

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**

**CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER**

**ORDER**

**Under Sections 11, 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Dhyana Finstock Limited**

---

1. Securities and Exchange Board of India (“**SEBI**”) conducted an examination into the dealings in the scrip of Dhyana Finstock Limited (“**Dhyana**” / “**Company**”) on BSE Limited (“**BSE**”) during the period from June 12, 2014 to July 27, 2015 as there was significant rise in the traded volume and price of the scrip.
2. Upon preliminary inquiry, SEBI *prima facie* observed the following:
  - (a) The scrip of Dhyana got listed on BSE on June 13, 2014 under Direct Listing mode from Ahmedabad Stock Exchange (“**ASE**”) at a price of Rs. 251. Prior to listing on BSE, the company had made preferential allotment of 64,25,000 equity shares of Rs.10/- each to 49 entities on November 30, 2013 which were under lock-in on till November 30, 2014.
  - (b) After the release of compulsory lock-in period, the Preferential Allottees and the Promoter related entities / entities connected or related to Dhyana were provided exit at a high price by the entities allegedly related/connected amongst themselves and with Dhyana (“Exit Providers”);
  - (c) Since July 2015 several SMS were circulated among investing public to the effect of inducing them to buy the shares of Dhyana specially highlighting to make “Jackpot” profit on July 27, 2015. Under the influence of SMS tips investors placed buy orders on July 27, 2015 at price ranging from Rs. 396 – Rs. 406 resulting in purchase of 3,18,971 shares from the net sellers (persons who sells more number of shares than they buy). The 29 Net Sellers who were part of preferential allottees/exit provider/

---

*Order in the matter of Dhyana Finstock Limited*

entities related to the Dhyana have sold 2,62,682 shares on July 27, 2014 representing 82.35% of total shares bought by the investors under the influence of SMSs. Thereby, ultimately shares acquired through preferential allotment and/or purchased to give exit to preferential allottees were sold to gullible investors by inducing them to buy shares by sending fraudulent/fake SMS.

(d) By virtue of the same, it was alleged that the company and persons in charge of its affairs created preferential allotment of shares as a mode to provide fictitious long term capital gains (“**LTCG**”) to its Preferential Allottees and Promoter related entities so as to convert their unaccounted income into accounted one; its Promoters/ Directors / Exit Providers / Preferential Allottees / Promoter related entities artificially increased the volume and price of the scrip and misused securities market system for making illegal gains and to convert ill-gotten gains into market gains to avail LTCG.

3. As the aforesaid activities of Dhyana and its Promoter / Directors / Promoter related entities / Preferential Allottees / Exit Providers were in violation of SEBI Act, 1992 (“**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“**PFUTP Regulations**”) SEBI passed an *Ad interim ex-parte* order dated June 01, 2016 (hereinafter referred to as “**interim order**”) and restrained 76 entities including Dhyana and its Promoters and Directors from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.

4. Vide email dated July 28, 2015 as well as vide said interim order, SEBI also directed BSE to withhold the pay-out of funds for the trades executed on July 27, 2015 and keep the same in interest bearing escrow account and also release the securities to the buyers for the trades executed on July 27, 2015. It is noted that this covered 32 entities including 29 entities listed in para 5 below.

