

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

ORDER

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

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

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

- (d) By virtue of the same, it was alleged that the company and persons in charge of its affairs created preferential allotment of shares as a mode to provide fictitious long term capital gains (“**LTCG**”) to its Preferential Allottees and Promoter related entities so as to convert their unaccounted income into accounted one; its Promoters/ Directors / Exit Providers / Preferential Allottees / Promoter related entities artificially increased the volume and price of the scrip and misused securities market system for making illegal gains and to convert ill-gotten gains into market gains to avail LTCG.
3. As the aforesaid activities of Dhyana and its Promoter / Directors / Promoter related entities / Preferential Allottees / Exit Providers were in violation of SEBI Act, 1992 (“**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“**PFUTP Regulations**”) SEBI passed an *Ad interim ex-parte* order dated June 01, 2016 (hereinafter referred to as “*interim order*”) and restrained 76 entities including Dhyana and its Promoters and Directors from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.
4. Vide email dated July 28, 2015 as well as vide said interim order, SEBI also directed BSE to withhold the pay-out of funds for the trades executed on July 27, 2015 and keep the same in interest bearing escrow account and also release the securities to the buyers for the trades executed on July 27, 2015. It is noted that this covered 32 entities including 29 entities listed in para 5 below.
5. The name of the entities against whom the interim order were passed are as follows:

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

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

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

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

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

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

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

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

10. Considering the fact that there are no adverse findings against the aforementioned 34 entities with respect to their role in the manipulation of the scrip of Dhyana, I am of the considered view that the directions issued against them vide interim order dated June 01, 2016 which were confirmed vide Orders dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017 qua the aforementioned 34 entities need not be continued.
11. I also note that the investigation did not find any adverse evidence / findings against Jignesh Sudhirbhai Shah, Niravkumar Surendrakumar Shah and Shah Palakben Niravkumar and also did not find their any role in the price-volume manipulation of the scrip of Dhyana.
12. In view of the foregoing, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11, 11(4) and 11B of the SEBI Act, hereby issue the following directions:
- (a) revoke the Confirmatory Orders dated August 24, 2016, October 10, 2016, October 28, 2016, November 01, 2016 and May 26, 2017 *qua* aforesaid 34 entities (mentioned at paragraph 9 above) with immediate effect and BSE shall release the pay-out of sale proceeds for the trades executed on July 27, 2015 in respect of Jyotiben Mahendrabhai Shah (PAN: ANHPS8282Q), Ankit Mahendrabhai Shah (PAN: ANTPS6591E), Fancy Augustine Christian (PAN: AOSPC1308R);
- (b) BSE shall also release the pay-out of sale proceeds for the trades executed on July 27, 2015 in respect of Jignesh Sudhirbhai Shah (PAN: BBNPS1083E),

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

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

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DATE: APRIL 24, 2018

PLACE: MUMBAI

MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA