

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: DR. K. M. ABRAHAM, WHOLE TIME MEMBER

ORDER

DIRECTIONS UNDER SECTIONS 11, 11 (4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATIONS 11 AND 13 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003, AGAINST UNIVERSAL MEDIA NETWORK LIMITED AND ITS DIRECTORS (MR. ASHOK KUMAR MISHRA, MR. P.R.PARASURAM, MR. MANISH PARDIWALA AND MR. PARESH SHANTILAL SHAH), GALAXY TELEVISION LIMITED, S. G. P. INVESTMENTS PRIVATE LIMITED, MBS INVESTMENTS AND TRADING PRIVATE LIMITED & MR. SIDDHARTHA SRIVASTAVA, IN THE MATTER OF UNIVERSAL MEDIA NETWORK LIMITED

1. The Securities and Exchange Board of India (hereinafter referred to as SEBI) noticed several advertisements made by certain companies during the year 2002 in the newspapers highlighting their past activities, projecting an exceptionally buoyant picture about their future and announcing that the board (of such companies) was considering a corporate action (such as buy back of shares, preferential allotment of shares, bonus issue etc.). It was found that such advertisements were made by the companies on their own accord without being compelled to do so by any law in force. Pursuant to such advertisements, it was noticed that there was an unusual price-volume movement in the shares of those companies which had issued such advertisements. SEBI also noticed that majority of such advertisements were issued through an agency by name,

M/s. Garima Communications, Ahmedabad. One such company which had issued similar advertisements in the newspapers during the relevant period was Universal Media Network Limited (hereinafter referred to as the company). The shares of the company were listed at the Bombay Stock Exchange Limited (hereinafter referred to as BSE), the Ahmedabad Stock Exchange Limited (hereinafter referred to as ASE), the Calcutta Stock Exchange Association Limited (hereinafter referred to as CSE) and the Jaipur Stock Exchange Limited (hereinafter referred to as JSE). SEBI noticed that the company had issued advertisements in leading newspapers during last week of June 2002, giving notice that *"a meeting of the Board of Directors of the Company is scheduled to be held on the 4th day of July, 2002 at the registered office inter alia to take on record consideration of bonus shares."* The company had intimated the same to BSE, ASE, CSE and JSE on June 27, 2002. It was found that the first advertisement dated June 24, 2002 was published on June 27, 2002 in the daily, "The Economic Times". Similar advertisements were also issued in Gujarat Samachar (on June 28, 2002), Mumbai Samachar (on June 28, 2002) and Investor Guide (on July 01, 2002) and that the total cost of issuance of all the advertisements was approximately Rs. 2.5 lakhs. It *prima facie* appeared to SEBI, that the advertisements were issued to attract investor interest in the shares of the company and to induce them to trade in the said shares. Therefore, in order to ascertain the veracity of such advertisements and to find out the possible violations, if any, of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act) and the Rules and Regulations framed thereunder, by the company or any person dealing in the shares of the company, SEBI conducted an investigation into the buying, selling and otherwise dealing in the shares of the company. The findings of the investigation *inter alia* were that:

- a. the company issued advertisements in prominent business newspapers between June 27, 2002 and July 01, 2002 regarding the proposed

board meeting to be held on July 04, 2002, *inter alia*, to consider the allotment of bonus shares;

- b. the advertisements were made in the absence of any legal requirement on the part of the company and that such advertisements were published when the company was incurring losses and also when it was not declaring dividends;
- c. the advertisements and the contents therein were published on unsubstantiated and intangible premise and that there never was any intention to proceed with the bonus issue and that the advertisements were published only with a view to create investor interest in the shares of the company;
- d. Mr. Ashok Kumar Mishra, Mr. Paresh Shantilal Shah, Mr. Manish Pardiwala and Mr. P.R. Parasuram were the directors of the company during the relevant period;
- e. entities/individuals related to the promoter group and their associates namely Galaxy Television Limited, SGP Investments Private Limited, MBS Investments and Trading Private Limited etc., had offloaded a total of 1,38,21,517 shares of the company during the relevant period. Mr. Siddhartha Srivastava was a promoter/controlling shareholder in Galaxy Television Limited and also in the company. He was also the director/authorized signatory for SGP Investments Private Limited and MBS Investments and Trading Private Limited;
- f. some of the transferees had offloaded substantial shares of the company in the market pursuant to the said advertisements, thereby making unfair gains;
- g. there was an increase in the volumes traded in the shares of the company subsequent to the issuance of the advertisements when the price/volume history indicated that the shares were thinly traded;
- h. pursuant to the impugned advertisements, the volumes increased but the share price fell;
- i. though the company published advertisements that bonus shares were to be allotted, no such issue was made by the company thereafter.

2. The investigation alleged that the company and its directors had issued the impugned advertisements for the sole purpose of creating investor interest in the scrip and to enable related entities/individuals to offload their stake to unsuspecting buyers in an artificially created market for the shares of the company. The company, its directors and other related entities/individuals were therefore alleged to have violated the provisions of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to

Securities Market) Regulations, 1995 (hereinafter referred to as the PFUTP Regulations). Subsequently, show cause notices dated December 02, 2004 were issued by SEBI, *inter alia* to the company, its directors (namely Mr. Ashok Kumar Mishra, Mr. Paresh Shantilal Shah, Mr. Manish Pardiwala and Mr. P R Parasuram), Mr. Siddhartha Srivastava, promoter related entities i.e. MBS Investments & Trading Private Limited, S G P Investments Private Limited and Galaxy Television Limited, requiring them to show cause as to why suitable directions including directions of debarring them from dealing in securities for a specific period should not be passed. They were advised to reply to the said notice within twenty one days from the date of receipt and also informed that in case no reply was received within the specified period, it would be presumed that they have no explanations to offer and that action may be initiated as per law. For the sake of convenience, Universal Media Network Limited and its directors (Mr. Ashok Kumar Mishra, Mr. Paresh Shantilal Shah, Mr. Manish Pardiwala & Mr. P R Parasuram), Mr. Siddhartha Srivastava, MBS Investments & Trading Private Limited, SGP Investments Private Limited and Galaxy Television Limited shall henceforth be collectively be referred to as noticees and individually by their respective names. The noticees and two Ahmedabad based individuals, Mr. Atul Shah and Mr. Raju Shah (who were also covered under the aforesaid show cause notice), had subsequently filed their applications with SEBI for settling the case under consent in terms of SEBI Circular dated April 20, 2007. Therefore, the proceedings in respect of them were kept in abeyance. With respect to the seven other individuals [*Mr. Kishore Vithalbhai Thakkar, Mr. Ashit H Vora, Mr. Maulik Patwa, Mrs. Swati Aslesh Shah, Mr. Sanjiv P. Shah, Mr. Dixit Babubhai Patel and Mr. Mukesh Bachubhai Vadecha*] covered under the aforesaid show cause notice, SEBI, vide order dated February 18, 2008, held them guilty of violating the provisions of Regulations 3, 4(b), 5 and 6(a) of the PFUTP Regulations and restrained them from accessing the securities market and also prohibited them from buying, selling or otherwise dealing or associating with the securities market in any manner whatsoever for a period of

two years. Thereafter, consent orders dated September 18, 2008 was passed in respect of Mr. Atul Shah and Mr. Raju Shah, whereas the consent applications filed by the noticees were rejected, in terms of the aforesaid SEBI Circular. In view of the same, the present proceeding against the noticees was resumed. This order therefore determines the culpability of the noticees in the matter. Pursuant to the rejection of their applications for consent orders, an opportunity of personal hearing was granted to the noticees on May 26, 2009 and the same was adjourned to June 16, 2009. On the appointed date, there was no representation from the company and MBS Investments & Trading Private Limited, though they had acknowledged the hearing notice of SEBI, dated May 14, 2009. There was also no appearance or representation from S G P Investments Private Limited, Galaxy Television Limited, Mr. Manish Pardiwala, Mr. P. R. Parasuram and Mr. Siddharth Srivastava, for whom the hearing notices were pasted by SEBI at their last known addresses. One of the directors of the company, Mr. Ashok Kumar Mishra alone appeared and made his submissions before me in the matter. I find that the company, Mr. Siddhartha Srivastava, Galaxy Television Limited, S G P Investments Private Limited and MBS Investments and Trading Private Limited had acknowledged the receipt of the show cause notice on December 06, 2004. However, they have chosen not to reply to the said notice till date. The directors (except Mr. Ashok Kumar Mishra) of the company have also not replied to the said notice inspite of having received the same from the Over the Counter Exchange of India on January 03, 2005. Further, the company and MBS Investments and Trading Private Limited having received the hearing notices, have failed to reply to the show cause notice and also did not appear for the personal hearing. In view of the aforesaid conduct of the noticees (except Mr. Ashok Kumar Mishra) in not replying to the show cause notice issued to them and also not appearing for the hearing, it is presumed that they have no explanation to offer in the matter. In the facts and circumstances, I do not find it necessary to provide another opportunity to the

noticees. Accordingly, the case is proceeded *ex-parte* in respect of the noticees other than Mr. Ashok Kumar Mishra.

3. I have considered the show cause notice dated December 02, 2004, the reply of Mr. Ashok Kumar Mishra (one of the directors of the company) received on July 09, 2009, the submissions of Mr. Ashok Kumar Mishra made during the hearing and other material available on record. The issues for determination are whether the company and its directors, by publishing the impugned advertisements had contravened the provisions of the PFUTP Regulations and whether the related entities by offloading substantial shares of the company in the market pursuant to such advertisements, had contravened the provisions of the PFUTP Regulations.

4. With respect to the issue whether the company and its directors had issued the impugned advertisements in newspapers, I note that the company had issued advertisements in prominent newspapers from June 27, 2002 onwards giving notice to the shareholders of the company that the board was considering the issue of bonus shares. One such advertisement appeared in 'The Economic Times' on June 27, 2002. The following were the contents of the advertisement:

- a. Graphical representation of the 'Growth in Adspend and television's share of Adspend'.
- b. That the company had *"In-house audio & video studio for content development"* and had made *"2000 Episod & 200 Film Rights"* and that the company was *"A Complete Media Company"*.
- c. That *".....a meeting of the Board of Directors of the Company is scheduled to be held on the 4th day of July, 2002 at the registered office interalia to take on record consideration of bonus shares."*

The said advertisement was dated June 24, 2002 and issued for the company by its Managing Director. Thereafter, on July 09, 2002 & July 10, 2002, the company had given notices in the newspapers to the effect “....*Board of Directors of Universal Media Network Ltd. in their meeting held on July 4, 2002 have resolved to allot fully paid up BONUS SHARES in the ratio 5:1 to existing members of the company*”. The said advertisements were also found to have been issued in prominent newspapers having wide circulation. Mr. Ashok Kumar Mishra, Mr. P.R. Parasuram, Mr. Manish Pardiwala and Mr. Paresh Shantilal Shah were found to be the directors of the company during the period when the aforesaid impugned advertisements were issued in the newspapers. During the investigation, it was informed by the company vide letter dated March 24, 2004, that the aforesaid persons were on the Board of the company during its board meeting on July 04, 2002.

5. As regards the claim of the company in the impugned advertisements that it is a ‘*complete media company*’ and that it has ‘*In house audio and video studio for content development*’; subsequent inquiries by SEBI found that the same were not true. Further, the company vide letter dated January 07, 2003 (during the course of investigation) to SEBI, had stated that “*It aims to provide exclusively a full time entertainment music channel and it will be setting up a state of the art studio for in house production activity which essentially involves delivery of rich content.*” The company on June 27, 2002 (through advertisement) claims to have in house audio & video studio, whereas in its aforesaid letter, the company stated that it would be setting up a state of the art studio for in house production activity. Therefore, at the time of the advertisements, the company did not have in place audio and video studio. Further, it was also found that there were only ten employees in the company among whom there were six support level staff. Therefore, the company which claims to be a complete media company which redefines vistas of

entertainment with 2000 episodes and 200 film rights would certainly have had qualified personnel. The advertisements therefore were misleading and false.

6. I also note that when the company informed BSE, vide letter dated July 24, 2002 regarding the book closure for bonus issue for which BSE vide letter dated July 26, 2002 informed the company that the book closure for the purposes of the said bonus issue can be fixed only after the approval of the shareholders. BSE also informed the company to cancel the book closure, if, it had not received the shareholders' approval. It is very surprising to find that the company was not aware of this legal regulatory requirement of obtaining the shareholders' approval. The company, thereafter, in the annual general meeting held on September 27, 2002, had obtained the approval of its members. In the said meeting, Mr. Ashok Kumar Mishra was elected as the Chairman of the meeting. The other two directors i.e. Mr. Manish Pardiwala and Mr. P R Parasuram were also present in the said meeting. However, inspite of receiving the shareholders' approval, the company did not go ahead with the allotment of the bonus shares. When queried as to why the company did not allot the bonus shares, it submitted that it had received a letter from BSE regarding non listing of one crore shares which had been earlier allotted. At this juncture, it may be noted that the company had allotted one crore shares (including allotment of 25 lakh shares each to promoters entities, Quasar Telecom Private Limited, ATN Films Limited & Galaxy Television Limited). It is noticed that since the said allotment was not done in accordance with the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (since repealed), the listing permission for the same was not granted by BSE. This submission seems to be of no merit as the bonus issue could have been allotted to the retail shareholders against their shareholding and the bonus shares to the allottees of the aforesaid preferential issue could have been kept in abeyance for the time being. The said facts were in the knowledge of the directors and key personnel of the company when they decided to allot the bonus shares in

the ratio 5:1. The stand of the company seems to favour the promoters only and leads to an inference that the company does not seem to have any interest in the shareholders other than the promoters/related entities. The company has not acted on its proposal to issue bonus shares, though the same was approved by its board, which itself was against the provisions of Clause 15.1.7 of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (since repealed). Clause 15.1.7 is reproduced below:

“A company which announces its bonus issue after the approval of the Board of Directors must implement the proposal within a period of six months from the date of such approval and shall not have the option of changing the decision.”

The company had failed to implement its proposal to allot bonus shares in the ratio 5:1 after the same was approved by its board of directors, and it did not have any option of changing its decision. I also note that the aggregate cost for the advertisements was Rs.5,14,512. This is substantially higher than the advertisements expenses incurred (Rs.63,945 and Rs.82,507) by the company during the previous two years.

7. While examining the price-volume movement of the shares of the company during the period when the advertisements were published, it is noted that from May 2002 till the date when the first impugned advertisement (on June 27, 2002) was published, the shares price was on a declining trend. The price fell from Rs.13/- to the level of Rs.3/-, which continued till the end of August 2002, when the price came to Rs.0.5/- per share. As regards the volumes that were traded; the traded volume was in the range of 1.2 to 4 lakh shares from June 01, 2002 till June 26, 2002. However, on June 27, 2002 (when the first notice informing that the board of the company was considering bonus issue), 11,68,994 shares were traded in 2,487 trades, which is a substantial increase from the previous trading. The scrip witnessed substantial increase in trading

volume during the period when the impugned advertisements were issued by the company. From 65,70,577 shares traded during June 2002, volumes went up to 2,72,81,129 shares in July 2002. I note that during the days when the advertisements were published:

- a. On June 27, 2002, the number of shares which were traded was 11,68,994 shares in 2,487 trades. The price range during the said day was between Rs.3.60/- and Rs.4.80/-.
- b. On June 28, 2002, the number of shares traded was 4,02,126 in 596 trades. The price range during the day was in between Rs.3.80/- and Rs.4.40/-.
- c. On July 01, 2002, the number of shares traded was 16,74,741 in 2,406 trades. The price range during the day was in between Rs.3.55/- and Rs.4.90/-.

It is noticed that on June 26, 2002 (the trade day prior to the advertisement on June 27, 2002), total shares which were traded were 2,84,177 in 732 trades at BSE. From the trade data available, it is seen that the number of shares that were traded in the market had increased on June 27, 2002 i.e. first day of advertisement. It is pertinent to note that after June 05, 2002, the trading volumes touched the highest of 35,55,516 shares on July 09, 2002, the day when the advertisements informing that the board of the company had resolved to allot fully paid up shares in the ratio 5:1 to the existing members of the company. The surge in the volumes that were traded would prove that the impugned advertisements had a definite impact on the trading in the shares of the company during the relevant period. It was also brought out that such trading was not because of any strong fundamentals of the company. But for the advertisements, the vigorous trading observed would not have been taken place. Given the substantial quantity that was traded during the period, I conclude that the company and its directors had issued such misleading

advertisements aimed at luring investors into trading in the shares of the company.

8. From the entire sequence of events mentioned above, I am of the considered view that the company and its directors never intended to actually allot bonus shares to the shareholders. The advertisements were used as a ploy to create investor interest in the shares of the company. The relevant provisions of the PFUTP Regulations that have been charged against the company and its directors are as below:

“Prohibition of certain dealings in securities

3. No person shall buy, sell or otherwise deal in securities in a fraudulent manner.

Prohibition against Market Manipulation

4. No person shall -

.....

(b) indulge in any act, which is calculated to create a false or misleading appearance of trading on the securities market;

.....

Prohibition of misleading statements to induce sale or purchase of securities

5. (1) No person shall make any statement, or disseminate any information which -

(a) is misleading in a material particular; and

(b) is likely to induce the sale or purchase of securities by any other person or is likely to have the effect of increasing or depressing the market price of securities, if when he makes the statement or disseminates the information-

(i) he does not care whether the statement or information is true or false; or

(ii) he knows, or ought reasonably to have known that the statement or information is misleading in any material particular.

.....

Prohibition on unfair trade practice relating to securities

6. No person shall -

(a) in the course of his business, knowingly engage in any act, or practice which would operate as a fraud upon any person in connection with the purchase or sale of, or any other dealing in, any securities;

....”

9. It is an undisputed fact that Mr. Ashok Kumar Mishra, Mr. Paresh Shantilal Shah, Mr. Manish Pardiwala and Mr. P R Parasuram were the directors of the company during the relevant time. Needless to say, the company and its aforesaid directors were responsible for dissemination of information by way of the impugned advertisements which were misleading in their contents and which had induced investors to trade in the shares of the company. The said act of the company and its directors is definitely a fraud on the investors who had purchased the shares of the company during the relevant period. Mr. Ashok Kumar Mishra had submitted that he joined the company as ‘President and Creative Head’ and that thereafter he was asked by the company to join the board as Managing Director. He further stated that in the position of Managing Director, he had received salary for only three months. He also submitted that he was not part of the decision making for issuing bonus shares. The said submissions are not acceptable for the reason that Mr. Ashok Kumar Mishra was himself a participant in the meeting which had approved the bonus issue. As a Managing Director, he should have prudentially exercised his discretion. In view of the foregoing, I find the company and its aforesaid directors had violated the provisions of Regulations 3, 4(b), 5(1)(a) &(b) and 6(a) of the PFUTP Regulations.

10. With regard to the allegation that the company/promoter related entities had offloaded shares in an artificial market created by the impugned advertisements issued by the company, I note that the promoter associated

entities including Galaxy Television Limited, MBS Investments & Trading Limited and S G P Investments Private Limited had offloaded majority of their holding in the company to entities/individuals including Mr. Kishore Vithalbhai Thakkar, Mr. Sanjiv P Shah, Mr. Dixit Babubhai Patel, Mr. Ashit H Vora, Mr. Maulik Patwa, Mr. Mukesh Bachubhai Vadecha and Mrs. Swati Aslesh Shah, who were found to have offloaded the shares during the relevant period. The aforesaid persons who had offloaded the shares of the company after receiving the same from the company related entities have been found guilty of contravening the provisions of the PFUTP Regulations and were restrained from accessing the securities market and also prohibited from buying, selling or otherwise dealing or associated with the securities market in any manner whatsoever for a period of two years, vide SEBI Order dated February 18, 2008.

11. I note that Mr. Siddhartha Srivastava was director of the company till November 15, 2001 but continued to be its authorised signatory during the period when the advertisements were issued. In his statement (to SEBI) dated June 19, 2003, Mr. Siddhartha Srivastava stated that he was the authorised signatory of the cheques issued by the company even after his resignation by virtue of his shareholding in the company. It was found that he was also having substantial holdings/controlling stake/management control in the company, Quasar Telecom Private Limited, Broadband Multimedia Limited and Galaxy Television Limited. He also admitted that he had transferred 1.25 crore shares of the company through Galaxy Television Limited to six persons namely Mr. Atul Shah, Mr. Raju Shah, Mr. Ashit H Vora, Mr. Maulik Patwa, Mr. Mukesh B Vadecha and Mrs. Swati A. Shah. It is reiterated that out of above six persons, Mr. Ashit H Vora, Mr. Maulik Patwa, Mr. Mukesh B Vadecha and Mrs. Swati A. Shah have been already found guilty of violating the relevant provisions of the PFUTP Regulations and debarred from accessing securities market. The three entities, namely Broadband Multimedia Limited (formerly known as ATN Films

Limited), Quasar Telecom Private Limited and Galaxy Television Limited were stated to be the promoters of the company and their shareholding was shown in promoter's category. These entities are the group companies of the company with Mr. Siddhartha Srivastava's family, holding majority stake in those companies. Mr. Siddhartha Srivastava was subscriber to the Memorandum of Association of Galaxy Television Limited and Quasar Telecom Private Limited, promoters of the company. The said entities were found to have been allotted 25,00,000 (1,25,00,000 post split) shares of the company, each on preferential basis in June 2000. Apart from Galaxy Television Limited and Quasar Telecom Private Limited, S G P Investments Private Limited and MBS Investments & Trading Private Limited were also found to be part of the promoter group as they had common signatories in Mr. Siddhartha Srivastava and Mr. Amarjit Singh Oberoi for their depository account with the depository participant– Stock Holding Corporation of India Limited, besides having the same address as that of the company at No. 178, Atlanta, Nariman Point, Mumbai.

12. As mentioned above, the investigation revealed that large quantities of shares of the company were transferred from the major promoter related entities to certain entities/persons based in Ahmedabad. The analysis of demat account of Galaxy Television Limited reveals that it had dematerialized its entire shareholding of 1,25,00,000 shares on June 24, 2002 and transferred its entire holding in the company on July 4, 2002 to several demat accounts maintained with Depository Participant–Pravin Ratilal Shah. The number of shares transferred by Galaxy Television Limited to such persons is as below:

	Transferee	Client ID	Date	Quantity	End Result
1.	Ashit Vora	10110927	4/7/02	12,50,000	Retained in his a/c till July 31,2002
2.	Atul Shah	10105220	4/7/02	25,00,000	Sold these shares in the market on July 15,2002 through broker Parklight Investments Pvt. Ltd. (PIPL)

	Maulik Patwa	10146527	4/7/02	25,00,000	Transferred in off market to Ahmedabad based entities – Hemendra Shah and Dixit Patel and also sold 23,50,969 shares in the market through PIPL.
3	Mukesh Vadecha	10172288	4/7/02	25,00,000	Transferred in off market to Swati Shah
4.	Raju Shah	10105447	4/7/02	25,00,000	Transferred in off market to other Ahmedabad based entities
5.	Swati Shah	10105053	4/7/02	12,50,000	Retained in her a/c till July 31,2002
	TOTAL			1,25,00,000	

It was noticed that Galaxy Television Limited was not paid any consideration for the said transfer of shares, as admitted by Mr. Siddhartha Srivastava himself. It can be inferred from above table that Galaxy Television Limited had transferred 1.25 crore shares of the company to the Ahmedabad based entities in off market for off-loading in the market. It is pertinent to note that Galaxy Television Limited received shares of the company through a preferential allotment. The listing permission for the shares had not been granted by BSE. The in-principle listing approval granted by CSE was also subject to company complying with listing formalities including confirmation received from National Securities Depository Limited and Central Depository Services (India) Limited regarding credit of shares to the beneficiary a/c and also obtaining similar approval from other stock exchanges where these securities will also be listed. Thus, Galaxy Television Limited had off loaded the shares which have not been listed in the market, which clearly is a very serious act that is detrimental to the interests of the investors.

13. In the case of MBS Investments and Trading Private Limited, it was noticed that it had also received shares in off-market from certain preferential

allottees (except the shares transferred by Mantra online and Sheetal Farms) during February 2002 as under:

Date	Details	Entity giving shares	Shares	Cum.Qty.
February 02,2002	By East India Sec Ltd/10205854	Savera Traders	10,00,000	10,09,500
February 02,2002	By East India Sec Ltd/10250276	Mantra Online	12,50,000	22,59,500
February 04,2002	By Daulat Securities /10012318	Saltlake Merchants	10,00,000	32,59,500
February 15,2002	By SCHIL/10401829	Divya Dealers Pvt. Ltd.	10,00,000	42,59,500
February 25,2002	By East India Sec Ltd/10247983	Sheetal Farms	3,69,000	46,28,500
February 25,2002	By East India Sec Ltd/10106641	Gurupath Merchandise	10,00,000	56,28,500
February 25,2002	By East India Sec Ltd/10248048	Twenty First Century	7,50,000	63,78,500
February 27,2002	By Inter Depository Request Co		3,75,000	67,53,500

Having received the shares, MBS Investments and Trading Private Limited had transferred 50,00,000 shares to various Ahmedabad based entities, which have been offloaded in the market. The details are as below:

Date	Client ID	Transferee	Shares	End Result
June 14, 2002	10110927	Ashit Vora	1000000	Transferred in off market to Mr. Kishore Thakkar who sold them in the market
June 14, 2002	10105447	Raju Shah	1000000	Transferred in off market to Mr. Kishore Thakkar and Mr. Hemendra Shah who sold some shares in the market
June 14, 2002	10172288	Mukesh Vadecha	1000000	Transferred in off market to Mr. Dixit Patel who sold 6,89,925 shares in the market
June 14, 2002	10105220	Atul Shah	1000000	Transferred in off market to Mr. Hemendra Shah
June 14, 2002	10146527	Maulik Patwa	1000000	Transferred in off market to Mr. Dixit Patel and Mr. Hemendra Shah who sold some shares in the market
		Total	5000000	

MBS Investments and Trading Private Limited is an entity connected with the company and had received the unlisted shares in off market from certain preferential allottees and had transferred them to the Ahmedabad based entities to whom Galaxy Television Limited had also transferred shares for being sold in the market. During the relevant period, MBS Investments and Trading Private Limited was found to have sold 20,69,740 shares of the company in an artificially created market.

14. Another promoter related entity, SGP Investments Private Limited had also followed the same *modus operandi* while off loading shares in the market. Between June 12, 2002 to June 19, 2002, the demat account of the entity indicated a credit of 58,99,000 shares from the certain entities based in Kolkatta, who were allotted shares during preferential allotment. Subsequently, 57,00,000 shares were transferred on June 21, 2002 to certain Ahmedabad based entities, the details are as below:

Date	Particulars	Credit	Debit
May 20,2002	To SHCIL /10411590		50000
May 23,2002	To SHCIL/10411590		50000
June 12,2002	By East India Sec Ltd/10114584 (Deepmala)	1000000	
June 14,2002	By East India Sec Ltd/10114605 (Bicharsil)	999500	
June 14,2002	By East India Sec Ltd/10250285 (Amluckie)	1000000	
June 15,2002	By East India Sec Ltd/10248023 (Bhairav)	999500	
June 18,2002	By East India Sec Ltd/10114592 (Sudhanil)	900000	
June 19,2002	By East India Sec Ltd/10248357 (Jeet Vanijya)	1000000	
June 21,2002	By Inter Depository Request Confirmation	574500	
June 21,2002	To Pravin Ratilal/10146527(Maulik Patwa)		700000
June 21,2002	To Pravin Ratilal/10172288(Mukesh Vadecha)		700000
June 21,2002	To HDFC Bank Ltd/10797030 (Panalal Shah)		600000
June 21,2002	To Khandwala Int/10031382 (Rina Shah)		600000
June 21,2002	To Pravin Ratilal Sh Stk /10105220 (Atul Shah)		700000
June 21,2002	To Pravin Ratilal Sh Stk /10105053 (Swati Shah)		600000
June 21,2002	To Standard Chartered /10755774(Swati Shah)		600000
June 21,2002	To Pravin Ratilal /10105447 (Raju Shah)		600000
June 21,2002	To Standard Chartered /10617300 (Ashlesh Shah)		600000
July 5,2002	By ICICI Bank Limited/30214504	21000	
July 8,2002	By ICICI Bank Limited/11375885	21000	
August 16,2002	To Infra Leas Fin Ser Ltd/10756999		100000
August 16,2002	To Bharti Thakkar (I)Sec Pl/0203101		100000

Date	Particulars	Credit	Debit
August 16,2002	To Bank Of India/10097547		100000
August 17,2002	To Crescent Finstock Ltd/0203100		100000

(The shaded portion would indicate the receipt of shares from the Kolkata based entities and the bold portion would indicate the transfer of shares to the Ahmedabad based entities)

The promoter related entities viz., Galaxy Television Limited, MBS Investments & Trading Private Limited and S G P Investments Private Limited had offloaded a total of 1,38,21,517 (1,03,39,152 sold by Galaxy; 14,12,625 sold by SGP and 20,69, 740 sold by MBS). All the aforesaid entities are promoter related entities having a common director and address. The shares offloaded by the aforesaid entities found their way to the securities market through entities/individuals including Mr. Kishore Vithalbhai Thakkar, Mr. Sanjiv P Shah, Mr. Dixit Babubhai Patel, Mr. Ashit H Vora, Mr. Maulik Patwa, Mr. Mukesh Bachubhai Vadecha and Mrs. Swati Aslesh Shah, who have been debarred from dealing in the securities market vide a SEBI Order. In view of the same, I hold Mr. Siddhartha Srivastava and three promoter related entities i.e. Galaxy Television Limited, MBS Investments & Trading Private Limited and S G P Investments Private Limited have offloaded unlisted shares of the company in the market. The company by issuing the advertisements was able to induce investor interest in the scrip which enabled the related entities to offload shares. Thus, Mr. Siddharth Srivastava, Galaxy Television Limited, MBS Investments & Trading Private Limited and S G P Investments Private Limited are guilty of having contravened the provisions of Regulations 3, 4 (b) and 6 (a) of the PFUTP Regulations,1995. Despite sufficient opportunities, the noticees (except Mr. Ashok Kumar Mishra) failed to come forward with their explanation to the allegations leveled against them in the show cause notice. The violations committed by the company, its directors and the aforesaid related entities would deserve to be penalized as ordered herein below.

15. In view of the foregoing, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 and Sections 11, 11(4) and 11B thereof read with Regulations 11 & 13 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, hereby restrain Universal Media Network Limited, Mr. Siddhartha Srivastava [Permanent Account Number–AAWPS1640N], Mr. Ashok Kumar Mishra [Permanent Account Number–AGLPM0054D], Mr. Manish Pardiwala, Mr. Paresh Shantilal Shah [Permanent Account Number–AELPS9212F], Mr. P.R.Parasuram, Galaxy Television Limited, MBS Investments & Trading Private Limited, and SGP Investments Private Limited, from accessing the securities market and also prohibited from buying, selling or otherwise dealing or associating with the securities market in any manner whatsoever, for a period of two years.

16. This order shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Place: Mumbai

Date: October 01, 2009