

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Appeal No. 193 of 2012

Date of Decision: 4.10.2012

Nilesh Parmar
C-703, Alka Bhuvan, Off Eksar Road,
Borivali (W), Mumbai – 400 092.

... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Ankit Lohia, Advocate with Mr. Manish Chhangani, Advocate for Appellant.

Ms. Harshada Nagare, Advocate for the Respondent.

Coram : P. K. Malhotra, Member & Presiding Officer (*Offg.*)
S.S.N. Moorthy, Member

Per : P. K. Malhotra (Oral)

Same order as in Appeal no.190 of 2012 decided on October 4, 2012.

Sd/-
P.K. Malhotra
Member &
Presiding Officer (*Offg.*)

Sd/-
S.S.N. Moorthy
Member

4.10.2012

Prepared and compared by
RHN

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Appeal No. 190 of 2012

Date of Decision: 4.10.2012

Ramesh Javda
101 Claridge Apartment, 3rd Crosslane,
Samarth Nagar, Lokhandwala,
Andheri (W), Mumbai – 400063.

... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Ankit Lohia, Advocate with Mr. Manish Chhangani, Advocate for Appellant.

Ms. Harshada Nagare, Advocate for the Respondent.

Coram : P. K. Malhotra, Member & Presiding Officer (*Offg.*)
S.S.N. Moorthy, Member

Per : P. K. Malhotra (Oral)

This order will dispose of eleven appeals nos. 190, 191, 192, 193, 194, 195, 196, 197, 198, 199 and 200 of 2012 which arise out of a common investigation carried out by the Securities and Exchange Board of India (for short the Board) in the matter of Pyramid Saimira Theater Ltd. (the company).

2. The facts of the case, in brief, are that the Board carried out investigation in the dealing in the scrip of the company and came to a prima facie conclusion that a large number of entities had joined hands and some of them have carried out suspicious banking transactions and have channeled funds either directly or indirectly in the stock market. Pending investigation, the whole time member of the Board passed an ex-parte ad-interim order of April 23, 2009 restraining 230 entities and their directors/proprietors/partners from buying, selling or dealing in securities market including Initial Public Offerings, in any

manner, either directly or indirectly, till further directions. The said ex-parte ad-interim order was also a show cause notice to these entities and they were asked to file their objections, if any. After giving an opportunity of hearing, the whole time member of the Board passed interim order on December 9, 2009 confirming the ex-parte ad-interim order against twenty entities and no order was passed against rest of them.

3. Some of these companies came up in appeal before this Tribunal alleging that in spite of completion of investigation and personal hearing, the Board has failed to pass final order in the matter and the appellants are being denied their right to trade in the market for more than three years now. Keeping in view the long delay, the alleged role played by the appellants, as disclosed in the impugned order and also taking note of the fact that the appellants have remained out of the securities market for a considerably long period, this Tribunal stayed the ex-parte ad-interim order, qua the appellant companies, without prejudice to the rights of the Board to proceed further in the matter and without expressing any opinion on the merits of the case.

4. The present appeals are filed by the directors/ex-directors/proprietors/partners of the said companies stating that on the basis of the order passed by this Tribunal in respect of the companies, the demat accounts of these companies were defrozen but ban on the demat accounts of respective director/partners, who are the appellants before us, was not lifted. It is the case of the appellants that there is no finding in the impugned order about the suspicious banking transactions of the appellants in their personal capacity and continuous operation of the ex-parte ad-interim order is putting these appellants to huge loss and lack of opportunity to trade in the market. The details of these appeals are as under:-

DETAILED TABLE SHOWING THE DIRECTORS AND THEIR CORRESPONDING COMPANIES

Sr No	Appeal No.	Name of the Appellant	Date of Impugned Order	Name of the Company	Appeal No. of the Company	Whether against Ex-Parte Ad Interim Order dated April 23, 2009 or Confirmatory Order dated December 09, 2009	Date disposal of Company appeal
1.	190/2012	Ramesh Javda	December 09, 2009	a) Javda India Impex Limited	a)11 of 2012	a) Confirmatory Order dated December 09, 2009	a) March 2012

2.	191/2012	Rose Paddidri	December 09, 2009	a) Lexus Infotech Limited b) New Planet Trading Co. Pvt. Ltd.	a) 9 of 2012 b) 41 of 2012	a) Confirmatory Order dated December 09, 2009 b) Ex-Parte Ad Interim Order dated April 23, 2009	a) February 03, 2012 b) April 03, 2012
3.	192/2012	Uttamchand Hinger	December 09, 2009	a) Raghunandan Rayons Ltd.	a) 214 of 2011	a) Confirmatory Order dated December 09, 2009	a) January 23, 2012
4.	193/2012	Nilesh Parmar	December 09, 2009	a) Olive Overseas Pvt. Ltd. (Previously known as Realgold Trading Company Pvt. Ltd.)	a) 125 of 2012	a) Confirmatory Order dated December 09, 2009	a) June 21, 2012
5.	194/2012	Manish Jain	December 09, 2009	a) SBJ Trading (I) Pvt. Ltd. b) JPK Trading (India) Pvt. Ltd. c) Ostwal Trading (India) Pvt. Ltd.	a) 38 of 2012 b) 36 of 2012 b) 39 of 2012	a) Confirmatory Order dated December 09, 2009 b) Ex-Parte Ad Interim Order dated April 23, 2009 c) Ex-Parte Ad Interim Order dated April 23, 2009	a) February 24, 2012 b) April 03, 2012 c) April 03, 2012
6.	195/2012	Pankaj Jain	December 09, 2009	a) Capetown Mercantile Co. Pvt. Ltd. b) Faststone Trading Co. Pvt. Ltd. c) Riddhi Siddhi Multitrade Pvt. Ltd.	a) 106 of 2011 b) 43 of 2012 c) 37 of 2012	a) Confirmatory Order dated December 09, 2009 b) Confirmatory Order dated December 09, 2009 c) Confirmatory Order dated December 09, 2009	a) July 21, 2011 b) February 24, 2012 c) February 24, 2012
7.	196/2012	Jitendra Tater	December 09, 2009	a) Sanjivani Enviro Protection Limited	a) 10 of 2012	a) Confirmatory Order dated December 09, 2009	a) February 03, 2012
8.	197/2012	Gopal Verma	December 09, 2009	a) Alka Diamond Industries Ltd.	a) 163 of 2012	a) Confirmatory Order dated December 09, 2009	a) October 03, 2011
9.	198/2012	Virendra Abhani	December 09, 2009	a) Sanjivani Enviro Protection Limited b) New Planet Trading Co. Pvt. Ltd.	a) 10 of 2012 b) 41 of 2012	a) Confirmatory Order dated December 09, 2009 b) Ex-Parte Ad Interim Order dated April 23, 2009	a) February 02, 2012 b) April 03, 2012

10.	199/2012	Praveen Kumar Jain	December 09, 2009	a) SBJ Trading (I) Pvt. Ltd. b) Anchal Properties Pvt. Ltd.	a) 38 of 2012 b) 223 of 2011	a) Confirmatory Order dated December 09, 2009 b) Confirmatory Order dated December 09, 2009	a) Februa 24, 201 b) January 2012
11.	200/2012	Ajay Dixit	December 09, 2009	a) Kush Hindustan Entertainment Limited	a) 224 of 2011	a) Confirmatory Order dated December 09, 2009	a) January 2012

5. We have heard the learned counsel for the parties. The findings/observations in the impugned order were against the companies and consequently the restraint order was passed against the directors also. When the restraint order against the companies has been vacated, in the absence of any other reason on record, we see no reason as to why the restraint order should continue against the appellants before us.

6. For the reasons stated in our orders passed in the appeals filed by the companies, the impugned interim order, qua the appellants before us, is also stayed. It is made clear that we are passing this order without prejudice to the right of the Board to proceed further in the matter and it shall not be taken as an expression of our opinion on the merits of the case. The rights and contentions of both sides shall remain open.

All the appeals stand disposed of accordingly. No costs.

Sd/-
P.K. Malhotra
Member &
Presiding Officer (*Offg.*)

Sd/-
S.S.N. Moorthy
Member

4.10.2012

Prepared and compared by
RHN