5. The name of the entities against whom the interim order were passed are as follows:

---

*Order in the matter of Dhyana Finstock Limited*

| S. NO.                                   | NAME OF THE ENTITY                | PAN        |
|------------------------------------------|-----------------------------------|------------|
| <b>COMPANY</b>                           |                                   |            |
| 1                                        | Dhyana Finstock Limited           | AABCP8561B |
| <b>DIRECTORS AND PROMOTERS OF DHYANA</b> |                                   |            |
| 2                                        | Harshadkumar Patel                | AGMPP7021Q |
| 3                                        | Rajeshkumar Theophilbhai Christie | AKAPC0179L |
| 4                                        | Pinakin Dahyabhai Makwana         | APJPM5729E |
| 5                                        | Pritesh Patel                     | AJIPP7200L |
| 6                                        | Priyanka Nrupesh Tripathi         | AHVPT3728L |
| 7                                        | Purvesh Nareshbhai Chauhan        | AHKPC9950A |
| 8                                        | Jaratal Mayaben Ashokbhai         | AOCPJ0760Q |
| 9                                        | Ashokbhai G Jaratal               | AOCPJ0735R |
| 10                                       | Priti Jayakarbhai Christian       | AQBPC1558Q |
| 11                                       | Aneelkumar Albertbhai Patel       | ALOPP2057M |
| 12                                       | Shaluben Nikeshbhai Shah          | BPCPS1154K |
| <b>PREFERENTIAL ALLOTTEES</b>            |                                   |            |
| 13                                       | Ankit Mahendrabhai Shah           | ANTPS6591E |
| 14                                       | Jyotiben Mahendrabhai Shah        | ANHPS8282Q |
| 15                                       | Manish B Shah                     | AAIPM4715G |
| 16                                       | Rupal M Shah                      | AAEPR5198J |
| 17                                       | Kalpesh Ugarchand Gadhecha        | ABTPG3143L |
| 18                                       | Sanjay P Shah                     | AMIPS4672G |
| 19                                       | Bhavini S Shah                    | AEVPB8830Q |
| 20                                       | Zahir Farooq Hawa                 | AAAPH2776E |
| 21                                       | Farooq Kasam Hawa                 | AAAPH2775H |
| 22                                       | Noorbanu Farooq Hawa              | AAAPH8271Q |
| 23                                       | Azim Farooq Hawa                  | AAAPH2774G |
| 24                                       | Kumar A                           | AAEPK1457D |
| 25                                       | M Mathivanan                      | AAEPM4368F |
| 26                                       | Raj Rattan                        | ADXPR0831L |
| 27                                       | Uttam Chunnilal Jain              | AAFPJ3365A |

| S. NO.              | NAME OF THE ENTITY             | PAN        |
|---------------------|--------------------------------|------------|
| 28                  | Reenu Jain                     | AEYPJ8903R |
| 29                  | Sanjay Nandlalbhai Parelia Huf | AATHS5168J |
| 30                  | Gunjan Rajendra Patel          | BFPPP4718F |
| 31                  | Manharbhai Vallabhbhai Vaghani | ABOPV3650L |
| 32                  | Mahesh V Vaghani               | AAWPV3196N |
| 33                  | Haresh Bhikhabhai Vaghani      | ABPPV4917M |
| 34                  | Sanjay Bhikhabhai Vaghani      | AABPV4486G |
| 35                  | Chetna H Chandan               | AHGPC9842D |
| 36                  | Pradipkumar Harakchand Doshi   | AAHPD4722B |
| 37                  | Dilipkumar Manilal Chokshi     | AAKPC1264A |
| 38                  | Jayprakash Maneklal Patel      | ABCPP1959N |
| 39                  | Ashwinkumar K. Patel           | AGAPP9577F |
| 40                  | Rajesh Pukhraj Raka (Huf)      | AAFHR7898G |
| 41                  | Mohit Airen                    | ABXPA1053F |
| 42                  | Alok Gupta                     | ACHPG2799K |
| 43                  | Gaurav Manoj Agrawal           | AQMPA9216A |
| 44                  | Ashok Kumar Sethi              | AGTPS5503P |
| 45                  | Kantilal Amulkhadas Vohera     | ACHPV3687R |
| 46                  | Kantilal Amulkhadas Vohera Huf | AAFHK8045N |
| 47                  | Suresh Chinde Gowda            | AHVPG4424G |
| <b>DHYANA GROUP</b> |                                |            |
| 48                  | Parin Infrastructure Pvt Ltd   | AAGCP6796D |
| 49                  | Mainak Comtrade Pvt Ltd        | AAGCM5750N |
| 50                  | Baldevbhai Shankerlal Patel    | ACIPP5953F |
| 51                  | Shailesh Baldevbhai Patel      | AOEPP2788Q |
| 52                  | Harshaddkumar Baldevbhai Patel | AOKPP9234R |
| 53                  | Ramilaben Baladevbhai Patel    | AUHPP8735C |
| 54                  | Jayshreeben Shah               | BQMP56009Q |
| 55                  | Gautamsingh Zala               | AAIPZ3605N |
| 56                  | Birju Pravinchandra Sanghvi    | ALLPS1169E |
| 57                  | Hiral Manish                   | AZQPM9451N |
| 58                  | Hiteshkumar Mahipatlal Patel   | APOPP1463R |
| 59                  | Manish Shah                    | BFOPS3849R |

| <b>S. NO.</b> | <b>NAME OF THE ENTITY</b>            | <b>PAN</b> |
|---------------|--------------------------------------|------------|
| 60            | Ronak Nayankumar Shah                | FKQPS0981B |
| 61            | Rohitkumar Shantilal Shah            | EHJPS4683H |
| 62            | Kiritbhai Shah                       | AWRPS2401E |
| 63            | Fancy Augustine Christian            | AOSPC1308R |
| 64            | Taru Pallav Projects Private Limited | AADCT4840M |
| 65            | Pranatpal Tradelink Private Limited  | AAFCP5109D |
| 66            | Ankit Rajeshbhairajput               | ASWPR1312C |
| 67            | Naranbhai Panchal                    | AMQPP0054P |
| 68            | Hareshkumar P Patel                  | BFMPP8817G |
| 69            | Chandrikaben Panchal                 | BXQPP2080R |
| 70            | Rinkeshkumar Panchal                 | BYCPP1543E |
| 71            | Gaurang Pathak                       | BLSPP1179H |
| 72            | Jayshree Kishorbhai Dholakia         | AMLPD5973G |
| 73            | Kishorbhai Sonabhai Dholakiya        | ANHPD1507F |
| 74            | Anilbhai Bhalabhai Baria             | BWMPB2794M |
| 75            | Shalomiben Anilbhai Bariya           | BWMPB3400Q |
| 76            | Rajendra Dahyalal Pathak             | ACKPP8546L |

6. The directions issued against Priyanka Nrupesh Tripathi (entity at serial no. 6) were revoked vide SEBI's Order dated May 26, 2017.
7. The directions against the remaining 75 entities were confirmed vide Orders dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017.
8. Pursuant to the interim order, SEBI conducted a detailed investigation of the entire scheme employed in the instant matter, connection amongst the debarred entities, funds used for the price manipulation of the scrip of Dhyana, etc., so as to ascertain the violation of securities laws.
9. Upon completion of investigation by SEBI, the following are noted as regards 34

entities (mentioned below) who were identified as Preferential Allottees, Exit Providers and entities connected/related to Dhyana vide the interim order:

- (a) SEBI's investigation did not find any adverse evidence against them.
- (b) SEBI's investigation also did not find their any role in price manipulation & volume manipulation in the scrip of Dhyana.
- (c) Hence, violation of provisions of SEBI Act, PFUTP Regulations, etc., were not observed in respect of the following 34 entities.

| <b>Sr. No.</b> | <b>Name of the Entities</b>    | <b>PAN</b> |
|----------------|--------------------------------|------------|
| 1              | Sanjay Bhikhabhai Vaghani      | AABPV4486G |
| 2              | Kumar A                        | AAEPK1457D |
| 3              | Rupal M Shah                   | AAEPR5198J |
| 4              | Kantilal Amulkhadas Vohera HUF | AAFHK8045N |
| 5              | Rajesh Pukhraj Raka (HUF)      | AAFHR7898G |
| 6              | Uttam Chunnilal Jain           | AAFPJ3365A |
| 7              | Pradipkumar Harakchand Doshi   | AAHPD4722B |
| 8              | Manish B Shah                  | AAIPM4715G |
| 9              | Dilipkumar Manilal Chokshi     | AAKPC1264A |
| 10             | Mahesh V Vaghani               | AAWPV3196N |
| 11             | Jayprakash Maneklal Patel      | ABCPP1959N |
| 12             | Manharbhai Vallabhbhai Vaghani | ABOPV3650L |
| 13             | Haresh Bhikhabhai Vaghani      | ABPPV4917M |
| 14             | Mohit Airen                    | ABXPA1053F |
| 15             | Alok Gupta                     | ACHPG2799K |
| 16             | Kantilal Amulkhadas Vohera     | ACHPV3687R |
| 17             | Raj Rattan                     | ADXPR0831L |
| 18             | Bhavini S Shah                 | AEVPB8830Q |
| 19             | Reenu Jain                     | AEYPJ8903R |
| 20             | Ashwinkumar K. Patel           | AGAPP9577F |
| 21             | Ashok Kumar Sethi              | AGTPS5503P |
| 22             | Chetna H Chandan               | AHGPC9842D |
| 23             | Purvesh Nareshbhai Chauhan     | AHKPC9950A |
| 24             | Suresh Chinde Gowda            | AHVPG4424G |
| 25             | Aneelkumar Albertbhai Patel    | ALOPP2057M |
| 26             | Sanjay P Shah                  | AMIPS4672G |
| 27             | Jyotiben Mahendrabhai Shah     | ANHPS8282Q |
| 28             | Ankit Mahendrabhai Shah        | ANTPS6591E |

|    |                           |            |
|----|---------------------------|------------|
| 29 | Ashokbhai G Jaratal       | AOCPJ0735R |
| 30 | Jaratal Mayaben Ashokbhai | AOCPJ0760Q |
| 31 | Fancy Augustine Christian | AOSPC1308R |
| 32 | Pinakin Dahyabhai Makwana | APJPM5729E |
| 33 | Gaurav Manoj Agrawal      | AQMPA9216A |
| 34 | Shaluben Nikeshbhai Shah  | BPCPS1154K |

10. Considering the fact that there are no adverse findings against the aforementioned 34 entities with respect to their role in the manipulation of the scrip of Dhyana, I am of the considered view that the directions issued against them vide interim order dated June 01, 2016 which were confirmed vide Orders dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017 qua the aforementioned 34 entities need not be continued.
11. I also note that the investigation did not find any adverse evidence / findings against Jignesh Sudhirbhai Shah, Niravkumar Surendrakumar Shah and Shah Palakben Niravkumar and also did not find their any role in the price-volume manipulation of the scrip of Dhyana.
12. In view of the foregoing, 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, 11(4) and 11B of the SEBI Act, hereby issue the following directions:
- (a) revoke the Confirmatory Orders dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017 qua aforesaid 34 entities (mentioned at paragraph 9 above) with immediate effect and BSE shall release the pay-out of sale proceeds for the trades executed on July 27, 2015 in respect of Jyotiben Mahendrabhai Shah (PAN: ANHPS8282Q), Ankit Mahendrabhai Shah (PAN: ANTPS6591E), Fancy Augustine Christian (PAN: AOSPC1308R);
- (b) BSE shall also release the pay-out of sale proceeds for the trades executed on July 27, 2015 in respect of Jignesh Sudhirbhai Shah (PAN: BBNPS1083E),

Niravkumar Surendrakumar Shah (PAN: APMPS5755B), Shah Palakben Niravkumar (PAN: BKSPS8111B).

13. The revocation of the directions issued vide the abovementioned orders (at paragraph 12) is only in respect of the entities mentioned at paragraph 9 of this order in the matter of Dhyana Finstock Limited. As regards remaining entities in the scrip of Dhyana, violations under SEBI Act, PFUTP Regulations, etc., were observed and SEBI shall continue its proceedings against them. Hence, the directions issued vide Orders dated August 24, 2016, October 10, 2016, November 01, 2016 and May 26, 2017 against the remaining 41 entities shall continue.
14. A copy of this Order shall be served on the Stock Exchanges and Depositories, for necessary action.

-Sd-

**DATE: APRIL 24, 2018**

**PLACE: MUMBAI**

**MADHABI PURI BUCH**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**