

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under sections 11(1), 11(4)(d) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of front-running of trades of HDFC Asset Management Company Limited by 'Sanghvi group' and 'Kalpana group'

In respect of –

Sl. No.	Name	Permanent Account Number
1	Nilesh Kapadia	AABPK0356Q
2	Kalpana Kapadia	AKVPK6646D
3	Rajiv Sanghvi	AAVPS8908E
4	Rajiv Sanghvi-HUF	AAAHR3188Q
5	Sanjay Sanghvi	AAIPS3640Q
6	Sonal Sanghvi	AYJPS9541D
7	Dipti Mehta	AHKPM9167B

1. Securities and Exchange Board of India ('SEBI') had passed an *ad-interim ex-parte* order on June 17, 2010 in the matter of trading activities of Rajiv Ramniklal Sanghvi and Chandrakant Mehta, wherein *inter alia* the Trustees of HDFC Mutual Fund were directed to *set up an investigation committee to examine all transactions/dealings done by Mr. Nilesh Kapadia, in his position as the dealer of HDFC Asset Management Company Limited, to identify whether he had indulged in similar front-running activities on other occasions*". In compliance with the above directions, HDFC Asset Management Company Limited (hereinafter also referred to as "HDFC") submitted the report on "the investigations into alleged front running activities by Nilesh Kapadia, Dealer-Equities, HDFC AMC". Based on the report submitted by HDFC, SEBI conducted an investigation into the matter of front-running by certain entities during the period June 2000 to June 2010.

2. Investigations revealed that the trades of a group of six entities, *viz.* Nilesh Kapadia (Nilesh), Rajiv Sanghvi (Rajiv), Rajiv Sanghvi-HUF (Rajiv-HUF), Sanjay Sanghvi (Sanjay), Dipti Mehta (Dipti) and Sonal Sanghvi (Sonal) [hereinafter collectively referred to as 'Sanghvi Group' and individually by their respective defined names] and another group of two entities *viz.*, Nilesh Kapadia (Nilesh), and Kalpana Kapadia (Kalpana) [hereinafter collectively referred to as 'Kalpana Group' and individually by their respective defined names] were in the nature of front-running the trades of the HDFC Mutual

Fund, HDFC Asset Management Company Limited and trades of HDFC AMC's portfolio management client (collectively referred as 'HDFC trades').

3. As submitted by HDFC, it manages the assets of HDFC Mutual Fund and also provides portfolio management services to its clients. The fund managers and portfolio managers of HDFC AMC executed the trades through its dealer Nilesh Kapadia, who had the discretion to execute the orders at any time during the day, depending on the traded volumes/prices etc.. Nilesh had been its equities dealer since June 2000 till 2010.

4. FRONT RUNNING BY SANGHVI GROUP

- 4.1 From the call records and transcripts obtained from HDFC pertaining to the suspected front running transactions, it was observed that the instructions to trade in the scrips were given from the dealer room phone to the mobile number (i.e. 9322228959) of Rajiv Sanghvi. HDFC's Executive director & Chief Investment Officer and three Senior fund managers had identified the person's voice in the dealer room conversations with the mobile number '9322228959' as Nilesh Kapadia, former Equities Dealer. Nilesh had been the equities dealer for HDFC AMC since June 2000 to till 2010.
- 4.2 It was observed from trade logs of BSE and NSE that the trades were executed in the trading account of five connected entities viz. Rajiv, Rajiv-HUF, Sanjay, Sonal and Dipti.
- 4.3 It was observed from the mobile call records of Nilesh that Rajiv (9322228959) and Nilesh Kapadia (9820221553) were talking to each other for 333 times during the period August 06, 2007 to March 07, 2009. Rajiv is the Karta of Rajiv-HUF, husband of Sonal and brother of Sanjay. It was observed from the audio conversations between Rajiv and Nilesh that Rajiv had reported the details of trades executed in the trading account of Dipti such as the buy traded quantity, buy average rate, sell traded quantity and sell average rate in five instances. It could not have been possible to report Dipti's trading details by Rajiv to Nilesh on repeated instances unless they have prior understanding and coordination amongst themselves. Further, it cannot be a coincidence that reporting of only Dipti's trades details to Nilesh by Rajiv when so many entities had traded in the respective scrip on respective dates. It is therefore presumed that Dipti is connected to the Sanghvi group.

- 4.4 From the above details, it is evident that Nilesh, Rajiv, Rajiv-HUF, Sonal, Sanjay and Dipti are connected. These entities are referred as 'Sanghvi Group'.

5. MODUS OPERANDI:

- 5.1 Two trading patterns of front running viz., Sell-Sell-Buy and Buy-Buy-Sell were observed.
- 5.2 **Sell-Sell-Buy (SSB):** As a dealer of HDFC, Nilesh had the information of HDFC's sell order details viz., scrip, quantity and price range and had the discretion of time of placing orders. Based on this, Nilesh had given instructions from the dealer room telephone to Rajiv (in mobile phone no.9322228959) to sell the shares of the same scrip which HDFC was going to sell. The shares were sold in any of the trading accounts of Sanghvi Group immediately i.e., before HDFC started selling shares of a particular scrip. Subsequently, Nilesh started selling the shares for HDFC in the same scrip through various stock brokers. The Sanghvi group entities bought the shares in their trading accounts in order to square-off the trades (sell). Most of the buy orders of Sanghvi group entities matched with HDFC's sell orders.
- 5.3 The details of trades executed in the trading accounts of Rajiv, Rajiv-HUF, Sanjay, Sonal or Dipti, viz., traded quantity in the respective scrip and average traded price were informed by Rajiv to Nilesh in coded words (e.g. if the buy quantity was 1,65,000 shares @ ₹233.47 at BSE, the communication was "165 on BSE, 233.47").
- 5.4 **Buy-Buy-Sell (BBS):** As a dealer of HDFC, Nilesh had the information of HDFC's buy order details viz., scrip, quantity and price range and had the discretion of time of placing such orders. Based on this, Nilesh had given instructions from the dealer room telephone to Rajiv's mobile phone 9322228959 to buy the shares of the same scrip which HDFC was about to buy. The shares were bought in the trading accounts of Sanghvi Group immediately i.e., before HDFC started buying shares of a particular scrip. Subsequently, Nilesh started buying the shares for HDFC in the same scrip through various stock brokers. The Sanghvi group entities sold the shares from their trading accounts in order to square-off the trades (buy). Most of the sell orders of the Sanghvi group entities had matched with the buy orders of HDFC.

- 5.5 The details of the trades executed in the trading accounts of Rajiv, Rajiv-HUF, Sanjay, Sonal or Dipti viz., traded quantity in the respective scrip and average traded price were informed by Rajiv to Nilesh.
- 5.6 Sample analysis of front running of Sanghvi Group is given below:

Front running of HDFC trades in the scrip of Punj Lloyd by Dipti (BSE) and Sanjay (NSE) on June 05, 2007:

- a) Nilesh had given instruction to trade in the shares of Punj Lloyd Limited on June 05, 2007.
- b) It was observed that Nilesh had, from the dealing room phone informed Rajiv (in his mobile phone 9322228959) on Jun 05, 2007 to buy 2 lakh shares of Punj Lloyd (Punj). The relevant extract of the audio conversation between Nilesh and Rajiv is given below:

Start Time 14:35:33 – End Time 14:36:04 (Audio file no.:458732)

Rajiv: Hello.

Nilesh: What is Punj Lloyd?

Rajiv: 232, 25.30

Nilesh: You buy 200,000 BSE mein.

Rajiv: Okay.

- c) It was observed from the trade log of Punj Lloyd on BSE on June 05, 2007 that the shares were bought in the trading account of Dipti from 14:36:11 onwards.
- d) Further, shares were bought in the trading account of Sanjay from 14:36:18 onwards.
- e) It was observed that the purchase of Punj Lloyd shares in the both the trading accounts of Dipti and Sanjay at BSE and NSE respectively, commenced almost simultaneously and immediately after the instruction received from Nilesh.
- f) After shares were bought at both the stock exchanges, Rajiv had reported the status of such transactions executed in the trading accounts of Dipti and Sanjay to Nilesh. The following are the relevant audio conversations.

Start Time 14:41:26 – End Time 14:42:01(Audio file no.:458742)

Rajiv: Hello. Haan ho gaya 130 BSE, 233.33, 175 on NSE, 233.77.

Nilesh: Aur hai na jagah? (Is there any scope).

Rajiv: Haan hai. (Yes)

Nilesh: Aur kar lo 1 lakh. (Do about 1 lakh)

Rajiv: Okay.

- g) It was observed from the BSE trade log that 1,30,000 shares @ ₹233.32 were bought in the trading account of Dipti, the same was updated by Rajiv to Nilesh in coded words i.e., 130 BSE, 233.33. Similarly, it was observed from NSE trade log that 1,75,000 shares @ ₹233.77 were bought in the trading account of Sanjay and the same was updated by Rajiv to Nilesh in coded words i.e., 175 on NSE, 233.77.
- h) Pursuant to the instructions of Nilesh, additional shares were bought in the trading accounts of Sanjay and Dipti. The confirmation of the total quantity bought was reported by Rajiv to Nilesh. The relevant conversations are given below:

Start Time 14:42:22 – End Time 14:43:30(Audio file no.:458743)

Rajiv: Hello.

Nilesh: Ho gaya? (Has it done).

Rajiv: Haan 165 on BSE, 233.47 and 241 NSE, 233.95.

- i) It was observed from BSE trade log that 1,65,000 shares @ ₹233.47 were bought in the trading account of Dipti at 14:42:40. The trade details of bought quantity and the average buy rate has been confirmed by Rajiv to Nilesh. These shares were bought between 14:36:11 and 14:42:40.
- j) From trade log pertaining to trades at NSE, it was noted that 2,40,869 shares @ ₹234.00 were bought in the trading account of Sanjay at 14:43:03. The trade details of buy quantity and the average buy rate were confirmed by Rajiv to Nilesh. These shares were bought between 14:36:18 and 14:46:20.
- k) The above status was communicated by Rajiv to Nilesh in coded words i.e., the bought quantity of 1,65,000 shares @ ₹233.47 at BSE was communicated as 165 on BSE, 233.47 and the bought quantity of 2,40,869 shares @Rs.234 at NSE was communicated in coded words as 241 NSE 233.95.
- l) Nilesh had instructed Rajiv to place sell order at ₹236.50 in coded words. Immediately, the sell order for the rate of ₹236.50 was placed in the Dipti's trading account at 14:43:49 and Sanjay's trading account at 14:43:51. The relevant audio conversations are given below:

Start Time 14:42:22 – End Time 14:43:30(Audio file no.:458743 Contd...)

Nilesh: Kya aa raha hai abhi? (What is the rate at this time)

Rajiv: Haan 235.70, 236.

Nilesh: 36.50 me daal do. (Put it on 36.50)

- m) Nilesh had given instruction to the stock broker to buy the shares at ₹236.50 for HDFC. It is pertinent to mention that already Nilesh had instructed Rajiv to sell the shares at ₹236.50 i.e., Nilesh had structured the trades between HDFC and the front runners.

Start Time 14:44:11– End Time 14:47:11(Audio file no.:458745)

Nilesh: Ek kaam kar NSE pe lakh share lene daalo, BSE pe 1.50 lene daalo, 36.50 kar ke phataphat daalo. (Buy 1 lakh share on NSE and 1.50 lakh on BSE around 36.50 immediately)

Broker: Haan sir daalta hun. (okay will do it).haan aa gaya sir. (it has come)

- n) Accordingly, HDFC had bought 2,75,000 shares between 14:45:04 to 15:23:26 through the stock broker HSBC Securities & Capital Markets India Pvt.Ltd. Out of shares, 47,996 shares matched with Dipti's sell order who had entered sell order for 1,65,000 shares @ ₹236.50 at 14:43:49.
- o) Similarly, out of the sell order for 2,75,000 shares placed in the Sanjay's trading account at 14:43:51, 53,682 shares were matched with HDFC trades. After the completion of the purchase and sell of shares, Rajiv has given the consolidate update on the trading position to Nilesh. The relevant conversations are given below:

Start Time 14:44:11– End Time 14:47:11 (Audio file no.: 458745)

Rajiv: NSE pe gaya, BSE bhi ho gaya, dono. (Yes it is done on both NSE and BSE)

Nilesh: Kya average bolo. (Tell me the average)

Rajiv: 165, 233.47 and 236.50 and 2,40,000 at 233.96 and 236.50 clear.

- p) As per the trade log, 1,65,000 shares were bought at ₹233.47 and sold at ₹236.50 in the trading account of Dipti and the same was communicated by Rajiv to Nilesh in coded words i.e. 165, 233.47 and 236.50. Similarly 2,40,869 shares were bought at ₹234 and sold at ₹236.50 in the trading account of Sanjay and the same was communicated in coded words i.e. 2,40,000 at 233.96 and 236.50.

- q) It was observed from the above that Sanghvi Group had front run HDFC trades and made a profit of ₹11 lakh profit. The summary of the trade details is given below:

Exc.	FR Name	Date	scrip	Type type	Buy TQ	Sell TQ	Buy AR	Sell AR	Profit*
BSE	DIPTI	5-Jun-07	PUNJLLOYD	BBS	1,65,000	1,65,000	233.47	236.50	5,00,008
NSE	SANJAY	5-Jun-07	PUNJLLOYD	BBS	2,40,869	2,40,869	234.00	236.50	6,02,853
Total									11,02,861

* Profit is calculated on actual rate.

5.7 The examination of front running instances identified by HDFC in its report revealed that **Sanghvi group had indulged in 42 instances of front running (24 BBS Pattern and 18 SSB Pattern).**

5.8 The details of the 24 instances (BBS) of front running activities by Sanghvi Group and the profit made (calculated on actual rate on squared-off quantity) is given below:

SANGHVI GROUP - BBS PATTERN

S.N.	Exchange	Type	Date	Script Name	Client Name	FR Buy Qty	HDFC Buy Qty	Sell Qty (Squared-off)	Matched quantity	Matching %	Profit in ₹
1.	BSE	BBS	5-Jun-07	PUNJLL	DIPTI	165,000	275,000	165,000	147,996	89.69	500,007.85
2.	BSE	BBS	13-Jun-07	NESTL	DIPTI	4,153	230,000	4,153	1,652	39.78	18,513.00
3.	NSE	BBS	23-May-06	ASHOK	RAJIV	650,000	2,750,000	650,000	596,167	91.72	916,325.25
4.	BSE	BBS	28-Aug-06	ISM	RAJIV	5,500	300,000	8,089	2,500	30.91	8,775.15
5.	BSE	BBS	18-Jan-07	BIOCO	RAJIV	9,000	305,013	9,000	7,000	77.78	91,498.89
6.	BSE	BBS	22-Feb-07	ZEE	RAJIV	4,010	280,000	4,010	4,010	100.00	7,350.40
7.	NSE	BBS	2-Aug-07	SUZLO	RAJIV	13,813	66,000	13,813	7,019	50.81	344,940.60
8.	NSE	BBS	7-Aug-07	SUZLO	RAJIV	25,798	187,000	25,798	22,124	85.76	697,216.49
9.	NSE	BBS	8-Aug-07	MPHASI	RAJIV	62,101	275,000	62,101	61,379	98.84	191,023.60
10.	NSE	BBS	8-Aug-07	MARIC	RAJIV	102,020	195,000	102,020	101,019	99.02	122,174.84
11.	NSE	BBS	5-Jun-07	PUNJLL	SANJAY	240,869	350,000	240,869	53,682	22.29	602,852.79
12.	BSE	BBS	2-Aug-07	SUZLO	SANJAY	7,000	24,000	7,000	2,000	28.57	155,864.70
13.	BSE	BBS	7-Aug-07	SUZLO	SANJAY	13,800	80,000	13,800	13,007	94.25	342,328.55
14.	BSE	BBS	8-Aug-07	MPHASI	SANJAY	64,112	125,000	64,112	64,112	100.00	181,453.85
15.	BSE	BBS	8-Aug-07	MARIC	SANJAY	53,500	105,000	53,500	45,000	84.11	68,124.80
16.	BSE	BBS	9-Aug-07	SUZLO	SANJAY	28,005	40,000	28,005	28,005	100.00	439,934
17.	BSE	BBS	10-Aug-07	SUZLO	SANJAY	30,112	57,000	29,937	28,940	96.67	376,066.25
18.	BSE	BBS	5-Sep-07	SUZLO	SANJAY	20,029	40,000	20,029	20,029	100.00	185,264.35
19.	BSE	BBS	6-Sep-07	GUJAR	SANJAY	142,500	400,000	140,000	116,601	83.29	217,409.24
20.	BSE	BBS	13-Jul-05	ISM	SONAL	175,504	622,701	175,504	174,504	99.43	653,374.60
21.	BSE	BBS	18-Apr-06	TATA	SONAL	27,700	60,500	27,700	27,400	98.92	307,591.50
22.	NSE	BBS	2-Jun-06	FINAN TECH	SONAL	3,850	13,077	3,850	3,850	100.00	373,486.10
23.	BSE	BBS	22-Jun-06	AIAEN	SONAL	9,000	25,500	9,000	4,730	52.56	271,651.09
24.	NSE	BBS	22-Jun-06	AIAEN	SONAL	10,200	24,500	10,200	10,107	99.09	239,254.09
SANGHVI'S GROUP – BBS PATTERN - PROFIT											73,12,481.58

5.9 The details of the 18 instances (SSB) of front running activities by Sanghvi Group and the profit made (calculated on actual rate on squared-off quantity) is given below:

SANGHVI GROUP- SSB PATTERN

S.N.	Exchange	Type	Date	Scrip Name	Client Name	FR Sell Qty	HDFC Sell Qty	Buy Qty (Squared-off)	Matched quantity	Matching %	Profit in ₹
	NSE	SSB	13-Feb-07	TULIP	SONAL	12,000	142,000	12,000	12,000	100.00	158,123.40
	BSE	SSB	21-Aug-07	SUNTV	SANJAY	40,000	164,198	40,000	39,069	97.67	391,572.19
	BSE	SSB	20-Aug-07	MAHARASH SEA	SANJAY	26,969	47,500	26,969	26,370	97.78	127,150.34
	BSE	SSB	2-Aug-07	WIPRO	SANJAY	35,200	145,925	35,200	34,409	97.75	181,599.15
	BSE	SSB	1-Aug-07	SUNTV	SANJAY	15,000	16,100	15,000	14,120	94.13	63,647.15
	NSE	SSB	5-Jun-07	DISHTV	SANJAY	55,759	540,000	55,759	47,805	85.74	76,179.54
	NSE	SSB	5-Jun-07	EICHERMOT	SANJAY	3,653	12,750	3,653	2,504	68.55	15,863.39
	NSE	SSB	1-Jun-07	DISHTV	SANJAY	71,000	504,334	71,000	71,000	100.00	232,575.15
	NSE	SSB	14-May-07	CIPLA	SANJAY	240,686	690,000	240,686	240,686	100.00	327,966.35
	NSE	SSB	13-Feb-07	ASHOKLEY	RAJIV- HUF	350,000	1,200,000	350,000	347,167	99.19	444,850.65
	BSE	SSB	13-Feb-07	ASHOKLEY	RAJIV- HUF	231,000	755,415	231,000	66,751	28.90	291,609.25
	BSE	SSB	13-Feb-07	TULIP	RAJIV- HUF	50,299	119,022	50,299	50,299	100.00	119,861.75
	NSE	SSB	13-Feb-07	TULIP	RAJIV- HUF	57,077	142,000	57,077	55,624	97.45	116,368.90
	NSE	SSB	2-Aug-07	WIPRO	RAJIV	30,500	150,000	30,500	30,400	99.67	150,276.89
	NSE	SSB	1-Aug-07	SUNTV	RAJIV	39,213	47,650	39,213	39,213	100.00	179,715.70
	BSE	SSB	5-Jun-07	EICHERMOT	DIPTI	3,702	9,300	3,702	2,852	77.04	17,737.89
	BSE	SSB	1-Jun-07	DISHTV	DIPTI	49,186	317,722	49,186	49,186	100.00	161,249.50
	BSE	SSB	18-Apr-07	PRAJ INDUSTR	DIPTI	20,000	70,645	20,000	20,000	100.00	133,588.15
SANGHVI'S GROUP – SSB PATTERN - PROFIT											31,89,935.34

5.10 The entity-wise profit made by Sanghvi Group entities given below:

Client Name	BBS Pattern		SSB Pattern		Total	
	No. of Instances	Profit in ₹	No. of Instances	Profit in ₹	No. of Instances	Profit in ₹
DIPTI	2	5,18,521	3	3,12,576	5	8,31,096
RAJIV	8	23,79,305	2	3,29,993	10	27,09,298
RAJIV- HUF	-	-	4	9,72,691	4	9,72,691
SANJAY	9	25,69,298	8	14,16,553	17	39,85,851
SONAL	5	18,45,357	1	1,58,123	6	20,03,481
Grand Total	24	73,12,482	18	31,89,935	42	1,05,02,417

5.11 It was observed that Sanjay had front run in 17 instances and made a profit of ₹39,85,851, Sonal had front run in 6 instances (profit of ₹20,03,481), Rajiv had front run in 10 instances (profit of ₹27,09,298), Rajiv-HUF had front run in 4 instances (profit of ₹9,72,691) and Dipti had front run in 5 instances (profit of ₹8,31,096). In total, 42 instances of front running the

trades of HDFC were done and a total profit of ₹1,05,02,416.92/- was made. Therefore, the Sanghvi Group had made a profit of ₹1.05 crore in 42 front running instances.

5.12 It was observed from the audio conversation records that out of the 42 instances, in 29 instances Nilesh had instructed Rajiv Sanghvi to buy/sell before HDFC trades. The examination of trade and order logs revealed that the trades confirmed by Rajiv to Nilesh were all executed in the trading accounts Sonal / Rajiv / Rajiv-HUF / Sanjay / Dipti. Further, no other clients' trades were matching with the trade confirmation given by Rajiv to Nilesh on respective days and scrips. The trade confirmation details given by Rajiv such as quantity and average rate matched with trades of Sonal / Rajiv / Rajiv-HUF / Sanjay / Dipti.

5.13 The available call data in 29 instances revealed that the manner in which these trades were executed. In the case of 13 instances, where audio conversation records are not available, the trading pattern clearly establishes that similar modus-operandi was followed by Sonal, Rajiv, Rajiv-HUF and Sanjay (family members) and Nilesh to front run HDFC trades.

5.14 Matching trades with HDFC trades in 42 instances cannot be co-incidence. The matching of trades in the trading accounts of Sonal / Rajiv / Rajiv-HUF / Sanjay / Dipti, the time of trade execution and the conversation time and traded quantity communicated by Rajiv to Nilesh are all clearly establish that Nilesh, Sonal, Rajiv, Rajiv-HUF, Sanjay and Dipti had acted together as a group.

5.15 In view of the above facts and circumstances, the aforesaid 42 instances of front running by Sonal, Rajiv, Rajiv-HUF, Sanjay and Dipti cannot be said to be in normal course or a coincidence. These trades were executed only with an intention to square-off by matching with HDFC forthcoming trades for deriving profit. As stated earlier, most of the square-off trades were matched with HDFC trades. These trades could not have been executed if Nilesh did not pass on information/instruction as to the scrips, quantity and price to be traded to Rajiv. In the absence of trades of Sonal, Rajiv, Rajiv-HUF, Sanjay and Dipti, HDFC and the other investors could have obtained the better price. These trades had therefore disturbed the market equilibrium and the normal price discovery mechanism of stock exchanges.

5.16 As Nilesh had instructed to execute these trades to front run HDFC trades, HDFC had lost the price advantage in these trades and the profit made in the trading accounts of Sonal, Rajiv, Rajiv-HUF, Sanjay and Dipti in these trades is the loss of

price advantage to the HDFC. These trades were executed in fraudulent manner by Nilesh, Sonal, Rajiv, Rajiv-HUF, Sanjay and Dipti who had acted in concert, to defraud HDFC. These trades had created false or misleading appearance of the trading in the securities market.

6. **FRONT RUNNING BY The KALPANA GROUP**

HDFC, in its report had identified the suspected front running transactions by Kalpana Kapadia, wife of Nilesh Kapadia. As mentioned above, Nilesh and Kalpana are referred to as 'Kalpana Group'.

- 6.1 The audio conversation records were not available for these front running instances. However, a relationship of husband and wife is a fiduciary relationship and information between the two can be exchanged in many ways.
- 6.2 The examination of the trade log of the front running transactions identified by HDFC revealed that in 93 instances Kalpana had front run the trades of HDFC trades and matched with HDFC trades while squaring-off her trades. It could not have been possible to match HDFC's trades by Kalpana on 93 instances unless Nilesh and Kalpana have prior understanding among themselves. Therefore, there was communication of information existed between Nilesh and Kalpana.
- 6.3 Two trading patterns of front running viz., Sell-Sell-Buy and Buy-Buy-Sell were observed in the front running HDFC trades by Kalpana Group.
- 6.4 **Sell-Sell-Buy (SSB):** As a dealer of HDFC, Nilesh had the information of HDFC's sell order details viz., scrip, quantity, price range and discretion of time. Therefore, before HDFC placed its sell order, Kalpana had executed her sell transactions for the same scrip. When HDFC placed its sell order, Kalpana had executed her buy transactions around the same time so that her buy orders could match with HDFC's sell orders and squaring-off her sell transactions with a profit. As an illustration, the **SSB pattern in the shares of BEML on June 10, 2003 is given below:**
 - a) Kalpana had sold 43,156 shares of BEML at NSE on June 10, 2003 between 10:07:51 and 10:29:27. HDFC had sold 65,000 shares of BEML on the same day at NSE between 10:33:22 and 10:40:56. It was observed that before HDFC had started selling the shares of BEML, Kalpana had sold the shares of BEML.

b) After HDFC started selling the shares, Kalpana had immediately started buying the shares at 10:37:16. Kalpana had bought 43,156 shares between 10:37:16 and 10:52:02. Out of 43,156 shares bought by Kalpana, 37,803 shares were matched with the sell trades of HDFC i.e., 87.60% of the buy trades of Kalpana matched with HDFC sell trades.

c) Kalpana group had made a profit of ₹85,239/- by indulging front run of HDFC trades. The summary of the trade details is given below:

Sell Qty	HDFC Sell Qty	Buy Qty	Sell AR	Buy AR	Profit*	Matched volume	Matched %	Sell Start Time	Sell End Time	HDFC Sell Start Time	HDFC Sell End Time	Buy Start Time	Buy End Time
43,156	65,000	43,156	85.98	84.00	85,238.80	37,803	87.60	10:07:51	10:29:27	10:33:22	10:40:56	10:37:16	10:52:02

* Profit is calculated on actual price.

It was observed that by indulging in similar *modus-operandi*, the Kalpana group had front run the HDFC trades in 34 more instances (in SSB pattern).

6.5 Buy-Buy-Sell (BBS): As a dealer of HDFC, Nilesh had the information of HDFC's buy order details viz., scrip, quantity, price range and discretion of time. Therefore, before HDFC placed its buy order, Kalpana had executed her buy transactions for the same scrip. When HDFC placed its buy order, Kalpana had executed her sell transactions around the same time so that her sell orders could match with HDFC's buy orders and squaring-off her buy transactions with profit. Illustration of this pattern in trades executed in the scrip of Syndicate Bank on May 02, 2002:

- (a) Kalpana had bought 2,15,066 shares @ ₹13.29 of Syndicate bank on 02.05.2002 between 12:26:16 and 14:07:05. HDFC had started buying 3,67,005 shares of Syndicate Bank on the same day between 14:06:20 and 15:28:36. It was observed that before HDFC had started buying the shares of the Syndicate bank, Kalpana had started buying the shares of Syndicate Bank.
- (b) After HDFC started buying the shares, Kalpana had sold 2,15,066 shares between 14:07:23 and 14:19:56. The entire shares sold by Kalpana was matched with HDFC buy trades.
- (c) Kalpana group had made a profit of ₹1,20,074/- by front running HDFC trades. The summary of the trade details is given below:

Buy Qty	HDFC Buy Qty	Sell Qty	Buy AR	Sell AR	Profit*	Matched volume	Matched %	Buy Start Time	Buy End Time	HDFC Buy Start Time	HDFC Buy End Time	Sell Start Time	Sell End Time
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2,15,066	3,67,005	2,15,066	13.29	13.85	1,20,074	2,15,066	100	12:26:16	14:07:05	14:06:20	15:28:36	14:07:23	14:19:56
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* Profit is calculated on actual rate

It was observed that by indulging in similar *modus-operandi*, the Kalpana group had front run the HDFC trades in 57 more instances (in SSB pattern).

7. The examination of front running instances identified by HDFC in its report revealed that Kalpana had indulged in 93 instances of front running **{58 BBS Pattern and 35 SSB Pattern}**. It is pertinent to mention that most of Kalpana's trades were matched with HDFC's trades including 100% matching in 33 instances. The details of the 58 instances (BBS) of front running activities by Kalpana Group and the profit made (calculated on actual rate on squared-off quantity) is given below:

KALPANA GROUP - BBS PATTERN

S.N.	Exchange	Transaction Type	Date	Scrip Name	FR Buy Qty	HDFC Buy Qty	Sell Qty (Squared-off)	Matched Qty	Matched %	Profit IN ₹
1.	NSE	BBS	01-Nov-01	MTNL	9,000	22,770	9,000	727	8.08	18,002.50
2.	NSE	BBS	02-Nov-01	HINDPETRO	8,500	25,000	8,500	8,499	99.99	6,554.75
3.	NSE	BBS	08-Nov-01	MTNL	6,456	14,119	6,456	1,619	25.08	9,978.25
4.	NSE	BBS	28-Nov-01	HINDPETRO	3,951	18,433	3,951	3,951	100.00	5,514.20
5.	NSE	BBS	28-Nov-01	BHEL	5,000	23,392	5,000	4,950	99.00	4,672.65
6.	NSE	BBS	29-Nov-01	HINDPETRO	15,000	43,144	15,000	13,418	89.45	22,071.10
7.	NSE	BBS	29-Nov-01	GODREJCP	10,000	25,458	10,000	10,000	100.00	12,529.75
8.	NSE	BBS	14-Dec-01	ASHOKLEY	5,000	11,914	5,000	4,875	97.50	6,250.00
9.	NSE	BBS	19-Dec-01	ASHOKLEY	12,000	35,788	12,000	12,000	100.00	13,990.50
10.	NSE	BBS	20-Mar-02	UCALFUEL	3,631	4,481	3,631	3,631	100.00	7,168.25
11.	NSE	BBS	20-Mar-02	HEROHONDA	2,000	4,000	2,000	2,000	100.00	4,659.70
12.	NSE	BBS	27-Mar-02	UCALFUEL	2,185	2,858	2,185	2,185	100.00	937.00
13.	NSE	BBS	29-Apr-02	SYNDIBANK	1,10,165	2,16,166	1,10,165	1,10,165	100.00	59,222.60
14.	NSE	BBS	30-Apr-02	SYNDIBANK	68,000	2,12,211	68,000	68,000	100.00	34,570.75
15.	NSE	BBS	02-May-02	SYNDIBANK	2,15,066	3,67,005	2,15,066	2,15,066	100.00	1,20,074.95
16.	NSE	BBS	22-May-02	HIMATSEIDE	7,725	12,000	7,725	7,725	100.00	36,835.25
17.	NSE	BBS	22-May-02	DRREDDY	3,000	6,000	3,000	1,484	49.47	17,195.90
18.	NSE	BBS	13-Jun-02	CENTENKA	17,063	37,050	17,063	16,063	94.14	29,659.10
19.	NSE	BBS	24-Jul-02	SHASUNCHEM	8,018	11,136	8,018	7,950	99.15	16,519.05
20.	NSE	BBS	25-Jul-02	SHASUNCHEM	40,863	59,349	40,863	40,763	99.76	84,294.45
21.	NSE	BBS	26-Jul-02	SHASUNCHEM	5,501	9,854	5,501	5,501	100.00	5,169.40
22.	NSE	BBS	30-Jul-02	JBCHEPHARM	7,780	13,457	7,780	7,780	100.00	18,667.00
23.	NSE	BBS	30-Jul-02	SHASUNCHEM	5,000	12,241	5,000	4,900	98.00	5,361.40
24.	NSE	BBS	30-Aug-02	HDFC	4,000	9,500	4,000	3,337	83.43	11,933.85
25.	NSE	BBS	22-Oct-02	COSMOFILMS	30,000	55,000	30,000	23,406	78.02	62,369.80
26.	NSE	BBS	28-Jan-03	PAPERPROD	1,978	2,670	1,978	1,978	100.00	5,583.00
27.	NSE	BBS	30-Jan-03	PAPERPROD	5,000	14,441	5,000	5,000	100.00	7,702.55
28.	NSE	BBS	21-Mar-03	ASHOKLEY	1,772	1,24,550	1,772	1,772	100.00	1,874.00
29.	NSE	BBS	23-May-03	IPCL	27,175	99,136	22,175	22,174	100.00	20,076.23
30.	NSE	BBS	28-May-03	GAIL	90,000	3,03,500	90,000	54,838	60.93	1,69,207.50
31.	NSE	BBS	28-May-03	BEML	24,700	74,976	19,700	19,230	97.61	11,834.36
32.	NSE	BBS	06-Jun-03	J&KBANK	28,774	34,181	28,646	28,246	98.60	84,845.53
33.	NSE	BBS	09-Jun-03	J&KBANK	11,157	37,000	11,185	10,777	96.35	24,726.78
34.	NSE	BBS	26-Jun-03	MAHSEAMLES	18,600	78,545	18,000	17,800	98.89	35,891.66
35.	NSE	BBS	11-Jul-03	IOC	6,044	39,000	6,044	1,463	24.21	49,540.85
36.	NSE	BBS	16-Jul-03	NATIONALUM	99,661	4,05,000	99,661	11,729	11.77	3,18,783.75

S.N.	Exchange	Transaction Type	Date	Scrip Name	FR Buy Qty	HDFC Buy Qty	Sell Qty (Squared-off)	Matched Qty	Matched %	Profit IN ₹
37.	NSE	BBS	17-Jul-03	BEL	10,192	20,308	10,192	4,050	39.74	20,750.85
38.	NSE	BBS	24-Jul-03	BHEL	49,120	1,62,000	49,120	31,086	63.29	1,21,747.00
39.	NSE	BBS	28-Jul-03	CENTURYTEX	55,000	11,23,665	50,000	33,740	67.48	2,94,288.94
40.	NSE	BBS	30-Jul-03	CORPBANK	10,000	3,05,000	10,000	6,812	68.12	14,206.75
41.	NSE	BBS	01-Aug-03	BEL	10,075	40,162	10,075	8,279	82.17	57,029.05
42.	NSE	BBS	04-Aug-03	IPCL	12,500	1,50,000	12,500	3,874	30.99	34,406.00
43.	NSE	BBS	13-Aug-03	CORPBANK	14,706	1,37,000	11,000	9,636	87.60	48,394.04
44.	NSE	BBS	19-Aug-03	GAIL	5,000	2,55,000	5,000	650	13.00	9,000.00
45.	NSE	BBS	25-Aug-03	CORPBANK	9,562	3,10,000	9,562	3,510	36.71	18,713.90
46.	NSE	BBS	03-Sep-03	GNFC	795	10,33,000	795	795	100.00	6,876.75
47.	NSE	BBS	10-Sep-03	GNFC	13,663	1,45,000	13,663	12,036	88.09	34,569.60
48.	NSE	BBS	01-Oct-03	INDORAMA	10,000	2,75,000	10,000	5,000	50.00	43,510.65
49.	NSE	BBS	06-Oct-03	INDORAMA	6,480	2,55,000	6,480	6,362	98.18	29,160.00
50.	NSE	BBS	15-Oct-03	BANKBARODA	8,936	10,10,000	8,936	902	10.09	55,247.60
51.	NSE	BBS	15-Oct-03	VIJAYABANK	70,000	10,00,000	48,228	25,000	51.84	2,943.12
52.	NSE	BBS	24-Oct-03	INDORAMA	25,044	1,58,192	25,044	10,604	42.34	1,05,848.25
53.	NSE	BBS	28-Nov-03	DIVISLAB	2,500	20,500	2,500	344	13.76	1,37,128.85
54.	NSE	BBS	20-Feb-04	ASHOKLEY	45,557	2,60,000	45,557	42,620	93.55	2,15,255.85
55.	NSE	BBS	17-Mar-04	FEDERALBNK	50,268	3,50,000	50,268	17,767	35.34	5,33,243.30
56.	NSE	BBS	18-Mar-04	FEDERALBNK	22,510	1,82,589	22,510	16,475	73.19	2,00,362.20
57.	NSE	BBS	19-Mar-04	TVTODAY	17,115	1,90,000	17,115	5,000	29.21	2,40,995.95
58.	NSE	BBS	22-Mar-04	IOB	1,16,467	5,59,333	1,16,467	54,427	46.73	2,52,580.65
KALPANA'S GROUP - BBS PATTERN - PROFIT										38,20,527.66

The details of the 35 instances (SSB) of front running activities by Kalpana Group and the profit made (calculated on actual rate on squared-off quantity) is given below:

KALPANA GROUP'S - SSB PATTERN

S.N.	Exchange	Transaction Type	Date	Scrip Name	FR Sell Qty	HDFC Sell Qty	Buy Qty (Squared-off)	Matched Qty	Matched %	Profit IN ₹
1	NSE	SSB	09-Nov-01	CIPLA	2,000	7,000	2,000	1,467	73.35	4,647.65
2	NSE	SSB	18-Jan-02	SHREECEM	3,265	39,100	3,265	2,765	84.69	5,470.00
3	NSE	SSB	21-Jan-02	SHREECEM	17,500	97,053	17,500	17,244	98.54	21,412.15
4	NSE	SSB	25-Feb-02	UNICHEMLAB	4,964	6,600	4,964	3,645	73.43	12,996.75
5	NSE	SSB	26-Feb-02	GUJRATGAS	9,618	18,565	9,618	9,518	98.96	77,791.60
6	NSE	SSB	26-Feb-02	UNICHEMLAB	2,500	9,000	2,500	2,500	100.00	9,796.50
7	NSE	SSB	04-Mar-02	NAVNETPUBL	1,896	8,347	1,896	1,896	100.00	11,305.00
8	NSE	SSB	08-Mar-02	BEL	35,000	75,000	35,000	17,324	49.50	98,031.00
9	NSE	SSB	08-Mar-02	GUJRATGAS	3,000	3,815	3,000	3,000	100.00	23,982.00
10	NSE	SSB	14-Mar-02	ASHOKLEY	50,000	90,000	50,000	49,950	99.90	19,987.50
11	NSE	SSB	19-Mar-02	NAVNETPUBL	1,105	2,115	1,105	1,105	100.00	4,420.50
12	NSE	SSB	17-Apr-02	TATAPOWER	32,170	1,11,487	32,170	31,915	99.21	38,768.45
13	NSE	SSB	30-Apr-02	SWARAJENG	1,464	1,616	1,464	1,464	100.00	7,321.80
14	NSE	SSB	06-May-02	BEL	5,000	26,000	5,000	4,644	92.88	3,332.75
15	NSE	SSB	22-May-02	L&T	6,077	13,006	5,984	4,069	68.00	4,488.00
16	NSE	SSB	07-Jun-02	SWARAJENG	784	793	784	784	100.00	3,339.20
17	NSE	SSB	11-Jun-02	SWARAJENG	3,282	3,938	3,282	3,282	100.00	15,147.05
18	NSE	SSB	12-Jun-02	SWARAJENG	1,184	2,600	1,184	1,184	100.00	8,185.00
19	NSE	SSB	13-Jun-02	CIPLA	1,667	5,752	1,667	1,645	98.68	11,914.00
20	NSE	SSB	13-Jun-02	SWARAJENG	790	2,549	790	790	100.00	5,622.50
21	NSE	SSB	14-Jun-02	SWARAJENG	2,187	3,147	2,187	2,187	100.00	11,132.60
22	NSE	SSB	17-Jun-02	SWARAJENG	1,637	4,232	1,637	1,637	100.00	9,122.75

S.N.	Exchange	Transaction Type	Date	Scrip Name	FR Sell Qty	HDFC Sell Qty	Buy Qty (Squared-off)	Matched Qty	Matched %	Profit IN ₹
23	NSE	SSB	18-Jun-02	SWARAJENG	5,537	11,186	5,537	5,537	100.00	30,242.50
24	NSE	SSB	05-Jul-02	CENTENKA	14,240	15,046	14,240	2,527	17.75	15,315.00
25	NSE	SSB	21-Aug-02	BHEL	18,995	50,000	18,995	18,281	96.24	31,194.30
26	NSE	SSB	30-Dec-02	COSMOFILMS	10,000	41,202	10,000	10,000	100.00	24,561.50
27	NSE	SSB	22-Jan-03	SHASUNCHEM	6,340	77,487	6,340	6,093	96.10	27,722.50
28	NSE	SSB	05-May-03	JBCEPHARM	4,517	17,167	4,517	4,517	100.00	10,100.90
29	NSE	SSB	06-May-03	JBCEPHARM	10,445	31,153	10,445	10,445	100.00	31,420.10
30	NSE	SSB	30-May-03	MRO-TEK	17,254	80,756	17,254	17,254	100.00	17,126.30
31	NSE	SSB	03-Jun-03	IPCL	32,779	1,54,705	32,779	32,279	98.47	32,942.65
32	NSE	SSB	10-Jun-03	BEML	43,156	65,000	43,156	37,803	87.60	85,238.80
33	NSE	SSB	12-Jun-03	BEML	38,089	1,68,645	48,089	46,564	96.83	56,608.14
34	NSE	SSB	28-Aug-03	IOC	10,930	4,30,000	10,930	8,910	81.52	80,803.80
35	NSE	SSB	23-Jan-04	ITC	2,201	1,05,060	2,201	511	23.22	52,273.75
KALPANA'S GROUP - SSB PATTERN - PROFIT										9,03,764.99

8. From the above table, it is noticed that Kalpana group allegedly front ran HDFC in 93 instances through BBS and SSB pattern and thereby made profits to the tune of ₹47,24,293/-. It was observed that Kalpana had traded ahead of HDFC trades and reversed the majority of the trades with HDFC in 93 instances which cannot be a co-incidence. The repeated pattern clearly confirms that Kalpana and Nilesh had together front run the HDFC trades. Further, Kalpana's husband Nilesh was the dealer of HDFC who executed the trades for HDFC. The facts and circumstances of the case and the preponderance of probability suggests that these trades cannot be in the normal course but were executed with the knowledge of impending trades of HDFC and thereby to derive profits by squaring off the trades when HDFC entered the market with its orders. As stated earlier, most of the square-off trades were matched with HDFC trades. These trades could not have executed without communication between Nilesh and Kalpana. In the absence of trades of Kalpana, HDFC and the other investors could have obtained the better price. These trades had disturbed the market equilibrium and normal price discovery mechanism of stock exchanges.

9. As Kalpana Group had front run HDFC trades, HDFC had lost the price advantage in these trades and the profit made in the trading accounts of Kalpana, is the loss of price advantage to the HDFC. These trades were executed in fraudulent manner by Nilesh and Kalpana who had acted in concert, to defraud HDFC. These trades had created false or misleading appearance of the trading in the securities market.

10. In view of the foregoing, I arrive at the following *prima facie* findings/observations:

- a) Mr. Nilesh Kapadia (equity dealer of HDFC AMC) had instructed Mr. Rajiv Sanghvi and Kalpana Kapadia before placing the orders for HDFC AMC.
- b) On the basis of such information and instructions from Nilesh, Mr. Rajiv Sanghvi indulged in front running the trades of HDFC AMC and traded in the accounts of Mr. Rajiv Sanghvi, Rajiv Sanghvi HUF, Sanjay Sanghvi, Sonal Sanghvi and Dipti Mehta.
- c) Similar front running activities were observed in the trading account of Mrs. Kalpana Kapadia, wife of Nilesh Kapadia.
- d) In view of such trading pattern, Rajiv Sanghvi, Rajiv Sanghvi-HUF, Sanjay Sanghvi, Sonal Sanghvi, Dipti Mehta and Kalpana Kapadia made substantial profits.
- e) These profits would not have resulted if Nilesh Kapadia had not passed the information of the impending large orders of HDFC and instructed them accordingly.

11. The conduct of the above persons are allegedly in contravention of section 12A (a), (b) and (c) of the SEBI Act, 1992 read with regulation 3 and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. Considering that the above said 7 persons (including Rajiv Sanghvi HUF) had acted together for deriving such undue profits, it is appropriate and reasonable to make them liable, jointly and severally, liable for the profits as discussed above in this Order. I note that the persons/entities are aware of the investigations as also the likely findings of the investigation, in the light of the evidences gathered and the statements given during the investigation. With the initiation of investigation and quasi-judicial proceedings, it is possible that the above 7 noticees may divert the unlawful gains (*subject to the adjudication of the allegation on the merits in the final order*), which may result in defeating the effective implementation of the direction of disgorgement, if any to be passed after adjudication on merits. Non-interference by the Regulator at this stage would therefore result in irreparable injury to interests of the securities market and the investors. It therefore becomes necessary for SEBI to take urgent steps of impounding and retaining the proceeds (unlawful gains) allegedly made by the above noticees, by way of an interim measure. Considering the facts and circumstances of the case, the balance of convenience lies in favour of SEBI.

12. Further, as the alleged gains were made during the period November 2001 - September 2011, and these entities were able to use such undue profits derived from such front running, it becomes

reasonable and necessary to levy an interest at 12% simple interest per annum from the date on which such profits were earned. The amount of interest is calculated and provided in the table below:

Sl. No.	Name	Permanent Account Number	Gain in (₹)	Interest @ 12% p.a. (₹)*	Total Amount (₹)
Sanghvi Group					
1	Rajiv Sanghvi	AAVPS8908E	27,09,298	28,83,912	55,93,210
2	Rajiv Sanghvi-HUF	AAAHR3188Q	9,72,691	10,40,592	20,13,283
3	Sanjay Sanghvi	AAIPS3640Q	39,85,851	40,57,137	80,42,988
4	Sonal Sanghvi	AYJPS9541D	20,03,481	23,69,443	43,72,923
5	Dipti Mehta	AHKPM9167B	8,31,096	8,60,783	16,91,879
Total Sanghvi Group			1,05,02,417	1,12,11,866	2,17,14,284
Kalpana Group					
1	Kalpana Kapadia	AKVPK6646D	47,24,293	71,21,345	1,18,45,637
Grand Total			1,52,26,710	1,83,33,211	3,35,59,921
*Interest has been calculated from the date of transaction to January 11, 2016.					

13. Accordingly, as an interim measure, an ad-interim ex-parte Order for impounding under section 11(4)(d) of the Securities and Exchange Board of India Act, 1992 needs to be issued against –

- The entities of Sanghvi Group viz. Nilesh Kapadia, Rajiv Sanghvi, Rajiv Sanghvi-HUF, Sanjay Sanghvi, Sonal Sanghvi and Dipti Mehta who acted as a group to front run the trades of HDFC and made profit,
- The entities of Kalpana group viz. Nilesh Kapadia and Kalpana Kapadia, who acted as a group to front run the trades of HDFC and made profit.

14. In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, I, in exercise of the powers conferred upon me by virtue of section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, hereby order to impound –

- the unlawful gains of a sum of ₹2,17,14,284/- (gain of ₹1,05,02,417/- + interest of ₹1,12,11,866/-) jointly and severally from the persons tabulated below:

Sl. No.	Name	Permanent Account Number
1	Nilesh Kapadia	AABPK0356Q
2	Rajiv Sanghvi	AAVPS8908E
3	Rajiv Sanghvi-HUF	AAAHR3188Q

4	Sanjay Sanghvi	AAIPS3640Q
5	Sonal Sanghvi	AYJPS9541D
6	Dipti Mehta	AHKPM9167B

- b) the unlawful gains of a sum of ₹1,18,45,638/- (gain of ₹47,24,293/- + interest of ₹ 71,21,345/-) jointly and severally from the persons tabulated below:

Sl. No.	Name	Permanent Account Number
1	Nilesh Kapadia	AABPK0356Q
2	Kalpana Kapadia	AKVPM6646D

15. The Banks and Depositories are directed that no debit shall be made, without permission of SEBI, in respect of the bank accounts and demat accounts, held jointly or severally, by all the entities tabulated in Paragraph 14 (a) and (b) above. The Banks and the Depositories are directed to ensure that all the above directions are strictly enforced. However, credits, if any, into the accounts may be allowed.

16. The persons/entities tabulated in Paragraph 14 (a) and (b) above are also directed not to dispose off or alienate any of their assets/properties/securities, till such time the amounts mentioned in paragraph 14 (a) and (b) are credited to an escrow account {“Escrow Account in Compliance with SEBI Order dated January 15, 2016 – A/c (in the name of the respective persons/entities)”} created specifically for the purpose in a Nationalized Bank. The escrow account/s shall create a lien in favour of SEBI and the monies kept therein shall not be released without permission from SEBI. After the said monies are deposited in the escrow account, SEBI shall communicate to the Banks and Depositories to defreeze the accounts.

17. These above persons are directed to provide, within 7 days of this order, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form and details of companies in which they hold substantial or controlling interest.

18. The above direction shall come into force with immediate effect.

19. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the persons/entities covered under this Order, in accordance with law. The persons/entities against whom this Order has been passed may file their replies to SEBI within 21 days from the date of receipt of this order, if they so desire. They may also indicate in their replies whether they wish to avail an opportunity of personal hearing in the matter.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date: January 15, 2016
Place: Mumbai