SIL approached BSE to obtain in-principle approval for the said preferential allotments, BSE denied in-principle approval and directed SIL to obtain a fresh consent from shareholders in AGM/EGM. Accordingly, on May 4, 2007 Board meeting of the company was held wherein it was decided that fresh EOGM will be convened on June 4, 2007 to collect fresh permission of shareholders for allotment of preferential shares to promoters of the company and their associates. Thereafter, as the matter was decided to be taken afresh, company vide letter dated May 17, 2007 again approached BSE for in-principle approval for the same. Fresh consent from shareholders was obtained in the EOGM of the company held on June 4, 2007 passing the special resolution approving the allotment of 30,00,000 equity shares in favour of promoter/ promoter entities.

   On perusal of the BSE letter dated May 29, 2007 it is observed that BSE pointed out as follows:

   - …………..
   - …………..

- Company has not complied with Regulation 10 of *(Substantial Acquisition of Shares and Takeovers), 1997 (SAST Regulations)* as promoters were acquiring more than 5% of the post issue capital of the company.

It is observed that the SIL vide its letter dated May 17, 2007 submitted that it had complied with all the legal and statutory formalities and no statutory authority has restrained the company from issuing the proposed shares. This has also been quoted in the letter dated May 4, 2007 issued by the practicing Chartered Accountant. It is further stated in the letter dated May 17, 2007 that the proposed preferential issue of shares and allotment made does not require the acquirer to make an open offer under SAST Regulations. SIL has also enclosed the letter dated May 17, 2007 signed by Noticee No.3 stating the preferential issue of shares and allotment made does not require the acquirer to make an open offer.

SIL, vide letter dated June 23, 2007, applied to SEBI seeking exemption from making open offer. SEBI vide its letter dated February 25, 2008 rejected the exemption application filed by SIL as the takeover panel did not find the same to be a fit case for granting exemption as no special facts or circumstances were brought out which may deserve the grant of exemption. It was also mentioned that the application was filed with a delay of 15 days from the lapse of the shareholder's resolution on June 19, 2007. However, SIL in its replies has stated that the application was rejected by SEBI due to delay in filing the application and therefore application was withdrawn, which is not completely true.

From the reply of SIL, it is noted that for the proposed preferential allotment to the promoters/group, the immediate requirement of funds was the main object for the preferential offer however, from the events taken place as discussed in preparas, it may be noted that the company could subsequently get the required funds only through the rights issue in April/ May 2008 i.e. which is more than 15 months from the first stage of proposed preferential allotment i.e. Board meeting on January 16, 2007.

SIL stated that it was making bonafide efforts and was hitting roadblocks. However, on perusal of the records submitted, it is observed that it was hitting the road blocks due to its own non compliance, non submission of required documents within the time line, non completion of required action within the time line, filing necessary compliances, exemptions etc. The exemption application was rejected by SEBI not only on merits but also due to delay in necessary compliances/submission of documents. Further, a personal hearing was also granted before the SEBI Board to appear on March 19, 2008 at SEBI Bhavan, however, SIL had subsequently withdrawn its application vide letter dated February 28, 2008.

Further, SIL has also submitted that it had duly informed the stock exchange regarding it's decision of not coming out with the preferential issue. It is noted from the records that no announcement was made to the public/ investors/shareholders regarding its decision of not coming out with the preferential issue.

b. **Further acquisition of 200 acres of land in Bhuj, Joint Venture with Vishwas Infrastructure Ltd, amalgamation of its group Companies-** On February 5, 2007, the scrip opened at ₹ 22.65 and closed at ₹.24.95. Total traded volume on February 5, 2007- 6,48,861 shares (previous day's volume- 12,55,800 shares). It is observed that due to this announcement although the volume decreased, the price of the scrip increased.

SIL vide its reply dated March 15, 2013 has submitted property extracts from the revenue/ land record departments in Guajarati language which were purportedly obtained by the SIL in the process of suitable land search. Further, with respect to joint venture with Vishwas Infrastructure Ltd. SIL in its reply has stated that joint venture was entered by the SIL for the development of land which would include industrial park, power generation plant for captive consumption etc. SIL further stated that it is considering withdrawing/ cancelling/ terminating the joint venture in light of the long delay and steep hike in real estate prices, leading to render the subject matter of joint venture unviable and further withdrawing the announcement of amalgamation of group companies**.** During the personal hearing conducted on June 12, 2013, Noticees were verbally advised to submit the English translated version of the property extracts from the revenue/ land record departments as those were in Gujarati language. However, SIL till today, has not submitted / produced the translated version of the abovementioned documents therefore the contents of the documents, steps taken to acquire additional land are not known. It is quite interesting to note that SIL in its reply dated March 15, 2013 has stated that it is still thinking of withdrawing/ cancelling/ terminating the above announcements made in the year 2007 (almost seven years). SIL has neither withdrawn nor informed the non implementation of this corporate announcement also to the public/ investors/ shareholders.

c. **Preferential allotment of shares to Bennett Coleman and Co. Ltd. and Vishwas Infrastructure Ltd.-** On February 27, 2007, the scrip opened at ₹.28.00 and closed at ₹.28.20. Total traded volume on February 27, 2007- 3,31,489 shares (previous day's volume- 4,57,960 shares).

SIL vide its reply dated March 15, 2013 has submitted that it had applied to BSE for in-principle approval and BSE granted in-principle approval for issue and allotment of 9,17,000 equity shares subject to fulfilling the conditions. Further, the matter of allotment of 9,17,000 equity shares by SIL to Bennett Coleman and Co. Ltd and Vishwas Infrastructure Ltd. was placed before the Internal Committee of BSE as Mefcom Agro Industries Ltd./Vishwas Infrastructure Ltd. had sold 5000 equity shares of the SIL after the relevant date but before the allotment of 2,50,000 equity shares by the company, which was not in compliance with the provisions of chapter XIII of the SEBI (DIP) Guidelines, 2000. BSE in its meeting held on July 25, 2007 approved the listing of 6,67,000 shares on a condition to take steps to redress the discrepancy in the issued and listed capital arising out of non approval of the issue of 2,50,000 equity shares to Mefcom Agro Industries Ltd. SIL further came out with a scheme of reduction of share capital, obtained a no objection from BSE and subsequently filed petition with the Hon'ble High Court of Gujarat for reduction in capital pertaining to the 2,50,000 shares. BSE later on granted trading permission to the aforesaid 6,67,000 shares allotted to Bennett Coleman and Co. Ltd.

It is observed that due to this corporate announcement there was marginal increase in price but the volume came down. It is observed from the abovementioned reply that this corporate announcement also could not be implemented fully as discussed above. It is observed that BSE had vide letter dated January 10, 2008 granted the trading permission for aforesaid 6,67,000 shares allotted to Bennett Coleman and Co. Ltd. and SIL also filed the petition before High Court of Gujarat on January 10, 2008.

As can be seen from the above that two corporate announcements remained unimplemented fully and third corporate announcement could only be implemented partially. It is further observed that SIL has not made announcements/informed the public/investors/shareholders regarding it's decision of withdrawal/ non implementation of the abovementioned corporate announcements. Therefore, it clearly suggests that the abovementioned positive corporate announcements were misleading corporate announcements.

Allegation with regard to manipulation of Order book

11. It was alleged that the Noticees namely SIL , Shankar Somani, Rajkumar Somani, Bajranglal Somani, Sumeet Kumar Somani, Mahesh Kumar Somani acted in concert with SIC and PK to manipulate the price and volume of the scrip of SIL so as to enable the promoters/directors/ related entities of SIL to offload their shares at higher prices.

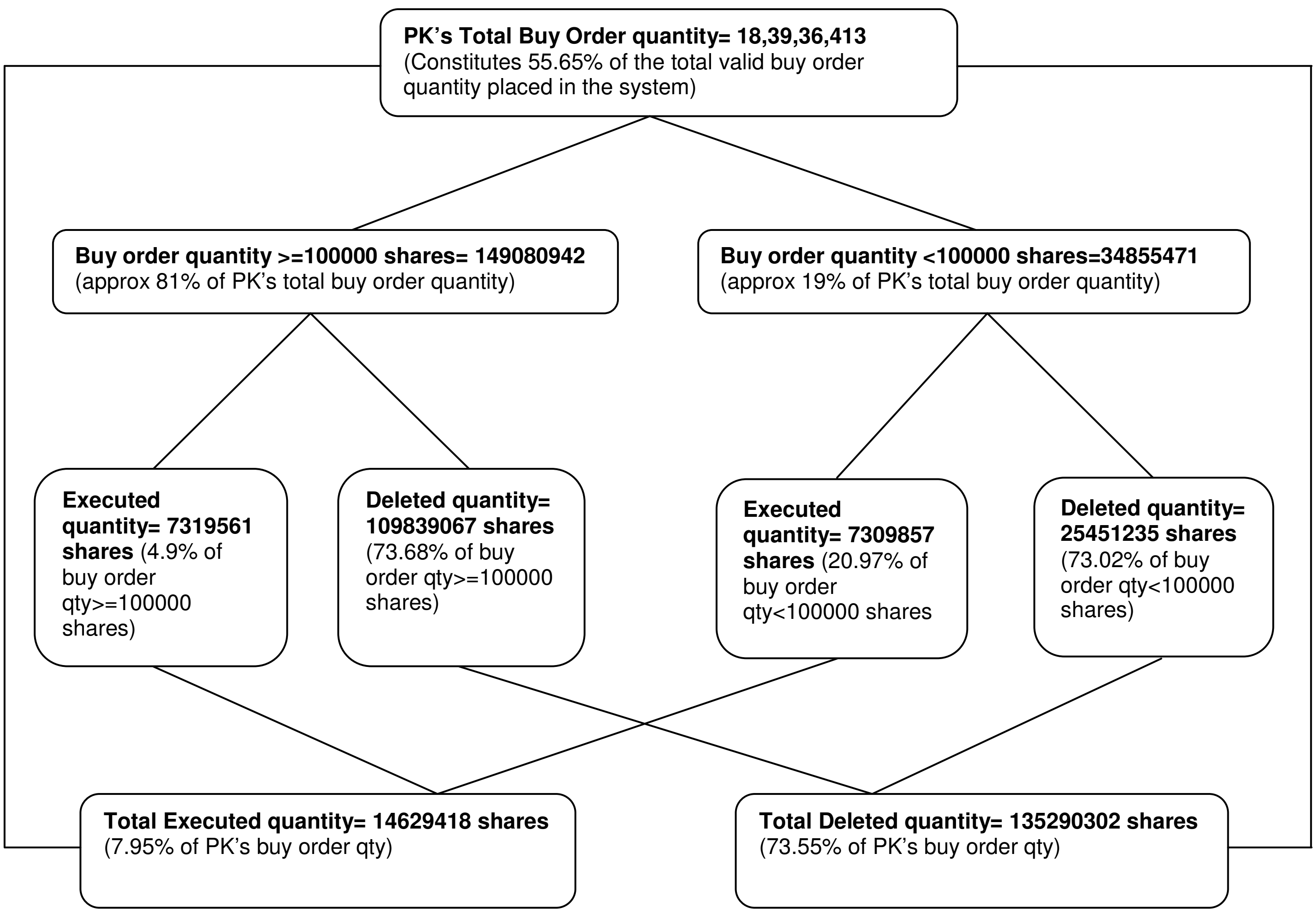
12. IR observed that SIC was top buying and selling stock broker in the scrip during the investigation period. PK was the client of SIC. The details of trading of SIC during the investigation period is as under:

Stock Broker	Clients	Gross Purchase (Qty)	%	Gross Sell (Qty)
SIC Stocks and Services Pvt. Ltd.	Purshottam Khandelwal	1,46,29,418	24.27	1,42,62,634
	Shilpi Modi	16,22,656	2.69	15,72,652
	Vishwas Securities	6,945	0.01	13,890
	Other	2,100	0.00	697
Total		**1,62,61,119**	**26.97**	**1,58,49,873**

13. During the investigation period, 6,02,86,910 shares were traded on BSE out of which SIC bought 1,62,61,119 shares (27% of total traded volume during the investigation period) and sold 1,58,49,873 shares (26% of total traded volume during the investigation period).

14. It is observed from the order log that the total valid buy orders added in the system were for 33.05 crore shares which have far exceeded the total valid sell orders in the system for 10.73 crore shares, thus indicating heavy buying pressure. SIC had highest concentration of around 77.47% in buy orders and 32.80% in placing the sell orders. Out of 33,05,36,616 shares, SIC has placed buy orders of 25,60,82,540 shares constituting 77.47% of total valid buy orders quantity in the market and placed sell orders of 3,52,03,323 shares constituting 32.80% of total valid sell orders quantity in the market.

15. Out of 25,60,82,540 shares constituting 77.47% of total valid buy orders quantity in the market placed by SIC, 18,39,36,413 shares (7540 buy orders) constituting 71.83% of the total valid buy orders placed in the system, out of which 1611 buy orders i.e. 21.37% orders (constituting 74% of his order quantity) were deleted and only 7.95% orders got executed by SIC for its client PK. Further, about 80% of his buy orders (14,61,80,942 shares) were of quantity greater than 1,00,000 shares, out of which only 4.85% (70,83,070 shares) got executed. The same is represented by way of the following diagram:



16. With reference to the buy orders placed by PK for quantities of 1,00,000 shares or more (14,90,80,942 shares), it is further observed that buy orders for 7,16,45,712 shares (i.e. 48% of 14,90,80,942 shares) were placed at a rate slightly lower than the prevailing market price (i.e. LTP). As already depicted in the diagram above, only 4.9% of such orders (>=100000 shares) were executed and 73.68% were deleted.

17. The following table shows a few examples of large buy orders (for a total of 7,16,45,712 shares as explained above) entered/ placed by PK at prices slightly lower than the LTP:

Date	Time	Order No	Member Code	Client Code	Rate	Previous Traded Price	Difference of Order Price from Previous Traded Price	Quantity	Revealed Qty
6.12.06	10:06:23	92200500020187707	922	P100	4	4.99	-0.99	102010	102010
7.12.06	10:02:13	92200500020188020	922	P100	4.8	7.1	-2.3	102010	102010
8.12.06	9:55:59	92200500020188136	922	P100	5.74	8.6	-2.86	102010	102010
11.12.06	9:55:24	92200500020188281	922	P100	6.89	8.6	-1.71	101010	101010
11.12.06	14:28:09	92200500020188777	922	P100	7	10.17	-3.17	200000	200000
12.12.06	9:58:57	92200500020188981	922	P100	8.23	10	-1.77	201020	201020
13.12.06	9:56:23	92200500020189795	922	P100	11.1	12.88	-1.78	201020	201020
14.12.06	9:58:40	92200500020191007	922	P100	10.02	11.15	-1.13	101250	101250
15.12.06	9:56:53	92200500020191766	922	P100	10.07	11.7	-1.63	101010	101010
19.12.06	9:58:34	92200500020193884	922	P100	10	11.35	-1.35	201020	201020
20.12.06	9:57:31	92200500020195108	922	P100	10.99	12.25	-1.26	201020	201020
21.12.06	10:12:05	92200500020196509	922	P100	12.09	13.2	-1.11	201020	201020
26.12.06	10:01:41	92200500020198708	922	P100	13.58	15	-1.42	500000	500000
27.12.06	14:50:53	92200500020200191	922	P100	14.26	15.75	-1.49	250000	250000
4.01.07	9:55:37	92200500020203719	922	P100	15.75	16.9	-1.15	201020	201020
9.01.07	9:56:19	92200500020205995	922	P100	18.15	19.7	-1.55	201020	201020
17.01.07	9:59:09	92200500020207678	922	P100	18.05	19.5	-1.45	201020	201020
18.01.07	9:57:41	92200500020207851	922	P100	18.9	20.7	-1.8	101010	101010
22.01.07	10:30:17	92200500020208539	922	P100	20.75	22.8	-2.05	500000	500000
24.01.07	9:55:54	92200500020209462	922	P100	22.8	24.35	-1.55	201020	201020
6.02.07	9:55:20	92200500020213520	922	P100	23.75	25.9	-2.15	201020	201020
6.02.07	10:17:51	92200500020213625	922	P100	23.75	25	-1.25	200000	200000
6.02.07	14:51:35	92200500020214316	922	P100	23.75	25.6	-1.85	500000	500000
12.02.07	9:56:31	92200500020216091	922	P100	23.5	25.35	-1.85	201222	201222
20.02.07	9:56:36	92200500020217863	922	P100	29.8	31.6	-1.8	100000	100000
23.02.07	9:55:18	92200500020218621	922	P100	28.3	29.75	-1.45	200000	200000
27.02.07	9:55:24	92200500020218936	922	P100	25.6	26.9	-1.3	200000	200000

18. The datewise bifurcation of buy orders added, deleted and updated by PK is given below:

Date	Added	Deleted	Updated
6.12.06	202281	22190	102780
7.12.06	175161	50	3000
8.12.06	178810	3250	240656
11.12.06	869280	349043	249316
12.12.06	3125318	1915142	361484
13.12.06	12634552	10870572	1512335
14.12.06	4440187	3780696	948093
15.12.06	5092499	2641590	485814

18.12.06	2540380	2742022	1694750
19.12.06	5080982	3010732	1173008
20.12.06	6578952	5162984	1772832
21.12.06	8034575	7326296	1811713
22.12.06	6567818	3863991	632039
26.12.06	3121481	1292325	476352
27.12.06	5214880	3867871	781288
28.12.06	8026279	8347720	1091804
29.12.06	7863359	6476659	781979
2.01.07	974561	136505	965107
3.01.07	1260005	348002	629614
4.01.07	1932156	313107	552582
5.01.07	3552715	598709	780438
8.01.07	1328798	931678	1154282
9.01.07	2075459	514554	727790
10.01.07	231075	-	-
12.01.07	1522320	1451601	13559
15.01.07	514357	61243	107535
16.01.07	431930	224384	333611
17.01.07	1513129	1043577	396133
18.01.07	1794667	1129384	744575
19.01.07	1612681	410355	653447
22.01.07	3329732	1837301	857400
23.01.07	1732085	480321	1012190
24.01.07	4757714	5577687	1098448
25.01.07	942750	-	-
29.01.07	1802125	219133	610702
31.01.07	2391580	872705	429069
1.02.07	3165066	899176	382022
2.02.07	11764638	11598799	186855
5.02.07	4897368	2682422	206288
6.02.07	10205158	11150838	1334136
7.02.07	8483286	9228860	1265581
8.02.07	4376615	2434244	-19112
9.02.07	4694208	3685142	696383
12.02.07	2061506	1267817	1051492
13.02.07	2018352	1353297	935952
14.02.07	1408105	612538	946740
15.02.07	1569625	571020	500010
19.02.07	5482114	3433823	708313
20.02.07	2208871	1401012	928085
21.02.07	1668438	1657730	107700
22.02.07	1836228	1695807	2060
23.02.07	1077738	1043738	100000
26.02.07	2041135	1962832	27672
27.02.07	1531329	787828	742758
Grand Total	**18,39,36,413**	**13,52,90,302**	**3,52,88,660**

19. The following table shows a few examples of large buy orders (>1,00,000) entered and deleted within a few minutes by PK on some selected dates:

Date	Order No.	ADDED		DELETED	
		Order Time	Quantity	Order Time	Quantity
13.12.06	92200500020190138	11:28:37	125000	11:37:07	123600
	92200500020190183	11:37:05	125000	11:42:21	121270
	92200500020190210	11:42:19	125000	12:15:56	121901
	92200500020190221	11:46:05	225000	12:13:24	223301
	92200500020190332	12:13:20	225000	12:17:45	225000
	92200500020190353	12:15:54	125000	12:17:45	124740
	92200500020190401	12:26:44	125000	12:36:39	124500
	92200500020190462	12:40:52	125000	12:46:11	109916
	92200500020190466	12:41:28	125000	12:46:34	125000
	92200500020209462	9:55:54	201020	12:06:26	500000
24.1.07	92200500020209489	10:00:38	125000	10:06:34	125000
	92200500020209528	10:06:31	125000	10:22:55	123250
	92200500020209681	10:47:07	200000	12:06:26	200000
	92200500020209683	10:47:25	125000	10:53:43	274281
	92200500020209684	10:47:37	175000	10:53:43	263850
	92200500020209685	10:47:49	200000	10:53:44	270250
	92200500020209686	10:48:06	225000	10:53:44	208300
	92200500020209693	10:50:10	275000	10:53:44	266235
	92200500020209720	10:54:00	225000	11:33:23	212950
	92200500020212757	9:55:30	225000	10:10:18	217000
5.2.07	92200500020212785	10:00:54	125000	10:33:02	120150
	92200500020212830	10:10:16	225000	10:25:50	206077
	92200500020212882	10:25:48	225000	10:35:22	222850
	92200500020212918	10:35:16	500000	10:55:38	300000
	92200500020212963	10:43:27	125000	10:52:29	125000
	92200500020212964	10:43:35	225000	10:51:32	225000
	92200500020212965	10:43:41	325000	10:48:22	325000

20. From the above examples and analysis of PK's trading it can be seen that PK had placed large buy orders at prices lower than the prevailing market price. Further, only fraction of these were executed and bulk of these orders were later deleted. Therefore, it is apparent that there was only intention to create false appearance of volume/ buying interest.

21. It was also alleged in the SCN that during the IP, the promoters/ directors/ company related entities sold off their shares to make profit /reduce their shareholding as given below:

Shareholding Quarters	Shareholding Volume
Quarter ended September 2006	79,78,832 shares (45.84%)
Quarter ended December 2006	67,57,677 shares (38.83%)
Quarter ended March 2007	49,38,010 shares (28.38%)

It is observed from the records that, their shareholding reduced from 79,78,832 shares (45.84%) in the quarter ended September 2006 to 49,38,010 shares (28.38%) in the quarter ended March 2007. The details of trading done by promoters/ directors/company related entities of SIL during the investigation period are as under:

Sr. No.	Entity Name	Name of the Directors of Company	Stock Broker Name	Relationship with SIL	Bought Qty	Period of purchase	Sold Qty	Period of sale
1	Btex India Ltd.	Mahesh Kumar Somani Maneesh Kumar Somani Raj Kumar Somani	Arihant Capital Markets Ltd	Promoter Group company	1,00,000	10.1.07	1,00,000	9.1.07
2	Somani Overseas P. Ltd	Susheel Kumar Somani Sumeet Kumar Somani Shankar Lal Somani Bajranglal Somani	Arihant Capital Markets Ltd	Promoter Group company	67,950	3.10.06 to 13.10.06	0	14.12.06 to 21.12.06
			Cil Securities Ltd.		0		1,95,000	
3	**Shanker Somani**		Cil Securities Ltd.	**Promoter** / **Chairman**	50,000	17.11.06	3,29,250	6.10.06 to 2.2.07
			Arihant Capital Markets Ltd		0		5,000	
4	**Rajkumar Somani**		Arihant Capital Markets Ltd	**Promoter** / **Managing Director**	50,000	2.11.06	1,50,000	17.11.06 to 18.1.07
			Cil Securities Ltd.		0		3,95,000	
5	Sumeet Menthol Pvt. Ltd. (formerly Mahesh Texturies Pvt Ltd)	Shankar lal Somani Mahesh Kumar Somani	Cil Securities Ltd.	Promoter Group company	0	-	6,00,000	15.12.06 to 20.12.06
6	Sumeet Silk Processors Pvt. Ltd	Raj Kumar Somani Ritesh Kumar	Cil Securities Ltd.	Promoter Group company	0	-	3,00,000	13.12.06 to 20.12.06

		Somani						
7	Sitaram Prints Pvt ltd	Susheel Kumar Somani Sumeet Kumar Somani	Cil Securities Ltd.	Promoter Group company	0	-	3,00,000	13.12.06 to 9.1.07
8	Ambaji Syntex Pvt ltd	Mahesh Kumar Somani Manish Kumar Somani	Cil Securities Ltd.	Promoter Group company	0	-	1,50,000	15.12.06 to 21.12.06
9	**Urmila Sunder**		Cil Securities Ltd.	**Wife of Bajranglal Somani**	0	-	2,50,000	2.2.07
10	**Bajranglal Somani**		Cil Securities Ltd.	**Promoter Group/ Director**	0	-	2,50,000	2.2.07
11	**Ganga Somani**		Cil Securities Ltd.	**Wife of Shankarlal Somani**	0	-	2,50,000	6.2.07
12	**Sumandevi Somani**		Cil Securities Ltd.	**Wife of Rajkumar Somani**	0	-	2,00,000	6.2.07
13	**Krishnadevi Lahoti**		Cil Securities Ltd. Arihant Capital Markets Ltd	**Wife of Director of SIL- Shri Mangilal Lahoti**	70000 336535	8.12.06 to 8.3.07	20,000 1,31,535	26.12.06 to 7.3.07
					6,74,485		**36,25,785**	

22. As per the above table, between October 3, 2006 and March 8, 2007, the Noticee nos 2 to 14 (except Noticee Nos 5 & 6) and few related entities altogether sold 36,25,785 shares (price range ₹4.8- 31.35) (volume ranging from- 0.58% to 44% of the day's total traded volume and 6.01% of the market volume) and bought 6,74,485 shares (price range ₹4.4-32.9) (volume ranging from 0.75% to 73% of the day's total traded volume and 1.12% of the market volume) during the IP, through stock brokers Cil Securities Ltd. and Arihant Capital Markets Ltd.

23. It is further noted from the analysis of the trades of the promoters/ related entities given in the investigation report that PK was the counterparty to 11,53,032 shares (31.80%) of the promoter/ directors/ related entities (promoter group). Out of the above quantity, trades for 5,38,427 shares (47% of the promoter group sales to PK) were synchronized, buy and sell orders

were placed within one minute of each other. Entity wise details are presented in the table below:

Entity wise details of synchronised trading executed between PK and the Promoter Group

		Quantity Sold			Quantity synchronised with PK		
Sr. No.	**Entity Name**	**Total (A)**	**Sold to PK (B)**	**% (A/B)**	**Total Sync Quantity with PK (C)**	**Sync qty as a % of total qty sold (C/A)**	**Sync qty as a % of qty sold to PK (C/B)**
1	Btex India Ltd.	1,00,000	79,190	79.19	0	0.00	0.00
2	Somani Overseas P. Ltd	1,95,000	1,45,000	74.36	1,45,000	74.36	100.00
3	Shanker Somani	3,34,250	49,078	14.68	48,545	14.52	98.91
4	Rajkumar Somani	5,45,000	2,53,716	46.55	100	0.02	0.04
5	Sumeet Menthol Pvt. Ltd. (formerly Mahesh Texturies Pvt Ltd)	6,00,000	2,10,835	35.14	54,897	9.15	26.04
6	Sumeet Silk Processors Pvt. Ltd	3,00,000	6,580	2.19	981	0.33	14.91
7	Sitaram Prints Pvt ltd	3,00,000	1,95,342	65.11	1,19,035	39.68	60.94
8	Ambaji Syntex Pvt ltd	1,50,000	4,011	2.67	2011	1.34	50.14
9	Urmila Sunder	2,50,000	10,001	4.00	1	0.00	0.01
10	Bajranglal Somani	2,50,000	53,845	21.54	43,958	17.58	81.64
11	Ganga Somani	2,50,000	89,404	35.76	89,404	35.76	100.00
12	Sumandevi Somani	2,00,000	34,495	17.25	34,495	17.25	100.00
13	Krishnadevi Lahoti	1,51,535	21535	14.21	0	0.00	0.00
Total		**36,25,785**	**11,53,032**	**31.80**	**5,38,427**	**14.85**	**46.70**

Market Volume (X)	**6,02,86,910**

24. Analysis of the trade log reveals that, the major counter party to the total sales of 36,25,785 shares by the promoter group, Btex India Ltd. and Krishnadevi Lahoti were entities of the PK Group (56% of promoter group sales) and Mefcom Group (30% of the promoter group sales). The entities of the PK group are given in the following table:

Purshottam Khandelwal Group:

Sr. No.	Entity Name	Broker Name	Connection with SIL/ PK	Bought Qty	Sold Qty
1	Purshottam Khandelwal	SIC Stock Service Ltd.	In the scrip of Mefcom Agro Industries Ltd., PK had entered into off market transaction with Sumeet Industries Ltd.	1,46,29,418	1,42,62,631
2	ISF Securities Ltd	Sam Global Securities Ltd.	Entered into off market transaction with Mahesh Agarwal	13,10,170	12,54,611
3	Sunita Gupta	Shri Parasram Holdings Pvt. Ltd.	Entered into off market transaction with PK	40,22,994	37,07,024
4	Mahesh Agarwal	Eureka Stock And Share Brokers P. Ltd.	Entered into off market transaction with PK and ISF Securities Ltd.	1,00,000	3,55,000
Total				**2,00,62,582**	**1,95,79,266**

25. Therefore, in view of the above it is clear that SIC and PK manipulated the price and volume of the scrip of SIL during the investigation period whereas Noticee number 2-14 (except Noticee no. 1, 5 and 6) sold the shares and benefitted from it. The below table illustrates the profit earned by the Noticees:

Profit earned by the Promoter Group							
Entity	**Sale Quantity (A)**	**Sale Amount (B)**	**Purchase Qty (C)**	**Purchase Amount (D)**	**Net Sale Quantity (E= A-C)**	**Net Sale Amount (F= B-D)**	**Profit (E*Z)**
Somani Overseas	1,95,000	25,05,200	67,950	3,74,118	1,27,050	21,31,081	18,59,823
Sumeet menthol pvt. Ltd.	6,00,000	72,19,473	0	0	6,00,000	72,19,473	87,83,109
Sumeet Silk	3,00,000	38,23,000	0	0	3,00,000	38,23,000	43,91,554
Sitaram Prints	3,00,000	48,39,000	0	0	3,00,000	48,39,000	43,91,554
Ambaji Syntex	1,50,000	18,86,026	0	0	1,50,000	18,86,026	21,95,777
Urmila Sunder	2,50,000	62,87,000	0	0	2,50,000	62,87,000	36,59,628
Ganga Somani	2,50,000	64,37,500	0	0	2,50,000	64,37,500	36,59,628
Sumandevi Somani	2,00,000	50,85,977	0	0	2,00,000	50,85,977	29,27,703
Bajranglal Somani	2,50,000	63,85,116			2,50,000	63,85,116	36,59,628

Rajkumar Somani	5,45,000	1,04,35,350	50,000	2,73,341	4,95,000	1,01,62,009	72,46,064
Shankar Somani	3,34,250	68,44,629	50,000	2,50,000	2,84,250	65,94,629	41,60,997

Weighted Average Price (X=F/E)	**18.98**
Acquisition Price (Y)	**4.34**
Difference in Price (Z=X-Y)	**14.64**

26. It was alleged that SIL has funded the abovementioned manipulation as it had given three cheques for a total amount of ₹18,87,073 to SIC. As per SIC's bank statement, all three cheques were credited into its account on February 14, 2007. Out of the three cheques received from SIL, SIC had deposited one cheque for ₹ 6,91,225 into the account of PK. The details of the cheques are as under:

Sr. no.	**Cheque no.**	**Cheque Date**	**Amount (₹)**	**Comments**
1.	547013	15.01.07	6,91,225	Credited into PK's ledger account
2.	547014	5.12.06	11,57,310	Not credited into PK's ledger account
3.	547015	06.12.06	38,538.38	
	Total		**18,87,073.38**	

27. It is observed that the cheque of ₹ 6,91,225 which was credited in the account of PK was a third party cheque. As observed from the investigation report, the copies of the abovementioned cheques were obtained from Bank of Baroda (SIL's Bank) which showed that all the three cheques were drawn in favour of SIC and were signed by the Director of SIL. The transactions were also reflected in the bank statement of SIC and the company i.e. SIL. During the investigation, SIL was asked to give clarification in respect of the aforesaid 3 cheques viz. copies of the cheques, details of the counterparty and the purpose of the transactions. SIL had provided copies of the cheques and stated that the counterparty to the transactions was SIC and the purpose of the transactions was *"for purchase of shares through stock exchanges".*

However, SIL did not provide any documentary proof to the investigating authority to substantiate the contention that the cheques were provided for the purpose of the purchase of shares. However, it is observed from the IR/ records that BSE vide email dated March 23, 2011 informed SEBI that "*on examining the transactions of the captioned entity on the basis of PAN as provided by you for the period January 1, 2006 till date, it is observed that the entity has not traded through the trading member SIC(922) but has traded through the trading member CIL Securities Ltd. Further, on analysing the trades on the basis of Member Code (922) and Client (S400) for the period January 1, 2006 till date, no trades were found to have been executed for the entity Sumeet Industries Ltd through the trading member SIC during the aforesaid period"*.

28. Subsequently, during the cross-examination SIL has produced contract notes for the trades dated June 5, 2006, December 5, 2006 and December 6, 2006. Contract notes for trades dated December 5, 2006 reflects purchase of 17,019 shares amounting to ₹11,57,310. Contract notes for trades dated December 6, 2006 reflects purchase of 540 shares amounting to ₹38,538.38. contract notes for trades dated June 5, 2006 reflects purchase of 50,000 shares amounting to ₹6,91,104.90.

29. SIL at various places in its letters and replies stated/reiterated that SIC is its stock broker and the cheques were given to SIC for the purpose of purchase of shares of Mefcom Agro Industries Ltd. on stock exchange. A few excerpts are given as follows:

26.1 Sometime during last week of May, 2006 SIC approached the company requesting the company to register as client of SIC. Accordingly, the company filed the KYC form provided by SIC and forwarded the same to SIC. Thereafter, the company commenced trading through SIC. SIC approached the company suggesting it to purchase shares of Mefcom Agro for a joint venture.

26.2 During the relevant period, the company in total purchased 67,559 shares of Mefcom on market at the market price through SIC. Post purchase of shares of Mefcom, SIC had also issued contract notes to the company. Copies of the contract notes issued by SIC for purchase of shares are enclosed as Annexure 22. The 67,559 shares of Mefcom so bought by the company through SIC were also credited in the demat *statement of the company which is enclosed as Annexure 23. For the said purchases the company had made payments to SIC by account payee cheques, copies of the said cheques issued by the company in favour of SIC towards the purchase consideration for 67,559 shares of Mefcom purchased are enclosed as Annexure 24. It may be noted that the aforesaid documents viz copy of contract notes, cheques, demat statements etc. were also provided to SEBI during the course of investigations vide letters viz (dated November 5, 2008, June 8, 2009 and February 25, 2011). The factum of payments being made by the company to SIC is also borne out by the ledger statement issued by SIC to the company, which is enclosed as annexure 25. The Annual Report (2006-07) of the company, reflecting the details of the investments made by the company in the shares of Mefcom Agro, is annexed hereto as Annexure 26.*

30. However, it is observed from the above that:

- SIL has not provided the documentary evidence to support its contention that the company filled the KYC form provided by SIC and forwarded the same to SIC. SIL states that it commenced its trading through SIC, however, the actual date of start of trading has not been mentioned nor any documents provided to that effect.

- It is interesting to note from the SIL's statement that the stock broker SIC itself approached the company suggesting to purchase the shares of Mefcom Agro with whom SIL was already considering a joint venture and the matter was also discussed in the Board meeting of SIL on February 03, 2007.

- SIL states that the company purchased 67,559 shares of Mefcom Agro on market at the market price through SIC on June 06, 2006, December 05 and 06, 2006, but, the shares were transferred/ credited in the demat account of SIL only in the month of February 2007 i.e. after a gap of almost eight months and two months respectively as reflected in the contract notes and demat statements provided by SIL. If the transaction was on the stock exchange as claimed by the Noticees, the securities would have been credited on T+2 rolling settlement basis. However, Such an inordinate delay was not explained by the noticees.

- Further from the records it is also observed that all the three cheques issued by SIL towards the alleged purchase consideration of Mefcom Agro towards on market purchase, the Bank account of SIL was debited only on February 14, 2007 i.e. again a gap of almost eight months and two months respectively which is not in accordance with the payment schedule of T+2 rolling settlement.

31. It is observed that the SIL/ Noticee 2 to 6 did not produce the basic document i.e contract notes (as an evidence that the trades were executed on the stock exchange as contended by them) during the investigation before the Investigating Authority. Though the trades were executed on June 06, 2006, December 5, 2006 and December 6, 2006, the contract notes were produced only during the current adjudication proceedings which created a doubt/ suspicion on the veracity of the documents submitted. Therefore, vide email dated January 30, 2014, scanned copies of the contract notes submitted by the Noticees were forwarded to BSE for its response.

32. In response to the same, BSE vide its email dated January 31, 2014 has confirmed as follows:

"the aforesaid entity is registered as client with the trading member SIC Stocks & Services Pvt .Ltd.(Clg.No.922) on March 1, 2007.
Further, on examining on the basis of Trade date, Trade Id, Order No., Scrip Name as mentioned in the attached Contract Notes, with the trades executed by the trading member SIC Stocks & Services Pvt. Ltd. on behalf of its clients, it is observed that the said trades have been executed on behalf of the entity ***Deepak Shantilal Rana and not on behalf of the entity Sumeet Industries Ltd****. as mentioned in the attached Contract Notes. It may also be noted that no instances of client code modifications were observed under the client code S400 for the said dates. We also found that the client Sumeet Industries Ltd has traded through CIL Securities Ltd.(Clg.No.947) in the scrip Mefcom Agro Industries Ltd.(511276) on 05/02/2007, 06/02/2007, 07/02/2007 and 15/02/2007."*

33. Therefore, from the BSE's confirmation, which is the primary source of evidence/ material relating to trades carried out on the stock exchange, as discussed in preparas, it can be held/concluded that the contract notes produced by SIL/ Noticee 2 to 6 were relating to trades executed on behalf of Shri Deepak Shantilal Rana and not on behalf of SIL as submitted/ contended by the Noticees 1-6. BSE has also confirmed that there were no instances of

Unique Client Code modifications and SIL was registered with SIC Stocks & Services Pvt. Ltd. (stock broker) only on March 1, 2007. The relevant extracts of trade produced by BSE shows that SIC had traded for SIL only on 05/02/2007, 06/02/2007, 07/02/2007 and 15/02/2007 and not before that. This shows that SIC never traded on behalf of SIL before February 5, 2007. Therefore, the question of the trades having been carried out on June 5, 2006, December 5, 2006 and December 6, 2006, does not arise. SIL/ Noticee 2 to 6 reiterated in its replies in several places that the cheques were given to SIC for the purpose of purchase of shares of Mefcom. From the records, now it is amply clear that SIL did not purchase the said shares on market through SIC-stock broker on BSE and the cheques paid to SIC- stock broker were not for the purpose as claimed by SIL/Noticee 2 to 6. Therefore, SIL's/ Noticee 2 to 6 contention that the cheques were paid for the purpose of purchase of shares is a false / willfully wrong statement. The trades were executed by SIC on behalf of Shri Deepak Shantilal Rana. The above evidence, circumstances indicate that the contract notes produced by SIL only during the current adjudicating proceedings are not genuine, and are fake/ forged/ fabricated. From the above, it is clear that SIL being a listed company and Noticee nos. 2 to 6 being the Chairman, Managing Director, Directors of a listed co. have produced the fake/ forged/ fabricated contract notes during the quasi judicial proceedings.

34. It is worth to mention here that the contract note (which is issued by the SEBI registered Stock Broker of the concerned stock exchange) is the primary evidence to confirm as to whether any trades were carried out on the Stock Exchange or not. In this instant case as discussed above, the contract notes (which is the primary/ crucial piece of evidence) as produced by the Noticees 1-6, itself is false /fake/ forged/ fabricated.

35. Further, on perusal of the demat statement of SIL for the period from January 1, 2006 to June 6, 2007 it is observed that 50,000 shares were transferred from Oriental Bank of Commerce/ 80055021 on February 6, 2007 without any reference to rolling settlement number as stated for sale transactions. The said account number belongs to SIC- stock broker. Further, demat statement also reflects 17,559 shares by inter depository transfer CDS/ 1301190300027596 without any reference to rolling settlement number as stated for sale transactions. It is noted that this demat account number belongs to PK. From the available records, it can be concluded that the above transactions are off-market transactions and the shares were transferred by

SIC stock broker to SIL in off-market. SIL/ Noticees in its replies kept reiterating that it has no relation with PK and has never entered into any transactions including financial transaction with PK. However, the demat statement reflects the inter depository transfer made by PK, which indicates that, SIL and PK were acting in concert with each other and a cheque of SIL was also credited into the account of PK.

36. Though, the company SIL and its promoters, directors, other related entities have been charged under PFUTP Regulations and SEBI Act, it may be added that Noticee no. 1/SIL being an artificial/legal entity has to act through natural person(s). In the instant case though the fake/forged/fabricated contract notes are in the name of SIL, the active involvement / connivance of natural person(s) cannot be ignored. In this context it is relevant to quote the judgement of the Hon'ble Supreme Court of India in the matter of *Sushil Suri v. C.B.I. & Anr. [2011] 8 S.C.R. 1 2* decided on May 6, 2011, wherein, the Hon'ble Supreme court while dismissing the appeal and affirming the views taken by the High Court, opined that *"In the instant case more than sufficient circumstances exist suggesting the hatching of criminal conspiracy and forgery of several documents leading to commission of the aforementioned Sections….The accused had not only duped PSB, they had also availed of depreciation on the machinery, which was never purchased and used by them, causing loss to the exchequer, a serious economic offence against the society. Merely because the Company and its directors had repaid the loan to PSB they could not be exonerated of the offences committed by forging/fabricating the documents with the intention of defrauding the bank as well as the exchequer… Therefore, the Chargesheet against him cannot be quashed."*

37. I, would also like to quote, the order dated July 27, 2010 passed by WTM, SEBI in the matter of *Parsoli Corporation Ltd., Mr. Zafar Yunus Sareshwala, Uves Yunus Sareshwala* which was also affirmed by the SAT vide its order dated January 12, 2011. In the said WTM order, it was observed that:
"The fraudulent transfer of shares to promoters/ front entities, that too by a listed company, which is a registered intermediary, and its Managing Director and joint Managing Director, who are promoters of the company, by a carefully crafted strategy, is the worst damage to the integrity of securities market and the confidence of investors. Equally damaging is the deliberate non-cooperation and submission of false and misleading information, by a listed company which is a registered intermediary. The continued participation of the Noticees poses a serious threat to orderly securities market and safety of investors. The ends of

justice would be met if the Noticees are restrained from causing any further damage to securities market and investors as well as the existing shareholders are given an opportunity by the promoters to exit the company."

38. I would like to further quote, the observation made by Hon'ble Securities Appellate Tribunal vide its order dated December 22, 20111 in *Alka Securities Ltd. V. SEBI* that *"Section 27 of the Act, inter alia, provides that when an offence under the Act has been committed by a company, every person who at the time the offence was committed was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against. This provision also applies to the violation of the regulations framed under the Act."*

39. I have also noted from the records that the three cheques issued by SIL were signed by one of the directors of SIL. It is also noted from the available records that natural person(s) of a listed company have produced fake /forged/ fabricated documents during the current adjudication /quasi judicial proceedings. Therefore, in my view for the allegation with regard to manipulation of Order Book, the role of those natural person(s) becomes very important who have also made profit out of this fraudulent/ manipulative practices, therefore higher penalty is warranted against the natural person(s), i.e. the promoters/directors of SIL.

40. Therefore, it can be concluded that the cheques given by SIL to SIC stock broker were to manipulate (price and volume of) the scrip of SIL so as to enable the promoters/directors/related entities of the SIL to offload their shares at higher prices. Therefore, in view of the abovementioned findings, the allegations of provisions of PFUTP Regulations read with provisions of the SEBI Act stands established against all the Noticees.

41. It was also alleged in the SCN that SIL has filed incorrect information in the exchanges for the quarter ending June 2007 showing Betex India Ltd. under the classification *"Public" and holding more than 1% of the Total No. of Shares*. In the filing of the shareholding pattern for the quarters prior to June 2007, Betex India Ltd. is shown under the classification *"Promoter and Promoter Group".* Therefore the Noticee was alleged to have violated clause 35 of the listing agreement read with SEBI Circular no.

SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 and section 21 of SCRA. The relevant text has been reproduced as under

Clause 35 of the Listing Agreement:

The company agrees to file the following details with the exchange on a quaterly basis, within 21 days from the end of each quarter, in the format specified as under:

SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 *(relevant portion):*

It has been decided to revise the existing reporting format of shareholding pattern provided in Clause 35 of the Listing Agreement. The shareholding pattern will now be indicated under three categories, viz., "shares held by promoter and promoter group", "shares held by public" and "shares held by custodians and against which Depository Receipts have been issued,". Further, details such as number of shareholders, number and percentage of shares held, number of shares held in dematerialized form, etc. will be given for all the three categories. It is clarified that for the purpose of Clause 40A, percentage of "public shareholding" shall be computed as "shares held by public" as a percentage of "total number of shares held by promoters, promoter group and public".

Section 21 SCRA- Conditions for listing:

21. *Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange.*

42. SIL in its reply dated March 15, 2013 has stated that *"the disclosure of the shareholding pattern held for the quarter ending June 2007 erroneously entered the name of Betex India Ltd. under the classification "Public" and holding more than 1% of the total number of shares. The error was rectified as soon as it came to the notice of the company."*

43. On perusal of the shareholding pattern details it is seen that the Betex India Ltd. was appearing under the classification "Public " for the quarters ending June 2007, December 2007 and March 2008. Therefore, the SIL's submission that the disclosure was erroneously entered is acceptable. In view of this, SIL does not seem to have violated the provisions of clause 35 of the listing agreement read with SEBI Circular no. SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006 and section 21 of SCRA and the said violation do not stand established.

44. The aforesaid violation of the provisions of regulations 3 (a),(b),(c),(d) and 4(1), 4(2)(a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act attracts penalty under Section 15HA of SEBI Act. The text of Section 15HA is as follows:

SEBI Act

15 HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

45. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Rules require that while adjudging the quantum of penalty, 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

46. With regard to the above factors to be considered while determining the quantum of penalty, it is noted that the disproportionate gain or unfair advantage made by the Noticees (except Noticee 1,Noticee 5 and Noticee 6) has been quantified in the IR.

47. Having considered the facts and circumstances of the case and the submissions made by the Noticees, I find that the penalty as mentioned in the table below for the violation of provisions of PFUTP Regulations/ SEBI Act under Section 15HA of the SEBI Act, is appropriate in the facts and circumstances of the case.

Sr.	**Name of Noticees**	**Violations**	**Amount of Penalty (₹)**
1.	**Sumeet Industries Ltd.**	Regulations 3 (b),(c),(d) and 4(1), 4(2)(a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**2,00,00,000**
2.	**Shankar Somani,** (Chairman)	Regulations 3 (a),(b),(c),(d) and 4(1), 4(2)(a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**2,25,00,000**

3.	**Raj Kumar Somani,** (Managing Director),	Regulations 3 (a),(b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**3,20,00,000**
4.	**Bajranglal Somani,** (Director)	Regulations 3 (a),(b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**2,10,00,000**
5.	**Sumeet Kumar Somani,** (Director)	Regulations 3 (b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**1,00,00,000**
6.	**Mahesh Kumar Somani,** (Director)	Regulations 3 (b),(c),(d) and 4(1), 4(2) (a),(d),(e),(f) and (r) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**1,00,00,000**
7.	**Somani Overseas Pvt. Ltd.,** (Promoter)	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**37,00,000**
8.	**Sumeet Menthol Pvt. Ltd.** (Promoter)	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**1,75,00,000**
9.	**Sumeet Silk Processors Pvt. Ltd.,** (Promoter)	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**88,00,000**
10.	**Sitaram Prints Pvt. Ltd.,** (Promoter)	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**88,00,000**
11.	**Ambaji Syntex Pvt. Ltd.,** (Promoter)	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**44,00,000**
12.	**Urmila Sunder**	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**73,00,000**
13.	**Ganga Somani**	Regulations 3 (a),(b),(c),(d) and 4(1) of PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	**73,00,000**
14.	**Sumandevi**	Regulations 3 (a),(b),(c),(d) and 4(1) of	**59,00,000**

	Somani	PFUTP Regulations read with Section 12A(a),(b) & (c) of the SEBI Act	

ORDER

48. In exercise of the powers conferred under Section 15HA of the Securities and Exchange Board of India Act, 1992, Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, I hereby impose a consolidated penalty of ₹17,92,00,000/- (Rupees Seventeen Crores and Ninety Two Lakhs only) as mentioned in the table above against all the Noticees for the violation of abovementioned provisions of PFUTP Regulations and SEBI Act. In the facts and circumstances of the case, I am of the view that the said penalty is commensurate with the aforementioned violations committed by the Noticees.

49. The penalty shall be paid by way of Demand Draft drawn in favour of "SEBI–Penalties Remittable to Government of India" payable at Mumbai within 45 days of receipt of this order. The said demand draft shall be forwarded to Deputy General Manager- IVD, Securities and Exchange Board of India, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

50. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, copy of this order is being sent to all the Noticees and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai **D. RAVI KUMAR**

Date: February 20, 2014 **CHIEF GENERAL MANAGER &**

ADJUDICATING OFFICER