



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

SANGEETA RATHOD  
ADJUDICATION OFFICER &  
DEPUTY GENERAL MANAGER  
Email: sangeetar@sebi.gov.in

BY SPAD

SEBI/HO/EAD/E&AO/SR/SM/OW/ 28334/3/2018  
October 09, 2018

|                                                                                           |                                                                                                                                           |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chenaram C Rar</b><br>Rameswar Fating, Lapka Road,<br>Mauda Road, Nagpur-441104        | <b>Lalit Loya</b><br>Ambedkar Square, Bypass Road,<br>Reatkar Layout,<br>Umrer, Nagpur – 441203                                           |
| <b>Sukhram Prajapat</b><br>36, Hiwari Nagar,<br>Beside Patil Flour Mill,<br>Nagpur-441203 | <b>Umardan Khariya</b><br>Ramji Agri Business Pvt. Ltd,<br>Viday Amar Fulzale,<br>Ambedkar Square, Bypass Road,<br>Umrer, Nagpur - 441203 |

**Sub: Supplementary Show Cause Notice in the matter of Sanjay Dangi, his associates and other entities in Murli Industries Ltd. and other scrips**

1. Show Cause Notices dated December 28, 2012 (hereinafter also referred to as SCN) ) were issued to Chenaram C Rar (hereinafter referred to as Noticee 1), Sukhram Prajapat (hereinafter also referred to as Noticee 2), Lalit Loya (hereinafter referred to as Noticee 3) and Umardan Khariya (hereinafter also referred to as Noticee 4) (hereinafter collectively referred to as Noticees) under rule 4 of Securities and Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (hereinafter also referred to as AO Rules, 2005) were issued by Shri Piyush Gupta, Adjudicating Officer (AO). Copy of the said SCN is enclosed at **Annexure A**. Before me certain other Adjudicating Officers were also appointed in succession in the instant matter and finally the matter was transferred to me and I was appointed as Adjudicating Officer vide order dated July 10, 2017.



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



अनुवर्ती :  
Continuation :

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

2. In the said SCN, the Noticees were alleged to have violated the provisions of section 2(i) of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as **SCRA, 1956**) read with (r/w) sections 13 and 18(1) of SCRA, 1956. However the competent authority has approved the amendment of alleged violation provisions from section 2(i) of SCRA, 1956 r/w sections 13 and 18(1) of SCRA, 1956 to section 2(i) of SCRA, 1956 r/w sections 16 and 18(1) of SCRA, 1956 by the Noticees. And the undersigned has been communicated of the amended violation provisions vide communique dated August 21, 2017. Copy of the communique is enclosed at **Annexure-B**. In view of this, instant supplementary Show Cause Notice is being issued.
3. Noticees are hereby advised to read the alleged violation sections as section 2(i) of SCRA, 1956 r/w sections 16 and 18(1) of SCRA, 1956 instead of section 2(i) of SCRA, 1956 r/w sections 13 and 18(1) of SCRA, 1956, which is mentioned in the aforementioned SCN dated December 28, 2012. Section 2(i) of SCRA, 1956 r/w sections 16 and 18(1) of SCRA, 1956 reads as under:

**Section 2(i) of the SCRA, 1956**

*"Spot delivery contract" means a contract which provides for, -*

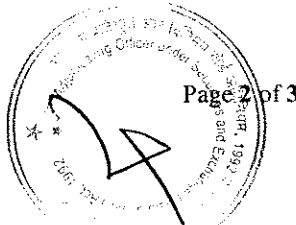
- (a) actual delivery of securities and the payment of a price therefor either on the same day as the date of the contract or on the next day, the actual period taken for the dispatch of the securities or the remittance of money therefor through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality;*
- (b) transfer of the securities by the depository from the account of a beneficial owner to the account of another beneficial owner when such securities are dealt with by a depository;*

**Contracts and Options in Securities**

**Section 16 of the SCRA, 1956**

**Power to prohibit contracts in certain cases.**

16. (1) If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein.
- (2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of notification issued thereunder shall be illegal.





अनुवर्ती :  
Continuation :

भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

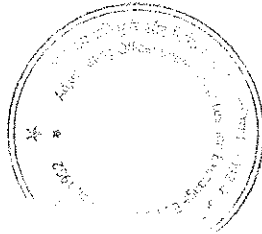
**Section 18 of the SCRA, 1956**

**Exclusion of spot delivery contracts from sections 13, 14, 15 and 17.**

18. (1) Nothing contained in sections 13, 14, 15 and 17 shall apply to spot delivery contracts.

4. You are therefore advised to offer your reply on the above within 15 days from the date of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record. You may also indicate whether you desire a personal hearing in the matter.
5. Further, in case there is any change in your address or contact details during the period of the current Adjudication proceedings, the same may be brought to the notice of the Adjudicating Officer immediately.

  
**Sangeeta Rathod**  
**Adjudicating Officer**



**Enclosures:**

1. Annexure A - Copy of SCN dated December 28, 2012
2. Annexure B - Copy of communique dated August 21, 2017

**Copy to:**

**PDS & Associates, 93, 9<sup>th</sup> Floor, Sakhar Bhavan, Nariman Point, Mumbai - 400021**