BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. Order/AK/AS/2023-24/27395

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

Bharat Babubhai Trivedi
(PAN – ACDPT8077B)
D/4 – 77, "Shashwat", Sector 3-C,
Amba Township Pvt Ltd, Trimandir Sankul,
Dist: Gandhinagar, Adalaj, Gujarat – 382 421.

In the matter of Midvalley Entertainment Ltd

BACKGROUND OF THE CASE

1. The scrip of Midvalley Entertainment Ltd. (hereinafter referred to as **"MVEL"**) was listed on the platform of Bombay Stock Exchange (hereinafter referred to as **"BSE"**) on January 27, 2011, pursuant to IPO. Shares of MVEL were allotted under IPO at a price of Rs. 70/-per equity share. There was a fall in its price on listing day, i.e. January 27, 2011, wherein the price first touched a low of Rs. 55/-per share intraday and finally closed at Rs. 58.05 per share, witnessing a fall of 17% from its IPO allotment price on listing day. During the next one month i.e. from January 28, 2011 to February 28, 2011, the price of the scrip saw a further fall to Rs. 50.50/-per share (as on February 10, 2011) and then witnessed a sudden increase, whereby the price touched high of Rs. 99.15/-per share (as on February 25, 2011) and closed at Rs. 89.15/- on February 28, 2011. Therefore, an investigation was conducted by Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) in the matter of IPO of MVEL for the period of January 27, 2011 to February 28, 2011 (hereinafter referred to as **"Investigation Period/ IP"**).

2. Based on the findings of said investigation, Adjudication Proceedings were initiated against certain entities. Vide Show Cause Notice dated January 20, 2017 (hereinafter referred to as **"SCN"**) and Supplementary Show Cause Notice dated May 07, 2021 (hereinafter referred to as **"Supplementary SCN"**), it was alleged, inter alia, that Bharat Babubhai Trivedi (hereinafter referred to as **"Noticee"**) violated the provisions of Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as **"PFUTP Regulations"**) r/w Section 12A (a), (b) and (c) of the SEBI Act, 1992 (hereinafter referred to as **"SEBI Act"**). Vide Adjudication Order ref no Order/PM/GD/2022-23/16782-16811 dated May 31, 2022, penalty of Rs 5,00,000/- was imposed, interalia, on the Noticee under Section 15HA of the SEBI Act.

3. The Noticee challenged the said order before Hon'ble Securities Appellate Tribunal (hereinafter referred to as **"SAT"**) vide Misc. Application No. 654 of 2023 and Appeal No.438 of 2023, on the grounds that proper opportunity of hearing was not accorded to him. Hon'ble SAT allowed the appeal, vide Order dated May 16, 2023, and held that,

   "2. Having heard the learned counsel for the parties, we of the opinion that the controversy involved in the present appeal is squarely covered by a decision of this Tribunal in Mr. K. Murugavel vs. SEBI, Appeal No.61 of 2023.

   3. In view of the aforesaid and in the absence of proper opportunity of hearing being granted to the appellant the impugned order cannot be sustained and is quashed in so far as the appellant is concerned. The matter is remitted to the Adjudicating Officer to decide the matter afresh in accordance with law.

   4. In this regard, the appellant shall appear before the Adjudicating Officer on 5th June, 2023 on which date the matter will proceed in accordance with law".

APPOINTMENT OF ADJUDICATING OFFICER

4. Pursuant to the aforesaid directions of the Hon'ble SAT, SEBI, in exercise of powers under Section 19 r/w Section 15-I of the SEBI Act and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as

the **“Adjudication Rules”**), appointed the undersigned as the Adjudicating Officer (AO), vide communication dated May 19, 2023, to inquire into and adjudge under Section 15-I r/w Section 15HA of the SEBI Act, the alleged violations by the Noticee.

SHOW CAUSE NOTICE AND PERSONAL HEARING

5. As directed by Hon’ble SAT, vide email dated May 24, 2023, the Noticee was granted the opportunity of personal hearing on June 05, 2023. During the course of hearing, Adv Mahir Abhaykumar Shah and Adv Dharshanadivya Subramanian appeared on behalf of the Noticee and made the following submissions:
   5.1 The SCN in the matter was issued after a delay of more than 6 years, and the instant proceedings must be set aside on this ground alone.
   5.2 The bank transactions allegedly undertaken by the Noticee were not fraudulent, as the Noticee was not aware of the source of funds.
   5.3 The alleged violations by the Noticee were carried out when there was no minimum penalty prescribed as per applicable penalty provisions. Therefore, lesser penalty must be levied on the Noticee in accordance with the applicable penalty provisions at the time of alleged violations.

   Further, time till June 08, 2023 was granted to the Noticee to make written submissions, if any, which was done by Noticee, vide email dated June 07, 2023.

CONSIDERATION OF ISSUES AND FINDINGS

6. The issues that arise for consideration are as under:
   6.1 Whether the Noticee violated the provisions of Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of the PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act?
   6.2 If yes, whether the violations, if any, attract monetary penalty under the provisions of Section 15HA of the SEBI Act? If so, what quantum of monetary penalty should be imposed on the Noticee after taking into consideration the factors mentioned in Section 15J of the SEBI Act?

7. Before I proceed with the matter, it is pertinent to mention the relevant legal provisions alleged to have been violated by the Noticee and the same are reproduced below:

SEBI Act

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

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;

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.

<u>4. Prohibition of manipulative, fraudulent and unfair trade practices</u>

(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;

(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;

8. Before proceeding to consider the matter on merits, I note that the Noticee has contended that the instant proceedings must be set aside on the ground of inordinate delay of 6 years in the issuance of SCN. In this regard, Noticee has relied upon the judgement of the Hon'ble Supreme Court in the matter of *Bhavesh Pabari vs SEBI* and of the Hon'ble SAT in the matters of *Morepen Laboratories Ltd. vs SEBI, Bharat J Patel vs SEBI, ICICI Bank Limited v SEBI, Ashok Shivlal Rupani and Ors. Vs SEBI, Ashlesh Gunvantbhai Shah & Ors. v SEBI, Aditi Dalal vs SEBI and Rajeev Bhanot & Ors. Vs SEBI.* In this regard, I note that investigation in the instant matter was initiated and SEBI officials first visited MVEL's office in Chennai in the course of said investigation, on November 22 and 23, 2012. Thereafter, as certain entities were not complying with the request for information, formal investigation in the matter was started on August 04, 2015. After the completion of formal investigation in the matter, Adjudication Proceedings were approved against the Noticee, and parallel proceedings viz. Adjudication proceedings u/s 15HA of the SEBI Act and

proceedings u/s 11(1), 11(4) and 11B of the SEBI Act were approved against certain other entities in the same matter, on September 30, 2016. Thereafter, Show Cause Notice dated January 20, 2017 was issued by the erstwhile AO. Simultaneously, Order dated February 18, 2020 was passed u/s 11, 11(4) and 11B of the SEBI Act in the matter. Further, as part of the Adjudication Proceedings, Supplementary SCN was issued on May 07, 2021. After the culmination of Adjudication Proceedings, AO Order dated May 31, 2022 was passed. Thereafter, Hon'ble SAT remanded the matter in respect of the Noticee, vide order as detailed in paragraph 3. Pursuant to the said order, the instant proceedings were initiated. From the sequence of events, I note that detailed investigation in the matter, correspondence with multiple Noticees post issuance of SCN, including the service of SCN and conduct of personal hearings, in the course of erstwhile proceedings consumed substantial time. Therefore, I note that the time gap in the matter serves as a factor which will be relied upon as a mitigating factor while considering the matter, and deciding quantum of monetary penalty, if any. However, I note that the time consumed in the whole process was legitimate and hence, the same cannot be the grounds to set aside the instant proceedings.

Issue No. I: Whether the Noticee violated the provisions of Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of the PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act?

9. The allegations against the Noticee are summarized below:

9.1 During the investigation, upon perusal of the bank statements of various bank accounts of MVEL, it was observed that MVEL had transferred proceeds of the IPO to 4 entities as suppliers for meeting the objects of RHP. The 4 entities were namely, (i) Aman Tie Up Pvt Ltd (hereinafter referred to as **"Aman Tie-Up"**), (ii) Eduexel Infotainment Ltd, (iii) Aswin Logistics Ventures and (iv) Omni Ax's Software Ltd.

9.2 However, the aforesaid entities did not appear in the list of its suppliers appearing under the heading 'Equipments' at page 62 of the Ref Herring Prospectus (RHP) from whom MVEL had claimed to have sought quotes. Therefore, it was observed that MVEL had provided false list of suppliers and the real entities to whom it has claimed to have transferred funds for meeting the objects of RHP/Prospectus had not been disclosed to the public.

9.3 Out of Rs. 60 Crore raised from the IPO, MVEL received Rs. 57 Crore after deduction of merchant banker fees of Rs. 3 Crore. MVEL had mentioned 'Renovation and up-gradation of cinema infrastructure with Digital Equipment and other related assets for select 100 screens' as second objective of IPO on page 61 and 62 in its Prospectus and had earmarked a sum of Rs. 25.95 Crore for this purpose. In this regard, MVEL also provided the details of 3 suppliers namely Real Image Media Technologies Private Limited, GM Audio Techniques and Voltas for the purpose of purchasing equipments.

9.4 However, the Investigation observed from the bank account statements of MVEL that that no money was transferred to the abovementioned suppliers. Instead, MVEL had transferred an amount of Rs. 28 Crore on January 25, 2011 to Aman Tie-Up. Based on Bank Statements of MVEL for Account No. 007W11639050 maintained with IndusInd Bank, the Investigation observed that the following transactions had taken place between Aman Tie-Up and MVEL before and after IPO:

Before IPO				
Sr. No.	**Date**	**Funds from**	**Funds to**	**Amount (In Rs.)**
1	28/12/2010	Aman Tie-Up Pvt. Ltd.	**MVEL**	9,00,00,000
2	29/12/2010	Aman Tie-Up Pvt. Ltd.	**MVEL**	14,85,00,000
3	31/12/2010	Aman Tie-Up Pvt. Ltd.	**MVEL**	2,15,00,000
4	03/01/2011	Aman Tie-Up Pvt. Ltd.	**MVEL**	60,00,000
5	07/01/2011	Aman Tie-Up Pvt. Ltd.	**MVEL**	1,50,00,000
Total		**Aman Tie-Up Pvt. Ltd.**	**MVEL**	**28,10,00,000**
After IPO				
6	25/01/2011	IPO Proceeds	**MVEL**	28,00,00,000
7	25/01/2011	MVEL	Aman Tie-Up Pvt. Ltd.	28,00,00,000

9.5 MVEL transferred funds received from Aman Tie-Up immediately to a certain A. R. Enterprises in its Induslnd Bank Account No: 0052F20773050, which were again transferred to Aman Tie-up. In this regard, the following fund transactions had taken place between MVEL, Aman Tie-up and A. R. Enterprises:

Details of fund transactions among A R Enterprises, Aman Tie-Up and MVEL

Sr. No.	Date	Funds Tx from	Funds Tx to	Amount (In Rs.)
1	28/12/2010	MVEL	A.R. Enterprises	9,00,00,000
2	28/12/2010	A.R. Enterprises	Aman Tie-Up	9,00,00,000
3	29/12/2010	MVEL	A.R. Enterprises	14,70,00,000
4	29/12/2010	A.R. Enterprises	Aman Tie-Up	14,70,00,000
5	31/12/2010	MVEL	A.R. Enterprises	2,15,00,000
6	31/12/2010	Aman Tie-Up Pvt. Ltd.	A.R. Enterprises	2,15,00,000

9.6 Therefore, out of the Rs. 28.1 crore that MVEL received from Aman Tie-Up, Rs 25.85 crore were transferred back to Aman Tie-Up through A. R. Enterprises before the IPO itself.

9.7 Upon enquiry regarding transfer of Rs. 28 Crore out of IPO proceeds to Aman Tie-Up, MVEL submitted to the Investigation that it had placed an order to Aman Tie-Up for Digital Cinema Projectors. In support of its submission, MVEL had also provided a copy of the invoice no. 001/A12012-13 dated April 16, 2012 for an amount of Rs. 22 Crore. However, Investigation observed that the said Rs. 28 Crore, transferred by MVEL to Aman Tie-Up, were more than the invoice amount by Rs. 6 Crore and the said transfer of funds had taken place on January 25, 2011 i.e. 15 months in advance of the invoice date.

9.8 At the same time, the Investigation observed that the last available balance sheet of Aman Tie-Up was dated March 31, 2009 and it showed that the total assets of Aman Tie-up were about Rs. 1 lakh which also included loss of Rs. 35,362. Further, the 'Balance sheet abstract and company's general business profile', as submitted by Aman Tie-Up to MCA for year ended March 31, 2009, stated “Construction Activity” as one of the three principle products/ services of MVEL.

9.9 Further, the name of Aman Tie-Up was not mentioned in the list of vendors for purchase of cinema projectors, in the prospectus of MVEL. MVEL also failed to provide any documentary evidence in terms of quotation or previous experience of Aman Tie-Up for this purpose. Also, Aman Tie-Up was connected with the merchant banker to the IPO, Aryaman Financial Services Ltd (hereinafter referred to as “AFSL”) on the basis of fund transfer of Rs. 7.10 lakh dated January 21, 2011 from Aman Tie Up to AFSL which was a date just prior to listing of shares of MVEL.

9.10 Investigation observed from the bank statement of Aman Tie-Up that the following transactions had taken place in its accounts which allegedly included funds raised by MVEL by way of IPO:

9.10.1 MVEL transferred an amount of Rs. 28 Crore to Aman Tie-Up by way of transaction dated January 25, 2011. At the same time, Aman Tie-Up also received Rs. 1.7 Crore from Regent Finance Corporation Limited (hereinafter referred to as **"Regent Finance"**), whereas balance in the bank account of Aman Tie-Up prior to receipt of the said funds was only Rs. 23,952.15.

9.10.2 From the said funds, Aman Tie-Up transferred a sum of Rs. 21.7 Crore to Deesha Tie Up Pvt. Ltd. by way of a number of transactions during the period of January 25 to February 04, 2011. Aman Tie-Up also transferred Rs. 4 Crore each to Regent Finance and Mercury Fund Management Company Pvt. Ltd. (hereinafter referred to as "**Mercury Fund Management"**) by way of separate transactions dated January 25, 2011.

9.10.3 Deesha Tie-Up Pvt Ltd then transferred a sum of Rs. 20 Crores to Dharmanath Shares and Services Pvt Ltd by way of multiple transactions during the period January 28, 2011 to February 11, 2011. Dharmanath Shares and Services Pvt Ltd then transferred a sum of Rs. 27.3 Crore to Subodhsagar Shares and Services Pvt Ltd by way of multiple transactions during the period of February 01, 2011 to February 12, 2011.

9.10.4 Subodhsagar Shares & Services Pvt Ltd transferred a sum of Rs. 30.77 Crore to Sardhav Investment & Finance Pvt Ltd (hereinafter referred to as **"Sardhav"**) by way of multiple transactions during the period January 31, 2011 to February 14, 2011.

9.10.5 Sardhav finally transferred a sum of Rs. 31.06 Crore to 14 entities who traded in the scrip of MVEL. The 14 entities who received money are as under:

S. No.	**Name of the Entity (Noticee No.)**	**Amount received (in Crores)**
1	Bharat Babubhai Trivedi ('**Noticee**')	1.0
2	BMD Exports Private Limited	1.48
3	Buddhisagar Shares And Services Pvt. Ltd.	1.53
4	Ghantakarna Shares And Services Pvt. Ltd.	1.91
5	Kiranbhai Popatbhai Alodariya	2.7
6	Poojan Tradecom Pvt. Ltd.	2.32
7	Prakashbhai Ishwarbhai Rana	0.76

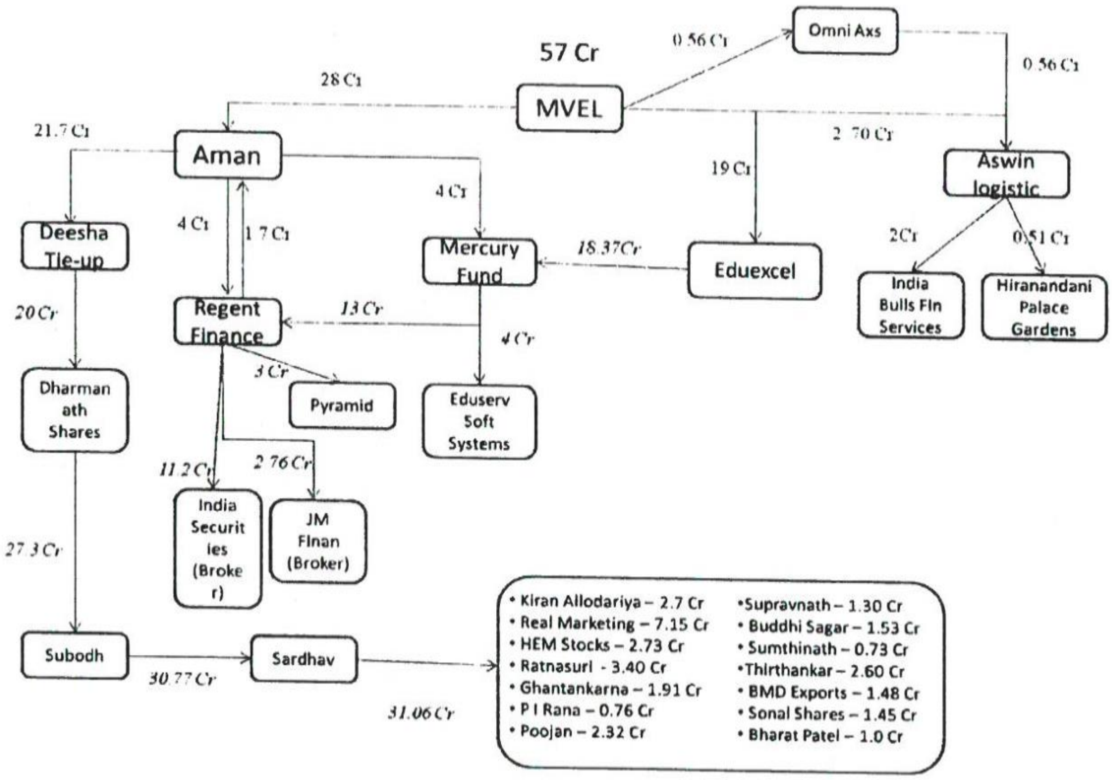
8	Ratnasuri Shares and Services Pvt. Ltd.	3.40
9	Real Marketing Pvt. Ltd.	7.15
10	Sonal Shares Investment & Company Ltd.	1.45
11	HEM Stocks and Shares Services Pvt. Ltd.	2.73
12	Sumtinath Shares and Services Pvt. Ltd.	0.73
13	Suparshvanath Stock And Service	1.3
14	Tirthankar Shares and Service Pvt Ltd.	2.60

9.11 In view of the above, it was found that funds raised in the IPO for the object "*Renovation and Up-gradation of cinema infrastructure with Digital Equipment and other related assets for select 100 screens*" had been siphoned off by MVEL.

9.12 Further, Investigation observed from the Bank accounts of MVEL, that the following major payments were made which allegedly involved IPO funds:

Date of transaction	**Entity**	**Amount (Rs. in cr)**	**Source Account No. (MVEL)**	**Reasons for payments as stated by MVEL**
25-01-2011	Aman Tie-Up	28	Indusind Bank (A/c no. 007W11639050)	Purchase of DCI 2K digital Cinema Projector BARCO DP
25-01-2011	Eduexel Infotainment Limited	**17.5**	Bank of Maharashtra (A/c no. 60061922245)	Acquiring Screening rights
27-01/2011		0.5	Lakshmi Vilas Bank account (A/c 0431351000002482)	
09-02-2011		1	Axis Bank (A/c No. 910020047813917)	
25-01-2011	Aswin Logistic Ventures	2	Lakshmi Vilas Bank account (A/c No.	Contents Advance
27-01-2011		0.003		
01-02-2011		0.70		
21-02-2011	Omni Ax's Software Limited	0.56	Axis Bank (A/c No. 910020047813917)	Vendor
Total		**50.263**		

9.13 Investigation observed that all the aforesaid financial transactions, stated by MVEL as being advances for the purpose of fulfilling IPO objects, were fraudulent transactions. Further, the said amount advanced to the aforesaid entities were not utilized for the objects of the IPO and siphoned off to various entities, in the following manner:



9.14 In view of the allegations and observations above regarding the IPO proceeds utilization, a table on the actual utilization of IPO proceeds by MVEL *vis-a-vis* the proposed utilization as mentioned in the RHP/Prospectus is as under:

Actual Utilization of IPO proceeds as per SEBI Investigation

Sr. no.	Objects of the IPO	To be utilized as per RHP/ Prospectus (Rs.	Utilization as per MVEL's letter dated December 05, 2012	Utilization as per Investigation (Rs. in cr)
1	Entering into screening agreement with 300 cinema theatres	15.00	2.37	NIL
2	Renovation and Up-gradation of cinema infrastructure with Digital Equipment and other	25.95	26.68	NIL
3	Acquisition of company, acquisition of screening rights of company having similar	12.00	20.64	NIL
4	To meet general Corporate Expenses	3.799	3.61	-
5	Meeting the IPO expenses	3.251	2.86	3*
	Total	**60.00**	**56.16**	**3**

* *Payment of fees to Merchant Banker.*

9.15 In view of the above table, Investigation observed that a sum of Rs 50.263 Crore out of the Rs 60 Crore received by MVEL in the IPO was not utilized for the objects mentioned in RHP/Prospectus of the IPO and were siphoned off by MVEL with the help of its related entities.

9.16 Further, Investigation also observed that the entities which received the IPO proceeds from MVEL and the entities which in turn received the proceeds from these entities and then acted as conduit for transfer of the money to other entities had aided and abetted in the siphoning off of proceeds of IPO by MVEL.

9.17 Total 15 entities including the Noticee, who traded in the IP, received funds from various entities which were alleged to be part of funds raised by way of IPO of MVEL. From the analysis of trading in the scrip of MVEL, the Investigation observed that out of 14 entities, which had suffered losses for more than Rs. 5 Lakh due to their trading, Noticee had suffered a loss of Rs. 58,26,507. Further, the Noticee received funds from the IPO proceeds of MVEL subsequent to the listing day.

9.18 SEBI conducted investigation in trading by 15 entities, including the Noticees, during IP and the following was noted in respect of their net obligation due to the trading in the scrip of MVEL and alleged amount paid out of IPO proceeds of MVEL to them:

S. No.	Name of entity	Net Obligation in MVEL	Amount from MVEL(in	S. No.	Name of entity	Net Obligation in MVEL	Amount from MVEL(in
1	Bharat Babubhai Trivedi (**Noticee**)	-0.43	1.0	9	BMD Exports Private Limited	-1.16	1.48
2	Buddhisagar Shares And	-2.83	1.53	10	Ghantakarna Shares And	-1.92	1.91
3	Kiranbhai Popatbhai Alodariya	-2.73	2.7	11	Poojan Tradecom Pvt Ltd	-3.36	2.32
4	Prakashbhai Ishwarbhai Rana	-1.44	0.76	12	Ratnasuri Shares and Services Pvt	-4.50	3.40
5	Real Marketing Pvt Ltd	-5.31	7.15	13	Sonal Shares Investment &	-0.98	1.45
6	HEM Stocks And Shares Services Pvt	-2.21	2.73	14	Sumtinath Shares And Services	-1.20	0.73
7	Suparshvanath Stock And Service	-1.10	1.3	15	Tirthankar Shares and Service Pvt	-5.51	2.60
8	Pyramid Sales Pvt. Ltd.	-1.51	3				

9.19 Based on the above, it was alleged that a minimum of Rs 24.7 Crore out of IPO proceeds of MVEL were diverted to the aforesaid 15 entities for purchasing shares of MVEL.

9.20 SEBI further conducted an analysis of the trading of the said 15 entities in the scrip of MVEL

9.21 Based on findings of analysis of trades of the 15 entities in the scrip of MVEL, it was alleged that, interalia, the Noticee was a net buyer and by its buy trade, had provided exit to the allottees in the IPO. From the analysis of trades of the 15 entities in the scrip of MVEL in the table above, the Investigation observed that they had taken deliveries of a total 53,00,308 shares of MVEL, i.e. approximately 32.96% of the market deliverable. At the same time, it was also observed that the delivery percentage of the said 15 entities was 70.27% of their total buy volume against market average of 19.66% delivery percentage.

9.22 Therefore, it was alleged that the Noticee had purchased shares of MVEL during the IP from entities, including from allottees of IPO, either with the help of funds transferred from MVEL through other entities or were compensated through fund transfers from MVEL through other entities subsequent to their buy trades. It was alleged that the Noticee, along with 14 other entities, was an artificial buyer of shares of MVEL, and had distorted the market equilibrium of trading and created a false appearance of demand of MVEL shares.

10. Noticee has made submissions in the matter vide email dated June 07, 2023. Further, in the said submissions, Noticee has also relied upon responses dated March 06, 2018 and September 16, 2021, submitted by the Noticee to the erstwhile AO. The aforesaid submissions have been summarized below:

10.1. The charges in the SCN are based on mere surmises. SEBI has failed to demonstrate (a) how the single transfer of funds by Sardhav to the Noticee have been allegedly funded by MVEL (b) what was the role played by Noticee in alleged diversion of funds (c) how was Noticee supposed to be aware that Sardhav received any money from MVEL (d) how was Noticee connected to MVEL (e) how the receipt of Rs 1 Crore from Sardhav had any relation with the trading done by Noticee in the scrip of MVEL. Noticee has contended that he has been erroneously clubbed with other entities.

10.2. Noticee's trading in the scrip of MVEL was only 1.31% as compared to Gross total volume at the stock exchange. Noticee has incurred heavy losses during the FY 2010-11, and has reduced exposure in Stock Market.

10.3. Noticee borrowed Rs 1 Crore from Sardhav in the ordinary course of business. Noticee was neither aware of the source of funds of Sardhav, nor was it supposed to know the same as Sardhav was not under its control.

10.4. Noticee's net obligation due to the trading was Rs 43 Lakhs, and it had received Rs 1 Crore from Sardhav. Therefore, the observation in SCN that the Noticee had received Rs 1 Crore for loss of Rs 43 Lakhs is devoid of logic.

10.5. There is no allegation of synchronization of trades. Further, the SCN has not mentioned the list of allottees to whom Noticee has provided exit.

10.6. Noticee denies that he bought shares of MVEL using funds provided by MVEL. Further, Noticee was not an artificial buyer of shares of MVEL and had not distorted market equilibrium, as he had traded in electronic and faceless trading platform approved by SEBI.

10.7. Noticee had taken delivery of only 0.05% of the total shares compared to 32.96% of total deliveries taken by the alleged 15 entities. Also, Noticee was not aware that Sardhav had transferred funds to other entities as well, and therefore, he cannot be alleged to be connected to other entities.

10.8. Noticee denies that he indulged in any kind of fraudulent and unfair trade practice. No evidence has been provided to show that Noticee's trades in the scrip of MVEL were part of any kind of fraud or deceit. Noticee has also not employed any manipulative or deceptive device in contravention of relevant provisions.

11. I now proceed to consider the matter on merits. I note that vide the AO Order dated May 31, 2022, it was established that MVEL was liable for diversion of IPO proceeds by significantly deviating from the Objects of the Issue and not utilising the IPO proceeds as per the objects stated in the Prospectus, resulting in violation of provisions of Regulations 3 (a), (b), (c), (d) and 4(1), 4 (2)(a), (d) and (e) of PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act.

12. I note that MVEL had come out with the IPO during the period January 10 to January 12, 2011. As held by the AO Order dated May 31, 2022, MVEL had diverted the proceeds of the IPO, by not utilizing it as per the objects of the issue. The said objects as per the RHP are stated below:

Proposed Objects and funds earmarked for them as per RHP

Sr. no.	Objects of the IPO	To be utilized as per RHP/ Prospectus (Rs. in crore)
1	Entering into screening agreement with 300 cinema theatres	15.00
2	Renovation and Up-gradation of cinema infrastructure with Digital Equipment and other related assets for select 100 screens	25.95
3	Acquisition of company, acquisition of screening rights of company having similar line, range and objects of business	12.00
4	To meet general Corporate Expenses	3.799
5	Meeting the IPO expenses	3.251
	Total	**60.00**

13. I note that MVEL had raised Rs 60 Crores from the IPO, out of which it had paid Rs 3 Crores as the fees to the Merchant Banker. MVEL had then diverted Rs 50.263 Crores to four entities viz. Aman Tie-Up, Eduexel Infotainment Ltd, Aswin Logistics Ventures and Omni Ax's Software Ltd.

14. Further, I note that one of the objects of the IPO, as stated on Page No 61 and 62 of the Prospectus, was '*Renovation and up-gradation of cinema infrastructure with Digital Equipment and other related assets for select 100* screens'. Further, an amount of Rs. 25.95 Crore had been marked for the same, and three suppliers viz. Real Image Media Technologies Private Limited, GM Audio Techniques and Voltas were shown as the suppliers who would provide the aforesaid digital equipments. However, I note MVEL has transferred any amount to the aforesaid 3 entities, instead, an amount of Rs. 28 Crore was transferred on January 25, 2011 to Aman Tie-Up. Further, the AO Order dated May 31, 2022 had, interalia, held that the aforesaid transfer of funds to Aman Tie-Up were not used to renovate 100 theatres with digital screen projectors and DTS sound systems as mentioned in the objects of the IPO, and the said fund transfer formed part of the overall scheme of diversion of funds raised through IPO by MVEL.

15. I further note that the funds received by Aman Tie-Up were transferred to multiple entities through a chain of transfers. The details of the transfers are as below:

15.1 MVEL transferred an amount of Rs. 28 Crore to Aman Tie-Up by way of transaction dated January 25, 2011. At the same time, Aman Tie-Up also received Rs. 1.7 Crore from Regent Finance.

15.2 From the said funds, Aman Tie-Up transferred Rs. 21.7 Crore to Deesha Tie Up Pvt. Ltd. by way of a number of transactions during the period of January 25 to February 04, 2011. Aman Tie-Up also transferred Rs. 4 Crore each to Regent Finance and Mercury Fund Management by way of separate transactions dated January 25, 2011.

15.3 Deesha Tie-Up Pvt Ltd then transferred a sum of Rs. 20 Crores to Dharmanath Shares and Services Pvt Ltd by way of the following transactions:

- Rs 3 Crore on January 28, 2011;
- Rs 2 Crore on January 31, 2011;
- Rs 3 Crore on February 02, 2011;
- Rs 5 Crore on February 03, 2011;
- Rs 2 Crore on February 07, 2011;
- Rs 2 Crore on February 09, 2011;
- Rs 3 Crore on February 11, 2011.

15.4 Dharmanath Shares and Services Pvt Ltd then transferred a sum of Rs. 27.3 Crore to Subodhsagar Shares and Services Pvt Ltd by way of the following transactions:

- Rs. 6.5 Crore on February 01, 2011;
- Rs. 2 Crore on February 02, 2011;
- Rs. 2.75 Crore on February 03, 2011;
- Rs. 4.05 Crore February 04, 2011;
- Rs. 1 Crore on February 07, 2011;
- Rs. 1 Crore on February 08, 2011;
- Rs. 2.5 Crore on February 09, 2011;
- Rs. 2.5 Crore on February 10, 2011;
- Rs. 2.75 Crore on February 11, 2011;

- Rs. 2.25 Crore on February 12, 2011.

15.5 Subodhsagar Shares & Services Pvt Ltd transferred a sum of Rs. 30.77 Crore to Sardhav Investment & Finance Pvt Ltd by way of the following transactions:

- Rs. 3 Crore on January 31, 2011;
- Rs. 4.05 Crore on February 01, 2011;
- Rs. 2.50 Crore on February 03, 2011;
- Rs. 6.50 Crore February 04, 2011;
- Rs. 0.60 Crore on February 07, 2011;
- Rs. 1.35 Crore on February 08, 2011;
- Rs. 1 Crore on February 09, 2011;
- Rs. 4.57 Crore on February 10, 2011;
- Rs. 2.50 Crore on February 12, 2011;
- Rs. 2.20 Crore on February 14, 2011

15.6 Sardhav finally transferred a sum of Rs. 31.06 Crore to 14 entities who traded in the scrip of MVEL. The 14 entities who received money are as under:

Details of fund transfer to 14 entities from Sardhav

S. No.	Name of the Entity (Noticee No.)	Amount received (in Crores)
1	Bharat Babubhai Trivedi ('**Noticee**')	1.0
2	BMD Exports Private Limited	1.48
3	Buddhisagar Shares And Services Pvt. Ltd.	1.53
4	Ghantakarna Shares And Services Pvt. Ltd.	1.91
5	Kiranbhai Popatbhai Alodariya	2.7
6	Poojan Tradecom Pvt. Ltd.	2.32
7	Prakashbhai Ishwarbhai Rana	0.76
8	Ratnasuri Shares and Services Pvt. Ltd.	3.40
9	Real Marketing Pvt. Ltd.	7.15
10	Sonal Shares Investment & Company Ltd.	1.45
11	HEM Stocks and Shares Services Pvt. Ltd.	2.73
12	Sumtinath Shares and Services Pvt. Ltd.	0.73
13	Suparshvanath Stock And Service	1.3
14	Tirthankar Shares and Service Pvt Ltd.	2.60

16. I note that the Noticee had received the proceeds of the IPO amounting to Rs 1 Crore, and that its net obligation due to trading in the scrip of MVEL was Rs 43 Lakhs. Further, the Noticee traded in the scrip of MVEL during the subsequent IP

post the IPO (January 28, 2011 to February 28, 2011), and suffered loss of Rs 58,26,507.

17. Further, apart from the 14 entities who received funds from Aman Tie-Up, one entity viz. Pyramid Sales Pvt. Ltd. also received Rs. 3 Crore from Regent Finance on January 31, 2011 out of the Rs. 13 Crore received by Regent Finance from Mercury Fund Management on January 27, 2011. Mercury Fund Management received Rs 17.5 Crore on January 25, 2011 from Eduexel, while Eduexel had received the said amount on the same day from MVEL. I note that Pyramid Sales Pvt. Ltd. had also traded in the scrip of MVEL along with the aforementioned 14 entities. I note that the details of trading of the 15 entities including the Noticee are as below:

	Buy quantity from Allottees												
Buyer Name	NIIs (A)	QIBs (B)	Retail (C)	Total from Allottees	Other than Allottees	Gross Buy	Gross Buy Value	Gross Sell	Gross Sell Value	Net Profit/Loss	Net Qty.	% of Deliverable Quantity	% of deliverable to market deliverable
Bmd Exports Pvt Ltd	0	0	6257	6257	268743	275000	16793750	60000	5151000	1486909	215000	78.18%	1.34%
Buddhisagar Shares And Services P Ltd	4787	134129	119064	257980	262065	520045	33601270.7	60045	5251518.75	1371877	460000	88.45%	2.86%
Ghantakama Shares And Services. P Ltd	0	0	3554	3554	216446	220000	19204342 8	0	0	0	220000	100.00%	1.37%
Kiranbhai Popatbhai Alodariya	0	0	89806	89806	338194	428000	27399153	0	0	0	428000	100.00%	2.66%
Poojan Tradecom P Ltd	0	0	154139	154139	306861	461000	33628155.6	0	0	0	461000	100 00%	2.87%
Prakashbhai Ishwarbhai Rana	0	117201	128395	245596	352135	597731	40407373.2	453460	25954775	-4699696	144271	24.14%	0.90%
Ratnasuri Shares And Services P Ltd	0	136887	1147	138034	543966	682000	450532586	0	0	0	682000	100.00%	4.24%

Buyer Name	Buy quantity from Allottees				Other than Allottees	Gross Buy	Gross Buy Value	Gross Sell	Gross Sell Value	Net Profit/Loss	Net Qty.	% of Deliverable Quantity	% of deliverable to market deliverable
	NIIs (A)	QIBs (B)	Retail (C)	Total from Allottees									
Real Marketing Pvt Ltd	0	60105	1523	61628	820872	882500	53135753	0	0	0	882500	100.00%	5.49%
Sonal Shares Investment & Company Ltd.	17313	124510	41904	183727	142896	326623	22352293 3	192623	12468770.8	-713296	134000	41.03%	0.83%
Hem Stocks And Shares Services P Ltd	0	0	1015	1015	370985	372000	22242660.9	0	0	0	372000	100.00%	2.31%
Sumtinath Shares And Services Pvt Ltd	0	89645	0	89645	110355	200000	12043721.3	0	0	0	200000	100.00%	1.24%
Suparshvanath Stock And Service	0	0	718	718	326156	326874	21325712.3	147037	10301725.95	708411	1304	0.40%	0.01%
Tirthankar Shares And Ser Pvt Ltd	0	12492	586	13078	911310	924388	56781452.8	25705	1737034.4	158079	898683	97.22%	5.59%
Bharat Babubhai Trivedi (Noticee)	**71149**	**15617**	**51275**	**138041**	**938301**	**1076342**	**77037452.8**	**1075842**	**72689402.1**	**-4312265**	**500**	**0.05%**	**0.00%**
Pyramid Sales Pvt.	96293	0	102514	198807	51243	250050	18166939.5	49000	3058123.1	-501885	201050	80.40%	1.25%
Total	189542	690586	701897	1582025	5960528	7542553	499173290	2063712	136612350	-6501866	5300308	70.27%	32.96%

18. I note that the Noticee was a net buyer, and had provided exit to the allottees in the IPO along with 14 other entities as provided in the table above. I note that the 15 entities had collectively taken delivery of 53,00,308 shares of MVEL, i.e. approximately 32.96% of the market deliverable, and further, the delivery percentage of the said 15 entities was 70.27% of their total buy volume against market average of 19.66% delivery percentage. I also note that taken individually, the Noticee had bought 500 shares comprising 0.05% of the market deliverable, using the funds received by it.

19. I note that the Noticee's receipt of funds and the trades in the scrip of MVEL must be seen considering all the circumstantial facts of the matter *in toto*. It has been established in the AO Order dated May 31, 2022 that the MVEL had significantly deviated from the objects of the IPO in utilization of its proceeds. The funds were diverted by MVEL to four entities, which did not align with the utilization of funds as proposed in the Prospectus for the IPO. Therefore, the transfer of funds by the four entities has to been seen in light of the fact that they were not genuine, and were meant to channelize and possibly route back the IPO proceeds to MVEL and/ or allottees of its IPO. I note that Aman Tie-Up, which was one of the four entities, transferred the money received by it to Deesha Tie Up Pvt Ltd, which then transferred the amount to further entities, and the last step of the chain of transfers comprised of transfers to the Noticee along with 13 other entities. Thereafter, the Noticee along with 14 other entities undertook trades in the scrip of MVEL, which resulted in huge losses to him. Such trades when seen along with aforementioned facts, clearly indicate non-genuineness of the trades and an attempt to give exit to the allottees of the IPO, while creating misleading appearance of trading in the scrip of MVEL. Therefore, the contentions of the Noticee have no merits.

20. Noticee has also contended that he had taken delivery of only 0.05% of the total shares compared to 32.96% of total deliveries taken by the alleged 15 entities, and that he was not connected to other entities. Noticee has also relied upon the judgement of the Hon'ble SAT in the matter of *Baldevsinh Vijaysinh Zala vs SEBI* and contended that the SCN or the Supplementary SCN does not bring out specific connections to make the Noticee liable for the alleged violations. In this regard, I note that the transfer of funds from Sardhav to the Noticee, along with 13 other entities forms a part of chain of transfers, undertaken using proceeds of the IPO which were being diverted vis à vis its proposed utilization. The final leg of the transfers was completed with the Noticee buying shares of MVEL just after the IPO, along with the other entities, using the diverted proceeds of the IPO. The sequence of events shows that the Noticee had acted along with other entities to buy shares from the allottees of the IPO, which did not form part of genuine trades,

and was meant to create artificial appearance of trading. Therefore, I note that the contentions of the Noticee are not acceptable.

21. Noticee has relied upon Order of the Hon'ble SAT in the matter of *HB Stockholdings Ltd vs SEBI* and contended that action cannot be taken selectively against few entities. In this regard, I place reliance on the judgement of the Hon'ble SAT in the matter of *Systematix Shares & Stocks (I) Ltd (Appeal No. 21 of 2012)* decided on April 23, 2012, wherein it was interalia held that, *"It is true that the Board has taken action selectively against a few entities involved in the alleged wrong doing. According to the appellant the Board should have proceeded against all wrong doers and the action against the appellant and a few entities alone is also discriminatory. We cannot subscribe to this view since the Board has set its own benchmark in selecting cases for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful."* Therefore, the contentions of Noticees in this regard are without merits and not acceptable.

22. Noticee has relied upon the judgement of the Hon'ble SAT in the matters of *Networth Stock Broking Ltd vs SEBI* and *Sterlite Industries Ltd vs SEBI*, and contended that a high degree of probability is required to establish charge of fraud. Further, Noticee has relied upon the judgement of the Hon'ble Supreme Court in the matter of *Kishore R Ajmera vs SEBI* and contended that to prove fraud, inducement must be proved. In this regard, I place reliance on the matter of *SEBI vs. Kanaiyalal Baldev Bhai Patel (2018) 13 SCC 753*, which dealt with the definition of *"fraud"* as given under Regulation 2(1) (c) of the PFUTP Regulations. Two Hon'ble Judges of Hon'ble Supreme Court of India, in their separate but concurring judgments in the matter of *SEBI vs. Kanaiyalal Baldev Bhai Patel (2018) 13 SCC 753* dealt with the definition of *"fraud"* as given under Regulation 2(1) (c) of PFUTP Regulations, 2003 and held as under:

    Per Hon'ble Justice N. V. Ramanna - *"…26. There is no dispute as to the fact that fraud is jurisprudentially very difficult to define or cloth it with particular ingredients. A generalized meaning may be difficult to be attributed, as human ingenuity would invent ways to bypass such behaviour. It is to be noted that fraud is extensively used in various regulatory framework which mandates me to take notice of the conceptual and* *definitional problem it brings along. Fraud is among the most serious, costly, stigmatizing, and punitive forms of liability imposed in modern corporations and financial markets. Usually, the antifraud provisions of the security laws are not coextensive with common-law doctrines of fraud as commonlaw fraud doctrines are too restrictive to deal with the complexities involved in the security market, which is also portrayed by the changes brought in through the 2003 regulation to the 1995 regulation.*

27. On a comparative analysis of the definition of "fraud" as existing in the 1995 regulation and the subsequent amendments in the 2003 regulations, it can be seen that the original definition of "fraud" under the FUTP regulation, 1995 adopts the definition of "fraud" from the Indian Contract Act, 1872 whereas the subsequent definition in the 2003 regulation is a variation of the same and does not adopt the strict definition of "fraud" as present under the Indian Contract Act.

It includes many situations which may not be a "fraud" under the Contract Act or the 1995 regulation, but nevertheless amounts to a "fraud" under the 2003 regulation.

28. The definition of 'fraud' under clause (c) of regulation 2 has two parts; first part may be termed as catch all provision while the second part includes specific instances which are also included as part and parcel of the term "fraud"..."

Per Hon'ble Justice Ranjan Gogoi – *"...5. If Regulation 2(c) of the 2003 was to be dissected and analyzed it is clear that any act, expression, omission or concealment committed, whether in a deceitful manner or not, by any person while dealing in securities to induce another person to deal in securities would amount to a fraudulent act. The emphasis in the definition in Regulation 2(c) of the 2003 Regulations is not, therefore, of whether the act, expression, omission or concealment has been committed in a deceitful manner but whether such act, expression, omission or concealment has/had the effect of inducing another person to deal in securities.*

The definition of 'fraud', which is an inclusive definition and, therefore, has to be understood to be broad and expansive, contemplates even an action or omission, as may be committed, even without any deceit if such act or omission has the effect of inducing another person to deal in securities. Certainly, the definition expands beyond what can be normally understood to be a 'fraudulent act' or a conduct amounting to 'fraud'. The *emphasis is on the act of inducement and the scrutiny must, therefore, be on the meaning that must be attributed to the word "induce"..." (Emphasis supplied)*

23. The examination of the definition of fraud under the PFUTP Regulations envisages among other things fraud by way of "act" so as to have an "effect of inducement" on another person for dealing in securities. Further, Regulation 3 (c) of PFUTP Regulations prohibits employment of any device, scheme or artifice for fraud. In the given situation, MVEL came out with an IPO and stated unambiguously in its Prospectus, the purpose for which the money was being raised from the public. As discussed in preceding paragraphs, MVEL within 14-15 days of receiving the IPO proceeds had diverted the said money for the purposes other than stated in the Prospectus. If not for stated objects in the Prospectus, the investors would not have been induced to invest their money in the company's IPO. Further, the Noticee played part in the overall scheme of diversion of funds, by acting as a conduit in the transfer of diverted funds. Noticee also traded using the proceeds to allow allottees to exit the scrip of MVEL. The trades of the Noticee created misleading appearance of trading, which resulted in manipulation of market mechanism, affecting the interests of genuine investors. Therefore, the Noticee, by receiving the diverted funds and using those funds to trade in the scrip, played fraud on the innocent investors who had subscribed to the IPO.

24. Noticee has also relied upon the judgement of the Hon'ble SAT in the matter of *Ketan Parekh vs SEBI* and contended that 'synchronization' of trades is not illegal in itself. I note in this regard that 'synchronization' of trades has not been alleged against the Noticee in the matter, hence, the Noticee's contentions are misplaced and rejected.

25. I note that Noticee has contended that he had borrowed Rs 1 Crore from Sardhav in the ordinary course of business, and was not aware of the source of funds received by Sardhav. I note that Noticee has not demonstrated the aforesaid assertion with the help of any loan agreement, MoU or any such supporting documents, which generally accompany business transactions to ensure their

legal enforceability. In absence of such supporting documents, the contention of the Noticee appears to be an afterthought to justify the fraudulent transaction, and therefore, the said contention is devoid of merits.

26. Further, I note that Noticee has also requested to take lenient view in the matter and impose minimum penalty, in case alleged violation is established. In this regard, I note that while on one hand, the Noticee is contending that his transaction and trade in the scrip of MVEL were genuine, on the other hand, he is requesting for leniency in imposition of penalty. This clearly indicates that the Noticee is not convinced of his innocence. I am of considerate view that this further buttresses the findings made in the above paragraphs against the Noticee.

27. Therefore, I note that the Noticee had received the diverted proceeds of the IPO, and had used the said funds to buy shares of MVEL, giving exit to the allottees in the IPO. By such trades, Noticee had acted as an artificial buyer and had created misleading appearance of trading in the scrip of MVEL, resulting in violation of provisions of Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act.

Issue No. III: If yes, whether the violations, if any, attract monetary penalty under the provisions of Section 15HA of the SEBI Act? If so, what quantum of monetary penalty should be imposed on the Noticees after taking into consideration the factors mentioned in Section 15J of the SEBI Act?

28. It has been established in the foregoing paragraphs that Noticee has violated the provisions of Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act and therefore, the aforesaid violations committed by the Noticee attracts monetary penalty u/s 15HA of the SEBI Act, which reads as under:

SEBI Act

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 twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.

29. While determining the quantum of penalty u/s 15HA of the SEBI Act, it is important to consider the factors relevantly as stipulated in Section 15J of the SEBI Act which reads as under: -

SEBI Act

Factors to be taken into account by the adjudicating officer.

15J. 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.

30. I note that the amount of disproportionate gain or unfair advantage made by the Noticee is not available. Further, it is not possible from the material on record to calculate the loss caused to investors as a result of the aforesaid default. With respect to the repetitive nature of the default, I find that there is nothing on record to indicate any past violations committed by the Noticee.

ORDER

31. After taking into consideration the facts of the matter and the violations established against Noticee, I impose the following penalty on him:

Noticee (PAN)	Violation of provisions	Penalty u/s	Penalty
Bharat Babubhai Trivedi (ACDPT8077B)	Regulations 3(a), (b), (c), (d), 4(1) ,4(2)(a), (d), and (e) of PFUTP Regulations r/w Section 12A (a), (b) and (c) of the SEBI Act	Section 15HA of the SEBI Act	Rs 5,00,000/- (Rupees Five Lakh)

I find that the said penalty is commensurate with the violations committed by the Noticee in this case.

32. Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order 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

33. 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 u/s 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

34. In terms of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Place: Mumbai **AMIT KAPOOR**

Date: June 14, 2023 **ADJUDICATING OFFICER**