WTM/GM/IVD/ 16 /2019-20

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11 AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND IN CONTINUATION OF ORDERS DATED JUNE 01, 2016 AND APRIL 24, 2018 IN THE MATTER OF DHYANA FINSTOCK LIMITED.

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1. Pursuant to the receipt of complaints from few investors stating that they had entered into buy trades in the scrip of Dhyana Finstock Limited (**"Dhyana" / "Company"**) based on investment advice messages, BSE Limited (**"BSE"**), on preliminary analysis, observed that there was a sudden spurt in the trading of Dhyana on July 27, 2015 and selling was concentrated among the investors based in Ahmedabad, some of whom were preferential allottees. BSE proposed that, prima facie, the matter appeared to be a case of fraud and as a pre-emptive measure and in the interest of investors, BSE requested Securities and Exchange Board of India (**"SEBI"**) to permit BSE to withhold the pay-out for the trades in the scrip of Dhyana carried out on July 27, 2015. SEBI acceded to the request of BSE vide email dated July 28, 2015.

2. Thereafter, SEBI conducted an examination into the dealings in the scrip of Dhyana on BSE during the period June 12, 2014 to July 27, 2015 as there was significant rise in the traded volume and price of the scrip. SEBI passed an Ad interim ex-parte order dated June 01, 2016 (hereinafter referred to as "**interim order**") which contained the following directions:
    a. 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.
    b. BSE to release the securities to the buyers for the trades executed on July 27, 2015.
    c. 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.

3. The directions issued vide the interim order were subsequently confirmed against 75 entities and revoked against one entity, vide a series of confirmatory orders (dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017), after hearing the Noticees in batches, on different dates.

4. Meanwhile, SEBI conducted a detailed investigation of the entire scheme employed in the instant matter, which covered issues relating to 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.

5. I observe that upon completion of investigation by SEBI, the directions issued against the 34 entities were revoked vide the directions contained in paragraph 12 of the Order dated April 24, 2018, and the remaining 41 entities were continued to be bound by the directions contained in the interim order, including withholding of pay-out of funds for the trades executed on July 27, 2015.

6. BSE's letter dated April 10, 2019 indicates that apart from the aforesaid 75 entities, implicated at some stage or the other in the present proceedings, the pay-out of funds for certain other entities for the trades executed on July 27, 2015, continue to be withheld till date, pursuant to the interim order.

7. Taking note of the findings of the investigation referred to in paragraph 4 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, 11(4) and 11B of the SEBI Act, hereby direct BSE to release the pay-out of sale proceeds for the trades executed on July 27, 2015 in the scrip of Dhyana in respect of all the entities, except the 41 entities against whom the directions are continuing as per Order dated April 24, 2018.

8. A copy of this Order shall be served on the Stock Exchanges and Depositories, for necessary action.

DATE: JUNE 24, 2019 **G MAHALINGAM**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA