

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Appeal No.200 of 2010

Date of Decision :18.1.2011

1. Shobha Kothari
2. Kunal Kothari
3. Sweta Kothari
4. Hitesh Jain
5. Kamlesh Jain (HUF)
6. Neela Khicha

All residing at Maganlal Dabhai Building,
R. No.41/B, Dr. M.C. Javale Marg,
Dadar (W), Mumbai.

..... Appellants

Versus

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

.....Respondent

None for the Appellants.

Dr. Poornima Advani, Advocate with Mr. Omprakash Jha, Advocate and Ms. Amrita Joshi, Advocates for the Respondent.

CORAM : Justice N.K. Sodhi, Presiding Officer
Samar Ray, Member
P.K. Malhotra, Member

Per : Justice N.K. Sodhi, Presiding Officer (Oral)

Same order as in Appeal no.199 of 2010 decided on 18.1.2011.

Sd/-
Justice N.K.Sodhi
Presiding Officer

Sd/-
Samar Ray
Member

Sd/-
P.K. Malhotra
Member

18.1.2011

Prepared and compared by
RHN

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Appeal No.199 of 2010

Date of Decision :18.1.2011

1. Naresh Rajawat (HUF)
2. Reeta Rajawat
3. Pawanben V. Jain
4. Hasmukh V. Jain

All residing at 1206-A, Depak Jyoti Tower,
Kalachowki, Parel, Tank Road,
Mumbai.

..... Appellants

Versus

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

.....Respondent

Mr. Dakshesh Vyas, Advocate with Mr. Durgaprasad Sabnis, Advocate for the Appellants.

Dr. Poornima Advani, Advocate with Mr. Omprakash Jha, Advocate and Ms. Amrita Joshi, Advocates for the Respondent.

CORAM : Justice N.K. Sodhi, Presiding Officer
Samar Ray, Member
P.K. Malhotra, Member

Per : Justice N.K. Sodhi, Presiding Officer (Oral)

This order will dispose of two Appeals no. 199 and 200 of 2010 both of which are directed against the order dated October 6, 2010 passed by the whole time member of the Securities and Exchange Board of India (for short the Board) confirming the ad-interim ex-parte order of February 20, 2010 by which the appellants alongwith some others had been prohibited from buying, selling or dealing in securities in any manner with effect from the date of the order.

2. On receipt of alerts of synchronized and matched trading in some illiquid scrips, the Board conducted a preliminary enquiry and prima facie found that certain entities including the appellants were executing matched/circular trades in those scrips resulting in an abnormal rise in the price of those scrips and also in volumes. Investigations by the

Board are still continuing. Pending investigations, the appellants and some others were restrained from accessing the securities market till further orders. As already observed, the ad-interim ex-parte order has now been confirmed.

3. We have heard the learned counsel for the parties. The grievance of the appellants is that they are not involved in any synchronized/circular trading and that the Board was not justified in keeping them out of the market pending investigations. The learned counsel for the Board has placed before us some trade and order logs which prima facie go to show that the appellants and others had executed some trades in a circular manner. Since the investigations are still pending, we would not like to express any opinion in regard to the trading pattern of the appellants and others. In the circumstances, we are not inclined to interfere in the matter at this stage.

In the result, the appeals fail and they stand dismissed. We, however, make it clear that nothing stated hereinabove should be taken as an expression of our view on any of the issues raised in the appeal and we have no doubt that on the conclusion of the investigations, the Board shall consider the matter on the basis of the material collected and proceed in accordance with law. The Board is directed to complete the investigations expeditiously but not later than May 31, 2011. No costs.

Sd/-
Justice N.K.Sodhi
Presiding Officer

Sd/-
Samar Ray
Member

Sd/-
P.K. Malhotra
Member

18.1.2011

Prepared and compared by
RHN