BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/GN/2022-23/18528-18529]

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

In respect of:

Noticee No.	Noticee Name	PAN
1	Mr. Roshan Kumar Arun Mandal	CXPPM6045P
2	Mr. Ajay Dhirajlal Nathwani	AJGPN1996D

In the matter of
Mohit Industries Limited

BACKGROUND:

1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) received complaints alleging receipt of SMS urging investors to buy the scrip of Mohit Industries Limited (hereinafter referred to as **Company/ Mohit Industries**) and allegedly assuring them of price rise. Pursuant to this SEBI conducted an investigation during the period from November 14, 2017 to January 29, 2018 (hereinafter referred to as **Investigation Period** / **IP**), to ascertain whether there was any violation of the provisions 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**) and Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **SEBI Act**) by Roshan Kumar Arun Mandal (hereinafter referred to as **'Noticee 1'**) and Ajay Dhirajlal Nathwani (hereinafter referred to as **'Noticee 2'**) in trading in the scrip of Mohit Industries during the IP.

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI, vide order dated March 11, 2022, appointed the undersigned as the Adjudicating Officer under Section 19 of SEBI Act read with Sub-section (1) of Section 15I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'SEBI Adjudication Rules') to inquire into and adjudge under the provisions of :

   i. Section 15HA of SEBI Act, 1992, for the alleged violations of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations by Noticee 1.

   ii. Section 15HA of SEBI Act, 1992, for the alleged violations of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations by Noticee 2.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice (hereinafter referred to as **"SCN"**) no. SEBI/EAD-3/BM/GN/23261/2022 and SEBI/EAD-3/BM/GN/23265/2022 dated June 03, 2022 was issued to the Noticee No. 1 and Noticee No. 2 respectively under rule 4(1) 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 **SEBI Rules**) to show cause as to why an inquiry should not be held against them in terms of Rule 4 of Adjudication Rules read with Section 15-I (1) & (2) of SEBI Act, and penalty, if any, be not imposed on Noticees under Section 15HA of SEBI Act, 1992 for the alleged violations of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations by Noticee 1 and for the alleged violations of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations by Noticee 2.

4. The allegations levelled against the Noticee1 and Noticee 2 are summarized below:

i. Investigation observed the SMSes regarding Mohit Industries quoted "BUY Mohit Industries Ltd" (531453) CMP Rs. 57.85, TGT Rs 64, Dont forget STOP LOSS @ Rs. 54, visit: www.mohitindustries.com, Going to setup new plant in Ahmedabad" were circulated.

ii. However, Mohit Industries on January 12, 2018, clarified to BSE that they have not made any announcement/statement for setting up new plant in Ahmedabad and they strongly deny such types of rumors.

iii. During investigation, it was observed that bulk SMS were getting circulated in the market during November 2017 and January 2018. SMS were sent in two patches i.e November 15-29, 2017 (hereinafter referred to as **SMS Patch 1**) and January 3-9, 2018 (hereinafter referred to as **SMS Patch 2**).

iv. The price of the scrip increased from Rs. 44.40 on November 15, 2017 to Rs. 54.20 on November 29, 2017 and from Rs. 48.00 on January 3, 2018 to Rs. 55.75 on January 9, 2018. Further, there was an increase in the average trading volume in the scrip by approx. 10.63 times during the SMS patch 1 and approx. 7.74 times during SMS patch 2. As a result of the bulk SMS, there was an increase in number of shareholders in the scrip by approx. 160% and 305% post SMS patch 1 and post SMS patch 2, respectively.

v. It was observed by SEBI, that the SMS recipients bought 1,56,26,504 shares of the scrip in SMS patch 1 and thereby contributed 69.59% to gross market volume and bought 1,16,56,465 shares of the scrip in SMS patch 2 and thereby allegedly contributed 76.24% to gross market volume.

vi. Though the price of the scrip was rising, there was not much change in the financials of the Company nor were there any significant corporate announcements. Hence, it prima facie appears that when the bulk SMS were being sent, price rise in the scrip was not supported by the fundamentals of the Company.

vii. SEBI observed that the promoter group (hereinafter referred to as **Group 1**) started selling shares from the SMS Patch 1 and continued to do so during and after SMS patch 2. In SMS patch 1, they sold approx. 3 lakhs shares, 1.66 lakhs shares in SMS patch 2 and approx. 18.58 lakhs shares in post SMS patch 2. Majority of the shares sold by them were picked by Noticee 1, Noticee 2 and Mr, Siva Balan Jaipal.

viii. Noticee 1, Noticee 2 and Mr. Siva Balan Jaipal was trading substantially (i.e. both buy and sell trades) across all patches but had never traded in this scrip in the last 4 years. They had gross trade contribution of 19.54% in SMS patch 1 and 9.94% in SMS patch 2. Their trades were matched repeatedly amongst themselves and with the Group 1. They picked up more than 85% of the shares sold by the Group 1.

ix. It was also observed from the KYC of Noticee 2 that he was trading worth crores of rupees, however no documents were available supporting his financial position.

Transfer of funds by Noticee 1 to Smart Technology and Circulation of SMSes

x. As per the ICICI bank statement of Smart Technology, Noticee 1 had made fund transfers of Rs. 10 Lakhs into the account of Smart Technology approximately a month prior to SMSes recommending buying of scrip of Mohit Industries were sent. Relevant details are mentioned below:

Date	Particulars	Deposited Amount
26-09-2017	NEFT-AXIR172692602693-ROSHAN ARUN KUMAR MANDAL	Rs. 5,00,000
27-09-2017	NEFT-AXIR172702830226-ROSHAN ARUN KUMAR MANDAL	Rs. 5,00,000

xi. Noticee 1 individually had bought 30,050 shares & sold 1,38,000 shares in BSE and in NSE, bought 4,43,204 shares & sold 2,35,254 shares in the scrip of Mohit Industries during the Investigation Period. Noticee 1 , Noticee 2 and Siva Balan Jaipal together bought 13,42,828 shares & sold 15,38,561 shares in BSE and in

NSE, bought 82,38,769 shares & sold 80,45,339 during the Investigation Period. The number of shares bought and sold together by them as a group are identical.

xii. SEBI observed that, there was substantial change in the number of shareholders, before and after the bulk SMS:

As on date	No. of Shareholders
November 14, 2017 (Pre-SMS)	2,087
November 29, 2017 (end of (1st SMS period)	5,443
December 29, 2017 (After 1 month)	8,381
January 9. 2018 (end of 2nd SMS period)	8,471

xiii. Taking into consideration, the clarification issued by Mohit Industries to BSE and increase in shareholders post SMS patch, it has been alleged that the circulated SMSes were false and misleading in nature.

xiv. In view of the above facts, it is alleged that Noticee 1 had transferred the funds to Smart Technology before circulation of SMSes recommending buying of the scrip and subsequently traded in the scrip along with Noticee 2 and Siva Balan Jaipal. Therefore, the transactions involving buy and sell were carried out for creating volumes in the market.

xv. In view of the above, it is alleged that Noticee 1 has violated Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (k) of SEBI (PFUTP) Regulations, 2003.

Price Volume Analysis

xvi. The opening, closing, low and high price of the scrip along with average number of shares traded during the investigation period at BSE & NSE are provided below into four Patches i.e.

Period	Dates
Patch 1 (Rise)	14/11/2017-27/11/2017
Patch 2 (Fall)	28/11/2017-01/01/2018

Patch 3 (Rise)	02/01/2018-08/01/2018
Patch 4 (Fall)	09/01/2018-29/01/2018

Price Volume Analysis (BSE):

Period	**Dates**		**Opening Price /volume on first day of the period (Rs)**	**Closing price/volume on last day of the period (Rs.)**	**Low price/volume during the period (Rs.)**	**High Price/volume during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period**
Patch 1	(14/11/2017-27/11/2017)	Price	41.05	58.70	39.00 (14/11/2017)	61.05 (27/11/2017)	2,85,712.10
		Vol.	79,518	5,03,460	79,518 (14/11/2017)	5,45,713 (16/11/2017)	
Patch 2	(28/11/2017-01/01/2018)	Price	58.75	44.5	42 (08/12/2017)	61.4 (28/11/2017)	99,248.50
		Vol.	3,62,047	16,629	16,629 (01/01/2018)	4,78,414 (29/11/2017)	
Patch 3	(02/01/2018-08/01/2018)	Price	45	60.75	43.05 (02/01/2018)	66.65 (04/01/2018)	4,42,618.6
		Vol.	46,901	2,16,872	46,901 (02/01/2018)	9,40,130 (04/01/2018)	
Patch 4	(09/01/2018-29/01/2018)	Price	61.6	40.30	39.55 (29/01/2018)	61.6 (09/01/2018)	2,06,066.3
		Vol.	2,47,064	81,654	43,758 (22/01/2018)	6,05,738 (11/01/2018)	

xvii. During the period of investigation, the price of the scrip opened at Rs. 41.05/- on November 14, 2017, touched a high of Rs. 66.65/- on January 4, 2018 and closed at Rs. 40.30/- on January 29, 2018. The average daily traded volume during the period was 1,95,039.70 and total traded volume was 1,03,37,106 for 53 trading days.

Price Volume Analysis (NSE):

Period	Dates		Opening Price /volume on first day of the period (Rs)	Closing price/volume on last day of the period (Rs.)	Low price/volume during the period (Rs.)	High Price/volume during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Patch 1	**14/11/2017-27/11/2017)**	**Price**	40	58.60	38.60 (14/11/2017)	61.10 (27/11/2017)	15,71,903.50
		Vol.	1,80,882	25,82,782	1,80,882 (14/11/2017)	26,13,558 (16/11/2017)	
Patch 2	**(28/11/2017-01/01/2018)**	**Price**	59.25	44.60	41.25 (14/12/2017)	61.50 28/11/2017	45,43,96.83
		Vol.	16,71,701	1,53,830	1,28,996 (28/12/2017)	16,71,701 (28/11/2017)	
Patch 3	**(02/01/2018-08/01/2018)**	**Price**	44.5	60.85	43.35 (02/01/2018)	66.70 (04/01/2018)	23,45,102.60
		Vol.	3,15,072	12,91,051	3,15,072 (02/01/2018)	65,24,817 (04/01/2018)	
Patch 4	**(09/01/2018-29/01/2018)**	**Price**	61.60	40.45	39.55 (29/01/2018)	61.70 (09/01/2018)	8,12,320.85
		Vol.	14,65,442	3,44,721	1,79,388 (22/01/2018)	24,08,153 (11/01/2018)	

xviii. During the period of investigation, the price of the scrip opened at Rs. 40.00/- on November 14, 2017, touched a high of Rs. 66.70/- on January 4, 2018 and closed at Rs. 40.45/- on January 29, 2018. The average daily traded volume during the period was 9,38,161.58 and total traded volume was 4,97,22,564 for 53 trading days.

Analysis of trades by Promoters/Directors (Group 1 entities) and Noticee 2

xix. From the analysis of trading done by Group 1 entities on BSE and NSE, it was observed that the Group 1 had sold their shares mostly in Patch 4 and very miniscule amount in other 3 patches. The Group 1 haven't bought any shares during IP. Relevant details are mentioned below:

Exchange	Period of Trading for Group 1	No. of Shares Sold	Percentage of shares Sold
BSE	**In Patch 4**	**440000**	**99.34%**
	In Patch 1, Patch 2 & Patch 3	2941	0.66%
	During Inspection Period	442941	100%
NSE	**In Patch 4**	**14,53,675**	**89.45%**
	In Patch 1, Patch 2 & Patch 3	1,71,445	10.55%
	During Inspection Period	16,25,120	100%

xx. It was observed that the top counter party for sell trades of the Group 1 in Patch 4 was Noticee 2. On BSE, 97.36% of shares sold by the Group 1 were bought by Noticee 2 and on NSE, 90.34% of shares sold by the Group 1 entities were bought by Noticee 2.

xxi. It was also observed that the top counter party for buy trades of Noticee 2 in Patch 4 were Group 1 entities. On BSE, 73.11% of shares bought by Noticee 2 were sold by the Group 1 and on NSE 51.21% of shares bought by Noticee 2 were sold by the Group 1. Details are mentioned below:

Exchange	Shares bought by Noticee 2 in Patch 4	No. of Shares bought	Percentage of shares bought
BSE	**From Group 1**	**4,28,403**	**73.11%**
	From Others	1,57,567	26.89%
	Total	5,85,970	100%
NSE	**From Group 1**	**13,13,231**	**51.21%**
	From Others	12,51,157	48.79%
	Total	25,64,388	100%

xxii. It was observed from the abovementioned analysis that Group 1 sold their shares mostly in Patch 4 and their top counter party was Noticee 2. Further, top counter party for Noticee 2 in Patch 4 were Group 1.

xxiii. As mentioned above, the Group 1 had sold their shares mostly in Patch 4 and the top counter party for the Group 1 was Noticee 2. Therefore, trading volume of Noticee 2 in Patch 4 on BSE and NSE was analyzed, which is presented below:

Date	BSE		NSE	
	Buy Quantity	**Sell Quantity**	**Buy Quantity**	**Sell Quantity**
09/01/2018	47,916	74,916	3,70,273	4,13,273
10/01/2018	24,538	29,538	2,15,353	2,15,353
11/01/2018	1,84,000	1,59,000	6,74,248	6,52,637
12/01/2018	47,311	44,955	1,52,071	1,57,371
17/01/2018	1,42,000	1,42,000	5,85,975	5,85,975
18/01/2018	22,519	50,519	1,04,303	92,303
23/01/2018	6,800		-	-
25/01/2018	54,511	79,511	1,17,883	1,25,383
29/01/2018	27,267	10,175	-	-
Total	**5,85,970 (20.31%)**	**5,70,821 (19.79%)**	**25,64,388 (22.55%)**	**26,57,188 (23.37%)**

xxiv. It was observed that on most of the days of patch 4, Noticee 2 had bought as well as sold identical number shares on both BSE and NSE. Further, Noticee 2 had traded approximately 20% of market volume on BSE and 23% of market volume on NSE in Patch 4, which is alleged to be substantial in comparison to other entities. As equal number of shares were bought and sold in substantial quantity, trade volumes inflated. Therefore, it is alleged that the transactions were carried out for creating volumes in the market.

5. In view of the above observations, it is alleged that Noticee 2 has violated Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) of SEBI (PFUTP) Regulations, 2003.

6. The SCNs were issued at the last known addresses of Noticee 1 and Noticee 2 through Speed Post Acknowledgment Due (SPAD) which was returned Undelivered. SCNs were also sent through Digitally Signed E-mail which was

delivered and the delivery of the notices are on record. However, Noticee 1 and Noticee 2 did not file any reply to the SCNs. Hearing opportunities were also given to the Noticees. Vide hearing Notice dated June 29, 2022 Noticee 1 & Noticee 2 were advised to appear for hearing on July 18, 2022. Hearing Notice was sent via SPAD which was returned undelivered, subsequently the notices were delivered via digitally signed email dated 30/06/2022, the delivery of which is on record. Second opportunity of hearing was given to Noticee 1 & 2 on 02/08/2022 vide email dated 19/07/2022 which was also delivered. However Noticee 1&2 did not avail of the second hearing opportunities also. I note that sufficient opportunities have been given to Noticees 1 and Noticee 2 to represent their case and the principles of natural justice have been complied with. It is observed that, despite service of the SCN and hearing notices through Digitally Signed E-mail, Noticee 1 and Noticee 2 did not respond and avail the opportunity of personal appearance. The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Sanjay Kumar Tayal & Ors. v. SEBI(in appeal No. 68/2013) decided on February 11, 2014, held that "...*appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceeding and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices*". Since no replies to the SCN was filed by Noticee 1 and Noticee 2, it can be reasonably presumed that the allegations have been admitted to by Noticee 1 and Noticee 2 in this case.

7. In view of the above, I am compelled to proceed ex-parte in the matter against Noticee 1 and Noticee 2. I am of the view that Noticee 1 and Noticee 2 has nothing to submit and in terms of Rule 4(7) of SEBI Adjudication Rules, the matter is proceeded ex-parte on the basis of material available on record.

ISSUES FOR CONSIDERATION, EVIDENCE AND FINDINGS

8. I have taken into consideration the facts and circumstances of the case and the material available on record. The issues that arise for consideration in the present case are:

ISSUE I: a) Whether Noticee1 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations.

b) Whether Noticee 2 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations.

ISSUE II: Does the violation, if any, on part of the Noticee 1 and Noticee 2 attract penalty under Section for 15HA of SEBI Act.

ISSUE III: If so, how much penalty should be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act?

9. Before proceeding further, it will be appropriate to refer the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) and 4(2)(a) of PFUTP Regulations alleged to have been violated by the Noticees. The texts of the alleged provisions are as under-

10. Regulation 12A of SEBI Act, 1992- Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

    Regulation 12A- 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 recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

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

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

Regulation 3 of SEBI (PFUTP) Regulation, 2003 - Prohibition of certain dealings in securities

Regulation 3- 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.

Regulation 4 of SEBI (PFUTP) Regulation, 2003 - Prohibition of manipulative, fraudulent and unfair trade practices

Regulation 4(1)- Without prejudice to the provisions of regulation 3,no person shall indulge in a [manipulative,] fraudulent or an unfair trade practice in securities [markets].

[Explanation.–For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.]

Regulation 4(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

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

FINDINGS

11. On perusal of the material available on record and giving regard to the facts and circumstances of the case I record my findings hereunder:

ISSUE I: a) Whether Noticee1 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations.

b) Whether Noticee 2 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations.

12. Mohit Industries Limited is a public limited company and is listed on BSE and NSE. The company is engaged in the business of textiles.

13. The details of the Directors and other KMP of the company during the investigation period are as follows:-

Sl. No.	Name	Designation	PAN
1	Narayan Sitaram Saboo	Managing Director	ADEPS9319P
2	Naresh Sitaram Saboo	Director	ACTPS6382E
3	Sitaram Nandlal Saboo	Director & Chairman	ADZPS7529N
4	Manish Narayan Saboo	Director & CFO	AUXPS0007N
5	Jayesh Rasiklal Gandhi	Director	ADZPG0115G
6	Sachinkumar Pramod Jain	Director	AAXPJ5213F
7	Harmil Jatinbhai Shah	Director	BADPS9997L
8	Pragya Rahul Memani	Director	BDMPM4260N
9	Swati Shriomprakash Malu	Company Secretary & Compliance Officer	BRJPM2970E

Shareholding Pattern:

14. Details of no. of shares held and percentage of shareholding for promoters and promoter group i.e Group 1:

Sl. No.	**Quarter ended**	**March 2018**		**December 2017**		**September 2017**		**June 2017**	
	Name of the Shareholder	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**
1	Mohit Yarns Limited	1970609	13.92	1970609	13.92	2040609	14.41	2040609	14.41
2	Mohit Overseas Limited	1598622	11.29	1598622	11.29	1598622	11.29	1598622	11.29
3	Mask Investments Limited	1428881	10.09	1428881	10.09	1498881	10.59	1498881	10.59
4	Narayan Sitaram Saboo	444069	3.14	824069	5.82	894069	6.32	894069	6.32
5	Madhu Narayan Saboo	280651	1.98	660651	4.67	750651	5.30	825651	5.83
6	Mohit Exim Private Limited	600000	4.24	600000	4.24	600000	4.24	600000	4.24
7	Sitaram Nandlal Saboo	240021	1.70	550021	3.88	550021	3.88	550021	3.88
8	Mohit Narayan Saboo	162836	1.15	302836	2.14	302836	2.14	302836	2.14
9	Narayan Sitaram Saboo HUF	27866	0.20	197866	1.40	197866	1.40	272866	1.93
10	Naresh Sitaram Saboo	78424	0.55	268424	1.90	268424	1.90	268424	1.90
11	Manish N. Saboo	75440	0.53	265440	1.87	265440	1.87	265440	1.87
12	Ayushi Manish Saboo	60000	0.42	200000	1.41	200000	1.41	200000	1.41
13	Sonia N Saboo	60000	0.42	200000	1.41	200000	1.41	200000	1.41

Sl. No.	Quarter ended	March 2018		December 2017		September 2017		June 2017	
	Name of the Shareholder	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**	**No. of Shares**	**% share holding**
14	Sitaram Nandlal Saboo HUF	30100	0.21	130100	0.92	150000	1.06	150000	1.06
	Total	7057519	49.85	9197519	64.97	9517419	67.22	9667419	68.28

Financial Results:

Figures (in Rs. Cr)	March 2017	June 2017	September 2017	December 2017
Total Income	36.78	42.39	45.16	45.91
Expenditure	-36.91	-40.69	-43.54	-44.50
Net Profit	-0.73	0.42	0.45	0.25
EPS	-0.52	0.30	0.32	0.17

15. Mohit Industries registered net loss of Rs. -0.73 in March 2017 and net profit of Rs. 0.42 crore, Rs. 0.45 crore and Rs. 0.25 crore for the quarters March 2017, June 2017, September 2017 and December 2017 respectively.

Corporate Announcements:

16. Major corporate announcements for the period of examination is given below:

Date	Subject	Announcement
September 6, 2017	Board Meeting	Company informed BSE that Board meeting will be held on September 14, 2017 at Registered Office, inter alia, to consider and approve Unaudited Financial Results of the Company for the quarter ended 30th June, 2017
September 6, 2017	Financial Result for June 30, 2017	Company informed BSE that Board meeting will be held on September 14, 2017 at Registered Office, inter alia, to consider and approve Unaudited Financial Results of the Company for the quarter ended 30th June, 2017 It was informed that income from operations, total income and expenses have gone up and net profit and EPS have gone down, as compared to same quarter previous year.
November 10, 2017	Clarification on News Item	Exchange has sought clarification from Company w.r.t SMS tip sent by MIDCAP-GURU dated November 21, 2017 quoting “insider news co. to declare bonus 4:1on 28 November”

		Company clarified to BSE that they have not made any declaration/statement on issue of bonus shares and they strongly deny such types of rumours.
December 6, 2017	Closure of trading window	Company informed BSE that pursuant to company's Code of conduct for PIT, the trading window shall remain closed, for directors and designated persons, for dealing in securities of the Company, from December 7-16, 2017 (both days inclusive) and shall re-open after the completion of forty eight hours from the publication of financial Result.
December 14, 2017	Outcome of Board meeting	The BoD considered and approved the Unaudited Standalone and Consolidated Financial results for the quarter and half year ended on 30th September, 2017. It was observed that the total income and net profit for the quarter had gone up as compared to the previous quarter.
January 12, 2018	Clarification on News Item	Exchange sought clarification from Company w.r.t news appeared in SMS dated January 12, 2018 quoting "Going to setup new plant in Ahmedabad." Company clarified to BSE that they have not made any announcement/statement for setting up new plant in Ahmedabad and they strongly deny such types of rumours.

Price Volume Analysis

17. The opening, closing, low and high price of the scrip along with average number of shares traded during the investigation period at BSE & NSE are provided below into four Patches i.e.

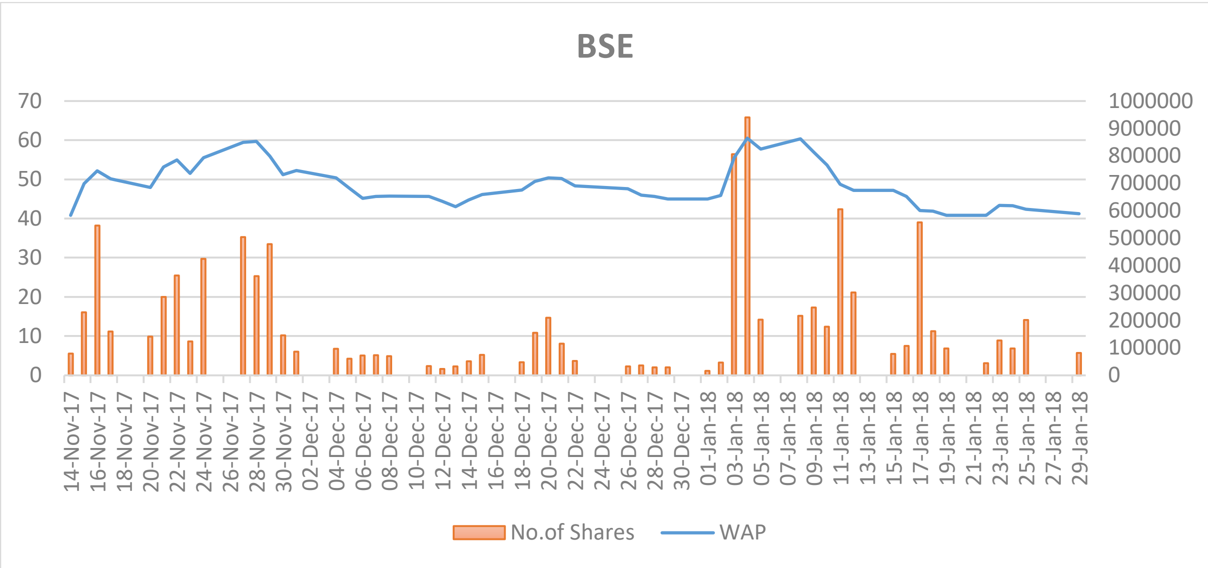
Period	**Dates**
Patch 1 (Rise)	14/11/2017-27/11/2017
Patch 2 (Fall)	28/11/2017-01/01/2018
Patch 3 (Rise)	02/01/2018-08/01/2018
Patch 4 (Fall)	09/01/2018-29/01/2018

Price Volume Analysis (BSE):

Period	**Dates**		**Opening Price /volume on first day of the period (Rs)**	**Closing price/volume on last day of the period (Rs.)**	**Low price/volume during the period (Rs.)**	**High Price/volume during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period**
Patch 1	(14/11/2017-27/11/2017)	Price	41.05	58.70	39.00 (14/11/2017)	61.05 (27/11/2017)	2,85,712.10
		Vol.	79,518	5,03,460	79,518 (14/11/2017)	5,45,713 (16/11/2017)	
Patch 2	(28/11/2017-01/01/2018)	Price	58.75	44.5	42 (08/12/2017)	61.4 (28/11/2017)	99,248.50

		Vol.	3,62,047	16,629	16,629 (01/01/2018)	4,78,414 (29/11/2017)	
Patch 3	(02/01/2018-08/01/2018)	Price	45	60.75	43.05 (02/01/2018)	66.65 (04/01/2018)	4,42,618.6
		Vol.	46,901	2,16,872	46,901 (02/01/2018)	9,40,130 (04/01/2018)	
Patch 4	(09/01/2018-29/01/2018)	Price	61.6	40.30	39.55 (29/01/2018)	61.6 (09/01/2018)	2,06,066.3
		Vol.	2,47,064	81,654	43,758 (22/01/2018)	6,05,738 (11/01/2018)	

The price volume chart is as follows:

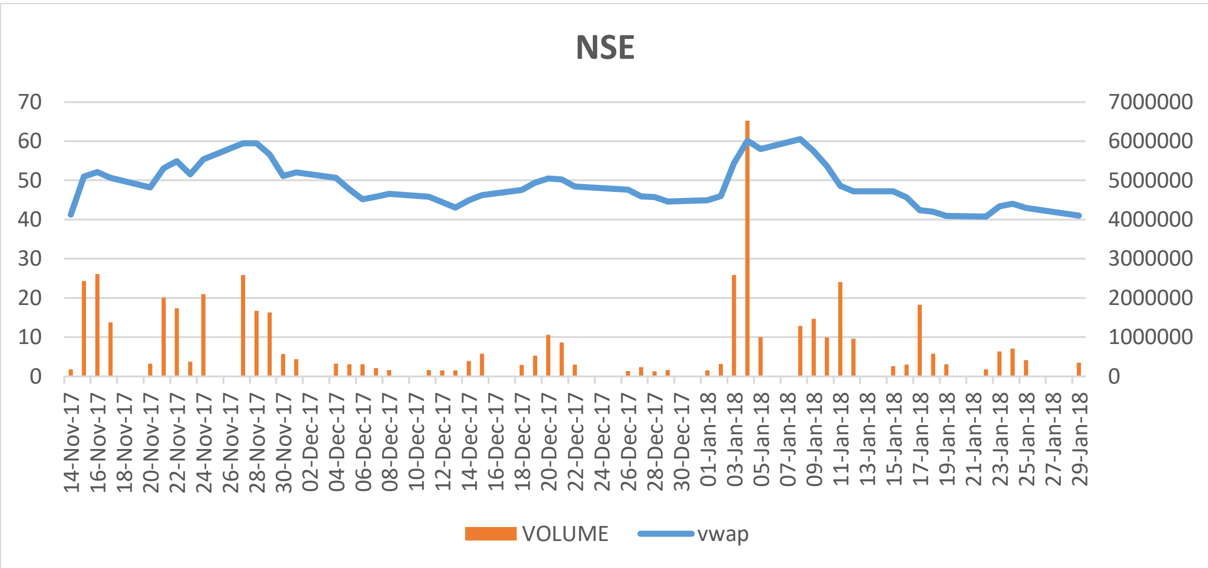


18. During the period of investigation, the price of the scrip opened at Rs. 41.05/- on November 14, 2017, touched a high of Rs. 66.65/- on January 4, 2018 and closed at Rs. 40.30/- on January 29, 2018. The average daily traded volume during the period was 1,95,039.70 and total traded volume was 1,03,37,106 for 53 trading days.

Price Volume Analysis (NSE):

Period	Dates		Opening Price /volume on first day of the period (Rs)	Closing price/volume on last day of the period (Rs.)	Low price/volume during the period (Rs.)	High Price/volume during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Patch 1	**14/11/2017-27/11/2017)**	**Price**	40	58.60	38.60 (14/11/2017)	61.10 (27/11/2017)	15,71,903.50
		Vol.	1,80,882	25,82,782	1,80,882 (14/11/2017)	26,13,558 (16/11/2017)	
Patch 2	**(28/11/2017-01/01/2018)**	**Price**	59.25	44.60	41.25 (14/12/2017)	61.50 28/11/2017	45,43,96.83
		Vol.	16,71,701	1,53,830	1,28,996 (28/12/2017)	16,71,701 (28/11/2017)	
Patch 3	**(02/01/2018-08/01/2018)**	**Price**	44.5	60.85	43.35 (02/01/2018)	66.70 (04/01/2018)	23,45,102.60
		Vol.	3,15,072	12,91,051	3,15,072 (02/01/2018)	65,24,817 (04/01/2018)	
Patch 4	**(09/01/2018-29/01/2018)**	**Price**	61.60	40.45	39.55 (29/01/2018)	61.70 (09/01/2018)	8,12,320.85
		Vol.	14,65,442	3,44,721	1,79,388 (22/01/2018)	24,08,153 (11/01/2018)	

The price volume chart is as follows:



19. During the period of investigation, the price of the scrip opened at Rs. 40.00/- on November 14, 2017, touched a high of Rs. 66.70/- on January 4, 2018 and closed at Rs. 40.45/- on January 29, 2018. The average daily traded volume during the period was 9,38,161.58 and total traded volume was 4,97,22,564 for 53 trading days.

20. Investigation observed the SMSes regarding Mohit Industries quoted "BUY Mohit Industries Ltd" (531453) CMP Rs. 57.85, TGT Rs 64, Dont forget STOP LOSS @ Rs. 54,visit: www.mohitindustries.com,Going to setup new plant in Ahmedabad" were circulated.

21. Mohit Industries on January 12, 2018, clarified to BSE that they have not made any announcement/statement for setting up new plant in Ahmedabad and they strongly deny such types of rumors.

22. During investigation, it was observed that bulk SMS were getting circulated in the market during November 2017 and January 2018. SMS were sent in two patches i.e November 15-29, 2017 (hereinafter referred to as **SMS Patch 1**) and January 3-9, 2018 (hereinafter referred to as **SMS Patch 2**).

23. There was substantial change in the number of shareholders before and after the bulk SMS as given below:

As on date	**No. of Shareholders**
November 14, 2017 (Pre-SMS)	2,087
November 29, 2017 (end of (1st SMS period)	5,443
December 29, 2017 (After 1 month)	8,381
January 9. 2018 (end of 2nd SMS period)	8,471

24. The price of the scrip increased from Rs. 44.40 on November 15, 2017 to Rs. 54.20 on November 29, 2017 and from Rs. 48.00 on January 3, 2018 to Rs. 55.75 on January 9, 2018.

25. It was observed that the SMS recipients bought 1,56,26,504 shares of the scrip in SMS patch 1 and thereby contributed 69.59% to gross market volume and bought

1,16,56,465 shares of the scrip in SMS patch 2 and thereby contributed 76.24% to gross market volume.

26. SEBI observed that the promoter group (hereinafter referred to as **Group 1**) started selling shares from the SMS Patch 1 and continued to do so during and after SMS patch 2. In SMS patch 1, they sold approx. 3 lakhs shares, 1.66 lakhs shares in SMS patch 2 and approx. 18.58 lakhs shares in post SMS patch 2. Majority of the shares sold by them were picked by Noticee 1, Noticee 2 and Mr, Siva Balan Jaipal.

27. Noticee 1, Noticee 2 and Mr. Siva Balan Jaipal was trading (i.e. both buy and sell trades) across all patches but had never traded in this scrip in the last 4 years. They had gross trade contribution of 19.54% in SMS patch 1 and 9.94% in SMS patch 2.

28. I observe from the above analysis that Noticee 1, Noticee 2 and Siva Prasad Jaipal were trading in the scrip during the period 14/11/2017 to 29/01/2018 On analysis of trading detail of Noticee 1, Noticee 2 and Siva Prasad Jaipal it is observed that they traded during the Investigation Period as follows:

Trading details of Noticee 1, Noticee 2 and Siva Prasad Jaipal at BSE-

Client name	Buy Traded Qty	% Buytq	Sell Traded Qty	% Selltq
Ajay Dhirajlal Nathwani	1130533	10.23%	1131036	10.23%
Siva Balan Jaipal	182245	1.65%	269525	2.44%
Roshan Kumar Arun Mandal	30050	0.27%	138000	1.25%

Trading details of Noticee 1, Noticee 2 and Siva Prasad Jaipal at NSE-

Client name	Buy Traded Qty	%Buytq	Sell Traded Qty	%Selltq
Ajay Nathwani	6117507	12.07%	6119307	12.08%
Siva Balan Jaipal	1678058	3.31%	1590778	3.14%
Roshan Kumar Arun Mandal	443204	0.87%	335254	0.66%

29. From the above, I observe that the trading done by the Siva Balan Jaipal was very insignificant. However the concentration of buy and sell by Noticee 2 is substantial.

30. As per the ICICI bank statement of Smart Technology, Noticee 1 had made fund transfers of Rs. 10 Lakhs into the account of Smart Technology approximately a month prior to SMSes recommending buying of scrip of Mohit Industries were sent. Relevant details are mentioned below:

Date	**Particulars**	**Deposited Amount**
26-09-2017	NEFT-AXIR172692602693-ROSHAN ARUN KUMAR MANDAL	Rs. 5,00,000
27-09-2017	NEFT-AXIR172702830226-ROSHAN ARUN KUMAR MANDAL	Rs. 5,00,000

31. Noticee 1 individually had bought 30,050 shares & sold 1,38,000 shares in BSE and in NSE, bought 4,43,204 shares & sold 2,35,254 shares in the scrip of Mohit Industries during the Investigation Period. Noticee 1 and Noticee 2 together bought 11,60,583 shares & sold 12,69,036 shares in BSE and in NSE, bought 65,60,711 shares & sold 64,54,561 during the Investigation Period. The number of shares bought and sold together by them as a group are almost identical.

32. I also observe that there was substantial change in the number of shareholders, before and after the bulk SMS as given below:

As on date	**No. of Shareholders**	**Increased by**
November 14, 2017 (Pre-SMS)	2,087	-
November 29, 2017 (end of (1st SMS period)	5,443	2.6 times
December 29, 2017 (After 1 month)	8,381	3.99 times
January 9. 2018 (end of 2nd SMS period)	8,471	4.05 times

33. I observe that at BSE during the period of Investigation price of the scrip opened at Rs. 41.05 on November 14, 2017 touched a high of Rs. 66.65/- on January 04, 2018 and closed at Rs. 40.30/- on January 29, 2018 and the average daily traded volume during the period was 1,95,039.70 and total traded volume was 1,03,37,106 for 53 trading days. I further observe that at NSE during the period of Investigation, the price of the scrip opened at Rs. 40.00/- on November 14, 2017, touched a high of Rs. 66.70/- on January 4, 2018 and closed at Rs. 40.45/- on January 29, 2018.

The average daily traded volume during the period was 9,38,161.58 and total traded volume was 4,97,22,564 for 53 trading days. The fundamentals and corporate announcement made by the company does not justify the increase in the price and volume of the scrip. Further I observe from the clarification given by the Company that the SMSes which was circulated stating for setting up new plant in Ahmedabad was false. During the period when SMSes where being circulated the number of shareholders increased substantially as can be seen from para 32 above. Before the IP, the total trading volume in the scrip on BSE and NSE was 19,19,681 which was increased to 1,52,89,139 during SMS Patch 2. Further, there was an increase in the average trading volume in the scrip by approx. 10.63 times during the SMS patch 1 and approx. 7.74 times during SMS patch 2. Thus, the SMSes which were giving false information, led to increase in the volume of the scrip. Noticee 1 had transferred the funds to Smart Technology before circulation of SMSes recommending buying of the scrip and subsequently traded in the scrip along with Noticee 2.

34. Noticee1 did not respond to the SCN or appeared for hearing. With respect to the alleged violation he has not submitted any response. Thus it can be construed that he is admitting to the allegations as made in the SCN. I am therefore convinced that the circulation of SMS giving false recommendation was designed to create artificial market and influence the decision of the investors dealing in the securities. Hence it can be concluded that Noticee 1 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations.

b) : Whether Noticee 2 has violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations.

35. From the analysis of trading done by Promoters/Directors (Group 1 entities) on BSE and NSE, I observe that the Group 1 had sold their shares mostly in Patch 4 and very miniscule amount in other 3 patches. The Group 1 haven’t bought any shares during IP. Relevant details are mentioned below:

Exchange	Period of Trading for Group 1	No. of Shares Sold	Percentage of shares Sold
BSE	**In Patch 4**	**440000**	**99.34%**
	In Patch 1, Patch 2 & Patch 3	2941	0.66%
	During Inspection Period	442941	100%
NSE	**In Patch 4**	**14,53,675**	**89.45%**
	In Patch 1, Patch 2 & Patch 3	1,71,445	10.55%
	During Inspection Period	16,25,120	100%

36. I observe that the top counter party for sell trades of the Group 1 in Patch 4 was Noticee 2. On BSE, 97.36% of shares sold by the Group 1 were bought by Noticee 2 and on NSE, 90.34% of shares sold by the Group 2 entities were bought by Noticee 2. Relevant details are mentioned below:

Exchange	Shares sold by Group 1 in Patch 4	No. of Shares Sold	Percentage of shares Sold
BSE	**to Noticee 2**	**4,28,403**	**97.36%**
	to Others	11,597	2.64%
	Total	4,40,000	100%
NSE	**to Noticee 2**	**13,13,231**	**90.34%**
	to Others	1,40,444	9.66%
	Total	14,53,675	100%

37. I also observe that the top counter party for buy trades of Noticee 2 in Patch 4 were Group 1 entities. On BSE, 73.11% of shares bought by Noticee 2 were sold by the Group 1 and on NSE 51.21% of shares bought by Noticee 2 were sold by the Group 1. Details are mentioned below:

Exchange	Shares bought by Ntoicee 2 in Patch 4	No. of Shares bought	Percentage of shares bought
BSE	**From Group 1**	**4,28,403**	**73.11%**
	From Others	1,57,567	26.89%
	Total	5,85,970	100%
NSE	**From Group 1**	**13,13,231**	**51.21%**
	From Others	12,51,157	48.79%
	Total	25,64,388	100%

38. From the abovementioned analysis it is observed that Group 1 sold their shares mostly in Patch 4 and their top counter party was Noticee 2. Further, top counter party for Noticee 2 in Patch 4 were Group 1.

39. As mentioned above, the Group 1 had sold their shares mostly in Patch 4 and the top counter party for the Group 1 was Noticee 2. From the analysis of trading volume of Noticee 2 in Patch 4 on BSE and NSE it is observed as follows:

Date	BSE		NSE	
	Buy Quantity	Sell Quantity	Buy Quantity	Sell Quantity
09/01/2018	47,916	74,916	3,70,273	4,13,273
10/01/2018	24,538	29,538	2,15,353	2,15,353
11/01/2018	1,84,000	1,59,000	6,74,248	6,52,637
12/01/2018	47,311	44,955	1,52,071	1,57,371
17/01/2018	1,42,000	1,42,000	5,85,975	5,85,975
18/01/2018	22,519	50,519	1,04,303	92,303
23/01/2018	6,800		-	-
25/01/2018	54,511	79,511	1,17,883	1,25,383
29/01/2018	27,267	10,175	-	-
Total	**5,85,970 (20.31%)**	**5,70,821 (19.79%)**	**25,64,388 (22.55%)**	**26,57,188 (23.37%)**

40. I observe that on most of the days of patch 4, Noticee 2 bought as well as sold almost identical number shares on both BSE and NSE. Further, Noticee 2 traded approximately 20% of market volume on BSE and 23% of market volume on NSE in Patch 4, which is observed to be substantial in comparison to other entities. The number of shares bought and sold by Noticee 2 are identical. I observe that the promoter/directors had sold their shares mostly in patch 4 and top counter party for sell trades of the promoters/directors in Patch 4 was Noticee 2. As stated above, on BSE, 97.36% of shares sold by the promoter/directors entities were bought by Noticee 2 and on NSE, 90.34% of shares sold by the promoter/directors entities were bought by Noticee 2. I further observe that at BSE the average daily traded volume during the Investigation period was 1,95,039.70 and total traded volume was 1,03,37,106 for 53 trading days and at NSE average daily traded volume during the Investigation period was 9,38,161.58 and total traded volume was 4,97,22,564 for 53 trading days. Further as stated above there was no corporate announcement to justify increase in the volume of the scrip. The average trading value of the scrip from September 14, 2017 to November 14, 2017 was 58,819 which increased to 2,09,944 for the period in which SMSes were received i.e. November 15, 2017 to January 17, 2018. Thus, the transactions of Noticee 2 led to creation of artificial

volume which was fraudulent in nature to lure the other investors in dealing in the scrip.

41. Noticee 2 did not respond to the SCN or appear for hearing. With respect to the alleged violation he has not submitted any response. Thus it can be construed that he is admitting to the allegations as made in the SCN. In view of the above it is concluded that Noticee 2 has violated Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) of SEBI (PFUTP) Regulations, 2003.

ISSUE II: Does the violation, if any, on part of the Noticee 1 and Noticee 2 attract penalty under Section for 15HA of SEBI Act.

42. As has been established in foregoing paragraphs Noticee 1 has violated the Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations, and Noticee 2 has violated the Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations.

43. The Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Ram Mutual Fund interalia held *" once the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established then the penalty is to follow."*

44. Therefore, I am convinced that it is a fit case for imposition of penalty under the provisions of Section 15HA of the SEBI Act, which reads as given below:

Penalty for fraudulent and unfair trade practices.

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

ISSUE III: If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

45. While determining the quantum of penalty under sections 15HA of the SEBI Act, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

15J - Factors to be taken into account by the adjudicating officer

While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default."

46. The material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticee and the loss, if any, and suffered by the investors as a result of the Noticee's failure. However, I note that the Noticees entered into fraudulent trade which has the effect of disrupting the securities market and has the potential to mislead and induce genuine investors to trade in the scrip. This violation of the Noticees, if dealt with lightly could seriously undermine investors confidence in the securities market and has to be viewed seriously and calls for appropriate penalty.

ORDER

47. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, the purpose of SEBI PFUTP Regulations 2003, taking note of Section 15HA of the SEBI Act, and also taking into account judgment of the Hon'ble Supreme Court in *SEBI vs. Bhavesh Pabari (2019) 5 SCC 90* and in exercise of power conferred upon me

under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15HA of the SEBI Act, 1992 on the Noticee:

Name of entity	Provisions violated	Penalty (Rs.)
Mr. Roshan Kumar Arun Mandal	Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(k) of PFUTP Regulations	20,00,000/- (Rupees Twenty Lakh Only)
Mr. Ajay Dhirajlal Nathwani	Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) of PFUTP Regulations	20,00,000/- (Rupees Twenty Lakh Only)

48. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

49. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT → Orders → Orders of AO → PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

50. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department 1 DRA-4),

Securities and Exchange Board of India, SEBI Bhavan, Plot No. C/7, “G” Block BKC, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.” The Noticee shall also provide the following details while forwarding DD / payment information:

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

51. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

52. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee 1 Mr. Roshan Kumar Arun Mandal, Noticee 2 Mr. Ajay Dhirajlal Nathwani and also to the Securities and Exchange Board of India.

Place: Mumbai **BARNALI MUKHERJEE**

Date: August 25, 2022 **ADJUDICATING OFFICER**