

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved On : 20.01.2014

Date of Decision : 11.02.2014

Appeal No. 68 of 2013

Sanjay Kumar Tayal
101/102, Happy House,
Old Sonapur Lane,
Prabhadevi,
Mumbai - 400 025

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Janak Dwarkadas, Senior Advocate with Mr. Somasekhar Sundaresan,
Mr. Ravichandra Hegde and Mr. Ashwin Thool, Advocates for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham
V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 69 of 2013

Pravin Kumar Tayal
101/102, Happy House,
Old Sonapur Lane,
Prabhadevi,
Mumbai - 400 025

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Somasekhar Sundaresan, Advocate with Mr. Ravichandra Hegde,
Mr. Khursheed Vajifdar and Ms. Janmali Manikala, Advocates for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham
V. Masurekar, Advocates for the Respondent.

**WITH
Appeal No. 72 of 2013**

1. 21st Century Entertainment Pvt. Ltd.
Flat No. G-1, Silver Park,
Masat Road, Silvassa,
Dadra and Nagar Haveli - 396 230 (UT)
2. Cumballa Hill Property Developers
Private Limited,
Ecomax Musarane, Taluka wada,
Thane - 421 312
3. Cyberinfo Zeeboomba Com Pvt. Ltd.
Flat No. G-1, Silver Park,
Masat Road, Silvassa,
Dadra and Nagar Haveli - 396 230
4. EDC Securities Pvt. Limited
Flat No. G-1, Silver Park,
Masat Road, Silvassa,
Dadra and Nagar Haveli - 396 230
5. Giriganga Investments Private Limited
Ecomax Musarane, Taluka wada,
Thane - 421 312
6. Sumander Property Developers Pvt. Ltd.
Ecomax Musarane, Taluka wada,
Thane - 421 312

...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Ravichandra S. Hegde, Advocate with Mr. Khursheed Vajifdar and
Ms. Janmali Manikala, Advocates for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham
V. Masurekar, Advocates for the Respondent.

**WITH
Appeal No. 75 of 2013**

1. Ahmednagar Investments Private Limited
Kamal Industrial Estate,
396 Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025

2. Cyber Infosystems and Technologies Limited
Kamal Industrial Estate,
396 Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025

3. Global Softech Private Limited
Kamal Industrial Estate,
396 Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025

4. Sovotex Textile Private Limited
Flat No. G-1, Silver Park, Masat Road,
Silvassa - 396 230 (U.T.)

5. Ginger Clothing Private Limited
Flat No. G-1, Silver Park, Masat Road,
Silvassa - 396 230 (U.T.)

...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Neerav Merchant, Advocate with Ms. Priya Khaitan, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 82 of 2013

1. Sangeeta Jairam Sawant
2/6, Rajaram Yadav Chawl, Utkarsh Nagar,
Y.P. Road, Bhandup (West),
Mumbai - 400 078

2. Girish Chand Yadav
H-157, Dr. Babasaheb Ambedkar Nagar,
S.M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037

...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. J.J. Bhatt, Advocate with Ms. Rinku Valanju, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 84 of 2013

1. Aim Multitrade Company Pvt.Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
2. Akshar Mercantile Pvt. Ltd.
305, 3rd Floor, Trinity Co-op. Housing Society Ltd.
A. P. Market, S.G. Gaikwad Marg,
Dhobi Talao,
Mumbai – 400 002
3. Anoop Multitrade Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
4. Anshul Mercantile Pvt. Ltd.
305, 3rd Floor, Trinity Co-op. Housing Society Ltd.
A. P. Market, S.G. Gaikwad Marg, Dhobi Talao,
Mumbai – 400 002
5. Beta Trading Pvt. Ltd.
Block No-2, 3rd Floor, Abbas Manzil,
Opp. Cigaratte Factory, 2.
Vinay Mercantile Pvt. Ltd. Chakala,
Andheri (E), Mumbai – 400 099
6. Everframe Trading Company Pvt. Ltd.
58- Maharashtra Bhavan, 4th Flr.,
Bora Masjid Street, Fort,
Mumbai – 400 001
7. Highzone Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
8. Hiren Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037

9. Inorbit Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
10. Laksh Mercantile Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
11. Madan Multitrade Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
12. Maginot Trading Company Pvt. Ltd.
58- Maharashtra Bhavan, 4th Flr.,
Bora Masjid Street, Fort,
Mumbai – 400 001
13. Montreal Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
14. Newtree Mercantile Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
15. Niti Mercantile Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
16. Palaash Construction Pvt. Ltd.
Room No. 1, 2nd Floor 105,
Damoder Building, Princess Street,
Mumbai – 400 002
17. Prajay Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
18. Real Star Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
19. Sarveshwara Trading Company Pvt. Ltd.
Room No. 1, 2nd Floor 105,
Damoder Building, Princess Street,
Mumbai – 400 002

20. Sea View Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
21. Seaview Multitrade Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
22. Skyview Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
23. Starview Constructions Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
24. Starview Mercantile Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
25. Sulochana Mercantile Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
26. Superhouse Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
27. Topcare Constructions Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037
28. Topcare Trading Company Pvt. Ltd.
58- Maharashtra Bhavan, 4th Flr.,
Bora Masjid Street, Fort,
Mumbai – 400 001
29. Vinay Mercantile Pvt. Ltd.
Block No-2, 3rd Floor, Abbas Manzil,
Opp. Cigaratte Factory, 2.
Vinay Mercantile Pvt. Ltd. Chakala,
Andheri (E), Mumbai – 400 099
30. Watergate Mercantile Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037

31. Colorshop Trading Company Pvt. Ltd.
H-157, Dr. Babasaheb Ambedkar Nagar,
S. M. Road, Kokari Agar, Sion Koliwada,
Mumbai - 400 037

32. Geonet Trading Company Pvt. Ltd.
635, 6th Floor, Laxmi Plaza,
Laxmi Industrial Estate, New Link Road
Andheri (W), Mumbai – 400 053

33. Infinite Mercantile Company Pvt. Ltd.
58- Maharashtra Bhavan, 4th Flr.,
Bora Masjid Street, Fort,
Mumbai – 400 001

34. Punit Mercantile Pvt. Ltd.
305, 3rd Floor, Trinity Co-op. Housing Society Ltd.
A. P. Market, S.G. Gaikwad Marg, Dhobi Talao,
Mumbai – 400 002

35. Superfine Trading Company Pvt. Ltd.
58- Maharashtra Bhavan, 4th Flr.,
Bora Masjid Street, Fort,
Mumbai – 400 001

...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. J.J. Bhatt, Advocate with Ms. Rinku Valanju, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 83 of 2013

1. Acrow Constructions (P) Ltd.
303, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230

2. Acrow Realcon Pvt. Ltd.
303, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230

3. Allcon Estate (P) Ltd.
G-1, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
4. Alpha (India) Properties Ltd.
H/B-10, Gurudev Complex, IInd Phase,
Silvassa – 396 230
5. Avera Engineering (P) Ltd.
204, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
6. Avera Machinery (P) Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
7. Avera Properties (P) Ltd.
303, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
8. Avon Realcon (P) Ltd.
103, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
9. Axtel Properties (P) Ltd.
304, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
10. Badal Realty (P) Ltd.
104, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
11. Bodal Conpro (P) Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
12. Capman Conpro (P) Ltd.
304, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
13. Charms Holding Pvt. Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230

14. Conart Conpro (P) Ltd.
H. No. 1843/1, Survey No. 75/3 P,
Tokarkhada, Silvassa Khanvel Main Road,
Silvassa – 396 230
15. Cubex Constructions (P) Ltd.
202, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
16. Elpro Machinery (P) Ltd.
G-1, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
17. Everlon Estate (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
18. Everlone Machinery (P) Ltd.
304, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
19. Expro Constructions (P) Ltd.
301, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
20. Hanuman Cultivation (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
21. Hikal Pro-Estate Pvt. Ltd.
104, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
22. Jyoti Harvesting Pvt. Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
23. Omkar Cultivators (P) Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
24. Siddhi Cultivation (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230

25. Sukh-Suvidha Real Estate Ltd.
H/B-10 Gurudev Complex, IInd Phase,
Silvassa - 396 230
26. Uday Plantation (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
27. Shreenath Harvesting Pvt. Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
28. Bajrang Farming Pvt. Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
29. Cranes Real Estate (P) Ltd.
F/B-2, Gurudev Complex, Phase II,
29 Silvassa – 396 230
30. Ennore Procon Pvt. Ltd.
1843/1, Survey 75/3P, Tokarkhada,
Silvassa Khanvel Main Road,
Silvassa – 396 230
31. Karan Conpro Pvt. Ltd.
Flat No. G-1, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
32. Calcom Realty Pvt. Ltd.
H. No. B/2, Survey 75/3P, Tokarkhada,
Silvassa Khanvel Main Road,
Silvassa – 369 230
33. Axon Realpro (P) Ltd.
103, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
34. Ador Construction Pvt. Ltd.
1843/1, Survey 75/3P, Tokarkhada,
Silvassa Khanvel Main Road,
Silvassa- 396 230
35. Avery Procon (P) Ltd.
Gala No. 106, Everest Industrial Estate,
Near 66 KVA Power Sub-Station, Amli,
Silvassa – 396 230

36. Dulron Procon Pvt. Ltd.
104, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
37. Elnet Conpro (P) Ltd.
H/B-10 Gurudev Complex, Phase-1,
Silvassa – 396 230
38. Envair Realty (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
39. Kanishka Infrastructure Pvt. Ltd.
H. No. B/2, Survey 75/3P, Tokarkhada,
Silvassa Khanvel Main Road,
Silvassa – 396 230
40. Ennor Engineering (P) Ltd.
303, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
41. Carnat Estates Pvt. Ltd.
204, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
42. Amex Infrastructure (P) Ltd.
302, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
43. Cupid Estatecon (P) Ltd.
Block-B, R. No. 1, Kamleshbhai Ki Chawl,
Samarvani, Silvassa – 396 230
44. Shankar Commodities Pvt. Ltd.
102, Silver Park, Plot No. 5 of Survey No. 6,
Vanmali Park, Silvassa Khanvel Main Road,
Samarvani, Silvassa - 396 230
- ...Appellants
- Versus
- Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051
- ...Respondent

Mr. Zal Andhyarujina, Advocate with Ms. Priya Khaitan and Mr. Neerav Merchant, Advocates for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 85 of 2013

1. Mr. Sanjay Ankush Sadrekar
Karanti Nagar,
Rahiwashi Sangh R. N. 16,
Gopi Tank Road, Mahim (West)
Mumbai - 400 016
 2. Mr. Anil Kumar Dubey
Balaji Township, Row House No. G7,
Opp. to Tirupati Balaji Temple,
Amli, Silvassa
 3. Mr. Jagdish Tamboli
R. No. 375, 1/2, Nehru Nagar,
Sardar Nagar 3, Sion Koliwada,
Mumbai – 400 022
- ...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Zal Andhyarujina, Advocate with Mr. Neerav Merchant, Ms. Priya Khaitan, Advocates for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 74 of 2013

1. Jayashree Petrochemicals Private Limited
34A, 2nd Floor, Arsiwala Building,
Wode House Road, Colaba,
Mumbai - 400 005
2. Jyotsana Developers Private Limited
34A, 2nd Floor, Arsiwala Building,
Wode House Road, Colaba,
Mumbai - 400 005

3. Megna Developers Private Limited
34A, 2nd Floor, Arsiwala Building,
Wode House Road, Colaba,
Mumbai - 400 005
4. Praneta Properties Private Limited
34A, 2nd Floor, Arsiwala Building,
Wode House Road, Colaba,
Mumbai - 400 005
5. Praneta Realty Private Limited
34A, 2nd Floor, Arsiwala Building,
Wode House Road, Colaba,
Mumbai - 400 005
6. Brescon Infra Private Limited
102, Silver Park,
Masat Road, Silvassa,
Dadra and Nagar Haveli - 396 230 ...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051 ...Respondent

Ms. Ketki Belapurkar, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

**WITH
Appeal No. 66 of 2013**

Mr. Navin Kumar Tayal
101/102, Happy House,
Old Sonapur Lane,
Prabhadevi,
Mumbai - 400 025 ...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051 ...Respondent

Mr. P.N. Modi, Senior Advocate with Ms. K. S. Bharucha, Advocate for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

**WITH
Appeal No. 73 of 2013**

Mr. Saurabh P. Tayal
Raghuvanshi Mills Compound,
11/12, Senapati Bapat Marg,
Lower Parel (W),
Mumbai - 400 013

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. P.N. Modi, Senior Advocate with Ms. K.S. Bharucha, Advocate for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

**WITH
Appeal No. 80 of 2013**

1. KSL And Industries Limited
Raghuvanshi Mill Compound,
11/12, S. B. Marg, Near Tata Power,
Lower Parel (West),
Mumbai - 400 013
 2. Jaybharat Textiles & Real Estate Ltd.
Raghuvanshi Mill Compound,
11/12, S. B. Marg, Near Tata Power,
Lower Parel (West),
Mumbai - 400 013
- ...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. P.N. Modi, Senior Advocate with Ms. K. S. Bharucha, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

WITH
Appeal No. 81 of 2013

1. Eskay K'n'IT (India) Limited
Plot No. 58-B, Dhan Udyog Industrial Area,
Piperia, Silvassa (Union Territory),
Dadra & Nagar Haveli – 396 230
 2. K-Lifestyle & Industries Limited
(formerly Krishna Lifestyle Technologies Limited)
Plot No. 58-A, Dhan Udyog Industrial Area,
Piperia, Silvassa (Union Territory),
Dadra & Nagar Haveli – 396 230
 3. Krishna Knitwear Technology Limited
65, Krishna Nagar, Village Samarvani,
Silvassa (Union Territory),
Dadra & Nagar Haveli – 396 230
 4. Hotline Textiles and Infrastructure Pvt. Ltd.
Unit No. 6, Ground Floor,
Kamath Industrial Estate,
Opp. Siddhi Vinayak Temple,
Prabhadevi,
Mumbai – 400 025
- ...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. P.N. Modi, Senior Advocate with Ms. K.S. Bharucha, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

AND
Appeal No. 76 of 2013

1. Deepak Mathur
10-S Dilwara, Maharishi Karve Road,
Mumbai - 400 021
2. Mahendra Kumar Aggarwal
402, Harsha Apartments,
193 Shere Punjab Society,
Andheri (East),
Mumbai - 400 093

3. Kulwinder Kumar Nayyar
Plot No. 15/101 Ain Apts, Sector 29,
Vashi, Navi Mumbai - 400 073
4. Jodharam Dhaka
Sai Shristhi CHS Limited,
F. No. B-204, Sudarshan Nagar,
Dombivali (E),
Mumbai
5. Narayan Ghumatkar
Kamat Industrial Estate,
396, Veer Savarkar Road,
Prabhadevi,
Mumbai - 400 025
6. Ajay Gupta
2nd Floor, Hari Niwas, Khar (West)
Mumbai - 400 051
7. Shivpratap Sitaram Jolly
Sai Shristhi CHS Limited,
F. No. B-204, Sudarshan Nagar,
Dombivali (E),
Mumbai

...Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Ms. Ketki Belapurkar, Advocate for Appellants.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

CORAM: Justice J.P. Devadhar, Presiding Officer
Jog Singh, Member

Per: Justice J.P. Devadhar

1. These 14 appeals are filed by 118 persons consisting of 9 public limited companies, 93 private limited companies and 16 individuals who are Non-Executive Chairman/Directors in some of above companies to challenge common adjudication order dated February 14, 2013 whereby penalties have been imposed

against all those persons under various provisions of Securities and Exchange Board of India Act, 1992 ('SEBI Act' for short). Since all these appeals arise from a common adjudication order, all these appeals are heard together and disposed of by this common judgment.

2. Relevant facts are that sometime in November 2009, Securities and Exchange Board of India, ('SEBI' for short) received a reference from Reserve Bank of India ('RBI' for short) wherein following observations were made:

- a) There were incorrect disclosures made by Bank of Rajasthan ('BoR' for short) regarding its shareholding held by Promoters group led by Mr. Pravin Kumar Tayal and Others.
- b) Though promoters of BoR reported certain reduction in their stake in BoR as mandated by RBI in its Guidelines dated February 28, 2005, it appeared that they had increased their stake in BoR simultaneously through surrogate acquisition.
- c) There were inter-corporate transfer of funds to the accounts of other corporate bodies who had purchased the stake in BoR.
- d) Most of those companies have contact details same as that of various Tayal group companies.
- e) Some of the directors were common in the said corporate bodies and Tayal group companies.

3. Based on above reference received from RBI, further investigation was carried out by SEBI relating to on market and off market transfer of shares of BoR by entities listed in the reference during the period between June 2007 and December 2009 ('Investigation Period' for convenience) to find out as to whether those entities had violated SEBI Act and Rules and regulations made thereunder.

4. Even after making reference to SEBI to consider as to whether there were violations committed by promoters of BoR under SEBI Act, it was open to RBI to initiate proceedings against promoters of BoR on ground that RBI guidelines have been violated. However, fact that RBI has not initiated any proceedings against promoters of BoR for alleged violation of RBI guidelines would not vitiate proceedings initiated by SEBI against promoters of BoR for allegedly violating SEBI Act and regulations made thereunder, because RBI as banking sector regulator and SEBI as capital market regulator operate in different fields and exercise powers vested in them under RBI Act and SEBI Act respectively which are independent of each other. Question, therefore to be considered in these 14 appeals is whether appellants who are promoters of BoR and persons allegedly connected with them have violated provisions of SEBI Act, Rules/Regulations framed thereunder and if so, whether quantum of penalty imposed upon each of them is justified.

5. Preliminary investigation conducted by SEBI revealed that Promoter group of BoR led by Mr. Pravin Kumar Tayal and others in Tayal family, held 44.18% shares of BoR prior to the commencement of investigation period and that during the investigation period, Promoter group had been consistently making representations to the public at large through the stock exchange that with a view to comply with RBI guidelines dated February 28, 2005, they have diluted their shareholding in BoR from 44.18% as on quarter ending June 2007 to 28.61% as on quarter ending December 2009, when in fact during above period their shareholding in BoR had gone up to 63.15% on account of deceptive mechanism adopted by Promoter group in collusion with persons acting in concert ('PAC' for short) with various group entities such as Tayal group, Silvassa group and Yadav group. In view of above preliminary findings, ad-interim ex-parte order was

passed by Whole Time Member (WTM) of SEBI on March 8, 2010, thereby restraining appellants from entering securities market and further prohibiting them from buying, selling or dealing in securities until further order. On completion of investigation, investigating authority submitted its report to SEBI. After considering the investigation report, WTM of SEBI by his order dated March 26, 2012 deemed it fit to vacate the ex-parte ad-interim order by observing inter-alia (i) that if RBI had considered conduct of promoters of BoR extremely serious, then RBI would not have allowed merger of BoR with ICICI Bank on August 12, 2010, (ii) after merger, shareholding of promoters of BoR in ICICI Bank share capital being too small there was very little chance for promoters of BoR to continue to indulge in their activities and (iii) since investigation is complete and appellants have already undergone debarment for more than two years, there is no need to continue the ex-parte ad-interim order dated March 8, 2010. It is apparent that above observations made by WTM in his order dated March 26, 2012 were prima facie observations and in fact in that order WTM of SEBI has specifically recorded that adjudication proceedings shall be initiated against persons mentioned therein and on conclusion of those proceedings Adjudicating Officer ('AO' for short) shall pass appropriate order on merits without being influenced by observations made by WTM in his order dated March 26, 2012.

6. As per the investigation report, Promoter group controlled by Tayal family had in collusion with/in concert with Tayal group, Yadav group had traded in BoR shares amongst themselves and thereby enabled promoters to make fraudulent misrepresentation to the investors. Therefore, promoter group controlled by Tayal family as well as Tayal group/Yadav group/Silvassa group entities had violated regulation 3 (a)(b)(c)(d) as also regulation 4(1), 4(2)(f) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations, 2003' for short) read with

section 12A (a)(b) and (c) of SEBI Act, 1992 and that some of them had also violated regulation 8(2) and 11(1) and 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('SAST Regulations, 1997' for short). Investigation report, further concluded that some of the persons had violated section 11C (2)(3) and (5) of SEBI Act by not responding to summons issued to them. Accordingly, on receiving authorization, AO issued show cause notices to all 118 entities who are appellants in these 14 appeals and after giving an opportunity of hearing, by impugned order dated February 14, 2013, held that appellants are guilty of violating various provisions of SEBI Act and Regulations made thereunder and imposed monetary penalties upon appellants. Challenging order dated February 14, 2013 these 14 appeals are filed.

7. Promoter group of BoR as per impugned order consists of following entities:

Sr. No.	Company
i.	21 st Century Entertainment Pvt. Ltd.
ii.	Ahmednagar Investments Pvt. Ltd.
iii.	Cumballa Hill Property Developers Pvt. Ltd.
iv.	Cyber Info Zeeboomba.com Ltd.
v.	Cyber Infosystem & Technologies Ltd.
vi.	EDC Securities Pvt. Ltd.
vii.	Giriganga Investment Pvt. Ltd.
viii.	Global Softech Pvt. Ltd.
ix.	Sumander Property Developers Pvt. Ltd.
x.	Ginger Closing Pvt. Ltd.
xi.	Sovotex Textile Pvt. Ltd.

8. Tayal family consisting of Pravin Kumar Tayal (also named as promoter of BoR in the disclosure made to BSE) as also his two brothers namely Sanjay Tayal and Navin Tayal and Saurabh Tayal (son of Navin Tayal) had promoted following companies (Tayal group) namely:

Sr. No.	Company
i.	Jaybharat Textile and Real Estate Ltd- a listed company
ii.	Eskay K 'n'IT (India) Ltd- a listed company
iii.	KSL and Industries Ltd- a listed company
iv.	Krishna Knitwear Technology Ltd- unlisted company
v.	Jayshree Petrochemicals Pvt. Ltd.
vi.	Megna Developers Pvt. Ltd.
vii.	Praneta Properties Pvt. Ltd.
viii.	Praneta Reality Pvt. Ltd.
ix.	K-Lifestyle and Industries Ltd (previously known as Krishna Lifestyle Technologies Ltd)- a listed company
x.	Hotline Textile and Infrastructure Pvt. Ltd.
xi.	Jyotsana Developers Pvt. Ltd.

9. Yadav group as per the impugned order consists of following entities:

Sr. No.	Name of the entities	Address
1.	Beta Trading Pvt. Ltd.	Block No-2, 3 rd Floor, Abbas Manzil, Opp. Cigaratte Factory, Chakala, Andheri (E), Mumbai- 400 099
2.	Vinay Mercantile Pvt. Ltd.	
3.	Akshar Mercantile Pvt. Ltd.	305, 3 rd Floor Trinity Co-op. Housing Society Ltd. A.P. Market, S G Gaikwad Marg, Dhobi Talao, Mumbai- 400 002
4.	Anshul Mercantile Pvt. Ltd.	
5.	Punit Mercantile Pvt. Ltd.	
6.	Palash Construction Pvt. Ltd.	Room No. 1, 2 nd Floor 105, Damoder Building Princess Street, Mumbai- 400 002
7.	Sarveshwara Trading Company Pvt. Ltd.	
8.	Aim Multitrade Company Pvt. Ltd.	H-157, Dr. Babasaheb Ambedkar Nagar, S M Road, Kokari Agar, Sion Koliwada, Mumbai- 400 003
9.	Anoop Multitrade Pvt. Ltd.	
10.	Watergate Mercantile Company Pvt. Ltd.	
11.	Highzone Trading Company Pvt. Ltd.	
12.	Hiren Trading Company Pvt. Ltd.	
13.	Inorbit Trading Company Pvt. Ltd.	
14.	Laksh Mercantile Pvt. Ltd.	
15.	Madan Multitrade Pvt. Ltd.	
16.	Superhouse Trading Company Pvt. Ltd.	
17.	Montreal Trading Company P. Ltd.	
18.	Newtree Mercantile Co P Ltd.	
19.	Niti Mercantile Company Pvt. Ltd.	
20.	Prajay Trading Company Pvt. Ltd.	
21.	Real Star Trading Company P Ltd.	
22.	Sea View Trading Company P Ltd.	
23.	Seaview Multitrade Company Pvt. Ltd.	
24.	Skyview Trading Company Pvt. Ltd.	
25.	Starview Constructions Pvt. Ltd.	
26.	Starview Mercantile Co Pvt. Ltd.	
27.	Sulochana Mercantile Pvt. Ltd.	
28.	Topcare Constructions Pvt. Ltd.	
29.	Colorshop Trading Company Pvt. Ltd.	

30.	Maginot Trading Company Pvt. Ltd.	58- Maharashtra Bhavan, 4 th Flr., Boara Masjid Street, Fort, Mumbai- 400 001
31.	Everframe Trading Company P Ltd.	
32.	Infinite Mercantile Company Pvt. Ltd.	
33.	Superfine Trading Company Pvt. Ltd.	
34.	Topcare Trading Company Pvt. Ltd.	
35.	Geonet Trading Company Pvt. Ltd.	635, 6 th Floor, Laxmi Plaza Laxmi Industrial Estate New Link Road Andheri (W), Mumbai- 400 053

10. Silvassa group as per impugned order consists of following entities:

Sr. No.	Name of the entities	Sr. No.	Name of the entities
1.	Acrow Constructions Pvt. Ltd.	24.	Jyoti Harvesting Pvt. Ltd.
2.	Acrwo Realcon Pvt. Ltd.	25.	Omkar Cultivators Pvt. Ltd.
3.	Allcon Estate Pvt. Ltd.	26.	Siddhi Cultivation Pvt. Ltd.
4.	Avera Engineering Pvt. Ltd.	27.	Uday Plantation Pvt. Ltd.
5.	Avera Machinery Pvt. Ltd.	28.	Ennore Procon Pvt. Ltd.
6.	Avera Properties Pvt. Ltd.	29.	Karan Conpro Pvt. Ltd.
7.	Avery Procon Pvt. Ltd.	30.	Shankar Commodities Pvt. Ltd.
8.	Avon Realcon Pvt. Ltd.	31.	Shreenath Harvesting Pvt. Ltd.
9.	Axon Realpro Pvt. Ltd.	32.	Bajrang Farming Pvt. Ltd.
10.	Axtel Properties Pvt. Ltd.	33.	Ennor Engineering Pvt. Ltd.
11.	Badal Realty Pvt. Ltd.	34.	Carnet Estates Pvt. Ltd.
12.	Bodal Conpro Pvt. Ltd.	35.	Amex Infrastructure Pvt. Ltd.
13.	Capman Conpro Pvt. Ltd.	36.	Ador Construction Pvt. Ltd.
14.	Charms Holding Pvt. Ltd.	37.	Kanishka Infrastructure Pvt. Ltd.
15.	Cubex Constructions Pvt. Ltd.	38.	Conart Conpro Pvt. Ltd.
16.	Dulron Procon Pvt. Ltd.	39.	Calcom Realty Pvt. Ltd.
17.	Elpro Machinery Pvt. Ltd.	40.	Alpha (India) Properties Ltd.
18.	Envair Realty Pvt. Ltd.	41.	Elnet Conpro Pvt. Ltd.
19.	Everlon Estate Pvt. Ltd.	42.	Cupid Estatecon Pvt. Ltd.
20.	Everlone Machinery Pvt. Ltd.	43.	Sukh-Suvidha Real Estate Ltd.
21.	Expro Constructions Pvt. Ltd.	44.	Cranes Real Estate Pvt. Ltd.
22.	Hanuman Cultivation Pvt. Ltd.	45.	Anil Kumar Dubey (director in 2 Tayal Group Companies and 3 Silvassa Group companies).
23.	Hikal Pro-Estate Pvt. Ltd.		

11. Based on evidence on record, AO has held that above four group entities were inter-connected with each other by having common addresses, common directors as also by transfer of shares and transfer of funds within the group as more particularly set out in the impugned order. It is further held in the impugned order that promoters of BoR in connivance with other group entities have concealed correct information from investors regarding their shareholding in BoR and their act culminated into fraud on investors and securities market and thus

Tayal family as also four group entities have violated PFUTP Regulations, 2003 and some entities violated SAST Regulations, 1997 and hence were liable for monetary penalty.

12. With this background, we now consider arguments advanced by counsel on both sides in the respective appeals.

Appeal No. 68 of 2013
(Sanjay Kumar Tayal vs. SEBI)

13. Penalty of ₹ 5 crore (₹ 4 crore under section 15HA and ₹ 1 crore under section 15A(a) of SEBI Act) has been imposed upon appellant, Sanjay Kumar Tayal on ground that he had indulged in fraudulent and unfair trade practices relating to securities under PFUTP Regulations, 2003 and failed to comply with summons issued under Section 11C(2) of SEBI Act.

14. Mr. Dwarkadas, learned senior advocate appearing on behalf of appellant while disputing correctness of the impugned order, submitted that assuming all allegations levelled against appellant are proved, even then in the facts of present case, penalty imposed upon appellant is wholly arbitrary, unreasonable and excessively harsh for following reasons:-

- a) It is not in dispute that investigation conducted by SEBI is based on a reference made by RBI to the effect that Promoter group of BoR led by Pravin Kumar Tayal had represented to the investors that in implementation of RBI guidelines their shareholding in BoR has been reduced when in fact their shareholding in BoR has been consolidated through surrogate acquisition which was in violation of RBI guidelines. Since RBI itself has considered that the said violations if any,

committed by appellant as a promoter did not merit initiation of proceedings under RBI Act, SEBI is not justified in considering the violations (if any) to be grave and impose totally disproportionate penalty of ₹ 5 crore upon appellant.

- b) Admittedly on August 12, 2010, RBI has approved decision of promoters to merge BoR with ICICI Bank Ltd. If RBI was not satisfied with the conduct of promoters, then RBI would not have approved decision of promoters to merge BoR with ICICI Bank without making any reservation or entering caveat against promoters including appellant. Therefore, when RBI after considering all facts has deemed it fit to permit promoters of BoR to merge BoR with ICICI Bank, SEBI by impugned order is not justified in imposing huge penalty of ₹ 5 crore upon appellant.
- c) In fact, above contention of appellant has been accepted by Whole Time Member of SEBI (WTM) in his order dated March 26, 2012. Since WTM a high ranking officer of SEBI has found that violations, if any, were not grave enough to continue ad-interim ex-parte order passed against appellant as well as other persons, AO who is below the rank of WTM could not have brushed aside decision of WTM and impose hefty penalty upon appellant.
- d) WTM of SEBI in his order dated March 26, 2012 has further held that camouflaging real level of shareholding by promoters would have been considered as serious or fatal if those wrongful disclosures had led genuine investors in to

trades that would eventually expose them to much greater risk. In the present case, it is not even alleged that there is any price or volume manipulation and there is no allegation that any investor has suffered on account of alleged violations. In these circumstances, imposition of hefty penalty of ₹ 4 crore upon appellant under Section 15HA of SEBI Act for alleged violation of PFUTP Regulations, 2003 is wholly unjustified.

- e) Similarly imposition of penalty of ₹ 1 crore under Section 15A(a) of SEBI Act for alleged non compliance of summons is also unjustified, because, on receipt of summons appellant had sought short adjournment and had agreed to appear and produce documents on the adjourned date. Since no such opportunity to appear and produce documents was given, AO was not justified in holding that appellant had failed to comply with the summons and impose penalty of ₹ 1 crore against appellant.

15. Mr. Rustomjee, learned counsel appearing on behalf of SEBI, on the other hand extensively argued in support of impugned order.

16. On careful consideration of rival submissions, we find it difficult to accept arguments advanced by counsel for appellant for following reasons:

- a) Where violations committed by any person fall within the domain of two authorities constituted under two statutes, then both authorities would be justified in initiating action against that person. In such a case, if one authority for any

reason does not initiate proceedings, then, inaction by one authority would not vitiate proceedings initiated by another authority. In the present case, RBI noticed that Promoter group of BoR together with connected entities had violated RBI Guidelines (within the domain of RBI), and referred it to SEBI to consider as to whether promoters of BoR had violated SEBI Act and Regulations framed thereunder. SEBI conducted further investigation and on receipt of investigation report initiated adjudication proceedings and imposed penalty on all entities including appellant herein. While arguing the matter on demurrer that is, assuming that the appellant is guilty of making representation which is not true, appellant would not be justified in contending that no penalty should be imposed under SEBI Act on ground that RBI has not initiated any action against appellant, because liability to pay penalty for violating SEBI Act and regulations made thereunder is not dependent on RBI initiating proceedings and imposing penalty for alleged violations of RBI guidelines. In other words, SEBI as capital market regulator and RBI as banking sector regulator operate in different fields and therefore, fact that RBI has not initiated proceedings against appellant for the alleged violations of RBI guidelines would not absolve appellant from his liability to pay penalty when appellant is found to have violated SEBI Act and regulations made thereunder.

- b) Argument that AO has failed to consider findings of WTM in his order dated March 26, 2012 that violations committed by

promoters are not grave is without any merit, because, firstly, observations made by WTM in his order dated March 26, 2012 are only prima-facie observations made in the context of continuing ex-parte ad-interim order after completion of investigation. Secondly, WTM himself has categorically recorded in his order that AO shall pass final order without being influenced by observations made by WTM in his order dated March 26, 2012. Therefore, argument that in view of prima facie observations of WTM no penalty could be imposed upon appellant is without any merit and hence liable to be rejected.

- c) Fact that RBI has permitted merger of BoR with ICICI Bank cannot be a ground for appellant to escape penal liability for violating SEBI Act and regulations made thereunder, because permission granted by RBI for merger of BoR with ICICI Bank was not in lieu of offences committed by appellant under SEBI Act and regulations made thereunder. In other words, having violated SEBI Act and regulations made thereunder, appellant cannot avoid penal liability merely because, subsequent to such violations RBI has permitted merger of BoR with ICICI Bank.
- d) Similarly, fact that there is nothing on record to suggest that camouflaging real level of shareholding by promoters of BoR including appellant has led genuine investors to trade in shares of BoR, cannot be a ground for appellant to escape penalty even after violating SEBI Act and regulations made thereunder, because SEBI Act does not contemplate

imposition of penalty on a person violating SEBI Act only if investors suffer on account of such violations. That may be a factor to be taken into account by AO while determining the quantum of penalty. Therefore, fact that there is no evidence to show that any investor has suffered cannot be a ground to escape penalty even after violating SEBI Act and regulations made thereunder.

- e) Contention that penalty of ₹ 4 crore has been imposed under Section 15HA of SEBI Act without considering provisions contained in Section 15J of SEBI Act is also without any merit because, Section 15HA provides that a person indulging in fraudulent and unfair trade practices relating to securities shall be liable to a penalty of ₹ 25 crore or three times the amount of profits made out of such practices, whichever is higher. Assuming that actual profits made by promoters including appellant on account of violation of PFUTP Regulations, 2003 are unascertainable, AO, after considering all mitigating factors has imposed penalty of ₹ 4 crore as against penalty of ₹ 25 crore imposable under Section 15HA of SEBI Act which cannot be said to be arbitrary or unreasonable.
- f) With a view to act as deterrent, Parliament by inserting Section 15HA to SEBI Act with effect from 29.10.2002, has prescribed penalty not less than ₹ 25 crore upon a person indulging in fraudulent and unfair trade practices relating to securities. In the present case, it is not in dispute that Promoter group controlled by Tayal family including

appellant have represented to the investors that they have reduced their shareholding in BoR during the investigation period from 44.18% to 28.61%. However, it is found that contrary to the representation made, shareholding of promoters along with PAC's has gone up to 63.15% during the investigation period. In such a case, representation made to investors constitutes fraud for which penalty imposable is not less than ₹ 25 crore. However, taking into consideration, all mitigating factors, AO has imposed penalty of ₹ 4 crore on appellant. In these circumstances, discretion exercised by AO in imposing penalty of ₹ 4 crore as against penalty of ₹ 25 crore imposable under Section 15HA of SEBI Act cannot be said to be unjustified or unreasonable.

- g) Appellant is also saddled with penalty of ₹ 1 crore under Section 15A(a) of SEBI Act for non-compliance of summons issued to appellant. Summons in this case was issued on May 26, 2011 calling upon appellant to appear before investigating officer on May 31, 2011 with documents specified therein. By letter dated May 30, 2011 appellant informed the investigating officer that above summons has been received on May 28, 2011 and it would not be possible to appear with documents on May 31, 2011 and requested for another date for appearance and production of documents. Without considering merits of above request and without giving any opportunity for production of documents or appearance, show cause notice was issued and by impugned order penalty of ₹ 1 crore has been imposed upon appellant

by AO under Section 15A(a) of SEBI Act for non-compliance of summons issued to appellant. Since dispute in this case related to 2007-2009 period and since summons was issued in May 2011, it would have been just and proper for the investigating officer to consider reasonable request of appellant and fix another date for appearance/production of documents, especially when appellant had agreed to appear and produce documents on the next date fixed by investigating officer. Since reasonable opportunity for production of documents was not given to appellant, we deem it proper to set aside penalty of ₹ 1 crore imposed upon appellant under Section 15A(a) of SEBI Act. Accordingly, we uphold penalty of ₹ 4 crore imposed under Section 15HA and set aside penalty of ₹ 1 crore imposed under Section 15A (a) of SEBI Act.

Appeal No. 69 of 2013
(Pravin Kumar Tayal vs SEBI)

17. Appellant herein belongs to Tayal family and has been non-executive chairman/director in several Promoter group companies. This appellant is also saddled with penalty of ₹ 5 crore (₹ 4 crore under Section 15HA and ₹ 1 crore under Section 15A(a) of SEBI Act).

18. Mr. Somasekhar Sundaresan, learned counsel appearing on behalf of appellant while adopting arguments advanced by learned counsel for appellant in Appeal No. 68 of 2013 submitted that in the process of complying with RBI guidelines if appellant commits any technical violation under SEBI Act and

regulations framed thereunder, then, imposition of huge penalty of ₹ 5 crore upon appellant under SEBI Act is wholly unjustified.

19. Since facts in this appeal are similar to facts in Appeal No. 68 of 2013 for reasons stated in our order in Appeal No. 68 of 2013, penalty of ₹ 4 crore imposed upon appellant under Section 15HA is sustained and penalty of ₹ 1 crore imposed under Section 15A(a) is set aside.

Appeal No. 72 of 2013 And Appeal No. 75 of 2013
(Promoter Group)

20. Appellants in both these appeals (6 appellants in Appeal No. 72 of 2013 and 5 appellants in Appeal No. 75 of 2013) admittedly constitute Promoter group of BoR, owned and managed by Tayal family.

21. By impugned order dated February 14, 2013 penalty of ₹ 10 lac, ₹ 3 lac and ₹ 5 lac under Section 15HA, 15A(a) and 15A(b) of SEBI Act has been imposed upon all appellants herein.

22. Mr. Ravichandra Hegde and Ms. Aparna Makharia, learned advocates appearing on behalf of appellants in Appeal No. 72 of 2013 and Appeal No. 75 of 2013 respectively have adopted arguments advanced by counsel for appellant in Appeal No. 68 of 2013. Accordingly for reasons set out in Appeal No. 68 of 2013, we uphold penalty of ₹ 10 lac imposed under Section 15HA of SEBI Act.

23. As regards penalty under Section 15A(a) is concerned, counsel for respondent submitted that inspite of two summons issued on May 13, 2011 and May 26, 2011 respectively, appellants have failed to appear and produce documents sought for by the Investigating Officer and hence imposition of penalty under Section 15A(a) of SEBI Act is justified.

24. Facts on record reveal, that by summons dated May 13, 2011 appellants were called to appear with documents on May 19, 2011, however said summons was received by appellants after May 19, 2011 and hence compliance of that summons did not arise at all (see page 338 in Appeal No. 75 of 2013). Similarly, by second summons dated May 26, 2011 appellants were called upon to appear and produce documents on May 30, 2011. According to appellants second summons was received on May 30, 2011 and hence by letter dated May 31, 2011 they sought another date for appearance and production of documents (see page 351 in Appeal No. 75 of 2013). In these circumstances, in our opinion, imposition of penalty under Section 15A(a) on ground that appellants have failed to comply with the summonses is unjustified. Accordingly, penalty levied under Section 15A(a) of SEBI Act on each of appellants is set aside.

25. As regards imposition of penalty under Section 15A(b) is concerned, according to SEBI, (see para 53 & 54) under regulation 8(2) of SAST Regulations, 1997 appellants, having retained control over BoR along with persons acting in concert (“PAC” for short) with them, were under obligation to make continual disclosures, disclosing the number and percentage of shares held by them and by persons acting in concert with them in BoR. Although it is contended that there were no PAC’s, for reasons set out in our order in Appeal No. 84 of 2013 set out hereafter, we hold that appellants having retained control over BoR along with Yadav/Silvassa group as PAC’s were obliged to make continual disclosure under regulation 8(2) of SAST Regulations, 1997 and since no such disclosure was made, AO was justified in imposing penalty under Section 15A(b) of SEBI Act.

26. Accordingly, penalty imposed under Section 15HA and 15A(b) against each appellant in both appeals are upheld and penalty imposed under Section 15A(a) of SEBI Act against each appellant in both appeals are set aside.

Appeal No. 82 of 2013 And Appeal No. 84 of 2013
(Yadav Group)

27. Appeal No. 84 of 2013 is filed by 35 private limited companies and Appeal No. 82 of 2013 is filed by Sangeeta Sawant and Girish Chand Yadav who are two common directors in 30 out of above 35 private limited companies. For sake of convenience, AO has considered appellants in Appeal No. 84 of 2013 as Yadav group because, Girish Chand Yadav is the common director along with Sangeeta Sawant in 30 out of 35 companies. By impugned order dated February 14, 2013 penalty of ₹ 5 lac is imposed upon each appellant in both appeals under Section 15HA of SEBI Act. Further, penalty of ₹ 3 lac is imposed upon some appellants in Appeal No. 84 of 2013 for not complying with summons issued to those appellants and in respect of 9 entities in Appeal No. 84 of 2013 penalty of ₹ 10 lac is imposed under Section 15H (ii) of SEBI Act for violating regulation 11(2) of SAST Regulations, 1997.

28. Mr. Bhatt, learned counsel appearing on behalf of appellants in both these appeals while adopting arguments advanced by counsel in other appeals submitted as follows:-

- a) 35 appellants in Appeal No. 84 of 2013 are independent and distinct legal entities and AO was not justified in calling them as ‘Yadav Group’ when in fact no such group exists.
- b) Appellants in Appeal No. 84 of 2013 could not be considered as PAC’s with Promoter /Tayal/Silvassa group entities on account of appellants purchasing from them shares of BoR in

off market, because off market transactions are legally permissible transactions.

- c) AO committed an error in holding that appellants were interconnected and connected with other groups in view of common address, common directors, transfer of shares and transfer of funds amongst alleged four groups. Each appellant is a distinct legal entity and merely because some appellants had common address and some appellants had common directors it could not be presumed that appellants were interconnected with each other so as to impose penalty upon appellants for alleged lapses, if any, committed by Promoter group.
- d) In para 31 of impugned order it is erroneously held that funds received by appellants in alleged Yadav group from other group entities were for purchase of shares of BoR when in fact those payments were received towards price of goods sold by appellants to those group entities. Merely because price of goods sold by appellants were received from Promoter/Tayal group either directly or indirectly (on account of payments made to third parties for and on behalf of appellants) it could not be inferred that Promoter/Tayal group had transferred funds to appellants for purchase shares of BoR on behalf of Promoter/Tayal group. Purchase of BoR shares on market were made by appellants on their own behalf and payments made by Promoter/Tayal group to stock brokers at the instance of appellants were not for purchase of BoR shares but in relation to price of fabrics sold by

appellants to Promoter/Tayal group. Similar transactions between various groups or within the group were also transactions carried out in ordinary course of business and those transactions could not be considered as transactions carried out with a view to consolidate shareholding of Promoter group / Tayal group.

- e) Assuming that there were any incorrect disclosures made by Promoter group, appellants being distinct legal entities unconnected either with Promoter group or Tayal group, appellants could not be held guilty of violating PFUTP Regulations and hence penalty of ₹ 5 lac imposed upon each appellant in both appeals under Section 15HA of SEBI Act is unjustified.
- f) As regards imposition of penalty of ₹ 3 lac on most appellants in Appeal No. 84 of 2013 under Section 15A(a) of SEBI Act, arguments advanced by counsel for appellant in Appeal No. 68 of 2013 were adopted.
- g) AO has not clearly stated as to who were acquirers and who were PAC's. In the absence of any analysis regarding on market transactions in BoR shares date wise, party wise and transaction wise, AO could not have held that appellants together with other groups constituted PAC's. Moreover, AO has not established that acquisition of shares of BoR by some of the appellants were with a view to acquire control or voting rights of BoR. Since appellants had purchased BoR shares for the first time during the investigation period and had not played any role when the Promoter group had

acquired BoR shares in the past, appellants could not be said to have violated regulation 11(2) of SAST Regulations, 1997.

- h) Relying on Apex Court decision in case of *Swedish Match AB vs SEBI* reported in AIR 2004 SC 4219 and an unreported decision of this Tribunal in case of *Phiroze Sethna Pvt. Ltd. vs AO* (Appeal No. 64 of 2006 decided on 15.11.2007) it is contended that regulation 11(2) of SAST Regulations, 1997 would trigger only if appellants were also involved as PAC's when the Promoter group acquired BoR shares in the past. Concept of 'PAC' being transaction specific, without making transaction wise analysis, AO was not justified in introducing concept of PAC as 'one for all and all for one'. In the impugned order AO has held that charge under regulation 11(1) of SAST Regulations, 1997 does not stand established. If regulation 11(1) is not attracted, then for the same reason, regulation 11(2) would not be attracted because concept of PAC could be invoked only if appellants along with promoters were involved in acquisition BoR shares in the past (under regulation 11(1)) and also involved in acquisition of additional shares of BoR along with Promoter group. Since BoR shares acquired by 9 Yadav group entities during investigation period were on their own behalf and those appellants were not involved in Promoter group acquiring BoR shares in the past, appellants could not be said to have violated regulation 11(2) of SAST Regulations, 1997 and consequently, imposition of penalty of ₹10 lac under Section 15H(ii) of SEBI Act for alleged

violation of regulation 11(2) of SAST Regulations, 1997 is unjustified.

- i) With reference to two appellants in Appeal No. 82 of 2013, it is contended that merely because those two appellants were directors in most of alleged Yadav group companies, they could not be singled out and subjected to penalty on ground that they have allegedly violated PFUTP Regulations 2003 when in fact they are in no way connected with violations allegedly committed by Promoter/Tayal group.

29. We see no merit in above contentions. As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices. In any event, following facts on record clearly demonstrate that AO was justified in holding that appellants have violated SEBI Act and Regulations made thereunder:-

- a) Girish Chand Yadav and Sangeeta Jairam Sawant (appellants in Appeal No. 82 of 2013) claim to be two common directors in 30 out of 35 appellants in Appeal No. 84 of 2013 and hence for sake of convenience, AO has considered appellants as Yadav group entities. Out of 35 so called distinct legal entities, 22 entities have one common address at H-157, Dr. Babasaheb Ambedkar Nagar, S.M. Road, Kokari Agar, Sion Koliwada, Mumbai- 400 037, 5 entities have common address at 58, Maharashtra Bhavan, 4th Floor, Bora Masjid

Street, Fort, Mumbai- 400 001, 3 entities have common address at 305, 3rd Floor, Trinity Coop. Hsg. Society Ltd., A.P. Market, S.G. Gaikwad Marg, Dhobi Talao, Mumbai- 400 002, 2 entities have common address at Block No. 2, 3rd Floor, Abbas Manzil, Opp. Cigarette Factory, Chakala, Andheri (E) Mumbai- 400 099 and 2 entities have common address at Room No. 1, 2nd Floor, 105 Damoder Building Princess Street, Mumbai- 400 002. (see para 21 of impugned order). It is relevant to note that most of these 35 entities were incorporated after RBI circular dated February 28, 2005, which required promoters of every banking company not to hold shares of that banking company in excess of limit prescribed therein. In the absence of any explanation as to how so many entities had common address and had common directors, and some entities were located in residential premises, inference drawn by AO that all these entities were connected entities cannot be faulted.

- b) Question then to be considered is whether Yadav group entities were connected with Promoter group entities. Sangeeta Sawant (appellant in Appeal No. 82 of 2013) director in 30 out of 35 Yadav group of companies admitted in her statement recorded on oath before the investigating officer of SEBI on 31.01.2011 that she works as Account Assistant with Dilip S. Mehta, proprietor of Dilip S. Mehta and Co, Chartered Accountants on a monthly salary of ₹ 10,000/- and that the companies in which she is shown as director are formed by Shri Mahadev Duggar, an employee

of Dilip S. Mehta and Co. who as on that was not traceable. Sangeeta Sawant in her statement further admitted that except by name she did not know personally Girish Chand Yadav who is supposed to be co-director along with her in 30 out of 35 entities in Yadav group. Sangeeta Sawant further admitted that neither she was aware of the business carried on by the entities in which she was a director nor she was aware of acquisition of shares of BoR by the said companies and that she had lent her name to be director of Yadav group companies because she was told that she would get some benefit out of it, however, so far she has not got any benefit out of it. Sangeeta Sawant further admitted that personally she did not know Pravin Kumar Tayal, but she knew that he is operating the entities in which she is shown as director.

- c) Correctness of above statements made on oath by Sangeeta Sawant have neither been controverted by Sangeeta Sawant nor by any other appellant at any point of time before AO. Even in the memo of appeal filed before us, (Appeal No. 82 of 2013) Sangeeta Sawant has not disputed correctness of her statement recorded on 31.1.2011. Dilip S. Mehta of Dilip S. Mehta and Co. Chartered Accountants, has failed to respond to the summons issued by AO for which penalty has been imposed upon him by SEBI which is sustained by this Tribunal to the extent of ₹ 3 lac. In these circumstances, based on aforesaid uncontroverted statement of Sangeeta Sawant made on oath, conclusion drawn by AO that Yadav group entities were connected, controlled and managed by

Tayal family cannot be faulted. In other words, evidence on record clearly shows that Promoter group as also Yadav group were controlled by Tayal family.

- d) From para 25 and 26 of impugned order it is seen that during the investigation period, Global Softech Pvt. Ltd. a Promoter group entity transferred in off market 62,26,800 shares of BoR to three Yadav group entities. Similarly from para 27 of impugned order it is seen that four Tayal group entities have transferred in off market 25,99,715 shares of BoR to five Yadav group entities. After aforesaid and other off market transfers Promoter group have represented to the investors through the stock exchange website that promoters shareholding in BoR has been reduced. Since Promoter group as also the Yadav group entities were controlled by Tayal family, it is apparent that Yadav group entities connived with Promoter group entities in making fraudulent misrepresentation to the investors that Promoter group has reduced its shareholding in BoR when in fact by a deceptive mechanism, BoR shares were transferred in off market by Promoter group controlled by Tayal family to Yadav group which are also controlled by Tayal family. Thus, contrary to the representation made to investors, shares of BoR held by Tayal family through Promoter group continued to remain with Tayal family even after off market transfers, because, both the Promoter group as also the Yadav group were controlled by Tayal family.

- e) Expression ‘fraud’ under regulation 2(1)(c) of PFUTP Regulations, 2003 includes misrepresentation made to investors by a person in connivance with another person while dealing in securities. In the present case, there is no doubt that off market transfer of BoR shares from Promoter group to Yadav group were effected with the sole intention of fraudulently misrepresenting to the investors that in compliance of RBI circular dated February 28, 2005 Promoter group controlled by Tayal family have diluted their shareholding in BoR, when in fact there was no change in the shareholding because, both the Promoter group as also Yadav group were controlled by Tayal family. In these circumstances, decision of AO that Yadav group entities by conniving with Promoter group have violated PFUTP Regulations, 2003 cannot be faulted.
- f) Neither before AO nor before this Tribunal appellants have produced any evidence to show that acquisition of 62,26,800 and 25,99,715 shares of BoR in off market from Promoter group and Tayal group respectively (see para 26 and 27) were genuine business transactions carried out for valuable considerations. Save and except claiming that off market transactions are legally permissible transactions, appellants have not adduced any evidence to show that in respect of aforesaid shares of BoR acquired in off market appellants have paid consideration amount to Promoter/Tayal group and that Tayal family ceased to have any control over those BoR shares transferred in off market to Yadav group entities.

Since Sangeeta Sawant, claimed to be director in 30 out of 35 Yadav group entities has admitted that all the entities were managed by Pravin Kumar Tayal of Tayal family, AO was justified in holding that the transactions in question were carried out by Promoter group in connivance with Yadav group with a view to mislead investors that the Promoter group has divested BoR shares when in fact there was no such divesting because both Promoter group and Yadav group entities were controlled Tayal family.

- g) Apart from above off market transactions, in para 29, 30, 31 and 32 of impugned order, AO has given details of funds transferred by Promoter/Tayal group entities to various Yadav group entities either directly or indirectly. Facts set out in those paras show that funds transferred by Promoter group to Yadav group during investigation period is ₹ 64.84 crores (₹10.27 crores to stockbrokers of Yadav group + ₹ 54.57 crores direct payment to Yadav group) and funds transferred by Tayal group to Yadav group is ₹ 44.07 crores (₹16.96 crores to stock brokers of Yadav group+ ₹ 27.11 crores direct payment to Yadav group). According to AO aforesaid amount of ₹ 108.91 crore (₹ 64.84 crore + ₹ 44.07 crore) was transferred by Promoter/Tayal group to Yadav group for purchase of BoR shares on market and in fact by utilizing that amount Yadav group entities have purchased 2.51 crore shares of BoR on market (see para 31). Although appellants have contended that funds transferred by Promoter/Tayal group to Yadav group (directly or indirectly)

were towards price of goods sold and delivered by Yadav group to Promoter/Tayal group, no evidence has been adduced by Yadav group in support of above claim either before AO or before this Tribunal. In these circumstances, decision of AO that Yadav group entities controlled and managed by Tayal family received funds from Promoter/Tayal group for acquisition of BoR shares on market cannot be faulted. Thus, it is evident that Promoter group in connivance with Yadav group have misrepresented to the investors that shareholding of promoters in BoR has been diluted when in fact shareholding has been consolidated in connivance with Yadav group entities which were also controlled by Tayal family. Since Yadav group entities incorporated as distinct legal entities have connived with Promoter group in making fraudulent misrepresentation to the investors, AO was justified in holding that Yadav group entities have violated PFUTP Regulations, 2003.

- h) It is interesting to note that Sangeeta Sawant (appellant in Appeal No. 82 of 2013) is claimed to be director in 30 out of 35 Yadav group entities. However on March 22, 2013 Board of Directors of all 35 Yadav group entities passed identical resolutions authorizing Sangeeta Sawant as director or ex-director of all 35 companies to file appeal before this Tribunal against impugned order dated February 14, 2013 (see pages 265 to 299 in Appeal No. 84 of 2013). Accordingly on April 1, 2013 Sangeeta Sawant filed Appeal No. 84 of 2013 before this Tribunal as director/ex-director of

all 35 Yadav group entities. It is only when office of this Tribunal raised objections regarding authorization issued in the name of ex-director, fresh authorizations have been issued in favour of a person who is presently director in those companies. Thus, it appears that Sangeeta Sawant was director in all 35 Yadav group entities at one time or other. In any event, in the facts of present case, it cannot be said that AO was unjustified in considering the statement of Sangeeta Sawant that she was a director only on record and in fact Pravin Kumar Tayal was managing the entire Yadav group entities. In these circumstances, imposition of penalty of ₹ 5 lac upon each appellant in Appeal No. 84 of 2013 and also appellants in Appeal No. 82 of 2013 who connived with Promoter group in violating PFUTP Regulations, 2003, cannot be said to be unreasonable.

- i) As regards imposition of penalty of ₹ 3 lac under Section 15A(a) of SEBI Act is concerned, in our opinion, since appellants, inspite of receipt of summons have failed and neglected to respond to the said summons, AO was justified in imposing that penalty. Penalty imposable under Section 15A(a) of SEBI Act for non-compliance of summons is ₹ 1 lac for each day during which such failure continues or ₹ 1 crore whichever is less. Since non compliance of summons continued till completion of investigation and even thereafter, in the facts of present case imposition of penalty of ₹ 3 lac on respective appellant cannot be said to be unreasonable or unjustified.

- j) Similarly, additional penalty of ₹ 10 lac imposed upon 9 Yadav entities under Section 15H (ii) of SEBI Act for violating regulation 11(2) of SAST Regulations, 1997 cannot be said to be unreasonable because, in para 60 to 65 of the impugned order AO has discussed in detail as to how these 9 Yadav group entities and one Silvassa group entity have made additional on market purchases of BoR shares even after the combined acquisition of BoR shares by promoters together with PAC's crossed 55%. Regulation 11(2) of SAST Regulations, 1997, provides that no acquirer, who together with persons acting in concert with him holds 55% or more but less than 75% of the shares in target company, shall acquire either by himself or through persons acting in concert with him any additional shares unless he makes a public announcement to acquire shares in accordance with SAST Regulations, 1997. Admittedly, such public announcement was not made and therefore AO was justified in holding that 9 appellants herein have violated regulation 11(2) of SAST Regulations, 1997.
- k) Relying on Apex Court decision in Swedish Match AB (supra) and decision of this Tribunal in case of Phiroze Sethna Pvt. Ltd. (supra) it is contended that appellants could not be considered as PAC's with Promoter group, because, in the absence of any finding by AO that appellants had acted as PAC's along with Promoter group in acquisition of BoR shares in the past, appellants could not be treated as PAC's covered under regulation 11(2) of SAST Regulations, 1997.

Submission is that as per aforesaid decisions, appellant could be said to be PAC under regulation 11(2) only if appellants were also PAC's when BoR shares were acquired in the past by Promoter group to the extent specified in regulation 11(1). In our opinion, arguments advanced on behalf of appellants is not in consonance with the ratio laid down by Apex court in case of Swedish Match (*supra*). In any event, in the facts of present case, it is not in dispute that prior to the investigation period, Promoter group held 44.18% shares of BoR, and during the investigation period Yadav group/Silvassa group entities acquired BoR shares in off market from Promoter group and also acquired BoR shares on market. As a result, combined shareholding of Promoter group along with PAC's including Yadav group steadily started increasing from 44.18%. Since specific Yadav/Silvassa entity that was involved in enhancing the shareholding from 44.18% to 55% could not be ascertained, AO has dropped charge of violating regulation 11(1). However, since AO could identify 10 entities (9 from Yadav group and 1 from Silvassa group) that were involved as PAC's in acquisition of BoR shares on market in excess of 55% it is held that those 10 entities have violated regulation 11(2) of SAST Regulations, 1997. Therefore, mere fact that charge of violating regulation 11(1) is dropped does not mean that Yadav/Silvassa group entities were not involved in acquisition of BoR shares as PAC's of Promoter group from 44.18% to 55%. Once it is held that Yadav/Silvassa group as

PAC's of Promoter group were involved in acquisition of BoR shares up to 55%, then on acquisition of BoR shares in excess of 55%, appellants were obliged to make disclosures under regulation 11(2) of SAST Regulations, 1997. In paras 60 to 65 of the impugned order AO has given detailed particulars on the basis of which it is held that 9 Yadav group entities and 1 Silvassa group entity were involved in violating regulation 11(2) of SAST Regulations, 1997. Facts set out in paras 60 to 65 of impugned order are not disputed. In these circumstances argument of appellants based on Apex Court decision in *Swedish Match (supra)* and decision of this Tribunal in *Phiroze Sethna Pvt. Ltd. (supra)* that 9 appellants in Yadav group were not involved in acquisition of BoR shares as PAC's of Promoter group in excess of 55% cannot be accepted, especially when all the Yadav group entities and Promoter group entities were controlled by Tayal family.

- l) Argument of appellants that they could not be regarded as PAC's with the Promoter group on the ground that there is no analysis of trades, date wise/parties wise/transaction wise and that the appellants have not acquired shares with a view to acquire control or voting rights of BoR is without any merit because Sangeeta Sawant, director/ex director of Yadav group entities has stated on oath that Yadav group entities were managed by Pravin Kumar Tayal belonging to Tayal family which in turn were controlling the Promoter group entities. Since Yadav group entities resorted to acquisition of BoR shares in off market from Promoter group

and also acquisition of BoR shares on market and since both Yadav group and Promoter group were controlled by Tayal family, AO was justified in holding that Yadav group entities acted as PAC's of Promoter group in acquisition of BoR shares with a view to control BoR.

- m) Argument that penalty imposed upon appellants is arbitrary and harsh is also without any merit because, after considering all mitigating factors, nominal penalty is imposed upon appellants in Appeal No. 84 of 2013 as also against two common directors who are appellants in Appeal No. 82 of 2013, as against higher penalty prescribed under SEBI Act for violating PFUTP Regulations, 2003 and SAST Regulations, 1997.

30. For aforesaid reasons, we confirm penalty imposed upon appellants in Appeal No. 82 of 2013 and Appeal No. 84 of 2013 under Section 15HA, 15A(a) and 15H(ii) of SEBI Act.

Appeal No. 83 of 2013 and Appeal No. 85 of 2013
(Silvassa Group)

31. These two appeals are filed by 44 out of 45 entities situated at Silvassa and 3 directors of those companies respectively against whom penalties have been imposed under Section 15HA/ 15A(a)/ 15H(ii) of SEBI Act.

32. Mr. Andhyarujina learned counsel appearing on behalf of appellants in these two appeals while adopting arguments advanced by counsel in other cases submitted as follows:-

- a) All 44 entities in Appeal No. 83 of 2013 are independent/distinct legal entities and merely because these entities are situated at

Silvassa, AO was not justified in holding that all these entities were group entities.

- b) Fact that appellants in Appeal No. 83 of 2013 have their address in different flats situated at three places at Silvassa, could not be a ground for AO to infer that these entities were interconnected or connected with Promoter/Tayal group. Similarly, fact that some Promoter/Tayal group companies have common address with some Silvassa group companies and there are common directors between some Silvassa group companies and Promoter/Tayal group companies (see para 25), it could not be inferred that appellants were connected with Promoter/Tayal group.
- c) Appellants had purchased shares of BoR in off market from Promoter group as also from Yadav group (see para 25 and 26) in the ordinary course of business and for valuable consideration. Similarly, appellants had acquired BoR shares on market from Promoter/Tayal group as also from Yadav group (see para 29) in the ordinary course of business. All these transactions executed by appellants were in their individual capacity and hence AO could not have held that these transactions were carried out with a view to consolidate shareholding of Promoters/Tayal group in BoR.
- d) To hold appellants guilty of violating regulation 3 and 4 of PFUTP Regulations, 2003, AO ought to have established as to how purchase of BoR shares by appellants in off market and on market were fraudulent as defined under PFUTP Regulations, 2003. Since transactions in question were carried out legally and no investor was affected by these transactions, AO was not justified in holding that appellants have violated PFUTP Regulations. Assuming that

Promoters/Tayal group had violated RBI guidelines or made incorrect disclosures, appellants could not be penalized merely because appellants had acquired shares of BoR from Promoter/Tayal/Yadav group entities, as those acquisitions were in the ordinary course of business and were genuine business transactions and thus there was no violation of PFUTP Regulations, 2003.

- e) As regards imposition of penalty for non compliance of summons counsel for appellants adopted arguments advanced by counsel for appellants in Appeal No. 68 of 2013.
- f) Relying on Apex Court decision in Daiichi Sankyo Company Ltd. vs Jayaraman Chirugupati & Ors. (Civil Appeal No. 7148 of 2009 decided on July 8, 2010) it is contended that in the absence of concrete finding that transaction in BoR shares by one appellant namely Dulron Procon Pvt. Ltd. were with the common objective of achieving substantial acquisition of shares of target company and thereby gain control of the target company, appellant could not be held to be PAC under SAST Regulations, 1997.

33. We see no merit in above contentions for following reasons:

- a) Although 44 appellants in Appeal No. 83 of 2013 are distinct legal entities duly registered under Companies Act 1956, for sake of convenience AO has considered all these appellants as Silvassa group because all these 44 entities are situated at Silvassa. Fact that these Silvassa group entities were connected with Promoter/Tayal group is established from following facts:

- i) Most of Silvassa group entities were incorporated after RBI circular dated February 28, 2005 which required every promoter of banking company to reduce its shareholding in that company to the extent specified there in.
- ii) Out of 44 entities in Silvassa group, 35 entities had addresses at various flats in Silver Park, Plot No. 5 of survey no. 6, Vanmali Park, Silvassa Khanvel Main Road, Samarvani, Silvassa – 396230. Investigation conducted by SEBI revealed that those flats in which 35 appellants are supposed to have their offices were residential premises of the employees of Krishna Mill which is owned by Krishna Knitwear Technologies Ltd., a Tayal group company (see para 22 of impugned order). This fact is not disputed by appellants. Moreover, in their reply to show cause notice, appellants have merely stated that they are unable to offer comments on the above issue. Since 35 out of 44 Silvassa group entities are situated at the residential premises of employees of entities controlled by Tayal group, conclusion drawn by AO that Silvassa group were connected with Promoter/Tayal group cannot be said to be without any basis.
- iii) Out of remaining 9 Silvassa group companies 5 of them were found to be situated in different flats at Gurudev Complex, phase – I/II/III Silvassa – 396230.

Investigation revealed these flats were residential flats used as Guest House of Krishna Mill, owned by Krishna Knitwear Technologies Ltd., a Tayal group company. This fact further supports conclusion drawn by AO that Silvassa group companies were connected with Promoter/Tayal group.

- b) Investigation carried out by SEBI reveals that during the investigation period, Promoter group entities had transferred by way of off market transaction 166.35 lac shares of BoR (see para 26) to various Silvassa group entities (71.05 lac shares by Sovotex Textile Pvt. Ltd.+ 60 lac shares by Ginger Clothing Pvt. Ltd.+ 35.30 lac shares by other Promoter group entities). Similarly Tayal group entities had transferred 31.13 lac BoR shares in off market (see para 27) and Yadav group entities had transferred 231.18 lac BoR shares to various Silvassa group entities in off market. Thus during the investigation period Silvassa group entities had acquired 428.66 lac shares of BoR in off market transactions from Promoter/Tayal/Yadav group entities. Although it is contended that above off market transfers were genuine business transactions, facts on record establish to the contrary. For example, from the ledgers produced by appellants it is seen that on November 13, 2009 Acrow Constructions Pvt. Ltd ('Acrow' for short) a Silvassa group entity acquired in off market 4,85,653 and 2,34,456 shares of BoR from two Yadav group entities, namely Hiren Trading Co. Pvt. Ltd., and Niti Mercantile Co. Pvt. Ltd., respectively (see page 1456 in Appeal No. 83 of 2013). From ledger account produced by Acrow for the period 1.4.2009 to 31.3.2010, it is seen that for acquisition of

4,85,663 BoR shares from Hiren Trading Co. Pvt. Ltd. in off market Acrow claims to have paid by way of book adjustment ₹ 3,76,87,449/-(at page 1458). Similarly, as per ledger account of Niti Mercantile Co. Pvt. Ltd. (at page 1459) maintained by Acrow, consideration paid by Acrow to Niti Mercantile Co. Pvt. Ltd. for acquisition of 2,34,456 BoR shares is ₹ 19,92,877/- by way of book adjustment. Thus as per ledger account, on November 13, 2009 Acrow has acquired in off market 4,85,663 BoR shares for ₹ 3,76,87,449 and 2,34,456 shares for ₹ 19,92,877/-. No explanation was offered before AO as to the circumstances under which on November 13, 2009, 4,85,663 shares were purchased at ₹ 77.60 per share and 2,34,456 shares were purchased at ₹ 8.50 per share. Even before us, learned counsel for appellants fairly stated that facts speak for themselves and he cannot improve them. Apart from above, ledger accounts of various Silvassa group entities (at pages 1456 to 1769 in Appeal No. 83 of 2013) show that those entities had acquired BoR shares in off market from Promoter/Tayal/Yadav group entities during the investigation period at a price ranging from ₹ 8.50 per share to ₹ 277.09 per share and all entities paid consideration for such acquisition by way of book adjustment and not by actual payment. It is interesting to note that the ledger accounts of all Silvassa group entities show that they had sold fabrics from time to time without receiving payment and on purchasing BoR shares in off market from those entities to whom fabrics were sold accounts have been squared off by book adjustment. In majority of cases, it is seen that adjustment of alleged consideration brings about a nil balance because it corresponds

perfectly to the amounts built up in the ledgers as alleged purchase/sale of fabrics. In these circumstances decision of AO (see para 43) that these are absurd and meaningless transactions and have been recorded in ledgers with a view to evade detection and to give an impression of legitimacy cannot be faulted.

- c) From the ledger accounts of the Silvassa group entities it is seen that in some cases during the year there were in all 47 transactions involving sale of fabrics without any payment (see page 1458). It is only on acquisition of BoR shares in off market from those entities, accounts are squared off by book adjustment and by showing cash receipts of nominal amounts such as ₹1440/-, ₹840/-, ₹4,458/- (at pages 1458, 1459 & 1461 in Appeal No. 83 of 2013). Thus, bulk of BoR shares have been transferred by Promoter/ Tayal group to Silvassa group either directly or through Yadav group and the modus operandi adopted in the ledgers is to settle accounts by book adjustment. In these circumstances, AO was justified in holding that the entries in the ledger account were intended to give legitimate appearance, obviously meaning thereby that the ledgers were not representing true state of affairs.
- d) From para 27 and 32 of impugned order it is seen that some of Tayal group entities, apart from transferring 31.13 lac BoR shares held by them to Silvassa group entities in off market, have also paid ₹ 15.23 crore to stock brokers of Silvassa group entities. AO has held that amount of ₹ 15.23 crore paid by some Tayal group entities to stock brokers were for purchase of BoR shares on market in the name of Silvassa group entities. Neither in the memo of appeal nor in the arguments advanced before us it is demonstrated as to how

findings recorded by AO that amount of ₹ 15.23 crore paid by some Tayal group to stock brokers of Silvassa group were for purchase of BoR shares in the name of Silvassa group entities is erroneous. Therefore, in the facts of present case, it is evident that Yadav group entities as also Silvassa group entities have colluded with Promoter group entities in misrepresenting to the investors that shareholding of Promoter group in BoR has been diluted when in fact by unnatural method shareholding of Promoter group has been consolidated by resorting to off market transfers as also by acquisition of BoR shares on market for which funds were partially provided by Promoter/Tayal group entities. In these circumstances, decision of AO that Yadav group as also Silvassa group have violated PFUTP Regulations, 2003 cannot be faulted. Consequently, penalty imposed upon each Silvassa group entities cannot be said to be unjustified.

- e) Reliance placed by counsel for appellants on decision of Apex Court in case of Daiichi Sankyo Company Ltd. (supra) does not in any way support the case of appellants. Facts on record (see para 34) show that at the end of investigation period Silvassa group entities had acquired 34.54% shares of BoR by resorting to transactions in off market and on market. Shares acquired in off market from the Promoter group, Yadav group and Tayal group were 1,66,35,975 shares, 3,49,20,954 shares and 31,13,223 shares respectively (see para 32) at prices ranging from ₹ 8.50 per share to ₹ 277.09 per share. Apart from off market acquisition, Silvassa group entities have acquired BoR shares on market. Thus total acquisition of BoR shares were to the extent of 34.54%. In these

circumstances, AO was justified in holding that Silvassa group entities not only connived with Promoter group in making fraudulent misrepresentation to the investors regarding dilution of their shareholding in BoR but also acted in concert with Promoter/Tayal group with the common object of consolidating control of Tayal family in BoR. Hence decision of Apex Court in Daiichi Sankyo Co. Ltd. (supra) does not support the case of appellants. In these circumstances, AO was justified in holding that Silvassa group entities have violated PFUTP Regulations, 2003 and also SAST Regulations, 1997.

- f) As regards penalty imposed under Section 15A(a) of SEBI Act, for reasons stated in our order in Appeal No. 68 of 2013, we deem it proper to set aside penalty levied under Section 15A(a) of SEBI Act.
- g) As regards imposition of penalty under Section 15H(ii) of SEBI Act upon Dulron Procon Pvt. Ltd., we uphold the penalty for reasons set out in Appeal No. 84 of 2013.
- h) Three appellants in Appeal No. 85 of 2013, are Sanjay Sadrekar (Director in 15 Silvassa group entities and 3 Tayal group entities), Anil Kumar Dubey (Director in 3 Silvassa group entities and 2 Tayal group entities) and Jagdish Tamboli who was a common director in 4 Tayal group entities (see para 25). Jagdish Tamboli and Sanjay Sadrekar were the only 2 directors (see para 49) in Jyotsana Developers Ltd. (Tayal group entity). AO in para 50 of the impugned order has held that since the companies in which appellants in Appeal No. 85 of 2013 have been found guilty, these directors being in charge of the affairs of the respective companies

are also liable. Above finding of AO is not controverted by appellants in Appeal No. 85 of 2013. In these circumstances, we see no reason to interfere with the order of AO in imposing penalty upon these appellants under Section 15HA of SEBI Act.

34. For aforesaid reasons, penalty imposed upon appellants in Appeal No.83 of 2013 & 85 of 2013 under Section 15HA and Section 15H(ii) of SEBI Act are upheld and penalty imposed under Section 15A(a) is set aside.

Appeal No. 74 of 2013
(Representing part of Tayal group)

35. Ms. Ketki Belapurkar, learned counsel appearing on behalf of appellants has adopted arguments advanced by counsel for other parties.

36. Appeal No. 74 of 2013 is filed by 5 Tayal group entities and 1 Silvassa group entity (Brescon Infra Private Limited). For reasons stated in our order in Appeal No. 72 of 2013 (Promoter group) and Appeal No. 83 of 2013 penalty imposed under Section 15HA is upheld and penalty imposed under Section 15A(a) is set aside.

Appeal No. 66 of 2013 & Appeal No. 73 of 2013
(Navin Tayal & Saurabh Tayal)

AND

Appeal No. 80 of 2013 & Appeal No. 81 of 2013
(Tayal group)

37. Navin Tayal (Appellant in Appeal No. 66 of 2013) and Saurabh Tayal, son of Pravin Kumar Tayal (Appellant in Appeal No. 73 of 2013) as also six appellants in Appeal No. 80 of 2013 & Appeal No. 81 of 2013 in which Navin and Saurabh are Non- Executive Chairman, have filed these appeals to challenge penalty imposed under Section 15HA and 15A(a) of SEBI Act.

38. Only ground for imposing penalty upon these appellants is that the six appellant companies have made payments to certain stock brokers of Yadav/Silvassa group entities which payment according to AO were made for purchasing BoR shares on market by Yadav/Silvassa group entities with the ultimate object of consolidating shareholding of Tayal family in BoR. Question to be considered in these appeals is, whether AO was justified in rejecting the contention of appellants that funds transferred directly or indirectly through stock brokers were towards goods purchased from Yadav/Silvassa group entities and further holding that appellants connived with Promoter group in misrepresenting to the investors that promoters shareholding in BoR is diluted when in fact by providing funds for acquisition of BoR shares appellants have resorted to consolidating the shareholding of promoters in BoR.

39. As rightly contended by Mr. Modi, learned counsel for appellants, unlike other entities in the Tayal group none of these appellants at any point of time have transferred BoR shares in off market or acquired BoR shares on market. In such a case, fact that Navin and Saurabh were part of Tayal family and fact that they were Non-Executive Chairman in six appellant companies in the Tayal group by itself cannot be a ground to reject contention of appellants and hold that they have transferred funds with a view to commit fraud on investors. Whether AO has given cogent reasons for rejecting the contention of appellants regarding fund transfer is the question to be considered in these appeals.

40. Ledger accounts furnished by appellants reveal that during the investigation period, six appellant companies herein had transferred funds amounting to ₹ 520 crore directly or indirectly to Yadav/Silvassa group entities and also received funds amounting to ₹ 179.77 crore. Fact that these payments made/ received by appellants are not in dispute. However, out of total ₹ 520 crore paid during the year, payment of ₹ 57.94 (₹ 30.83 crore to brokers + ₹ 27.11

crore direct payment) is held by AO to be funds transferred for acquisition of BoR shares on market by Yadav/Silvassa group entities. In the impugned order, even after considering ledger accounts AO has not assigned any reason as to why payment of ₹ 57.94 crore alone out of total payment of ₹ 520 crore would amount to funding for acquisition of BoR shares.

41. Argument of SEBI that burden was on appellants to prove that funds transferred were towards the cost of fabrics purchased is without any merit, because appellants have produced ledgers in support of their claim and if AO did not agree with entries in the ledger, reasons ought to have been recorded in the impugned order for such disagreement. In para 43 of impugned order AO has made certain observations in relation to ledger accounts but none of those observations are applicable to the case of appellants herein and in fact are applicable to appellants in other groups. It is relevant to note that unlike other appellants in the group, there is neither off market transfer of BoR shares nor any book adjustment. Similarly unlike other appellants in the group, funds transferred by appellants during the year to Yadav/Silvassa group entities is far in excess of the amounts considered by AO. Unless, there were cogent reasons, AO could not have considered only part of the amount paid as funds transferred for acquisition of BoR shares. As noted earlier, as per ledger, appellants during the year have made payment of ₹ 520 crore and received payment of ₹ 179 crore from Yadav/Silvassa group entities. Without considering the cumulative effect of all these entries in the ledger account, AO could not have held that out of ₹ 520 crore payment made by appellants, ₹ 57.94 crore represented funds transferred for acquisition of BoR shares.

42. If funds transferred by appellants to stock brokers were to be the basis for holding that the transfers were for acquisition of BoR shares then in case of

K-Lifestyle & Industries Ltd. (appellant in Appeal No. 81 of 2013) funds transferred to Finquest Services Pvt. Ltd., is ₹ 15 crore where as cost of BoR shares purchased on market by Finquest was only ₹ 13.27 crores (see para 29). In such a case, where funds transferred were more than the cost of BoR shares acquired, it could not be said that funds transferred were for acquisition of BoR shares. Similarly funds transferred by appellants to other stock brokers do not correlate with the cost of BoR shares purchased by those stock brokers for and on behalf of Yadav/Silvassa group entities. In these circumstances, inference drawn by AO that ₹ 57.94 crore paid by appellants were for purchase of BoR shares is unjustified.

43. It is relevant to note that four out of six appellant companies are listed public companies and some of them have directors nominated by LIC and IFCI to ensure that funds of the companies are properly utilized. In such a case, it is difficult to accept inference drawn by AO that funds amounting to ₹ 57.94 crore transferred by appellants to Yadav/Silvassa group entities were for the purpose of acquiring BoR shares on market, especially when appellant had produced ledger accounts to show that payments actually made by appellants were ₹ 520 crore and in fact there are also receipts to the tune of ₹ 179 crores. Without assigning any reason AO could not have held that entries in the ledger accounts to the extent of ₹ 57.94 crores were funds transferred for acquisition of BoR shares. Having called for ledger accounts and having considered ledger accounts, without assigning any reason AO was not justified in rejecting the contention of appellants that ₹ 57.94 crores were paid towards cost of goods purchased. Argument that ledgers were produced for the first time before AO and not before the investigating authority does not enhance the case of SEBI because AO has not

rejected the ledgers produced by appellants and on the contrary made observations which are not applicable to the case of appellants.

44. Argument that 6 appellant companies in which Navin Tayal and Saurabh Tayal were Non-Executive Chairman have transferred funds to Yadav/Silvassa group entities for purchase of BoR shares is evident from the fact that the companies to which funds are transferred have common addresses and also common directors is without any merit. In our opinion, mere fact that the companies to which funds were transferred have common addresses or common directors alone would not be sufficient to reject the contentions raised by appellants especially when AO has not held that Yadav/Silvassa group entities are fictitious entities. Unlike in other cases where there are no transactions other than disputed transactions, appellants herein have payment transactions amounting to ₹520 crores and receipt transactions amounting to ₹179 crores. In these circumstances, in our opinion, these appellants stand on a different footing and without considering genuineness of the entries in the ledger accounts AO was not justified in treating these appellants on par with other Tayal group entities.

45. Fact that Promoter group entities controlled by Tayal family have made fraudulent misrepresentation to the investors to the effect that their shareholding in BoR has been diluted, cannot be a ground to hold each and every member of Tayal family and the companies controlled by them liable for action irrespective of their involvement in the fraudulent misrepresentation. In case of Pravin Tayal/ Sanjay Tayal and the companies in which they are associated have indulged in transferring BoR shares in off market to Yadav/Silvassa group and claim to have received consideration for such off market transfer by way of book adjustment and similarly Yadav/Silvassa group entities claim to have sold fabrics to Pravin/Sanjay Tayal and companies controlled by them and claim to have

received consideration by way of book adjustment. Since there was no other transactions involving payment/ receipt throughout the year, AO was justified in disagreeing with the entries in the ledger account of the entities controlled by Pravin/Sanjay Tayal. However, case of appellants herein stands on a different footing and in the absence of any specific reason to consider appellants herein on par with other appellants, AO was not justified in holding that out of ₹ 520 crore paid by appellants to Yadav/Silvassa group entities ₹ 57.94 crore represented amounts paid for acquisition of BoR shares. To accept such finding of AO would mean that appellants including listed public limited companies have siphoned of ₹ 57.94 crore when there is no basis for arriving at such conclusion.

46. Reliance placed by counsel for SEBI on decision of Apex Court in case of N. Narayanan vs. AO, SEBI reported in (2013) 12SCC 152 and decisions of this Tribunal in Rahul H. Shah vs. SEBI reported in (2004) 55 SCL 416(SAT) and Ketan Parekh vs. SEBI (Appeal No. 2 of 2004 decided on July 14, 2006) have no relevance and are distinguishable on facts, because, in our opinion, AO has failed to assign any reason as to why appellants herein should be considered on par with other group entities and why payments amounting to ₹ 57.94 crores out of total payment of ₹ 520 crores amounted to transfer of funds for acquisition of BoR shares. In these circumstances, we hold that appellants herein cannot be said to have violated PFUTP Regulations, 2003 and hence penalty imposed upon them under Section 15HA of SEBI Act cannot be sustained.

47. As regards imposition of penalty under Section 15A(a) on some of the appellants herein, we set aside the said penalty for reasons set out in Appeal No. 68 of 2013.

Appeal No. 76 of 2013
(Directors)

48. Appellants herein are directors of various companies. Ms. Ketki Belapurkar, learned counsel appearing on behalf of appellants has adopted arguments advanced by counsel for appellants in Appeal No. 66 of 2013 and 81 of 2013.

49. From para 49 and 50 of the impugned order it is seen that the appellants herein are interalia directors of Tayal group of companies in Appeal No. 80 of 2013 and Appeal No. 81 of 2013. Since we have allowed Appeal No. 80 of 2013 and Appeal No. 81 of 2013 by setting aside penalty imposed against those appellants, penalty imposed upon appellants herein who are directors in the companies in Appeal No. 80 of 2013 and Appeal No. 81 of 2013 cannot be sustained. Accordingly, penalty imposed upon the appellants herein under Section 15HA of SEBI Act are set aside.

50. To sum up all the appeals are disposed of by passing following order with no order as to costs:

- i) In Appeal No. 68 of 2013 and Appeal No. 69 of 2013 penalty of ₹ 4 crore imposed upon each appellant under Section 15HA is upheld and penalty of ₹ 1 crore imposed upon each appellant under Section 15A(a) of SEBI Act is set aside.
- ii) In Appeal No. 72 of 2013 and Appeal No. 75 of 2013 penalties imposed under Section 15HA and 15A(b) against each appellant in both appeals are upheld and penalty imposed under Section 15A(a) of SEBI Act against each appellant in both appeals are set aside.

- iii) In Appeal No. 82 of 2013 and Appeal No. 84 of 2013 penalties imposed upon each appellant under Section 15HA, 15A(a) and 15H(ii) of SEBI Act are upheld.
- iv) In Appeal No. 83 of 2013 and Appeal No. 85 of 2013 penalties imposed under Section 15HA and 15H(ii) of SEBI Act are upheld and penalty imposed under Section 15A(a) of SEBI Act is set aside.
- v) In Appeal No. 74 of 2013 penalty imposed under Section 15HA is upheld and penalty imposed under Section 15A(a) is set aside.
- vi) In Appeal No. 66 of 2013, Appeal No. 73 of 2013, Appeal No. 80 of 2013 and Appeal No. 81 of 2013 penalties imposed under Section 15HA, 15A(a) of SEBI act are set aside.
- vii) In Appeal No. 76 of 2013 penalty imposed under Section 15HA is set aside.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member

11.02.2014
Prepared & Compared By: PK