

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under sections 11 and 11B of the Securities and Exchange Board of India Act, 1992

In the matter of IPO of Tijaria Polypipes Limited

1. Securities and Exchange Board of India (hereinafter referred to as "the SEBI"), issued various directions, including directions prohibiting the entities/persons named below from buying, selling or dealing in any securities, in any manner, whatsoever, till further orders, based on the preliminary findings of the investigation conducted into the Initial Public Offering ("IPO") of Tijaria Polypipes Limited (hereinafter referred to as "TPL"), pending investigation and passing of final order, vide an ad interim *ex-parte* Order dated December 28, 2011 (hereinafter referred to as "the Interim Order") :

Table

| Sr. No. | Name of the person/entity |
|---------|--|
| 1 | Parklight Securities Limited ("Parklight") |
| 2 | Mr. Pranav A. Sheth, Director of Parklight |
| 3 | Mr. Sujal J. Zaveri, Director of Parklight |
| 4 | Mr. Rupak K. Shah, Director of Parklight |
| 5 | Mr. Kirti Ramji Kothari |
| 6 | Mr. Hitendrakumar Dineshbhai Kapadia |
| 7 | Volga International Limited |
| 8 | Divyadrishti Merchants Private Limited |
| 9 | Divyadrishti Traders Private Limited |
| 10 | Wheelers Developers Limited |
| 11 | Mr. Chetan Dave |
| 12 | Mr. Champak N. Pujara |
| 13 | Mr. Naveen Taparia |

2. The Interim Order had also **prohibited the stock brokers**, namely, Todi Securities Private Limited, Salasar Stock Broking Limited, Monarch Project and Finmarkets Limited and Monarch Research and Brokerage Private Limited, from buying, selling or dealing in any securities, in any manner whatsoever, **in their proprietary accounts**. They were also **prohibited from entering**

into any fresh agreements with new clients in their operations as stock brokers, till further orders.

3. Pursuant to the Interim Order, all the entities/persons mentioned in paragraphs 1 and 2 above, except Mr. Chetan Dave (*who did not request for a personal hearing*), were afforded opportunities of personal hearing. The directions issued vide the Interim Order against **Todi Securities Private Limited** were subsequently **confirmed**.

4. During the course of investigation, it was observed that Parklight, who had received funds from TPL through layered transactions, had allegedly funded Ms. Lopa Bhavanagari and Pinac Stock Brokers Private Limited ("Pinac"), in order to off-set the losses incurred by Ms. Lopa and Pinac on account of the trades whereby exit was provided to the QIBs and/or retail allottees of their shares allotted in the IPO of TPL. The entities had purchased shares from the allottees at prices higher than the issue price and sold shares at much lower prices, thereby incurring losses. Monarch Project and Finmarkets Limited and Monarch Research and Brokerage Private Limited were also observed to have transferred funds to partly off-set the losses sustained by Pinac, which was one of their clients.

5. Mr. Kirti Ramji Kothari, Mr. Hitendrakumar Dineshbhai Kapadia, Volga International Limited, Divyadrishti Merchants Private Limited, Divyadrishti Traders Private Limited, Wheelers Developers Limited and Mr. Chetan Dave (*the persons/entities mentioned at sr. nos. 5, 6, 7, 8, 9, 10 and 11 of the Table in paragraph 1*) have allegedly provided exit to the QIBs and/or the retail allottees, who were allotted shares in the IPO at a premium to the issue price. Such trades were found to be synchronized trades.

6. Todi Securities Private Limited and Salasar Stock Broking Private Limited were also found to have provided exit to the retail allottees and/or QIBs of their shares allotted in the said IPO. Such trades had resulted in huge losses to Todi Securities Private Limited and Salasar Stock Broking Private Limited. The investigation has revealed that the said entities have allegedly received money from TPL towards partially recouping their losses. The investigation also found that Todi Securities Private Limited and Salasar Stock Broking Private Limited have synchronized their trades with certain other entities.

7. I note that the investigation in the matter has been completed and SEBI is in the process of initiating further proceedings, in accordance with law, against various entities/persons concerned in

the matter. SEBI has ordered **adjudication proceedings** to be initiated under Chapter VIA of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") in respect of the alleged violations committed by the **persons/entities mentioned in sr. nos. 2 to 11 in the Table at paragraph 1 above**. Further, SEBI has ordered **proceedings under the SEBI (Intermediaries) Regulations, 2008** to be initiated against the **stock brokers, Parklight Securities Limited, Todi Securities Private Limited, Salasar Stock Broking Limited, Monarch Project and Finmarkets Limited and Monarch Research and Brokerage Private Limited**, in respect of the alleged violations/non-compliances committed by them in the matter. The Adjudicating Officers and Designated Authorities, who would be appointed to conduct proceedings against the aforesaid entities/persons in the matter, shall conduct the same in accordance with the SEBI Act and the relevant regulations/rules and shall endeavour to pass appropriate orders on merit at the earliest, uninfluenced by any observation made in this Order. Considering the fact that these entities have already undergone prohibition from dealing in securities, I am of the view that the interim directions against them should be revoked at this stage.

8. With respect to Mr. Naveen Taparia and Mr. Champak Pujara (*persons mentioned at sr. nos. 12 and 13 of the Table in paragraph 1*), I note that the investigation was not able to find further evidence of the allegations levelled against them in the Interim Order. Therefore, the proceedings initiated against them in the matter needs to be disposed off.

9. For the reasons stated above, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11(1), 11(4) and 11B thereof, hereby :-

- i. revoke the directions issued vide the ad interim *ex-parte* Order dated December 28, 2011 in the matter of IPO of Tijaria Polypipes Limited, against the following persons/entities :

| Sr. No. | Name of the person/entity | PAN |
|---------|--|------------|
| 1 | Parklight Securities Limited | AABCP6609A |
| 2 | Mr. Pranav A. Sheth | BCBPS0882E |
| 3 | Mr. Sujal J. Zaveri | AFEPJ3659P |
| 4 | Mr. Rupak K. Shah | BCVPS8077F |
| 5 | Mr. Kirti Ramji Kothari | AAEPK3216C |
| 6 | Mr. Hitendrakumar Dineshbhai Kapadia | AODPK8005J |
| 7 | Volga International Limited | AACCV2325A |
| 8 | Divyadrishti Merchants Private Limited | AABCD8147K |

| | | |
|----|--|------------|
| 9 | Divyadrishti Traders Private Limited | AABCD8146J |
| 10 | Wheelers Developers Limited | AAACW2150N |
| 11 | Mr. Chetan Dave | AFWPD6568D |
| 12 | Salasar Stock Broking Limited | AADCS8020Q |
| 13 | Monarch Project and Finmarkets Limited | AAACM8214F |
| 14 | Monarch Research and Brokerage Private Limited | AACCK5762C |
| 15 | Todi Securities Private Limited | AABCT4191R |

- ii. revoke the directions issued against Mr. Naveen Taparia (PAN - AEBPT5559A) and Mr. Champak Pujara (PAN - AKYPP6342E) vide the ad interim *ex-parte* Order dated December 28, 2011 and dispose off the action/proceedings initiated against them in the matter, without any further direction.
10. This Order shall come into force with immediate effect.

Date: November 02, 2012
Place: Mumbai

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA