

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

DIRECTIONS UNDER SECTION 11(1), 11(4) and 11B OF THE SEBI ACT, 1992 AND SECTION 12A OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 - IN THE MATTER OF SMS TECHSOFT (INDIA) LTD.

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") noticed an outburst of Short Text Messages (SMS) during February – March 2013, mentioning therein buy recommendation for the scrip of SMS Techsoft (India) Limited (hereinafter referred to as "SMS Tech/ company"). The details of such SMS's are as under:
 - i. "BUY SMS TECHSOFT LTD (BSE 531838) RS.0.45. TARGET RS. 5 + 9. BIG ORDER FROM BANKING + ATM TRANSACTION" – Senders' Mobile No: +918608862368; +918015874386
 - ii. "BUY SMS TECHSOFT LTD (BSE 531838) RS.0.45 PAISE. TARGET RS. 5+. BIG ORDERS FROM BANKING AND ATM TRANSACTION. BIG PROFIT" – Senders' Mobile No: +9208125980.
 - iii. "BUY SMS TECHSOFT LTD (BSE 531838) RS.0.45. TARGET RS. 5 + 9. BIG ORDERS FROM BANKING+ ATM TRANSACTION. – Senders' Mobile No: www.theeagleinvestor.co.in" - +919210421689; +917299532689
 - iv. "JACKPOT CALL - BUY SMS TECHSOFT LTD (BSE 531838) AT 0.40 PAISE TARGET RS. 5+, BIG ORDERS FROM BANKING AND ATM TRANSACTION. – Sender: LM-066462.
2. In view of the above SMSs mentioning predominantly rumours for buy recommendations, SEBI undertook inquiry in the matter. It was noted that SMS Tech was listed in December 2000 on BSE. It was formerly known as AKL Soft and Infosys (India) Ltd. with its registered office at Coimbatore. It is also listed on Coimbatore Stock Exchange Limited. For the Financial Year 2011-12, the auditor of the company was Mr. Amit Macwan (Member no: 107891) and for the Financial Year 2012-13, M/s K. R. Shah & Associate (Membership no: 034612) was its auditor. List of directors of SMS Tech is given below:

Table 1- List of Directors

DIN/DPI N/PAN	Full Name	PAN	Present residential address	Designation	Date of Appointment
00357165	Devaraj Siddiah Pera Naidu	ACGPD1909G	94-A, Sabapathi Street, K. K. Pudur, Coimbatore, 641038, Tamil Nadu	Independent director- Member of Audit Committee	10/12/2008
02002777	Dilipbhai Jaswantlal Gajjar	ADVPG4094Q	5 Punyashlok Apt, Navrangpura, Ahmedabad, 380009, Gujarat	Independent director- Member of Audit	20/03/2007

				Committee	
02112261	Vital Jagadish	ACJPJ5747L	32, Deshabandhu Street, Ram Nagar, Coimbatore, 641009, Tamil Nadu	Promoter and Managing director	06/04/1995
03323567	Akash Jagadish Vital	ATYP A8648K	32, Desabandhu Street, Ram Nagar, Coimbatore, 641009, Tamil Nadu	Promoter-Director	10/12/2008
05137258	Dashrathkumar Keshaji Khatri	ACFPK3128C	D/9, Ratnadhara Apt., Girdharnagar,, Shahibaug, Ahmedabad, 380004, Gujarat	Independent director-Member of Audit Committee	20/03/2007

- SMS Tech had a paid up capital of ₹5,05,72,000/- comprising of 50.57 lakh shares of ₹10/- each as on quarter ending December, 2011 with only one promoter namely Shri V. Jagadish who was holding only 1,410 shares, i.e., 0.03% of the share capital of the company.
- It was noticed that on March 15, 2012, SMS Tech had made further issue of 3,00,00,000 equity shares of ₹10/- each at a price of ₹10/- each through preferential allotment to the promoter Shri V. Jagadish and his wife and son, namely, Smt. Anita Srinivasbhatt Kadsanthalai and Shri Akash Jagadish Vital who are also disclosed as promoters of the company, and also to 28 other entities. The list of allottees in the said preferential allotment is given in the following Table:

Table-2-List of Allottees under Preferential Allotment

Sr No	NAME	PAN	Shares Allotted
1.	Akash Jagadish Vital	ATYP A8648K	451000
2.	Anita Srinivasabhatt Kadanthalai	ABUPA2184Q	297000
3.	Jagadish Vital	ACJPJ5747L	998590
4.	Alakaben Kirtibhai Shah	CPAPS2335R	996000
5.	Bafna S R	AFXPB6525P	996000
6.	Chhaya Umeshchandra Trivedi	AHDPT3058P	997500
7.	Dharmendra Rikhavchand Shah	AAEHD6246F	1045000
8.	Himadri Kamleshbhai Shah	AZYPS5654H	996000
9.	Himanshu Prafulchandra Shah	ANEPS9445A	995000
10.	Kaliyaben Himansu Shah	BFQPS1462A	995000
11.	Kanubhai Narandas Thakkar	ADZPT3418R	997000
12.	Karan Kirtibhai Shah	BQYPS0082D	995000
13.	Keval Kirtikumar Shah	DFNPS6796L	997500
14.	Kirtikumar Rasiklal Shah	AKQPS8463F	995000
15.	K Rajagopal	AGCPR8130L	998000
16.	Mahavirsingh N Chauhan	AQOPC6330R	1253410
17.	Maheshchandra Chunilal Shah	AIOPS3870Q	1050000
18.	Meenaben Natubhai Thakkar	AHWPT5940M	995000
19.	Minaben Prafulbhai Shah	COYPS9153J	994000

20.	Mitesh Kanaiyalal Thakkar	AHQPT0178H	997000
21.	Mukeshbhai Shantilal Thakkar	AJBPT8789M	996000
22.	Mulchand Ganeshmal Jain	ABBPJ6373M	998000
23.	Natubhai Shantilal Thakkar	AHWPT5944R	997000
24.	Navinchandra Kanubhai Thakkar	ADUPT1264A	995000
25.	Nila Rajeshkumar Shah	BSLPS2675B	995000
26.	Pruthvi Himanshu Shah	DCAPS6011N	996000
27.	S Rajaganesh	ALBPR2586E	997000
28.	Suresh Nenmalji Malvi	AKMPM4951C	997000
29.	Vaishali Natvarlal Thakkar	AMJPT1242N	998500
30.	Vinit Kamleshkumar Shah	BOIPS2506E	994500
31.	Vinod Jain	AEDPJ4235P	997000

5. It was observed that that majority of the allottees in the preferential allotment are Ahmedabad based entities. From the respective KYC documents, it was noted that 27 out of the 28 allottees (from serial number 4-31, except Dharmendra Rikhavchand Shah i.e. allottee at serial number 7) had a common mobile number, i.e., '9825032074' and a common e-mail address, i.e., 'rajranka8@yahoo.com'. The said mobile number and email address belong to Shri Rajesh Mangilal Ranka (PAN: ACUPR5573R) having address of 'G-13, Orchid Greens, Near Girdharnagar Cros, Opp. Agarwal Hotel, Girdhar Nagar, Shahib Shahibang, Ahmedabad', who was restrained from buying, selling or dealing in securities market in any manner whatsoever for a period of 2 years vide SEBI order No. WTM/PS/28/IVD/ID-06/JULY/10 dated July 28, 2010. The other allottee, i.e., Dharmendra Rikhavchand Shah had transferred 25 lac shares of the company to another allottee, namely, i.e., Maheshchandra Chunilal Shah. Thus, it was observed that the said 28 allottees and Sri Rajesh Mangilal Ranka (all these 28 entities and Sri Rajesh Mangilal Ranka are hereinafter collectively referred to as "*the Ranka Group*") were connected with each other on the basis of the factors summarised in the following Table:

Table 3- Factors for determining connection amongst allottees other than promoters.

Serial. No.	Name of person	PAN	Basis of relationship with Shri Rajesh Ranka
1.	Alka K Shah	CPAPS2335R	- As per KYCs submitted by their broker Monarch Research and Brokerage Pvt. Ltd., entities from serial number 1 to 7, 9 to 18, 20 to 23 and 25 share common e-mail ID (rajranka8@yahoo.com) and Mobile Number (9825032074) with Shri Rajesh Ranka. - As per KYC of Monarch Project and Finmarket Pvt. Ltd. (DP), entity at serial number 8 and Shri Rajesh Ranka share common mobile number (9825032074) - As per KYC from Master Capital Services Limited, entity at serial number 19 and Shri Rajesh Ranka share common mobile number, i.e., '9825032074' and entity at serial
2.	Himadri K Shah	AZYP55654H	
3.	Himanshu P Shah	ANEPS9445A	
4.	Karan K Shah	BQYPS0082D	
5.	Keval K Shah	DFNPS6796L	
6.	Khubhai N Thakkar	ADZPT3418R	
7.	Mukesh S Thakkar	AJBPT8789M	
8.	Meenaben Thakkar	AHWPT5940M	
9.	Mitesh K Thakkar	AHQPT0178H	
10.	Mulchand G Jain	ABBPJ6373M	
11.	Navin K Thakkar	ADUPT1264A	
12.	Pruthvi H Shah	DCAPS6011N	
13.	Suresh N Malvi	AKMPM4951C	
14.	Vaishali N Thakkar	AMJPT1242N	
15.	Vinit K Shah	BOIPS2506E	
16.	Natubhai S Thakkar	AHWPT5944R	
17.	Nilaben R Shah	BSLPS2675B	
18.	Chhayaben U Trivedi	AHDPT3058P	

19.	K Rajagopal	AGCPR8130L	number 24 and Shri Rajesh Ranka have same address. - As per KYCs of Monarch Projects & Finmarket Pvt. Ltd., entities at serial number 26 and 28 share common mobile number with Shri Rajesh Ranka. - Serial number 17 and 28 received funds from Shri Rajesh Ranka, as described hereinafter. - Entity at serial number 27 transferred 25,00,000 shares to entity at serial number 28 on May 24, 2013. - Entities at serial number 1 to 7, from 9 to 18 and from 20 to 23 have made Shri Rajesh Ranka as their nominee while opening trading account with the broker (Monarch Research & Brokerage Pvt. Ltd.) - As per the KYC of the company submitted by ING Vysya Bank, Shri Rajesh Ranka is its authorized signatory.
20.	Kaliyaben H Shah	BFQPS1462A	
21.	Kirti R Shah	AKQPS8463F	
22.	Mahavir N Chauhan	AQOPC6330R	
23.	Minaben P Shah	COYPS9153J	
24.	S Raja Gnesh	ALBPR2586E	
25.	Siddhraj Bafana	AFXPB6525P	
26.	Vinod Jain	AEDPJ4235P	
27.	Dharmendra R Shah	AAEHD6246F	
28.	Mahesh C Shah	AIOPS3870Q	

6. The above preferential allotment of 3,00,00,000 shares constituted 593.21% of the pre-allotment capital of the company. On November 04, 2012, followed by a stock split from ₹10/- to ₹1/-. The pre and post preferential allotment shareholding pattern of the company is given below:

Table 4 - Pre and Post preferential Allotment Shareholding pattern

	Share Capital (No. of Shares)	Dematerialis -ed Shares	Promoter's holding (No. of Shares)	Promoter's holding (%)	More than 1% share holders (No. of Shares)	More than 1% share holders (%)
December 2011	5057200	5014000	1410	0.03	726230	14.36
March 2012	35057200	5014000	1748000	4.99	28253410	80.59
June 2012	35057200	35014000	1748000	4.99	28253410	80.59
December 2012	350572000	350140000	17480000	4.99	282534100	80.59
March 2013	350572000	350140000	17480000	4.99	280869846	80.12
June 2013	350572000	350039000	17465900	4.98	201358560	57.44

7. The financial statement of SMS Tech for financial year 2011-12 shows that the company earned a negligible profit of ₹1,21,998/ and for the financial year 2012-13, ₹55,910/-, with negative reserves. The market price of shares of SMS Tech at the time of preferential allotment was around ₹3.73/- per share. In spite of its unimpressive financials, poor fundamentals and abysmally low market price, the preferential allotment was made at a price considerably higher than the prevailing market price.
8. In its annual reports for the financial years 2011-12 and 2012-13, SMS Tech had disclosed that it had purchased a land worth ₹30,00,00,000/- i.e. the amount almost equivalent to the

proceeds of the preferential allotment, during the year 2011-12. SEBI sought information from the company with regard to the land deal including the evidence of payment for the same, details about the receipt of allotment money and utilization thereof and connection with Rajesh Ranka, etc. However, the letter sent by SEBI to the company was returned undelivered with remarks "*address exists but no such person*". Thereafter, BSE also conducted a surprise inspection of SMS Tech on September 13, 2013 at its registered office in Coimbatore and corporate office in Ahmedabad and reported that no such company exists at these two addresses. Thus, it was *prima facie* observed that while the company was filing returns to BSE, it had no physical presence at the addresses mentioned by it.

9. In its annual report for the financial year 2011-12 and 2012-13 the company had disclosed Standard Chartered Grindlays Bank as its banker. However, Standard Chartered Grindlays Bank informed that SMS Tech had closed account with it way back in 2010. Thus, it was observed that SMS Tech had wrongly disclosed Standard Chartered Bank as its banker for the years 2011-12 and 2012-13.
10. SEBI had also written to the concerned auditors seeking information. However, no information/explanation has been received.
11. Vide an e-mail dated September 11, 2013 (sent to the company at e-mail address '*vjuggy@gmail.com*' as available on the BSE website), SEBI again sought the abovementioned details from the company. The company provided partial information wherein it confirmed that Shri Rajesh Ranka is its employee. It also provided copy of its bank statement (Bank Account No.: 673011005933 with ING Vysya Bank) claiming that the proceeds of the preferential allotment were deposited in the said bank account.
12. On examination of the bank statements of SMS Tech, all the allottees, Shri Rajesh Ranka and Ms. Manjulaben Shah alongwith their KYC documents and information furnished by SMS Tech it was observed that:
 - i. Shri Rajesh Ranka, an employee of SMS Tech, is the authorized signatory for its bank account with ING Vysya Bank. He is, thus, connected with the company as its employee. Shri Rajesh Ranka had funded the preferential allotment to all the allottees including the three promoters.
 - ii. Most of the 28 allottees (i.e., allottees other than promoters) had opened their respective accounts with ING Vysya Bank in the 1st week of March 2012, i.e., just before the preferential allotment. These allottees did not have financial capabilities commensurate with the amount purportedly paid towards the preferential allotment.
 - iii. On March 03, 2012, Shri Rajesh Ranka had transferred ₹1,00,00,000/- from his bank account number '139003201012322' with Nav Nirman Co-operative Bank to the bank account number '139003201016137' jointly held by Shri Maheshchandra Chunilal Shah and his wife Ms. Manjulaben Maheshchandra Chunilal Shah (hereinafter referred to as "Manjulaben") with Nav Nirman Co-operative Bank. On the same day, Shri

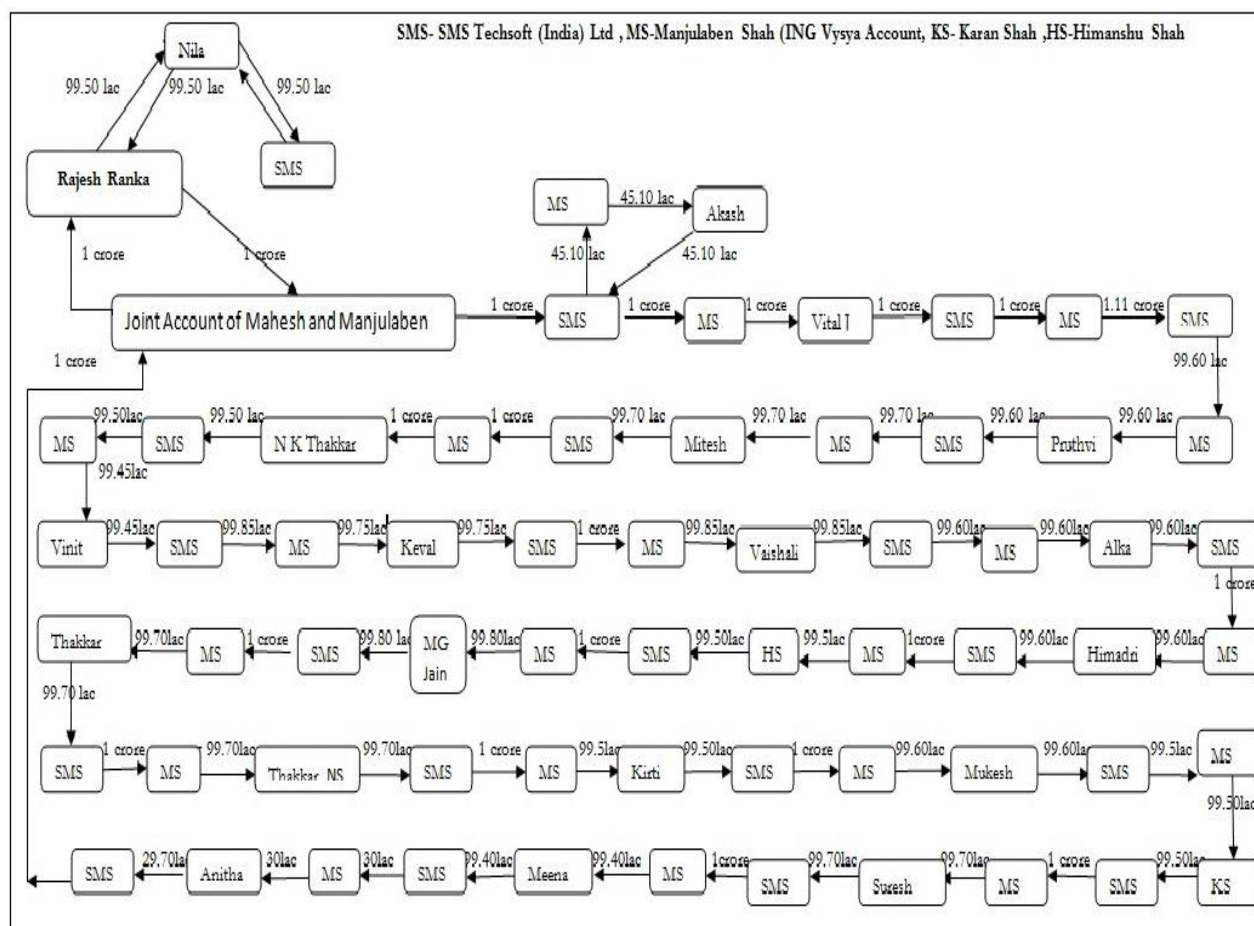
Maheshchandra Chunilal Shah transferred the same amount to the bank account number '673011005933' of the company with ING Vysya Bank against which he was allotted 10,50,000 preferential shares.

- iv. On March 05, 2012, the company transferred back the same amount of ₹ 1,00,00,000/- to Manjulaben (bank account number '673010029662' with ING Vysya Bank). Manjulaben thereafter transferred the same or approximately same fund again and again to 19 allottees (i.e. the three promoters and the entities from serial number 1 to 16 mentioned in the Table No. 3 above) from March 05, 2012 to March 13, 2012, i.e., just before the preferential allotment of shares on March 15, 2012.
- v. On receipt of the funds from Manjulaben as stated above, the respective allottee transferred the same to the company. Each time the allottee made payment for his/her allotment to SMS Tech, the same fund was transferred back by it to Manjulaben. Manjulaben again transferred the fund to another allottee who in turn transferred the said amount to the company. In this pattern, ₹ 1,00,00,000/- received by Manjulaben from Shri Rajesh Ranka through the company was circulated amongst Manjulaben, these 19 allottees and SMS Tech repeatedly. An illustration of the above circulation of fund is as under:
- On March 09, 2012, Manjulaben transferred ₹99,60,000/- to an allottee Pruthvi Shah who was allotted 9,96,000 shares;
 - On the same day, Pruthvi Shah transferred this fund to SMS Tech and SMS Tech transferred this fund back to Manjulaben;
 - On the same day, Manjulaben transferred this fund to second allottee and the pattern continued with respect to other allottee.
- vi. In respect of preferential allotment to a set of other 10 allottees, (viz., entities from serial no. 18 to 27 as mentioned in Table no. 3 above), it was noted that on March 12, 2012, the company transferred the requisite funds to Manjulaben who transferred back the same to the company towards allotment of shares to these 10 allottees on the same day. The fund transferred by the company to Manjulaben and then back to the company was circulated again and again in the same manner with regard to the allotment to said 10 allottees.
- vii. On March 17, 2012, i.e., after the allotment of the equity shares, SMS Tech transferred ₹1,00,00,000/- to the bank account number '139003201016137' jointly held by Shri Maheshchandra Chunilal Shah and his wife Ms. Manjulaben with Nav Nirman Co-operative Bank. On March 19, 2012, ₹ 1,00,00,000/- was transferred from the said joint account to the account of Shri Rajesh Ranka.

viii. A different mode of fund circulation amongst the company and the allottee Ms. Nila R. Shah was noted wherein:

- On March 03, 2012, Shri Rajesh Ranka had transferred ₹99,50,000/- to Ms. Nila R. Shah who was allotted 9,95,000 shares by SMS Tech in its purported preferential allotment;
- On the same day Ms. Nila R. Shah transferred this money to the company;
- On March 20, 2012, the company transferred back the said amount of ₹99,50,000/- to Ms. Nila R. Shah;
- On March 21, 2012, Ms. Nila R. Shah transferred this money back to Shri Rajesh Ranka.

ix. Such fund transfer is pictorially demonstrated below:



x. Date-wise narration of events depicting the above circuitous flow of funds to/from these entities is described in the following Table:

Table 5- Fund transfers

Date	Event	Amount in Rs.
March 03, 2012	Rajesh Ranka Transferred to Nila R Shah	99,50,000
March 03, 2012	Nila Shah Transferred to SMS Tech	99,50,000
March 20, 2012	SMS Techsoft (India) Ltd Transferred to Nila R Shah	99,50,000
March 21, 2012	Nila R Shah transferred to Rajesh Ranka	99,50,000
March 03, 2012	Rajesh Ranka Transferred to joint account of Mahesh C Shah & Manjulaben	1,00,00,000
March 03, 2012	Mahesh C Shah transferred to SMS Tech	1,00,00,000
March 05, 2012	SMS Tech transferred to Manjulaben	45,10,000
March 05, 2012	Manjulaben transferred to Akash Jagdish	45,10,000
March 05, 2012	Aksah Jagdish transferred to SMS tech	45,10,000
March 05, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 05, 2012	Manjulaben transferred to Vital Jagdish	1,00,00,000
March 07, 2012	Vital Jagdish transferred to SMS Tech	1,00,00,000
March 07, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 07, 2012	Manjulaben transferred to SMS tech	1,11,70,000
March 09, 2012	SMS Tech transferred to Manjulaben	99,60,000
March 09, 2012	Manjulaben transferred to Pruthvi Shah	99,60,000
March 09, 2012	Pruthvi Shah transferred to SMS tech	99,60,000
March 09, 2012	SMS Tech transferred to Manjulaben	99,70,000
March 09, 2012	Manjulaben transferred to Mitesh K Thakkar	99,70,000
March 09, 2012	Mitesh K Thakkar transferred to SMS tech	99,70,000
March 09, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 09, 2012	Manjulaben transferred to N K Thakkar	1,00,00,000
March 09, 2012	N K Thakkar transferred to SMS Tech	99,45,000
March 09, 2012	SMS Tech transferred to Manjulaben	99,45,000
March 09, 2012	Manjulaben transferred to Vinit K Shah	99,45,000
March 09, 2012	Vinit K Shah transferred to SMS tech	99,45,000
March 09, 2012	SMS Tech transferred to Manjulaben	99,85,000
March 09, 2012	Manjulaben transferred to Keval Kirtikumar Shah	99,75,000
March 09, 2012	Keval Kirtikumar Shah transferred to SMS Tech	99,75,000
March 09, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 09, 2012	Manjulaben transferred to Vaishali N Thakkar	99,85,000
March 09, 2012	Vaishali Thakkar transferred to SMS Tech	99,85,000
March 09, 2012	SMS Tech transferred to Manjulaben	99,60,000
March 09, 2012	Manjulaben transferred to Alkaben Shah	99,60,000
March 09, 2012	Alkaben Shah transferred to SMS Tech	99,60,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Himadri K Shah	99,60,000
March 10, 2012	Himadri K Shah transferred to SMS Tech	99,60,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Himanshu P Shah	99,50,000
March 10, 2012	Himanshu P Shah transferred to SMS Tech	99,50,000

March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Mulchand G Jain	99,80,000
March 10, 2012	Mulachan G Jain transferred to SMS Tech	99,80,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Thakkar Kaneeyalal Narandas	99,70,000
March 10, 2012	Thakkar Kaneeyalal Narandas transferred to SMS Tech	99,70,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Thakkar N S	99,70,000
March 10, 2012	Thakkar N S transferred to SMS Tech	99,70,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Kirtikumar R Shah	99,50,000
March 10, 2012	Kirtikumar R Shah transferred to SMS Tech	99,50,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben Transferred to Mukesh S Thakkar	99,60,000
March 10, 2012	Mukesh S Thakkar transferred to SMS tech	99,60,000
March 10, 2012	SMS Tech transferred to Manjulaben	99,50,000
March 10, 2012	Manjulaben Shah transferred to Karan Shah	99,50,000
March 10, 2012	Karan Shah transferred to SMS Tech	99,50,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Suresh N Malvi	99,70,000
March 10, 2012	Suresh Malvi transferred to SMS Tech	99,70,000
March 10, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 10, 2012	Manjulaben transferred to Meenaben N Thakkar	99,40,000
March 10, 2012	Meenaben N Thakkar transferred to SMS Tech	99,40,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,80,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,70,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,70,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,50,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,75,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	1,04,50,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,30,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	1,25,34,100
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,60,000
March 12, 2012	SMS Tech transferred to Manjulaben	1,00,00,000
March 12, 2012	Manjulaben transferred to SMS Tech	99,50,000
March 12, 2012	SMS Tech transferred to Manjulaben	30,00,000
March 12, 2012	Manjulaben transferred to Anitha K Jagdish	30,00,000
March 12, 2012	Anitha K Jagdish transferred to SMS Tech	29,70,000
March 17, 2012	SMS Tech transferred to Mahesh C Shah	1,00,00,000
March 19, 2012	Mahesh C. Shah transferred to Rajesh Ranka	1,00,00,000

March 20, 2012	Mahavirsingh Chauhan receives from Rajesh Ranka	3,00,00,000
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13. It was further observed that though Shri Maheshchandra Chunilal Shah had transferred only ₹1,00,00,000/- to SMS Tech in the above manner, he was allotted 10,50,000 shares of the value of ₹1,05,00,000/-.
14. From the above sequence of events, it has been observed that Shri Rajesh Ranka who has been debarred from buying, selling or dealing in securities by SEBI, circulated approximately ₹1,00,00,000/- back and forth between the company, 27 allottees connected to him and 3 promoters of the company, who were also acting hand-in-glove with Shri Rajesh Ranka, through Manjulaben in the purported preferential allotment by the company. He also circulated ₹99,50,000/- through Ms. Nila Shah who is also connected with him to the company and then back to him. Through this *modus operandi* by circulating ₹1,99,50,000/- total 3,00,00,000 equity shares worth ₹30,00,00,000/- were allotted by SMS Tech to 31 allottees including its three promoters. Further, the amounts funded by Sri Rajesh Ranka for the purpose of the said purported preferential allotment had been returned to him.
15. From the balance sheet of the company for the financial years 2011-12 and 2012-13, it is inferred that the company had shown to have acquired a land for the value of ₹30,00,00,000/- during the financial year 2011-12. Vide its e-mail dated September 25, 2013, the company has claimed that it had utilized the proceeds of the purported preferential allotment for purchasing land near Ahmadabad by executing necessary agreement during the financial year 2011-12 and it had later cancelled the said land deal on account of deficiency in the title of the land. In support of its claim the company has furnished certain pages of a copy of a Memorandum of Understanding (MoU). From the said MoU it has been noted that the said MoU has been entered into between the company and one Sri Prakashkumar Chimanlal Thakkar (power of attorney holder on behalf of one Sri Ganesh Kalubhai, owner of a land that is the subject matter of the said MoU) on March 25, 2012. The agreed consideration, for the purported purchase of an agricultural land, as per the said MoU, is ₹30,00,00,000/-. This MoU does not establish that the company had actually paid this amount as disclosed in its balance sheet for the financial years 2011-12 and 2012-13 to the owner of the agricultural land stated in the MoU. From the bank account (A/C number 673011005933 with ING Vysya Bank) of the company it has been noted that during the relevant period neither such amount was transferred to the owner of the land from the bank account of the company nor was refunded back by him to the company after termination of claimed land purchase deal. Rather from period March 05, 2012 to March 12, 2012 around ₹33,00,00,000/- were transferred by the company to Manjulaben who was not party to the said MoU. Thus, it appears that the company had made a false disclosure in its balance sheet for the financial year 2011-12 and 2012-13 and had deliberately concealed and suppressed the fact of financial transaction between it and Manjulaben. It is only after receipt of SEBI's e-mail dated September 11, 2013 the company disclosed to BSE on September 13, 2013 that it

has terminated the land deal due to title deficiency and now it plans to expand operational activity and new avenues such as database purchase for its business development. This appears to be an afterthought in an attempt by SMS Tech to cover up for its misdeeds.

16. It is noted from the annual report of the company for the respective financial years that for the financial year 2011-12, Shri V. Jagdish, the promoter and managing director of SMS Tech was also the Chairman of the Audit Committee and for the financial year 2012-13, Shri Akash Jagdish Kadandale, another promoter and director of SMS Tech, was the Chairman of the Audit Committee in violation of clause 49 of the Equity Listing Agreement which stipulates that the Chairman of the Audit Committee shall be an independent director.
17. Apart from the fact that SMS Tech does not physically exist at the registered/corporate addresses as already explained above, it is observed that though the company claims to have a web-site at www.aklsoft.com, the same is non-functional. As such there is nothing on this web site except a spam page. This is non-compliance with the requirements of the provisions of clause 54 of the Equity Listing Agreement which requires that the company should maintain a functional web site containing basis information about the company e.g. details of its business, financial information, shareholding pattern, etc.
18. It is noted that the lock-in period with regard to the equity shares allotted to the 28 allottees of the Ranka Group (i.e., allottees other than the promoters) under the purported preferential allotment expired on March 12, 2013. Thereafter, most of these entities started trading heavily in the scrip of the company. As a result, the daily average volume of the scrip increased from 38,263 shares between January 01, 2013 and March 12, 2013 to 28,52,867 shares between March 13, 2013 and October 18, 2013.
19. The trading pattern of the entities of Ranka Group in the scrip was noted as following:-
 - A. During the period: (March 13, 2013 to August 20, 2013):-**
 - a) The Ranka Group bought a gross quantity of 12,11,21,440 shares and sold a gross quantity of 20,72,46,229 shares, which constitute 44.45% and 76.05% of the total buy and sale volume, respectively. Thus, the entities of Ranka Group had altogether sold a net quantity of 8,61,24,789 shares till August 20, 2013.
 - b) The entities of Ranka Group had traded in 8,26,58,793 shares amongst themselves, which constitutes 68.24% of their gross bought quantity, 39.88% of the Ranka Group's gross sell quantity and 30.33% of the market volume.
 - c) The entities of Ranka Group has also tried to sustain the price during this period by contributing ₹32.08/- in positive LTP contribution as a buyer, which constitutes 71.15% of total positive LTP contribution in the scrip.
 - d) During this period the price of the scrip moved from ₹ 0.60/- to ₹0.41/ per share (i.e. the price of the scrip fell by 31.66%).

B. During the period (August 21, 2013 to October 18, 2013):-

- a) The entities of Ranka Group had started heavily offloading their holding in the scrip of the company. They bought a gross quantity of 2,59,31,404 shares and sold a gross quantity of 12,08,06,688 shares, which constitute 17% and 79.19% of market volume, respectively. Thus, those entities had altogether sold a net quantity of 9,48,75,284 shares from August 21, 2013 to October 18, 2013;
 - b) The entities of Ranka Group traded in 2,24,93,909 shares amongst themselves, which constitutes 86.74% of their gross bought quantity, 18.62% of their gross sell quantity and 14.74% of the market volume;
 - c) During this period, the price of the scrip sharply fell from ₹0.41/- to ₹0.09/- (i.e., the price of the scrip fell by 78.04%).
20. From the above, it is noted that the entities of Ranka Group had tried to attract and entice other investors in the scrip of the company by creating artificial volume in the scrip by trading amongst themselves and also by buying at a price higher than the previously traded price and thereby constantly contributing to positive LTP in the scrip. It has also been observed that once SEBI started inquiring into the matter, the Ranka Group has started dumping and exiting their position in the scrip. It is noted that till October 18, 2013 they have sold a net quantity of 18,10,00,073 shares, thereby making the profit of ₹6,00,11,512/-. It is, further, noted that as on October 18, 2013 Ranka Group were holding 11,90,59,649 shares out of total allotment of 30,00,00,000 shares under preferential allotment. This profit is ill-gotten as the shares which were net sold were obtained through a fraudulent process as described above.
21. I have considered the observations of the preliminary inquiry and note that the entities listed in Table 3 are connected with each other and Shri Rajesh Ranka on account of factors described in the said Table. The 3 promoters who were allotted equity shares by SMS Tech in its above said preferential allotment are- Shri V. Jagdish, (promoter/managing director) his wife, Mrs. Anitha Jagdish (promoter) and his son Shri Akash Jagdish Kadandale (promoter/ director) during the relevant time. Thus, these 3 promoters are related /connected with each other. Shri Rajesh Ranka being an employee of SMS Tech and also the authorized signatory for its bank account with ING Vysya Bank. and having funded the preferential allotment to these three promoters is also connected with the company and its promoters/directors. I, therefore, *prima facie* find that the connection amongst Shri Rajesh Ranka, the company, its three promoters and other 28 allottees can be established on this basis along with the factors discussed in Table 3.

22. I further note that Shri Rajesh Ranka, circulated approximately ₹1,00,00,000/- back and forth between the company, 27 allottees connected with him and 3 promoters of the company through Manjulaben. He had also circulated ₹99,50,000/- through Ms. Nila Shah another entity connected with him to the company for its purported preferential allotment. These amounts funded by Sri Rajesh Ranka for the purpose of the purported preferential allotment were ultimately returned to him by the company. These funds were circulated when, by virtue of the order dated July 28, 2010, Shri Rajesh Ranka was restrained from buying, selling or dealing in securities market in any manner whatsoever for a period of 2 years. I *prima facie* find that on account of the repeated circulation of same money between different allottees, the receipt of allotment money for 3,00,00,000 equity shares had been shown merely as book entry. In fact, even the amount of 1,99,50,000 that was circulated to show a book entry of receipt of allotment monies was returned by the company to Shri Rajesh Ranka on March 17/21 2012 i.e. shortly after preferential allotment. I, therefore, *prima facie* find that the consideration for the shares allotted to the respective allottees in the preferential allotment of the company has not been paid by the allottees which is in contravention of the provisions of regulation 77(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "the ICDR Regulations") which provides as under-

"Payment of consideration.

77(1). *Full consideration of specified securities other than warrants issued under this Chapter shall be paid by the allottees at the time of allotment of such specified securities."*

23. In the facts and circumstances brought out during the inquiry, I, *prima facie*, find that the SMS Tech issued 3,00,00,000 new equity shares for value of ₹30,00,00,000/- in the names of the above mentioned 31 allottees without receipt of any consideration for the shares allotted in the said purported preferential allotment. Thus, the connected entities, i.e. Shri Rajesh Ranka and 31 allottees including three promoters of the company, acting in concert, illegally acquired 80.59% shares in the company without paying any consideration for the allotted shares. I further note that while the amount of ₹1,00,00,000/- from Shri Rajesh Ranka was routed through the joint account of Shri Maheshchandra Chunilal Shah and his wife Ms. Manjulaben had been repeatedly routed to the company through the respective bank accounts of 21 allottees, in case of 10 other allottees the said amount has not even come from their account rather it came from the account of Manjulaben. Further, SMS Tech had allotted 10,50,000 equity shares to Shri Maheshchandra Chunilal Shah against ₹1,00,00,000/- received from Shri Rajesh Ranka in his joint account with his wife which was transferred to SMS Tech purportedly for the preferential allotment of 10,00,000 shares. These facts and circumstances indicate that Shri Rajesh Ranka acting hand-in-glove and in a concert with SMS Tech, its 3 promoters and 28 other allottees orchestrated a fraudulent, manipulative and deceptive device, plan or artifice of creating shares without payment of consideration to the company. I, therefore, *prima facie* find that the preferential allotment of SMS Tech, apart from

being in contravention of the provisions of the regulation 77(1) of, is irregular, illegal and fraudulent.

24. I note that in the notice and Explanatory Statement thereto under section 173 of the Companies Act, 1956 the SMS Tech had disclosed to its shareholders that the object of its preferential allotment was to generate resources for diversification, expansion and implementation of future growth plans and for working capital and other general corporate purpose. In its balance sheet for the financial years 2011-12 and 2012-13 the company has sought to show that it had acquired a land for the value of ₹30,00,00,000/ during the financial year 2011-12. In my view, general corporate purposes provide the framework for ongoing decisions and activities of the business corporate purposes. They cannot be meant for any or every purposes that are not within scope of business or operations of a company and that are neither in the interest of the company nor its shareholders. I, therefore, find that any land deal much less a non-existent land deal as claimed by the company in this case, cannot be the purpose for which the proceeds of preferential allotment as disclosed to the shareholders could be utilised. From the facts found during inquiry, I note that company had never utilised any such money for the purchase of any land as claimed by it and had made false disclosures in its balance sheets for the financial years 2011-12 and 2012-13 suggesting utilisation of proceeds of preferential allotment for purchase of land and had deliberately suppressed the material fact in its annual report for the financial year 2011-12 with regard to the financial transactions wherein the money had been circulated by it through Manjulaben.
25. The acts, omissions, misrepresentations, active concealments, suggestion of false facts, false statements, reckless representation, deceptive behaviour, etc. of SMS Tech and its management in respect of the preferential allotment and subsequent statement to utilise the proceeds for business development as an afterthought, further enforce the *prima facie* finding that the preferential allotment in this case was not a genuine preferential allotment rather it was irregular, illegal and fraudulent.
26. It is noted that during the financial year 2011-12 i.e. the period when preferential allotment was decided by the Board of Directors of SMS Tech and the shares were issued by it, Shri V. Jagdish, the promoter and managing director of SMS Tech was also Chairman of the Audit Committee. Similarly, for the year 2012-13 when the false disclosures were made in the balance sheet for the financial year 2012-13, Shri Akash Jagdish Kadandale, promoter as well as director of SMS Tech, was the Chairman of the Audit Committee. I, *prima facie*, find that this fact, apart from being in contravention of clause 49 of the Equity Listing Agreement *prima facie* indicates the complicity of the management of the company in the over-all illegal, fraudulent, manipulative and deceptive device, plan or artifice and suggests that the appointments in contravention of clause 49 of the Equity Listing Agreement were part of such device.
27. It is also observed that SMS Tech does not have a functional web-site as required under clause 54 of the Equity Listing Agreement. Its web site does not contain anything except a

spam page. Thus, it has violated clause 54 of the Equity Listing Agreement and provisions of section 21 of the Securities Contracts (Regulation) Act, 1956 (SCRA). I also note that the company does not physically exist at its address and the letters addressed to it by SEBI have returned undelivered with the remark “*address exists but no such person*”. Upon considering all facts and circumstances in totality, I *prima facie* find that such acts and omissions were with deliberate design of the company and its management as part of its manipulative and deceptive device, plan or artifice.

28. It is noted that immediately after the expiry of the lock-in period in respect of shares allotted to the 28 entities of Ranka Group on March 12, 2013, they started trading in those shares in a fraudulent manner as observed during inquiry. **It is also noted that the said entities continue to trade in those shares.**

29. The aforesaid facts *prima facie* indicate that the acts, omissions and concealment of the company and its promoters /directors/ were 'fraudulent' as defined in regulation 2(1)(c) of the PFUTP Regulations which reads as under:-

Definition of ‘fraud’ – Regulation 2(1)(c).

(c) “fraud” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent;

(7) deceptive behaviour by a person depriving another of informed consent or full participation;

(8) a false statement made without reasonable ground for believing it to be true;

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And “fraudulent” shall be construed accordingly;

.....”

30. The sequence of events and pattern of transactions in this case *prima facie* indicate that the company, its promoters/directors alongwith the Ranka Group, by falsely portraying the transactions as a genuine preferential allotment and by creating artificial volume the company, adopted fraudulent device and artifice to defraud the genuine shareholders of the company. Such conduct by the company, its promoters/directors and the Ranka Group is *prima facie* in violation of section 12A of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) (f) and (g) of the PFUTP Regulations which is reproduced hereunder:

Section 12A of the SEBI Act-

"Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognised stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

.....

.....

(f) acquire control of any company or securities more than the percentage of equity share capital of a company whose securities are listed or proposed to be listed on a recognised stock exchange in contravention of the regulations made under this Act."

Regulations 3 and 4 of the PFUTP Regulations-

3. Prohibition of certain dealings in securities

"No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

.....

.....

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;

....."

31. In my view, the acts and omissions of the company, its promoters/directors and the Ranka Group, as brought out in the aforesaid paras, are *prima facie*, in violation of the following provisions of securities laws:
- (a). Section 12A (b) and (c) of the SEBI Act and regulations 3(a), (b), (c) and (d), 4(1) and (2)(a), (f) and (g) of the PFUTP Regulations;
 - (b). Regulation 77(1) of the ICDR Regulations; and
 - (c). Clauses 49, 54 of the Listing Agreement read with section 21 of Securities Contracts (Regulation) Act, 1956.
32. I note that some of the allottees have already off-loaded their ill-gotten shares in the market and have tried to create artificial volume by firstly trading in the equity shares allotted pursuant to the purported preferential allotment amongst themselves and thereafter offloading the said shares to lay investors. The Ranka Group has, in this manner, realized a profit of ₹6,00,11,512/- till October 18, 2013.
33. Given the vital function of protecting investors and safeguarding the integrity of the securities market vested in SEBI and the commensurate powers given to it under the securities laws, it is necessary for SEBI to exercise these powers firmly and effectively to insulate the market and its investors from the fraudulent actions of the participants in the securities market. One of the basic premise that underlies the integrity of securities market is that the participants conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities. In this case, the conduct of the company, the promoters / directors and the Ranka Group, as brought out above has been violative of this basic premise. In this case, the shares allotted illegally and fraudulently without receipt of consideration /allotment money are tainted and do not have any value. In order to ensure that these illegally acquired and tainted shares are not traded in the market, thereby contaminating the market, I deem it necessary to intervene in this matter to safeguard the interest of other shareholders of the company and protect the integrity of the securities market. I am convinced that this is also a case where, pending investigation, effective and expeditious action is required to be taken to prevent any further harm to investors and to thwart any further design, which are *prima facie* fraudulent, manipulative and unfair, of the company and its promoters/ directors. This is also a fit case where SEBI needs to send a stern message to prevent companies and their promoters/ directors from indulging in such acts of omissions and commissions which hurt the interests of investors and shake their confidence in the securities market.
34. In the light of the aforesaid preliminary findings in this matter as mentioned above, I am of the view that this is a fit case where pending detailed investigation effective action is required to be taken by way of *an ad interim ex-parte* order.
35. Therefore, 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 in terms of section 19 read with section 11(1), section 11 (4) (b) and section 11B of the SEBI Act, 1992 and section 12A of

the SCRA, pending investigation and passing of final order, hereby issue following directions, by way of this *ad-interim ex-parte* order:

- a) The following entities are restrained from accessing the securities market and further prohibited from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner whatsoever, till further directions:

S. No.	Name	PAN
1.	Akash Jagadish Vital	ATYPA8648K
2.	Alakaben Kirtibhai Shah	CPAPS2335R
3.	Anita Srinivasabhattach Kadanthalai	ABUPA2184Q
4.	Bafna S R	AFXPB6525P
5.	Chhaya Umeshchandra Trivedi	AHDPT3058P
6.	Dashrathkumar Keshaji Khatri	ACFPK3128C
7.	Devaraj Siddiah Pera Naidu	ACGPD9109G
8.	Dharmendra Rikhavchand Shah	AAEHD6246F
9.	Dilipbhai Jaswantlal Gajjar	ADVPG4094Q
10.	Himadri Kamleshbhai Shah	AZYPS5654H
11.	Himanshu Prafulchandra Shah	ANEPS9445A
12.	Jagadish Vital	ACJPJ5747L
13.	K Rajagopal	AGCPR8130L
14.	Kaliyaben Himansu Shah	BFQPS1462A
15.	Kanubhai Narandas Thakkar	ADZPT3418R
16.	Karan Kirtibhai Shah	BQYPS0082D
17.	Keval Kirtikumar Shah	DFNPS6796L
18.	Kirtikumar Rasiklal Shah	AKQPS8463F
19.	Mahavirsingh N Chauhan	AQOPC6330R
20.	Maheshchandra Chunilal Shah	AIOPS3870Q
21.	Manjulaben Maheshchandra Chunilal Shah	AFSPS6606M
22.	Meenaben Natubhai Thakkar	AHWPT5940M
23.	Minaben Prafulbhai Shah	COYPS9153J
24.	Mitesh Kanaiyalal Thakkar	AHQPT0178H
25.	Mukeshbhai Shantilal Thakkar	AJBPT8789M

26.	Mulchand Ganeshmal Jain	ABBPJ6373M
27.	Natubhai Shantilal Thakkar	AHWPT5944R
28.	Navinchandra Kanubhai Thakkar	ADUPT1264A
29.	Nila Rajeshkumar Shah	BSLPS2675B
30.	Pruthvi Himanshu Shah	DCAPS6011N
31.	Rajesh Ranka	ACUPR5573R
32.	S Rajaganesh	ALBPR2586E
33.	SMS Techsoft (India) Limited	AAECA1954G
34.	Suresh Nenmalji Malvi	AKMPM4951C
35.	Vaishali Natvarlal Thakkar	AMJPT1242N
36.	Vinit Kamleshkumar Shah	BOIPS2506E
37.	Vinod Jain	AEDPJ4235P

- b)* the aforementioned entities are hereby ordered to keep in an escrow account, jointly and severally within 30 days of this order, an amount of ₹6,00,11,512/- that they have earned as ill-gotten profit during the period March 13, 2013 to October 18, 2013 and any other amount that they have realised as sale proceeds of the shares allotted in the preferential allotment by the company; and
- c)* SMS Techsoft (India) Limited (PAN: AAECA1954G) is restrained from raising additional capital through securities market, either directly or indirectly, in any manner whatsoever, till further directions.
36. The persons/entities against whom this order is passed may file their replies, if any, to SEBI within 21 days from the date of receipt of this order, if they so desire, avail an opportunity of personal hearing on a date, place and time fixed in that regard by Securities and Exchange Board of India.
37. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entities, mentioned in para 35 above, in accordance with law.
38. This order shall come into force with immediate effect.

DATE: NOVEMBER 5th, 2013
PLACE: MUMBAI

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: RAJEEV KUMAR AGARWAL, WHOLE TIME MEMBER
CORRIGENDUM TO THE ORDER DATED NOVEMBER 5, 2013 BEARING
REFERENCE NUMBER WTM/RKA/41/ISD/2013**

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") vide an the *ad-interim ex-parte* Order dated November 5, 2013 bearing reference number WTM/RKA/41/ISD/2013 ("the Order"), had issued directions against 37 entities. In the Order, the PAN of Shri Devraj Siddiah Pera Naidu was inadvertently mentioned as ACGPD1909G. The correct PAN of the said person is ACGPD9190G.
2. It has been additionally observed that Shri Dharmendra Rikhavchand Shah as an individual bears PAN No. ACDPS9920N . Accordingly, the directions in Para 35 of the Order is also applicable to PAN No. ACDPS9920N .
3. The Order accordingly stands corrected. The Order shall always be read with this Corrigendum.

Date: November 18 , 2013
Place: Mumbai

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA