BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/AK/RK/2025-26/31808)

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

Indra Pratap Gajraj Singh,

Proprietor - Amizara Securities and Finance

PAN: APEPS7258B

In the matter of Octant Interactive Technologies Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the scrip of Octant Interactive Technologies Limited (hereinafter referred to as "**OITL/ company**") to ascertain any violation of provisions of SEBI 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**") for the period from January 02, 2009 to September 09, 2009 (hereinafter referred as "**Investigation Period/IP**") by various entities including Indra Pratap Gajraj Singh, Proprietor - Amizara Securities and Finance (hereinafter referred to as the "**Noticee**"). It was found that the promoter entities along with connected entities had, prima facie, indulged in circular trading and reversal of trades and also aided in price manipulation.

2. Subsequently, an Adjudication order (hereinafter referred to as "AO"), No. EAD-9/AO/SM/52-86/2019-20 dated August 02, 2019, was passed, inter alia, against the Noticee, after it was established that the Noticee has violated Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (d), (e), (g) of PFUTP Regulations and a penalty of Rs. One crore was imposed on Noticee. Noticee preferred an appeal against the said AO before Hon'ble Securities Appellate Tribunal (SAT). Vide its order dated July 03, 2025 ("**SAT order**"), SAT remitted the matter to the Adjudicating Officer to

reconsider Noticee's case in accordance with law. The relevant excerpt from the SAT order is as under:

> *"Appeal is allowed. Order dated August 2, 2019 is set aside qua the appellant with a direction to the SEBI to reconsider appellant's case in accordance with law after granting an opportunity to the appellant to defend himself. Appellant shall appear before SEBI on August 1, 2025 without any further notice from SEBI. Pending interlocutory application(s), if any, stand disposed of. No costs."*

APPOINTMENT OF ADJUDICATING OFFICER

3. In compliance with the SAT order, undersigned was appointed as the Adjudicating Officer (**AO**), vide order dated July 14, 2024 u/s 15-I of SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"SEBI Adjudication Rules"**) r/w Section 19 of the SEBI Act to inquire into and adjudge u/s 15HA of the SEBI Act, the alleged violations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notice Ref. No. EAD-5/PG/AK/21282/2013 dated August 23, 2013 (hereafter referred to as the "**SCN"**) and a Supplementary SCN dated October 29, 2014 was issued to the Noticee by the erstwhile AO in terms of Rule 4(1) of the SEBI Adjudication Rules r/w Section 15-I of SEBI Act requiring the Noticee to show cause as to why an inquiry should not be held against him and why penalty, if any, should not be imposed u/s 15HA of the SEBI Act for the alleged violations of Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (d), (e), (g) of PFUTP Regulations.
5. Pursuant to the restoration of the case, the appointment of undersigned in the matter was communicated to the Noticee, vide email dated July 22, 2025, and he was granted an opportunity of personal appearance before the undersigned on August 01, 2025. The Authorized Representative (AR) of the Noticee appeared on the said date and submitted that he was in receipt of the SCN, SSCN along with the relevant Annexures, and submitted reply on behalf of the Noticee.
6. In the interest of natural justice, an opportunity of personal hearing in the matter was granted to the Noticee on September 02, 2025, vide hearing notice dated

August 21, 2025.The said hearing was attended by the AR of the Noticee, who reiterated the submissions made by the Noticee, vide letter dated August 01, 2025. The submissions made by the Noticee, vide letter dated August 01, 2025, are as under;

6.1. *That he is10th pass out from the state of Uttar Pradesh, and was employed with Rathi KK, Chartered Accountant & Co. (Proprietor Mr. Kamal Rathi) during the period 2004 till 2009, and the office of Mr. Kamal Rathi was situated at 15B, 1st Floor, Hiren Shopping Centre, Goregaon (W), Mumbai – 400062.*

6.2. *That he was completely unaware about any share transactions and subsequent fund transfers on his name. He was also unaware of existence of a proprietorship concern: Amizara securities and its address as 15B, 1st Floor, Hiren Shopping Centre, Goregaon (W), Mumbai – 400062.*

6.3. *That Mr. Kamal Rathi had forged the relevant IDs, documents and even his signatures in the name of completing KYC formalities, to open a Benami Proprietorship concern named Amizara Securities and Finance and had illegally declared him as its proprietorship without his knowledge*

6.4. *That Mr Rathi took advantage of the fact that he was only a 10th pass out since he had no knowledge of the formation of the said proprietorship firm, he was completely unaware of the transactions conducted by it.*

6.5. *That he has filed a Criminal Complaint and accordingly Statement recorded with the Assistant Police Inspector, Goregaon Police Station, Goregaon (W) on 03/03/2025 and Statement recorded by the Sub – Inspector of Police, M.R.A Marg Police Station, Mumbai on 14.04.2025, against the fraud and forgery committed by Mr. Kamal Rathi, specifically detailing the forgery, and the fraudulent actions taken to open and operate the Benami Proprietorship concern and Benami Bank Account of Amizara Securities and Finance.*

6.6. *That the SCN dated 23/08/2013 issued by SEBI was sent through Speed Post A.D. at 15-B, 1st Floor, Hiren Shopping Centre, Goregaon West, Mumbai – 400062, which was the address of Mr. Kamal Rathi, his the then employer.*

6.7. *That an Agreement for Sale dated 07/02/2006 was entered between Smt. Laxmidevi Radheshyam Mandowara and Kamal Rathi whereby the aforesaid premise 15-B, 1st*

Floor, Hiren Shopping Centre, Goregaon West, Mumbai – 400062 was transferred in the name of Mr. Kamal Rathi, thus, proving that the said premise belonged to Kamal Rathi and not him.

6.8. *That Mr. Kamal Rathi himself had admitted in a Statement given U/s. 131 of Income Tax Act, 1961 to the Deputy Director of Income Tax (Inv.) Unit-I (4), Mumbai on 22.10.2010 that the premises having address 15-B, 1st Floor, Hiren Shopping Centre, Goregaon West, Mumbai – 400062 belonged to him.*

6.9. *That Mr. Kamal Rathi has himself admitted of opening Amizara Securities and Finance, its Bank A/c and having used the Demat A/c as a Benami A/c in the Statement given U/s. 131 of Income Tax Act, 1961 to the Deputy Director of Income Tax (Inv.) Unit-I (4), Mumbai on 22.10.2010.*

6.10. *That when it came to his knowledge that he was fraudulently made a Proprietor of Amizara Securities and Finance Pvt. Ltd, he had immediately sent a legal notice dated 28.10.2024 through his Advocate to Mr. Kamal Rathi for committing forgery under Section 335 and 318 of BNSS. Thereafter, he had filed a Criminal Complaint before the police as already detailed above.*

6.11. *That the Ld. Commissioner of Income Tax in an Appeal filed by Mr. Kamal Rathi had held that he used to operate two Benami Bank A/c s in the name of Mr. Ganesh Ghadge. Mr. Kamal Rathi forged the signature of Mr. Ganesh Ghadge by using the KYC details provided by him. The said observations of Ld. CIT were upheld by Hon'ble Income Tax Tribunal in Appeal Nos. 7759 & 7760/Mum/2019 vide order dated 27.10.2022 in the matter between Mr. Kamal Rathi vs DCIT, CC-4 (3).*

6.12. *That in the impugned order Noticee No. 24 i.e. Alliance Intermediaries and Network Pvt. Ltd, a stockbroker, had also stated that transactions were done by Mr. Kamal Rathi in the off market related to the Kolkata group and was using the names of his employees, and he being one of them..*

6.13. *That the Second Notice of hearing issued by the SEBI on 16.01.2015 reflected a glaring inconsistency, it recorded the address of Manish Rathi as Flat No. 15, 1st Floor, Hiren Shopping Centre, Goregaon (W), Mumbai; the very same address which SEBI also claimed to be his, whereas, from the sale deed dated 07.02.2006, registered with Sub-Registrar Borivali No. 3 in the name of Mr. Kamal Rathi, it is evident that Mr. Kamal Rathi had used the address Flat No. 15, 1st Floor, Hiren Shopping Centre,* *Goregaon (W), Mumbai in relation to the Benami Bank Accounts and Proprietary Firm in question.*

6.14. *That on 21.01.2025 ICICI Bank DN Road Fort and Goregaon West Branch confirmed that that his actual signature on Pan Card was not matching with the signature in Bank's Record of Benami Bank account.*

CONSIDERATION OF ISSUES AND FINDINGS

7. In view of the directions of Hon'ble SAT, the issues that arise for consideration before the undersigned are as under:

   ISSUE No. I: Whether the Noticee violated various provisions of PFUTP Regulations, as alleged in the SCN?

   ISSUE No. II: Do the violations, if any, attract monetary penalty u/s 15HA of the SEBI Act?

   ISSUE No. III: If so, what should be the monetary penalty that should be imposed upon the Noticee, after taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the SEBI Adjudication Rules?

8. Before moving forward, it is pertinent to refer to the relevant provisions which are alleged to have been violated by the Noticee. The said provisions are reproduced hereunder:

   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

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

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves any of the following:—

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

(b)dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities.

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

ISSUE No. I: Whether the Noticee violated various provisions of PFUTP Regulations, as alleged in the SCN?

9. **Alleged violation by the Noticee, based on the Investigation findings;**

9.1 It was observed from the SCN that there were three groups viz, Promoter group, Kolkata Group and Manish Rathi Group and one common entity named Alliance Intermediaries & Network Ltd, which were alleged to be involved in the price manipulation. Noticee, proprietor of Amizara Securities & Finance (hereinafter referred to as "*Amizara*") along with some other entities were alleged to be part of Manish Rathi Group. It was observed that Amizara had received shares in the off-market from OITL Promoter, viz Keystone Stock Finance Ltd, and also from VRP Financial Services Ltd (Pradeep Dhanuka) and had transferred shares in the off-market to several Manish Rathi Group entities. Further, some of the entities were observed to have transferred OITL shares in the off-market to the Noticee and several entities.

9.2 Apart from the connection detailed above, it was observed from the CDSL demat account statement of the Noticee, (a/c no.:1205280000001142) that OITL shares were credited to his Beneficiary Owner (BO) account on January 06, 2009 in the off-market, and counterparty BO for the said transaction was Keystones, a promoter entity of OITL. OITL vide letter dated May 24, 2010 had submitted that Keystone had sold the same quantity of shares @ Rs 69.15 per share and one Ms Tanu Agrawal sold 95,400 OITL shares on the exchange during the last week of August 2009. The company had also submitted that no major corporate announcements were made during the IP. Further, on the same day, Noticee was observed to have received another 28,194 shares from VRP (another promoter entity of OITL), whereby the total quantity of OITL shares in his demat account amounted to 1,00,000 as on January 06, 2009.

9.3 In view of the above, it was alleged that Noticee being part of a Manish Rathi group was connected with other entities directly or indirectly, and so was the case with the other groups. Further, Noticee was observed to be one of the top 10 clients on the basis of gross purchase, gross sales and net purchase of shares of OITL, during the IP, and was observed to have predominantly sold shares in the off-market and purchased OITL shares on the exchange.

9.4 Further, Noticee was observed to have been involved in circular trading with other entities and further it was observed that during the price rise patch I period, i.e. for the period from January 29, 2009 to February 18, 2009, the price of the scrip of OITL touched new high levels on 27 occasions, with buy trades from Noticee (6 times) accounted for a majority of the same. Noticee was also observed to have executed 1 first trade and out of the total 15 first trades during patch-1, first trades of the Noticee (Rs 3.65) together with another entity accounted for a price rise of Rs 25.00.

9.5 Noticee was also observed to be one of the top LTP contributors through 1824 trades with a net positive impact of Rs 131.05 and during the patch-I LTP analysis, it was observed that the second largest net positive impact on the price of the scrip was done by Noticee, who placed 255 trades, which contributed Rs 37.6 to the rise in scrip price along with another entity.

9.6 During the IP, it was observed that there were 420 synchronized trades aggregating to 5,97,097 shares, and out of these 420 trades, Manish Rathi group entities were involved in 7 trades aggregating to 30,129 shares.

9.7 It was observed during the IP, that Noticee had placed self-trades to the tune of 1,02,251 shares respectively and all 64 self-trades by the Noticee were placed through one broker viz; SIC Stocks & Services Pvt. Ltd. The impact of the self-trades on the price of the scrip is summarized as under:

Name of Entity	No. of Self Trades	Total Qty of Shares	LTP Impact<0 (no.s)	LTP Impact=0 (no.s)	LTP Impact>0 (no.s)	Net Impact of all Self Trades (`)
Indra Pratap Singh	64	1,02,251	4	57	3	15.05

9.8 Thus, it was alleged that, Kolkata Group had aided and abetted Promoter Group and Manish Rathi Group in creating artificial volumes and price manipulation in the scrip of OITL by transferring 97,500 shares of OITL to Alliance and which in turn had transferred the shares in off-market to Manish Rathi group, which had undertaken circular/reversal trades.

9.9 Thus, from the above, it was found that circular/ reversal trades between the Promoter Group and Manish Rathi Group members on exchange & off-market, were not just a co-incidence and the same was observed to have indicated their concerted effort and manipulative intent. The trades of the Promoter Group and Manish Rathi Group members were observed to be with the intention not to transfer the beneficial ownership of the shares of OITL but with an intention to operate only as a device to create false, misleading appearance of trading and fluctuation in the price of the scrip of OITL i.e. increasing the price of the OITL scrip and also to create artificial volume & price manipulation in the scrip of OITL for wrongful gains.

Based on the above, it was alleged that Noticee has violated Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(b), 4(2)(d), 4(2)(e) and 4(2) (g) of PFUTP Regulations.

10. **Findings with respect to the alleged violation**

10.1 I note that the limited scope of the instant proceedings is to examine the role of Noticee and not the other entities in the impugned AO order. Noticee in his submission has strongly rebutted the allegations levelled against him and the same is based on the following documentary evidences, provided by the Noticee;

10.1.1 Copy of the statement recorded with the Assistant Police Inspector, Goregaon Police Station on March 03, 2025.

10.1.2 Copy of the Statement recorded by the Sub-Inspector of Police, M.R.A Marg Police Station, Mumbai.

10.1.3 Copy of the Agreement for sale dated February 07, 2006.

10.1.4 Copy of the Statement given by Mr. Kamal Rathi u/s. 131 of Income Tax Act, 1961 to the Deputy Director of Income Tax (Inv.) Unit-I (4), Mumbai.

10.1.5 Legal Notice u/s 335 & 318 of BNS sent by Advocate of the Noticee to Mr.Kamal Rathi on October 28, 2024.

10.1.6 Banami Bank Account Signature mismatch letters from ICICI Bank.

10.2 I note that the Noticee has asserted that he had not received the SCN, SSCN, Hearing Notice and the adjudication order dated August 02, 2019, and the same stance was also placed by him before the Hon'ble SAT, wherein Noticee had submitted that he came to know about the order only when the Recovery proceedings were initiated against him. In this regard, I find pertinent to note that the address of the Noticee on record was 15B, 1st Floor, Hiren Shopping Centre, Goregaon (W), Mumbai-400 062 and telephone no. 28781495. It was this address, wherein Noticee was served the said Notices and impugned order, whereas actual address of the Noticee as observed from the SAT order is C-45, 12th Floor, Sai Baba Enclave Tower, Building 3, SV Road, Goregaon West, Mumbai- 4000 104.

10.3 I now proceed to deal with the contentions raised by the Noticee. With respect to the contention of the Noticee that the alleged transactions were not undertaken by him as his Demat account was opened by his employer Mr. Kamal Rathi, Proprietor of Rathi KK, Chartered Accountant & Co, with whom he was associated from 2004-2009, and his further submission that he was unaware of the existence of Amizara Securities & Finance, I note that Noticee has provided a copy of

Agreement for sale (Annexure C to his reply) dated February 07, 2006, executed between one Smt. Laxmidevi Ragheshyam Mandowara, who was the transferor and Mr. Kamal Rathi, who was the transferee of the *"Flat No-15, 1st Floor, Hiren Shopping Centre Co-op Housing Society Ltd Goregaon(W), Mumbai 400 062"* for a total consideration of Rs 2 lakhs. Further, I note from page no 22 of the said Annexure that Smt. Laxmidevi R Mandowara had acknowledged the receipt of Rs 1 lakh from Mr. Kamal Rathi, as a part consideration for the said flat. Thus, this shows that the address on which Hearing Notice, SCN, SSCN and the impugned AO order were served upon the Noticee belonged to Mr. Kamal Rathi and not the Noticee.

10.4 As regards submission of the Noticee, that he was not aware of any share transactions and subsequent fund transfers on his name, and about existence of a proprietary concern i.e. Amizara at the address, 15B, 1st Floor, Hiren Shopping Centre, Goregaon (W), Mumbai – 400 062 and that Mr. Kamal Rathi had forged the relevant IDs, documents and even his signatures in the name of completing KYC formalities, to open the said Benami Proprietorship concern and had illegally declared him as its proprietorship without his knowledge, I note that Noticee has provided a copy of letters dated January 21, 2025 and January 22, 2025, addressed to the Branch Manager of ICICI Bank, Goregaon West Branch, and also to the Branch Manager, ICICI Bank, Navsari Building, 240, DN Road, Fort, Mumbai respectively. From the said letters, I note that the Noticee had requested the bank to confirm whether his signature on PAN card matched with the signature in bank account of Amizara Securities & Finance. Upon perusal of the said letters, I note that the banks responded in negative with respect to the matching of signature with the signature of the Noticee on his PAN Card.

10.5 With respect to the submission of the Noticee that he had filed a complaint with police, subsequent to which, his statement was recorded with the Goregaon police station and MRA Marg police station on March 03, 2025 and April 14, 2025 respectively, regarding the fraud and forgery played upon by Mr. Kamal Rathi, on him and opening benami proprietorship concern and relevant bank account on the name his name, I note that Noticee has provided a copy of statement recorded before the police, as Annexure A, as also mentioned at para 12.1a above. From the said statement before the police, I note that Noticee had submitted that his

KYC documents were fraudulently used by Mr. Kamal Rathi, to open bank account no. 623506000142 with ICICI Bank, Nvasari Branch, Fort, Mumbai, on the name of Amizara without his knowledge, while he was employed with his firm till 2009. I also note from the said statement that Noticee has mentioned that Mr. Kamal Rathi had cheated him by forging his signature and his KYC details. Further, I note that a similar statement was recorded before the police at Goregaon Police station. Thus, from the above, prima-facie, it appears that the KYC details of the Noticee were misused by Mr. Kamal Rathi to his advantage, to transact in shares of OITL during the IP.

10.6 It appears that the Noticee was not even aware of the fraud being played upon him. The aforesaid also shows that the Noticee was not a signatory of the bank account of Amizara with ICICI Bank, and therefore, it can be concluded that Noticee was not operating the bank account of Amizara. Further, I note from the copy of PAN card provided by the Noticee on record that the signature on the PAN card matches with the signature on the letters addressed by the Noticee to the banks, and the same signature is observed to be not matching with the signature in the bank account of Amizara, which exhibits that the Noticee was unaware of the opening and operating of account on his name.

10.7 In addition to the above, I note that the Noticee provided a copy of Statement of Mr.Kamal Rathi, recorded u/s. 131 of Income Tax Act, 1961 before the Deputy Director of Income Tax (Inv.) Unit-I (4), Mumbai on October 22, 2010, as Annexure D to his reply. The relevant extract of which is mentioned as under:

> ***5.*** *A survey u/s 133 A of the Income Tax Act was conducted on your premise at 15B, Hiren Shopping Centre, S.V. Road, Goregaon (W), Mumbai & R. No. 12/D, 26/28, Nirnay Sagar Building, 1st Floor, M.B. Velkar Road, Kalbadevi on 26/08/2010. Please confirm the same.*
>
> ***Ans:*** *Yes, Sir I confirm that. I also confirm whatever has been stated in two statements recorded u/s. 133A during the course of survey proceedings at my office premises on 26/08/2010 and statement recorded at my Kalbadevi Premises.*
>
> ***7.*** *Please state the addresses from where you operate?*
>
> *Ans: I operate my above referred business from 15B, Hiren Shopping Centre, S.V. Road, Goregaon (W), Mumbai and I have a branch at R. No. 12/D, 26/28, Nirnay*

Sagar Building, 1st Floor, M.B. Velkar Road, Kalbadevi, from where my employee Mr. Jitendra Chandrabhan Singh operates who does the basic work of cash collection and cash disbursal.

8. *Please elaborate your occupation and the modus of your operations.*

Ans. For the purpose of my occupation, I have opened various concerns such as

1. *Koyal Commercial Pvt. Ltd.*
2. *Luxer properties Pvt. Ltd.*
3. *Elderado properties Pvt. Ltd.*
4. *Winfotech Systems Pvt. Ltd.*
5. *Suresh Rathod Consultants Pvt. Ltd.*
6. *Mature Holdings Pvt. Ltd.*7. *Shree Nakod Terry towels Private Limited*
8. *Ecro Artisans Pvt. Ltd.*
9. *Durga Prasad and Company*
10. *Govind Sharda and Company*
11. *Vijay Bhagwandas and Company*
12. *Adventure India*
13. *Altra Clean Operations*

14. Amizara Securities and Finance

15. *Amizara securities and Finance Pvt. Ltd*

And several bank accounts in the names of the above mentioned concerns.

15. *Please provide the list of demat accounts used by you for the purposes of giving such bogus entries?*

Ans. *Sir, following is the list of demat accounts which have been used by me for providing bogus LTCG entries. All these persons in whose names the demat accounts have been opened are my employees and I have used their demat accounts as benami accounts for giving LTCG entries.*

Name of the demat a/c holder	*Demat Account No.*	*Name of the DP*
Indrapratap Gajraj Singh	***1205280000001142***	***SIC Stock & Services Pvt Ltd***
Jitendra Chandrabhan Singh	*1205280000002171*	*SIC Stock & Services Pvt Ltd*
Manish Devendra Rathi	*1203030000046552*	*Ajmera Associates Ltd*
Manish Devendra Rathi	*IN30198310511795*	*Arihant Capital Markets Ltd*
Ravindra Mahadeo Matal	*1203280000003422*	*SIC Stock & Services Pvt Ltd*

10.8 From the answer to the questions 5 and 6 above, I note that the office premise at Flat-15B, Hiren Shopping Centre, Goregaon (W), Mumbai 4000 062, was owned by Mr. Kamal Rathi. In answer to question no-8 regarding the concerns opened by him, Mr Rathi admitted of having opened Amizara and also confirmed opening of Demat account no. 1205280000001142, with the DP, SIC Stock & Services Ltd on the name of the Noticee for the purpose of using the said demat account of the Noticee as benami account for providing bogus LTCG entries. Further, I note from the page 36 of the said Annexure, that Mr. Kamal Rathi voluntary offered an amount of Rs 5 lakhs for FY 2008-09, Rs 35 lakhs for the FY 2009-10, and Rs 25 lakhs for the FY 2010-11, thus totaling to Rs 65 lakhs, for the purpose of taxation over and above his income.

10.9 Further, I note from the copy of order in the matter of Mr. Kamal Rathi vs DCIT, CC-4 (3), dated 27.10.2022, passed by Hon'ble Income Tax Appellate Tribunal (ITAT) in appeal Nos. 7759 & 7760/Mum/2019, provided by the Noticee, as Annexure F, to his reply, that an appeal was filed by Mr. Kamal Rathi before the Commissioner of Income Tax challenging the order of Assessing Officer on the grounds mentioned in the said order. Noticee relied upon the statement of one Mr. Ganesh Ghadge, which finds its mention in the said order. The relevant extracts of the same are reproduced below:

5.3 The contentions of the assessee have been duly considered. As regards the contention of the assessee that Shri Ganesh Ghadge had inadvertently mentioned his name as the operator of the said benami bank accounts to the Investigation Wing, it is observed from the statement on oath recorded of Shri Ganesh Ghadge by the Investigation Wing dated 19.02.2011 that in a series of questions, Shri Ganesh Ghadge has confirmed that the said bank accounts were being operated by the assessee himself. The relevant portion of the statement of Shri Ganesh Ghadge is reproduced as under:-

"Q.9. Please provide a list of Companies/Firms/Concerns in which you are director/partner/proprietor at present and in past.

Ans. Sir, I am not aware of the fact that I am/was associated with any other concern as director/partner. However, I used to sign certain documents presented before me by Shri Kamal Kishore Rathi, Chartered Accountant.

Q. 10. For which period of time would you sign papers presented before you by Shri Kamal Kishore Rathi?

Ans. Sir, to the best of my knowledge starting from the year 2011 to 2015 I used to sign such papers presented before me by Shri Kamal Kishore Rathi.

Q.11. What made you to sign papers presented by Shri Kamal Kishore Rathi, CA without having knowledge of the content.
Ans. I was given a commission of approximately Rs. 50,000/- to Rs. 60,000/- per annum for signing the papers. Apart from signing the papers, I was not involved in any other job towards these receipts.

Q. 14. Give details of Bank accounts opened by you on being asked by Shri Kamal Kishore Rathi?
Ans. Sir, I do not remember. But I can say that I visited few banks for opening accounts on being asked by Shri Kamal Kishore Rathi. I used to sign the KYC & other documents without seeing them. I also used to sign the cheque book whenever presented by Shri Kamal Kishore Rathi to me. I want to say that it was Shri Kamal Kishore Rathi who has operating all the bank accounts opened in my name or in the name of entities including companies to which I was director and made authorized signatory of bank.

Q. 16. Can you tell me the genuineness or economic rationale behind the transactions in your DMAT account, trading account, bank account held in your name or in accounts in which you were made authorized signatory?
Ans. Sir I do not know the economic rationale behind the transactions. I was acting as dummy. It is Shri Kamal Kishore Rathi who can explain.

Q. 17. As per MCA, you are/were director/share holder in many companies. Do you know the address, nature of business and any details about the companies?
Ans. Sir, I want to say that I was only dummy director signing the paper presented by Shri Kamal Kishore Rathi. As I know all the companies were managed and controlled by Shri Kamal Kishore Rathi."

10.10 To further substantiate his claim, Noticee provided copy of legal notice dated October 28, 2024, issued by his Advocate to Mr.Kamal Rathi, with copy of the same to the Branch Managers of ICICI Bank and also to ICAI, regarding the forgery committed on him u/s 335 and 318 of Bhartiya Nyaya Sanhita (BNS), as discussed in the pre-paras above.

11. In view of the foregoing, I note from the material that it prima-facie appears that Noticee's role was entirely passive and non-consensual, and he remained unaware

of his involvement in securities market transactions until enforcement action was initiated against him years later. This further gets strengthened by the legal recourses opted by the Noticee, after the suspected fraud played upon him, came to his knowledge, which was not only limited to lodging complaint with the police but also issuing legal notice to the perpetrator.

12. In light of the above, I do not find that the material on record is sufficient to establish that Noticee has violated Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (d), (e), (g) of PFUTP Regulations.

13. As the violations in respect of the Noticee have not been established, Issues II and III do not require any consideration.

ORDER

14. In view of the foregoing, the Adjudication proceedings initiated against the Noticee vide the SCN and SSCN dated August 23, 2013 and October 29, 2014 respectively are disposed of.

15. In terms of Rule 6 of the SEBI Adjudication Rules, a copy of this order is sent to the Noticee and also to SEBI.

AMIT KAPOOR
Digitally signed by AMIT KAPOOR
Date: 2025.11.27 10:40:03 +05'30'

Place: Mumbai **AMIT KAPOOR**

Date: November 27, 2025 **ADJUDICATING OFFICER**