

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: S. RAMAN, WHOLE TIME MEMBER**

ORDER

Under Sections 11, 11B, and 11(4) of the Securities and Exchange Board of India Act, 1992

IN THE MATTER OF PYRAMID SAIMIRA THEATRE LIMITED

1. On December 21, 2008 and December 22, 2008 there were several media reports that Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had directed Shri P. S. Saminathan, one of the promoters of Pyramid Saimira Theatres Limited (hereinafter referred to as 'PSTL'), to make an open offer within 14 days, for allegedly violating creeping acquisition norms under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as 'SAST Regulations') at a price not less than Rs. 250.
2. Preliminary inquiries revealed that SEBI had not issued any such direction and that the purported SEBI letter was forged. An investigation was ordered for the purpose of examination of trading in the scrip of PSTL. Investigation by SEBI *inter alia* revealed the following:
 - The closing share price of PSTL on December 19, 2008 was Rs. 75.40 at the Bombay Stock Exchange (hereinafter referred to as 'BSE') and when the markets opened on December 22, 2008, share price of PSTL increased to Rs. 83 at National Stock exchange (hereinafter referred to as 'NSE') and Rs. 82.90 at the BSE.
 - Some purchases were made just before the "issue" of the forged SEBI letter and there was sale of substantial number of shares of PSTL when the markets opened on December 22, 2008, pursuant to reports of the impending offer to be made by P.S. Saminathan.
 - One trading client namely Shri Nirmal Kotecha was the largest selling client on both BSE and NSE on December 22, 2008. He was a major shareholder of PSTL and also the largest beneficiary of the price rise which occurred due to the publication of the forged SEBI letter.
 - Nirmal Kotecha had offloaded almost his entire stake in PSTL at artificially inflated price levels on December 22, 2008 and benefited from the price increase in the shares of the company.

- Fund transfers from and between Nirmal Kotecha and his close relatives (his mother, wife) and related/ associated entities/ persons etc. took place, on December 22, 2008.
3. Pursuant to the preliminary findings of the investigation, SEBI vide an Order dated April 23, 2009 (hereinafter referred to as '*interim* order') issued under Sections 11, 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act'), *inter alia* directed:
- Mr. Nirmal Narendra Kotecha, Mr. Rakesh Sharma, Mr. Rajesh Unnikrishnan, Mr. Pratheesh Kumar V.K. and Mr. P.S. Saminathan not to buy, sell or deal in the securities market including IPOs, in any manner, either directly or indirectly, till further directions
 - Certain persons/ entities alleged to be related/ associated with Nirmal Kotecha (who *prima facie* played a key role in facilitating him, in carrying out suspicious banking transactions) not to buy, sell or deal in the securities market including in IPOs, directly or indirectly, till further directions.
 - Prohibiting two brokers from entering into any fresh agreements with new clients in their operations as stock brokers till further directions.
 - Certain entities/ persons and their proprietors/ partners/ directors who were found to have carried out suspicious banking transactions and channelled funds either directly or indirectly in the stock markets, not to buy, sell or deal in the securities market including in the IPOs, in any manner, either directly or indirectly, till further directions.
4. Apart from these entities/ persons mentioned above, SEBI initiated several other proceedings against several other entities, for their role in market manipulation related to the trading in the scrip of PSTL through orders issued from time to time.
5. This order pertains to the following entities and their proprietors / partners/ directors who form part of the list of entities mentioned in the interim order for the reasons detailed hereinafter.

Table A

	Name of the entity	Name of the Proprietor/ Director	Details of PAN
1.	Adino Trading Company Pvt. Ltd.	Dinesh Bafna/ Vinod Bafna	AAFCA7038J
2.	Advance Finstock Pvt. Ltd.	Anand Hunia/ Popatlal Shah/ Sanjay Hundia/ Rajesh Hudia, Karul Shah	AABCA9975C

3.	Alfa Ceramic Trading Agencies Pvt. Ltd.	Mukesh Choksi/ Jayesh Sampat	AAGFA0609P
4.	Alka Diamond	Gopal Verma	AAACA5236D
5.	Alliance Intermediaries & I Network	Mukesh Choksi/ Jayesh Sampat	Not available
6.	Aman Enterprises	Ganesh Jain	ACVPJ7984R
7.	Amar Enterprises	Patel Rakesh Rohitbhai	APBPP1077N
8.	Amar Trading Co.	Bhavik H. Shah	AQZPS 5222M
9.	Ambe Sales Corp.	Omprakah Sagarmal Jain	AGYPJ8762C
10.	Amrut Trading Co.	Bhavik Hasmukh Shah	AQZPS5222M
11.	Anand Marathe	Anand Marathe	AKWPM0699M
12.	Anchal Properties Pvt. Ltd.	Praveen Kumar Jain/ Dattaram Lade	AAGCA0681A
13.	Anjali Akhade	Anjali Akhade	AHKPA4470D
14.	Ankit Enterprises	Parvin Shah	ALVPS52685M
15.	Ankit Kumar Pagariya	*	ASLPP8026A
16.	Aravind Kumar Soni	Arvind Kumar Soni	BFMPS0796F
17.	Arihant Gems	Ankit Kumar Pagariya	ASLPP8026A
18.	Ashok Metal & Tubes	Joshi Tarachand Bhuraram	AFRPJ9303F
19.	Ashok Metal Corp	Kishormal B Jain, Kiran K. Jain	AADPJ2942H
20.	Bafna Exim P. Ltd.	Mukesh Jain / Praveen Kumar Jain	AADCB2495E
21.	Bagoria Enterprise	Amit Kumar Bagoria	AHMPB7273R
22.	Balajee Diamond	Arvind Kumar Soni	Not available
23.	Balaji Corporation	Shah Banty Dinesh	BOMPS6427Q
24.	Bhairav Diamonds	Rajendrakumar M Jain	AFNPJ7710E
25.	Bhairav Trading Co.	Bhivraj B Gujar	AMDPG8940L
26.	Bhakti Trading	Bafna Vinod Kumar	AIFPB1312F
27.	Bhavani Trading Co.	Chirag Patel	ARSPP2297H
28.	Binal Shah	Binal Shah	Not available
29.	Boston Agency	Mangalram Shah	AMFPS2966N

30.	Capetown Mercantile Co. Pvt.	Pankaj Jain	AACCC7400M
31.	Chandan Gems	Umesh Nemchand Bunth	AMXPB1214G
32.	Chandu Khimavat	Chandu Khimavat	Not available
33.	Chokni Dani Resort	Hukumchand Jain	AABCC7065R
34.	Classic Enterprises	Jignesh Amrutbhai Patel	Not available
35.	Crown Metal India	Shah Suresh P.	Not available
36.	D. Amit Kumar	Amit Kumar S. Sonetha	BHOPS 7325A
37.	Dada Trading Co.	Sanjay Rai/ Rambharos Yadav	AACCD9411B
38.	Darshan Trading Co.	Sourabh Rajendra Jain	AKDPJ4570F
39.	Darshana Corporation	Shah Manglaram H.	AMFPS2966N
40.	Deep Enterprise	Deepak Bhatevara	Not available
41.	Deepak Steel Centre	Ranmal J. Bhansali	ACUPB4642D
42.	Delux Metal Corporation	Chauhan Hastimal P.	Not available
43.	Devam Impex Pvt. Ltd.	Piyush Dand	AACCD3995Q
44.	Dhanlaxmi Tubes And Metal	Rajukumar Amarchand . Bhansali	AABPB3080G
45.	Diamond Export	Hukmichand Jain	ADCPJ9311Q
46.	Dinesh Kumar M. Gupta	Dinesh Kumar M. Gupta	AABPG5149F
47.	Doshi Trading Co.	Jagdish R. Doshi	ALOPB9958K
48.	Edex Production And Broadcasting Pvt.	Prithi Paul Sethi	Not available
49.	Ekta Shares and Securities	Pramod Gadia	ADUPG6871G
50.	Faststone Trading Co Pvt. Ltd.	Pankaj Jain	Not available
51.	Ferro N. Alloys	Sohanlal S. Bishnoi	Not available
52.	Foremost Merchandise	Dinesh Kumar Jain	AABCF1921D
53.	Funke Heat Exchanger India	Peter Funke	Not available
54.	Ganesh Trading Co.	Deepak D. Waghe	AAVPW1401E
55.	Gautam Kumar Bhansali	*	AJJPB5305N
56.	Gayatri Gems	Ratan Kumar Agrawal	AGFPA0894B
57.	Genus Commu Trade Ltd.	Virag Patel/ Hitesh Panchal	Not available

58.	Hare Krishna Export	Sonu Bafna	Not available
59.	Hari Om Trading Co.	Apnesh Rangnath Sangle	BESPS6459A
60.	Harish Metal & Tubes	Harish S. Jain	AHYPJ8223D
61.	Hema Trading Co. Pvt. Ltd.	Vasudeo Soliwal	Not available
62.	Hetal Rajesh Patel	*	AQUPP6130E
63.	Hi-Class Diamond Exports P. Ltd.	Praveen Kumar Lodha, Sanjay Kumar Lodha	AABCH9360G
64.	Honey International	Omprakash Shrishrimal	ASYPJ2705J
65.	Impex Sales Corpn.	Manglaram Shah	AMFPS2966N
66.	Indian Corpn.	Jafarbhair Danavala	AJGPD9220L
67.	J.P. Enterprises	Pankaj Kumar Jain	ADIPJ4296J
68.	Jagat Enterprise	Jignesh A.Patel	AGAPP 3290K
69.	Janak Metal India	Vishnoi Mangilal R	AEHPV3945C
70.	Javda India Impex Ltd.	Ramesh Javda	AAACA7065L
71.	Jay Ambe Marbles	Suresh Jain	AFFPJ8944J
72.	Jodharam Bishnoi	Jodharam Bishnoi	AJIPB7825P
73.	JPK Trading I. Pvt. Ltd.	Manish Jain	AABCJ6245N
74.	Jyoti Enterprises	Rakesh Kumar Sen	BATPS1606L
75.	Kalash Diam	Pawankumar S. Tiwari	AFWPT7162H
76.	Kalash Diamonds	Pawan Kumar Tiwari	AFWPT7162H
77.	Kalpna Corporation	Kalpna A. Shah	BHHP5861S
78.	Kalyan Kirti International	Manglaram Shah	AMFPS2966N
79.	Kamal Diamonds	Sonu Bafna, Kamlesh Dhammani	AADCK2205M
80.	Kamlesh Dhamman	Kamlesh Dhamman	Not available
81.	Kanak Impex	Mahendra Jain	AIPJ8463C
82.	Kanchan Impex	Sushil Mehta	AHPPM9754K
83.	Kastbhanjandev Developers	Ashwinbhai Patel/ Bipinchandra Bhatt	ABEFS2095Q
84.	Keshariya Diam Pvt. Ltd.	Vijay Narendra Kothari, Pawankumar Tiwari	AADCK2217M

85.	Keshav Impex	Anil Chokhara	AGZPC7831L
86.	Khushi Corporation	Prem Prakash Tailor	AHSPT9280G
87.	Kirti Enterprises	Prem Prakash Tailor	AHSPT9280G
88.	Kotsons Impex Pvt. Ltd.	Dharmendra Kothari, Chandramohan Verma	AACCK9104C
89.	Krina Gems	Kamlesh Shah	Not available
90.	Kunal Gems	Ashok Ratan Soni	AAOPV6321K
91.	Kush Hindustan Entertainment Ltd.	Ajay Dixit	AACCK3597M
92.	Kush International	Ramesh Javda	ABCPV7139G
93.	Lanka Diam	Ganpat P Bhadirke	Not available
94.	Larsen Exports	Laxmanchand Jain	ACXPJ4337Q
95.	Leena Gems	Rajesh Zaveri	Not available
96.	Lexus Infotech Ltd.	Rose Padbidri	AAACL4646G
97.	Love Khush	Jodharam Bishnoi	AJJPB7825P
98.	Luxury Trading Co.	Sanjay Rai/ Ram Bharos Yadav	AABCL4969M
99.	M.G. Corporation	Nandalal G Nagpal	ADFPN5684b
100.	M.M. Diamond P. Ltd.	Mahesh Pyarelal Mehta	AAFCEM2767A
101.	Mahak Impex	Mohanlal Jain (Huf)	AAEHM7566H
102.	Mahalaxmi Corp.	Ashwin Patel	ANFPP7250H
103.	Mahavir Corporation	Bafna Vinod Kumar	AIFPB1312F
104.	Mahendra Jain		AIPJ8463C
105.	Manish Enterprises	Ramu Pema Gujjar	Not available
106.	Mann Impex	Bhagwan Singh	BSWPS8701D
107.	Manoj Kumar	*	AKKPM3857F
108.	Master Surveyors & Contractors	Suresh Thanage	Not available
109.	Matrix Exports	Vasant Kumar P	AMXPM9372L
110.	Maulik Diamonds	Dilkush Babel	AMLPB2470Q
111.	Maya Jewels Pvt. Ltd.	Mahendra Amritlal Jain, Vikram Amritlal Jain, Girish Amritlal Jain	AAFCEM5335G

112.	Meet Corporation	Aashish Mahawar	APMPM2937B
113.	Megha Traders	Deshraj Jat	AFHPJ6071J
114.	Mihir Agencies P. Ltd.	Mukesh Chokshi / Jayesh Sampat	AAGFM0809D
115.	Milan Gems	Manoj Kumar Mehta	AKKPM3857F
116.	Mohanlal B. Jain	*	AABPJ1092Q
117.	Mohit International	Nilesh Parmar	AIXPP8680Q
118.	Mukta International	Rakesh H Jain	Not available
119.	Natasha Enterprise	Rose Padbidri	AIPPP6372H
120.	Navkar Trading Co.	Ashish Jain	Not available
121.	Navkar Trading Co.	*	AOHPG2600R
122.	Neer Traders	Geeta Jadhav/ Hukmichand Jain	AACPJ9676P
123.	New Planet Trading Co Ltd.	Virendra Abhani & Rose Paddibiri	AABCN8176E
124.	New Wave Mercantile Company	Avinash Trimake	Not available
125.	Nirmal Enterprises	Sharma Sanjay Manilal	AQQPS1225P
126.	Om Corporation	Chirag Patel	ARSPP2297H
127.	Om Corporation	Shantilal Prajapat	Not available
128.	Omega Petro Plast	Suryaji K Bhonde	AMJPBS 4612J
129.	Orbit Gems	Vinit Jain	AHMPJ0332K
130.	Ostwal Trading I. P. Ltd.	Manish Jain	AAACO7955M
131.	P.R. Diamonds	Narayan Lal Sharma	AEUPS4865H
132.	Padmavati Metal & Alloys	Jain Suresh	AFSPJ4124P
133.	Paras Gems	Ratankumar D. Agarwal	AGFPA0894B
134.	Parasmani Tubes Pvt. Ltd.	Vohera Piyush Chandulal	AABCP7664D
135.	Pattani Yogesh B.	*	Not available
136.	Pritesh A. Patel	*	Not available
137.	Priyansh Exports	Jitendra Kumar Jain	AHNPJ5721D
138.	Proficient Infra P. Ltd	Ashok Jain	AAECP5791Q
139.	Pushpa Diam Pvt. Ltd.	Dulraj Jain & Ashok Jain	Not available

140.	R.B. Traders	Ravi Kumar Jain	AKVPJ7834Q
141.	R.K. Travels	*	AJGPD9220L
142.	R.S. Enterprise	Ratankumar Agarwal & Sunil Kumar Agarwal	AFSPA5223J
143.	Raghukul Diam Pvt. Ltd.	Nirmal Jain & Sanjay Tiwari	AADCR6608P
144.	Raghunandan Rayons Ltd.	Uttamchand Hinger	AABCR1177R
145.	Raj Alloys And Steel Pvt. Ltd.	Rajkumar Jain/ Nitin Shah	AADCR4849L
146.	Raj Diamonds	Pankaj Singhi	BLFPS2616R
147.	Raj Ratna Jewellers	Nirmal K. Bhavsar	AFZPB3668K
148.	Raj Traders	Avichal Soni	BHTPS1033E
149.	Rajesh Jain	*	AIJPS3849H
150.	Rajesh Pamecha	*	AEZPP6573L
151.	Rajkamal Steel	Bafna Vinod Kumar	AIFPB1312F
152.	Rakhi Gems	Vipul Sharma	BASPS5237E
153.	Ratan Enterprises	Oatmal Purohit	AQEPP0909H
154.	Ratan Exports	Yogesh Kumar Sancheti	AHEPS6566L
155.	Ravi Enterprises	Babulal Jain	AAZPJ4510H
156.	Ravi Exports	Ravi Prakash Jain	AKJPJ6022E
157.	Realgold Trading Co. Pvt Ltd	Nilesh Parmar	Not available
158.	Reliant Metal Corporation	Rajpurohit Arjun P.	ALAPR6303A
159.	Renisha Impex Pvt Ltd	Dinesh Jain / Dulraj Jain	AADCB1980G
160.	Riddhi Siddhi Multitrade Ltd	Pankaj Jain	AADCR5831L
161.	Ridham Enterprises	Rajkumar Agrawal	AFSPA5222K
162.	Rohit Trading Co.	Kamal Thakur	ADXPT2249Q
163.	Roop Impex	Dulraj U. Jain	ABTPJ4754E
164.	Rukamani Gems	Rajesh Jain	AIJPJ3849H
165.	S.K. Impex	Mahendrakumar Bishnoi	ACRPB9546E
166.	Sagar Trading Co.	Shah Suresh P.	No available

167.	Sahara Impex (India)	Vastupal M. Jain	ADOPJ2732P
168.	Sahil Jewel	Poonam Jain	AIZPJ6835D
169.	Sai Krupa Trading	Navratan S Jain	AHYPJ4038J
170.	Sai Leela Trading Pvt. Ltd.	Vijay Suresh Taware, Nitin Arjun Gharat	AAKCS4578C
171.	Sandeep Steel Industries	Babulal K. Bishnoi	AERPBI242C
172.	Sanjivani Enviro Protection Ltd.	Virendra Abhani/ Jitendra Tater/ Vasudev Soliwal	AADCS3433P
173.	Sanskar Trading Co.	Ganapat Lal	ADGPL2513A
174.	Sapna Diamond	Sushil Mehta	AHPPM9754K
175.	Sarita Diamonds	Jitender Jain	AFOPJ3543C
176.	SBJ Trading Pvt. Ltd.	Manish Jain/ Praveen Jain	AAKCS9022P
177.	Shah Trading Co.	Naresh K. Shah (The name of Naresh K. Shah was substituted for the name Ms. Hetal R. Shah vide order dated February 03, 2010)	BAQPS9096D
178.	Shakti Trading Co.	Bafna Vinod Kumar	AIFPB1312F
179.	Shankeshwar Traders Pvt. Ltd.	Javarilal Gautamchahd Jain	AALCS9012N
180.	Shiyon Enterprise	Chandrakant Patel	AOZPP4246C
181.	Shree Earth Movers & Land Developers	Rajendra Janardan Surve	Not available
182.	Shree Export	Ashok Shrishrimal	AAHHA9278H
183.	Shree Forge Industries	Babulal K. Bishnoi	AERPBI242C
184.	Shree Ramdev Metal	Okharam Ramshiji Choudhary	AGFPC9225L
185.	Shri Ganesh Gems	Sukhpal Prajapat	AOHPP4706R
186.	Shubh Trading Co.	Lalaram Gujar	APRPG3369Q
187.	Shubham Exports	Gautam Kumar Bhansali	AJSPB5305N
188.	Siddham Exports	Jafarbai Danaval A.	AJGPD9220L
189.	Sigma Tours & Travels	Kamal B. Thakur	ADXPT2249Q
190.	Simi Impex	Sandeep S. Rathore	ALUPR5979E

191.	Sonal Gems Trading P. Ltd.	Hukmichand Jain / Geeta Jadhav	AALCS9571N
192.	Soundarya Granite & Marble	Suresh Jain	AFFPJ8944J
193.	Star Enterprises	Pawan Tarachand Jain	AIAPJ2539D
194.	Star Gems	Bhagirathi Puhan	ARTPP7106J
195.	Su Jewels Exim Private Ltd. (erstwhile Chokhi Dhani Resorts P. Ltd.)	Hukmichand Jain, Gulab Jain	AAMCS2988L
196.	Sunblink Trading And Invt. Ltd.	Sandeep Dalal/ Rajendrakumar Bhimrajka	AACCS0630F
197.	Sunchan Securities Ltd.	Sunil Mansinghani/Kanchan Mansinghani	AAFCS8953A
198.	Super Gold Tradin Co Pvt Ltd.	Geeta Jadhav & Hukumchand Jain	AAHCS7254E
199.	Supre Gold Traders	Geeta Jadhav	Not available
200.	Swastik Diam Pvt. Ltd.	Dulraj Jain & Dinesh Jain	ABOPJ2176M
201.	Tamanna Gem	Ghevarchand B. Pamecha	AFWPP6341Q
202.	Tarachand Bhoorchand Jain	*	Not Available
203.	Tritop Trading Pvt. Ltd.	Bhaskar Ubare	AACCT8662J
204.	U.M. Exports	Mahesh Mehta	AEQPM5416E
205.	U.P. Mercantile Credit Sahakari Ltd.	Rakhi Gautam/ Dinesh Tripathi/ Virendra Yadav	Not Available
206.	Uma Export	Umakant Muduli	AVFPM1248N
207.	Umesh Bunth	Umesh N. Bunth	AMXPB1214G
208.	Universal Traders	Bhagirathi Puhan	ARTPP7106J
209.	Valiant Metal	Kanungo Piyush	APTPK5975N
210.	Vanguard Jewels Ltd.	Uma Kansaria	AAACV3480A
211.	Vijaylaxmi Corpn.	Mukesh Choksi	AAAPC7767J
212.	Vimal Diamond	Vimal Jain	AEUPJ3948Q
213.	Vinod Kumar Bafna	*	AIFPB1312F
214.	Virat Stainless India	Ram Milan Pal	ALHPP5125B
215.	Vishnulene Synthetics Private Limited	Hukmichand Jain / Gulab Jain	AAACV1576F

216.	Yash V. Jewels Ltd.	Jayant Kansara	AAACY1119P
217.	Yashraj Enterprise	Sukhraj Tarachand Jain	ACQPJ7210D

6. Pursuant to the issuance of the *interim* order, one of the above named entities, viz. Shah Trading Company (listed at no. 177 in Table A) appeared for the personal hearing through its proprietor, Ms. Hetal R. Shah. During the personal hearing on December 01, 2009 before the Whole Time Member, SEBI it was observed that the name of Shah Trading Company (Proprietor: Ms. Hetal R. Shah) was inadvertently included in the list. Thereafter, SEBI sought clarification from the relevant bank which vide letter dated April 23, 2009 stated that the credit of Rs.50,00,000 to Chandan Gems (entity no. 31 in Table A) on August 06, 2008 was by way of transfer from the account of one Shah Trading Company whose proprietor was Mr. Naresh K. Shah and not from Shah Trading Company whose proprietor was Ms. Hetal R. Shah. Considering the same, the directions issued against Shah Trading Company (Proprietor: Ms. Hetal R. Shah) were revoked while the entity; Shah Trading Company (Proprietor: Naresh K. Shah) was included in the list of persons/entities, and was also directed not to buy sell or deal in the securities market including in the initial public offerings, in any manner, either directly or indirectly, till further directions.
7. Subsequently, vide an order dated December 09, 2009 issued against 20 entities, another order dated January 12, 2010 issued against 75 entities and two separate orders both dated July 05, 2010 issued against 2 more entities, the directions issued vide the *interim* order were confirmed with respect to the 97 entities (also mentioned in the Table A).
8. While the interim directions were in force, 19 entities/ persons listed at Table A, filed appeals before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "Tribunal") challenging the said interim directions. The Hon'ble Tribunal disposed off the appeals vide separate orders as mentioned in the table below, by granting a stay on the operation of the interim direction, taking note of the fact that these 19 entities had remained out of the securities market for a considerable period of time. The Tribunal further directed that the stay is without prejudice to the rights of SEBI to proceed further in the matter and shall not be taken as an expression of the Tribunal's opinion on the merits of the case.
9. The details of the entities and dates of the orders passed by the Hon'ble Tribunal are as follows:

	Name	Appeal Nos.	Date of Order of SAT	Sr. No. in Table A
1.	Edex Production and Broadcasting Pvt. Limited	157/2010	07.10.2010	48
2.	Advance Finstock Pvt. Limited	38/2011	02.05.2011	2
3.	Capetown Mercantile Company Pvt. Limited	106/2011	21.07.2011	30
4.	Alka Diamond Industries Limited	168/2011	14.10.2011	4
5.	Raghunandan Rayons Limited	214/2011	23.01.2012	144
6.	Anchal Properties (P) Limited	223/2011	30.01.2012	12
7.	Kush Hindustan Entertainment Limited	224/2011	30.01.2012	91
8.	Javda India Impex Limited	11/2012	03.02.2012	70
9.	Lexus Infotech Limited	9 / 2012	03.02.2012	96
10.	Sanjivani Enviro Protection Limited	10/2012	03.02.2012	172
11.	Faststone Trading Company Pvt. Limited	43/2012	24.02.2012	50
12.	Riddhi Siddhi Multitrade Private Limited	37/2012	24.02.2012	160
13.	SBJ Trading (India) Private Limited	38/2012	24.02.2012	176
14.	Vanguard Jewels Limited	40/2012	24.02.2012	210
15.	Yash V. Jewels Limited	42/2012	24.02.2012	216
16.	JPK Trading I. Pvt. Limited	36/2012	04.04.2012	73
17.	New Planet Trading Co. Limited	41 / 2012	04.04.2012	123
18.	Ostwal Trading I. Pvt. Limited	39/2012	04.04.2012	130
19.	Mohit International	150/2012	19.07.2012	117

10. I have considered the facts and circumstances of the case and the relevant documents on record. In particular, I have noted that the role of these entities as revealed during the investigation in the scrip of PSTL relates to large fund transfers between their accounts, without any explanation regarding their purpose. The extent of participation of these entities named in the Table A as revealed during investigation and subsequently is briefly discussed below:

- a. Investigation findings indicated that Nirmal Kotecha, who had offloaded substantial number of shares of PSTL on December 22, 2008 at artificially inflated prices, had allegedly used the bank account of one Om Associates for carrying out banking transactions and those transactions were found to have been routed through this account whose proprietor Mr. Kantilal Purohit was found to be a man of limited means and therefore would not have been able to carry out such banking transactions on his own income. The investigation further revealed that Nirmal Kotecha had also used the account of one Mr. Amol Kokane as his front and Nirmal Kotecha was the beneficiary to the funds transferred from Om Associates' account, from where the funds were ultimately infused into the stock market through the broker, India Capital Market Pvt. Limited. The first credit of Rs.10 lakh to the bank account of Amol Kokane on September 10, 2008, was found to have been made from the account of Om Associates.
- b. Investigation findings also revealed that prior to the transfer of Rs. 10 lakh to the account of Amol Kokane on September 10, 2008, Om Associates had received credits from the following entities earlier mentioned in Table A (para 5, page 2):

	Entity	No. in Table A
1.	Shree Earthmovers and Land Developers	181
2.	Balaji Corporation	23
3.	Bhairav Diamond	25
4.	Chandan Gems	31
5.	Ferro N Alloys	51
6.	Gayatri Gems	56
7.	Harish Metal and Tubes	60
8.	Kanchan Impex	82
9.	Om Corporation	127

10.	Paras Steel India	133
11.	Shree Forge Industries	142
12.	Raj Traders	148
13.	Sarita Diamond	175
14.	Shakti Trading Co.	178
15.	R.S. Enterprise	183
16.	Shri Pravin Babulal Jain	*

** Pravin Jain is/ was the director/ proprietor of certain entities named in Table A namely, JPK Trading I. Pvt. Limited, Ostwal Trading I. Pvt. Limited, SBJ Trading Pvt. Limited, New Planet Trading Co. Limited, Capetown Mercantile Pvt. Limited, Riddhi Siddhi Multitrade Limited and Anchal Properties Pvt. Limited*

- c.** The investigation findings reveal that a trail of the accounts of these entities had prima facie revealed that funds were being rotated through all these accounts as well as through a large network of their connected accounts in a complex circuitous manner and without any explanation regarding their purpose and further that funds were allegedly transferred to the account of Shri Amol Kokane, from the accounts of various persons/ entities mentioned in Table A, without any bonafide purpose. One such cheque for Rs. 18 lacs was issued by one Shri Jignesh Amrutbhai Patel of Classic Enterprises to Shri Amol Kokane.
- d.** It is also noted that from the account of 17 persons/ entities mentioned in Table A (para 5, page 2), an amount of Rs.11,264,347,969.24 (One thousand one hundred and twenty six crores forty three lakhs forty seven thousand nine hundred and sixty nine and twenty four paisa) had been shown to have been sent out of the country during the financial year 2008-09.
- e.** Apart from the transfer of funds to the account of Om Associates on September 10, 2008, investigation findings reveal several transactions to and from entities mentioned in Table A and Om Associates. Some such transactions included transfer by Balajee Diamonds of Rs. 66 lacs to Raj Traders on October 11 and 13, 2008, who in turn transferred Rs. 62 lacs to Om Associates on the same day. Om Associates transferred Rs. 70 lacs to Darshan Trading, who in turn, transferred Rs.1.18 crore to Nirman Management Services Pvt. Ltd., where Shri Nirmal Kotecha was one of the directors.
- f.** Apart from these details, investigation findings reveal that the entities mentioned in Table A were inter-connected based on a statement given by the proprietor of Om

Associates, Mr. Kantilal Purohit, that the bank account of Om Associates was operated by one Mr. Pravin Jain who used to sign the cheques and that Pravin Jain was found to be linked/ connected to various entities named in the *interim* order. Pravin Jain is/ was the director/ proprietor of certain entities named in Table A namely, JPK Trading I. Pvt. Limited, Ostwal Trading I. Pvt. Limited, SBJ Trading Pvt. Limited, New Planet Trading Co. Limited, Capetown Mercantile Pvt. Limited, Riddhi Siddhi Multitrade Limited and Anchal Properties Pvt. Limited and was managing the affairs of Natasha Enterprise. The address of Pravin Jain was shared by the directors/ proprietors of certain entities named in the Table A namely, Sanjivani Enviro Protection Limited.

11. Since these suspicious banking transactions relating to the entities as discussed earlier were alleged to be linked to potential money laundering activities that could be detrimental to the genuine investors at large, a copy of the *interim* order was sent to the Director, Financial Intelligence Unit (hereinafter referred to as 'FIU'). A copy of the same was also forwarded to Reserve Bank of India (hereinafter referred to as 'RBI') for examination at its end for assessing the possibility of detecting the trail of financial transactions with respect to the bank account of the entities/ persons as referred in Table A. It is observed that pursuant to the receipt of reference from SEBI, RBI ordered a special audit of books of accounts of these entities in 9 banks and in this context examined the accounts of these persons/entities held with the respective banks for forensic audit. Vide letter dated May 16, 2012, RBI noted that the deficiencies pertain only to non-compliance with the procedures for opening of the bank accounts and non reporting of cash transactions to FIU. As regards the trail of movement of funds, RBI in its report observed that on its verification of transactions in the above accounts, there was no prima facie evidence of all or some of the transactions having been orchestrated by the list of 230 persons listed in SEBI Order with a view to camouflage their sole beneficial ownership of the funds and the income by their deployment through the intermediate sham accounts. RBI also stated that this was mainly due to the fact that details of source of funds in these accounts were not available for their verification.
12. It is noted that the *interim* order was directed to be treated as a show cause notice vis-a-vis all the 230 entities. It is also noted that in the *interim* order, along with the 217 entities mentioned in Table A, 13 other entities were also mentioned. The reason for the exclusion of these 13 entities from the list is on account of the fact that out of these 13 entities, the

proceedings against 3 entities stand concluded while proceedings against 10 other entities are ongoing.

13. Given that most of the entities did not make any submissions with reference to the interim order and that these entities/ persons have been undergoing debarment since April 23, 2009 in terms of the *interim* order, i.e. for a period of five and a half years (except the 19 entities who filed appeals before the Tribunal) and who have undergone debarment ranging from two and a half to three years, till the granting of the stay by Hon'ble Tribunal, I see no further purpose to issue a notice to show cause to these entities at this stage before concluding these proceedings.
14. The findings of the audit report of RBI indicate the role of the entities/ persons mentioned in the Table A is being restricted to suspicious banking transactions. I also note that no adverse comments have been received from FIU. Apart from the observations recorded in the preceding paragraphs, I note that the investigation did not reveal any trading in securities market by these entities, particularly in the scrip of PSTL. The primary allegation against them is with regard to transferring funds amongst themselves without any explanation about the purpose of the same. It is also noted that the entities have undergone debarment since the passing of the *interim* order .
15. Under the facts and circumstances detailed above and also considering that the entities have undergone various periods of prohibition since April 23, 2009 (ranging from two-and-a-half to more than five years) I am of the view that the prohibition against these 217 entities listed in Table A of para 5 above, need not continue.
16. Accordingly, 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, 11B and 11(4) thereof, do hereby dispose of the proceedings against the 217 entities mentioned in Table A without any further orders.

Date: March 31, 2015
Place: Mumbai

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA