

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11, 11(4) & 11B of the Securities and Exchange Board of India Act, 1992, read with Regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

In respect of:

Sr. No.	NOTICEE(S)	PAN
1.	Babulal M. Dugar	AEAPD5581P
2.	Manoj Kumar Dugar	AANPD6488Q
3.	Vinod Kumar Dugar	AANPD6487B

In the matter of certain entities using sham identities to transact in the securities market

BACKGROUND:

- The Securities and Exchange Board of India (SEBI), received a reference alleging *inter alia* that certain entities, namely Babulal M. Dugar, Manoj Kumar Dugar and Vinod Kumar Dugar (hereinafter collectively referred to as ‘the Noticees’) possessed multiple Permanent Account Number (PAN) cards (one in their own names and other(s) in some other names with their photographs affixed on those other PAN cards) and had opened multiple demat accounts, trading accounts and bank accounts using the forged documents (viz; multiple PANs). In this regard, the subsequent investigation by SEBI *prima facie* revealed the following entities (suspected entities) who had transacted in the Initial Public Offers (IPOs) during the period 2002 to 2012 (the investigation period).

Sr No	Name	PAN	Observations
1	Babulal Dugar	AEAPD5581P	<ul style="list-style-type: none"> Entities at Sr No. 1, 4 & 6 are the family members having same address. Entities at Sr No 4, 6 are sons of entity at Sr No 1. Sr No 1, 2 & 3 are the multiple identities of one person. Sr No 4 & 5 are the multiple identities of one person. Sr No. 6 & 7 are the multiple identities of one person.
2	Sampatmal Bucha	AKSPB5105B	
3	Subhkaran Jain	AFFPJ9593K	
4	Manoj Dugar	AANPD6488Q	
5	Karan Sethia	BGUPS6004F	
6	Vinod Dugar	AANPD6487B	
7	Sitaram Sharma	BGYPS8681L	

2. SEBI directed National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to ascertain multiple identities of the suspected entities by cross verifying the photographs affixed on their Know Your Customer (KYC) forms with Depositor Participants (DPs)/PAN cards/Application forms for PAN allotment. . On the basis of analysis of the KYC forms of the suspected entities obtained from the DPs and the information obtained from the NSDL and CDSL and Income Tax Department Delhi, the observations with respect to multiple identities of suspected entities are summarized hereunder:

Sr No	Name of entity	PANs	DP Name	Address	Photo	Observations
1	BabulalDugar	AEAPD5581P	HDFC Bank	705 Sabajanand, Opp Rajasthan High School, Shabi Bang Road, Ahmedabad-380004	Same Photo as observed on PAN cards and KYC documents, also confirmed by depositories for entities at Sr no 1, 2, 3	One person is having multiple identities viz. Babulal Dugar, Subhkaran Jain and Sampatmal Bucha.
2	Sampatmal Bucha	AKSPB5105B	HDFC Bank	At account opening form, provided same address as entity at Sr No 1. Later changed to :- "B 22 Anajmandi III Floor Chandpole Jaipur"		
3	Subhkaran Jain	AFFPJ9593K	Hem Securities Ltd	C-1, I Floor, Anajmandi, Chandpole, Jaipur		
4	ManojDugar	AANPD6488Q	HDFC Bank	Common for entity at Sr No. 1,4,6	Same Photo as observed on PAN cards and KYC documents, also confirmed by depositories for entities at Sr no 4, 5	One person is having multiple identities viz. ManojDugar and Karan Sethia.
5	Karan Sethia	BGUPS6004F	HDFC Bank Hem Securities Ltd	Same as entity at Sr No 2 - (B 22 Anajmandi IIIrd Floor Chandpole Jaipur) Same as entity at Sr No 3		
6	VinodDugar	AANPD6487B	HDFC Bank Tradeswift Broking Pvt Ltd Angel Broking Ltd	Common for entity at Sr No. 1,4,6 Same as entity at Sr No 3 72, Hira Nagar, Dcm, Ajmer Road, Jaipur-302006	Same Photo as observed on PAN cards and KYC documents, also confirmed by depositories for entities at Sr no 6, 7	One person is having multiple identities viz. Vinod Dugar and Sitaram Sharma.
7	Sitaram Sharma	BGYPS8681L	Hem Securities Ltd	Same as entity at Sr No 6 - (72, Hira Nagar, Dcm, Ajmer Road, Jaipur-302006)		

3. It was observed that subsequent to the allotment of shares in IPO, the abovementioned suspected entities transferred shares in off-market to the Noticees. On account of off market transfers of all the shares subsequent to IPO allotments from demat accounts of entities, it was observed that out of the abovementioned suspected entities, four entities, namely Subhkaran Jain, Sampatmal Bucha, Karan Sethia and Sitaram Sharma are the sham identities created by genuine entities viz. Babulal Dugar, Manoj Dugar and Vinod Dugar (the Noticees).
4. It was also observed that suspected entities have used multiple PANs in the IPO allotments and got the shares in multiple names which is fraudulent since these entities would not have been able to get multiple allotments in IPO had they not got multiple PANs. From the KYC details, it was observed that the suspected entities had opened accounts as first holders as well as second or third holders with their family members. Details of demat accounts opened by suspected entities as first holders are as follows:

Depository	Depository Participant	Babulal Dugar	SampatmalB ucha	Subhkaran Jain	Vinod Dugar	Sitaram Sharma	Manoj Dugar	Karan Sethia	Total
		AEAPD5581P	AKSPB5105B	AFFPJ9593K	AANPD6487B	BGYP8681L	AANPD6488Q	BGUPS6004F	
NSDL	HDFC Bank Ltd	31	1	-	19	-	18	1	70
	C.D. Intergrated Services Ltd	1	-	-	-	-	-	-	1
	The Kalapur Commercial Co-operative Bank	1	-	-	1	-	-	-	2
	Kotak Securities Ltd	1	-	-	-	-	-	-	1
	Axis Bank Ltd	1	-	-	-	-	-	1	2
	India Infoline Ltd	-	-	-	1	-	-	-	1
	ICICI Bank Ltd	1	-	-	-	-	-	-	1
	Aditya Birla Money Ltd	-	-	-	1	-	-	-	1
Indiabulls Securities Ltd	1	-	-	-	-	-	-	1	
Total (NSDL)		37	1	0	22	0	18	2	80
CDSL	Hem Securities Ltd	-	-	1	-	1	-	1	3
	LKP Securities Ltd	1	-	-	-	-	-	-	1
	Angel Broking Ltd	-	-	-	1	-	1	-	2
	J M Financial Services Pvt Ltd	1	-	-	-	-	-	-	1
	Bonanza Portfolio Ltd	1	-	-	-	-	-	-	1
	Maverick Share Brokers Ltd	-	-	-	1	-	-	-	1
	Reliance Securities Ltd	1	-	-	-	-	-	-	1

Fortune Equity Brokers(I) Ltd	1	-	-	-	-	-	-	1
Oswal Shares & Securities Ltd	-	-	-	-	-	1	-	1
Tradeswift Broking Pvt Ltd	-	-	-	1	-	-	-	1
Total (CDSL)	5	0	1	3	1	2	1	13
Total (NSDL + CDSL)	42	1	1	25	1	20	3	93

5. Analysis of the demat accounts of suspected entities with CDSL and NSDL revealed the following:

CDSL:

- (i) Suspected entities had opened 13 demat accounts as first holders with 10 DPs.
- (ii) Suspected entities had opened demat accounts with the different DPs and multiple accounts with same DP were not opened by any suspected entity.

NSDL:

- (i) Suspected entities had opened 80 demat accounts as first holders with 9 DPs.
- (ii) Multiple demat accounts opened by suspected entities with same DP:-
 - a) With DP HDFC Bank Ltd, Babulal Dugar, Manoj Dugar and Vinod Dugar had opened 31, 18 and 19 demat accounts respectively. All demat accounts of all suspected entities with DP HDFC have been closed.
 - b) Babulal Dugar: Out of 31 demat A/cs of Babulal Dugar opened with DP HDFC Bank, 29 accounts were closed in year 2002 whereas two accounts got closed in Year 2006. IPO credits were observed in these two accounts.
 - c) Sampatmal Bucha: Entity had opened one demat account with DP HDFC Bank in 2004 which got closed in year 2006. IPO credits were observed in this account.
 - d) Manoj Dugar : All 18 demat A/cs of Manoj Dugar with DP HDFC Bank were closed in year 2002. No IPO credits were observed in these a/cs.
 - e) Karan Sethia: Entity had opened one demat account with DP HDFC Bank in 2004 which got closed in year 2006. IPO credits were observed in this account.
 - f) Vinod Dugar: All 19 demat A/cs of Vinod Dugar with DP HDFC Bank were closed in year 2002. No IPO credits were observed in these A/cs.
 - g) Other suspected entities, viz. Subhakaran Jain and Sitaram Sharma had opened demat accounts with different DPs and multiple accounts with same DP were not opened by them.

(iii) To transact in the securities market, suspected entities had opened multiple demat accounts and bank accounts by producing documents acquired by fraudulent means viz; multiple PANs, driving license, ration cards, which were relied upon by the depository participants. Owing to this and valid PAN cards as confirmed from data available at Income Tax website, it was not detected by DPs that the multiple PANs are being used by the same person with different names.

6. It was observed that multiple identities were used by suspected entities for IPO allotments in 27 IPOs during the investigation period. The details of the same are mentioned below:

Sr No	Name of IPOs	Year of IPO allotment	Entities to whom Shares Allotted in IPO	Sr No	Name of IPOs	Year of IPO allotment	Entities to whom Shares Allotted in IPO
1	NTPC Ltd	2004	BD, KS, SB	15	NHPC Ltd.	2009	KS, SS, SJ
2	S.A.L Steel Ltd	2004	KS	16	SKS Microfinance Ltd.	2010	VD, BD, KS, SS, SJ
3	Jet Airways (India) Ltd	2005	BD, KS, SB	17	Gujarat Pipavav Port Ltd.	2010	VD, BD, KS, SS, SJ
4	Jaiprakash Power Ventures Ltd	2005	KS, SB	18	Eros International Media Ltd.	2010	VD, BD, KS, SS, SJ
5	Shopper's Stop Ltd	2005	BD, KS, SB	19	Microsec Financial Services Ltd.	2010	KS, SS
6	Nectar Lifesciences Ltd	2005	KS, SB	20	Electrosteel Steels Ltd.	2010	VD, BD, KS, SS, SJ
7	IDFC Ltd	2005	BD, KS, SB	21	Va Tech Wabag Ltd.	2010	VD, BD, KS, SS, SJ
8	HT Media Ltd	2005	BD, KS, SB	22	Oberoi Realty Ltd.	2010	VD, BD, KS, SS, SJ
9	Suzlon Energy Ltd	2005	BD, KS, SB	23	Coal India Ltd	2010	VD, BD, KS, SS, SJ
10	Punj Lloyd Ltd	2005	BD, KS	24	MOIL Ltd.	2010	VD, BD, KS, SS, SJ
11	Shree Ganesh Forgings Ltd	2005	SB	25	Punjab & Sind Bank	2011	KS, SS, SJ
12	Provogue (India) Ltd	2005	SB	26	C Mahendra Exports Ltd.	2011	VD, BD, KS, SS, SJ
13	MSP Steel & Power Ltd	2005	SB	27	Midvalley Entertainment Ltd.	2011	VD, BD, KS
14	Sasken Communication Technologies Ltd	2005	SB				

** Suspected entities:-

[Babulal Dugar(BD), Subhkaran Jain (SJ) , Sampatmal Bucha(SB), Vinod Dugar(VD) , Sitaram Sharma(SS), Manoj Dugar(MD), Karan Sethia(KS)]

7. It was noted that IPO allotments to suspected entities using multiple identities and the subsequent off-market transfers by them were done in the following manner:

(i) Sampatmal Bucha, Subhkaran Jain and Babulal Dugar (One entity):

a) Sampatmal Bucha had got IPO allotments in 12 scrips. He subsequently transferred all of these allotted shares off market to Babulal Dugar (12scrips).

- b) Subhakaran Jain had got IPO allotments in 11 scrips. He subsequently transferred all of these allotted shares off market to Kanchan Dugar (1 Scrip), Sova Dilip Jain(1 Scrip) and Bharati Rajendra Jain (9 Scrips).
- c) Babulal Dugar got allotment in 17 IPOs where his two more identities viz. Sampatmal Bucha and Subhakaran Jain had also got allotments. No subsequent off market transfers were observed in its account.

(ii) Sitaram Sharma and Vinod Dugar (One entity)

- a) Sitaram Sharma had got IPO allotments in 12 scrips. He subsequently transferred all of these allotted shares off market to Babulal Dugar (3 scrips), Babulal Dugar HUF (3 scrips), Amrav Dugar (3 scrips), Kanchan Dugar (1scrip), Sova Dilip Jain (1 Scrip) and Vinod Kumar Dugar (1 Scrip).
- b) Vinod Dugar got allotment in 10 IPOs where his one more identity, viz. Sitaram Sharma had also got allotment. No subsequent off market transfers were observed in its account.

(iii) Karan Sethia and Manoj Dugar (One entity)

- a) Karan Sethia had got IPO allotments in 23 scrips. He subsequently transferred all these allotted shares off market to Babulal Dugar (11 Scrips), Babulal Dugar HUF (3 Scrips), Kanchan Dugar (5 scrips), Sova Dilip Jain (1 Scrip) and Vinod Kumar Dugar (3 scrips).

8. Investigation observed that by using multiple identities to corner shares in the IPOs, the Noticees had made unlawful gains at the expense of genuine retail investors. Such gains have been computed by multiplying the number of shares received through IPO allotment by the difference between the closing price on BSE on the first day of listing of respective IPO and the respective issue price and the details are as under:

	Entity Name	Depository	No. of IPOs in which entity got allotment	Qty of shares allotted	Gains Made (Rs.) (notional)
Same Entities	Babulal Dugar	NSDL	7	869	40053.38
		CDSL	10	3545	39756.33
	Sampatmal Bucha	NSDL	12	1513	36230.56
	Subhakaran Jain	CDSL	11	3781	40992.28
Same Entities	Vinod Dugar	CDSL	10	3543	39741.28
	Sitaram Sharma	CDSL	12	3861	41007.33
	Karan Sethia	NSDL	10	1288	28818.81
CDSL		13	4387	41007.33	
Total					3,07,607.30

9. It was noted that the suspected entities exploited the IPO process and fraudulently made combined notional gains of Rs.3,07,607.30 at the cost of other investors.
10. In view of the above, it was alleged that the Noticees had indulged in fraudulent and unfair trade practices, thereby violating Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(a), (b), (c), (d) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (PFUTP Regulations).

SHOW CAUSE NOTICE, REPLIES AND PERSONAL HEARING:

11. Accordingly, a common notice dated November 13, 2015 (the SCN) was issued to the Noticees asking them to show cause as to why appropriate directions in terms of Section 11(1), 11(4) and 11B of the SEBI Act, 1992 including disgorgement of unlawful gains should not be passed against them for the violations alleged to have been committed by them.
12. The SCNs were duly delivered to the Noticees by Registered Post Ack. Due. The Noticees vide letters dated March 27, 2018 and March 27, 2019 made their preliminary submissions and denied the allegations. Vide the said letters, the Noticees submitted *inter alia* that it was apparent from the SCN that neither the investigating officer nor the officers of NSDL or CDSL had seen the original PAN Cards or the KYC documents obtained from Stock Broker or DP or bank or the photographs of the Noticees and other entities. It was erroneous and against all rules of evidence to infer a similarity of photographs on the basis of analysis of KYC forms obtained from NSDL, CDSL and Income Tax Department, Delhi, without verifying the same with the original PAN Cards or photographs of the Noticees. The Noticees further submitted that the originals of the PAN cards, KYC documents and photographs used for such an inference along with originals should be made available to the Noticees. Further, in the absence of records, it is essential that the officers who made such comparisons and the inferences regarding matching or resemblance of photographs be examined by the Noticees. The Noticees also made a request to examine the officers of SEBI, CDSL and NSDL as well as the officers of the broker, the DP or the bank who verified the PAN Cards, photographs and proof of identity/address to register the Noticees as their customers.

13. In the meantime, upon receipt of requests from the Noticees, inspection of various documents (including colour copies of original KYC documents of the entities) was provided to the Noticees on May 05, 2017 and April 16, 2018. Copies of various documents (including investigation report and its annexures and scan copies of original KYC Documents and transaction statements of the entities involved in the matter) were also provided in Compact Discs to the Noticees vide letter dated June 28, 2017 and August 10, 2017 and during inspection on April 16, 2018.
14. Subsequently, the Noticees vide their letter dated May 03, 2019, apart from reiterating the submissions made earlier, made *inter alia* the following submissions:
- (a) The Noticees are engaged into the business of trading in oilcakes in Ahmedabad, Jaipur and other places for more than 2 decades. They also invest in shares of listed companies and other securities.
 - (b) The Income Tax Department, which issues PANs, has not confirmed that any of the referred PANs were fraudulently obtained or that any of the entities holding such PANs were sham entities, as alleged by SEBI. SEBI has also not obtained any forensic report in this regard. Thus, the allegations against the Noticees are mere conjectures.
 - (c) SEBI has relied only on the colour photocopies of the KYC documents. In the absence of original documents, it is erroneous to conclude that the PANs belonged to sham entities or to the Noticees or that multiple bank/demat accounts were opened by the Noticees.
 - (d) Off-market transfers of shares which were allotted in various IPOs were in normal course of business and in a manner permitted by law.
 - (e) The Noticees opened demat, trading and bank accounts on the basis of PANs allotted to them by the Income Tax Department. Even as per SCN, Noticee no. 2 did not apply for and was not allotted any shares in the IPOs examined by SEBI. The Noticees deny that they had multiple PANs as falsely alleged.
 - (f) The Noticees had opened joint accounts along with their respective family members in the normal course of business. It is not SEBI's case that any of the Noticees opened a joint account along with the alleged sham entities. It is also not SEBI's case that the said joint accounts were used for any fraudulent or illegal activities in

relation to the IPOs. The Noticees opened multiple accounts with the same DPs in the normal course of business.

- (g) No details of alleged notional gains made by the Noticees have been provided in the SCN. Accordingly, the alleged notional gains mentioned in the SCN is false and unjustified. In any event, it is erroneous to compute notional gains on the basis of closing price on BSE on the day of listing of respective shares rather than the sale price, if any.
15. The Noticees were granted an opportunity of personal hearing on May 09, 2019 during which they reiterated their contentions made earlier, including the request for inspection of original documents and cross-examination of officers of CDSL, NSDL, SEBI etc., as referred to in para 12 above. During the hearing, it was explicitly clarified to the Noticees that inspection of all the relevant documents available with SEBI had already been granted. The Noticees request regarding cross-examination of various persons was turned down, since the inferences drawn against the Noticees were not based merely on statements or opinions but on documentary evidences and off-market transactions between the entities.
16. Subsequently, the Noticees vide their letter dated May 27, 2019 made written submissions reiterating their earlier submissions and citing various case laws in their support. They also submitted that it was apparent from the copies of documents provided to the Noticees by SEBI that the faces in photographs of the alleged sham entities did not resemble the face of any of the Noticees. Further, since they had no reason to apprehend that their photographs or any of their identity documents were misused by anyone or that any fraud or crime was committed by any person using documents relating to their personal identity, they did not file a complaint with the police in this matter. As regards the off-market transfers by the suspected entities to the Noticees, the Noticees submitted that it was SEBI's own finding that no shares were transferred to the Noticee no. 2. The Noticees further submitted that the transactions in off-market mode to the Noticee nos. 1 and 3 were in normal course of business.

CONSIDERATION OF ISSUES:

17. I have considered the facts and allegations in the SCN, the replies of the Noticees and the material available on record. I find that there are serious allegations against the Noticees of creating sham identities by possessing multiple PANs (one in own name and others in

names of sham entities). Upon careful examination of the records, I note that the photographs of the Noticees, as appearing on the copies of their Account Opening Form / KYC documents, bear close resemblance with those of the corresponding suspected entities, viz. Sampatmal Bucha, Subhkaran Jain, Sitaram Sharma and Karan Sethia, as alleged in the SCN. In fact, in the case of Noticee no. 2 (Manoj Kumar Dugar), the resemblance between his photograph and that of the corresponding fictitious entity (i.e. Karan Sethia), as appearing on the respective Account Opening Forms is so striking that both the photographs look almost identical and the only noticeable difference seems to be with respect to the angles from which they have been clicked. The said photographs show one and the same person and even the shirt worn by him in those photographs looks identical. I note that the Noticees have vehemently denied having created sham identities. However, even if I consider that the close resemblance between the photographs of the Noticees and those of the alleged fictitious entities is mere coincidence, I note that the Noticees have not been able to explain the various off-market transfers of shares which have taken place from the demat accounts of the abovementioned sham entities to those of the Noticees and the entities related to them, subsequent to allotment of shares in IPOs.

18. It is noted that during 2004 to 2011, there were a total of 27 IPOs where sham identities were allotted shares. In this regard, it is further noted that Sampatmal Bucha and Subhkaran Jain, the two sham identities created by Babulal Dugar, were allotted shares in 12 and 11 scrips respectively. The said two sham entities were found to have transferred these shares to Babulal Dugar and other entities who were relatives of the Noticees. Babulal Dugar had got allotment in 17 IPOs where Sampatmal Bucha and Subhkaran Jain (the sham identities created by Babulal Dugar) had also got allotment. Similarly, Sitaram Sharma, the sham identity created by Vinod Dugar, had been allotted shares in 12 IPOs which were subsequently transferred to Vinod Kumar Dugar, Babulal Dugar and other entities related to the Noticees. Vinod Dugar had got allotment in 10 IPOs where Sitaram Sharma, the sham identity created by Vinod Dugar, had also got allotment. Similarly, Karan Sethia, the sham identity created by Manoj Dugar, had got shares in 23 IPOs which were subsequently transferred to Babulal Dugar, Vinod Kumar Dugar and other entities related to the Noticees.

19. I note that the Noticees have denied knowing these sham identities and have merely contended that the off-market transactions had taken place in the normal course of business. However, I find that the said contention is bereft of any credibility since it is a fact that off-market transactions happen only between parties known to each other. In respect of the off-market transfers by the fictitious entities, the Noticees have failed to provide any explanation as to who these allegedly fictitious entities were, how they knew them and why they had entered into off-market transactions with them. I find the same to be a clinching piece of evidence which is, given the similarity in photographs in the KYC documents, sufficient to establish the allegations of creating sham identities against the Noticees.

20. The Noticees have not been able to effectively rebut the allegations against them with credible explanations. The Noticees have contended that the Noticee no. 2, Manoj Dugar, had not applied in any IPO. However, in this regard I find that though he had not applied for any IPO, Karan Sethia, his corresponding fictitious entity had got shares in 23 IPOs which were subsequently transferred to Babulal Dugar, Vinod Dugar and other entities related to the Noticees. Given the overwhelming similarity between the photographs of Manoj Dugar and Karan Sethia in the Account Opening Forms, as discussed above, and the abovementioned off-market transfers from the account of Karan Sethia to the Noticees and their related entities, there is no doubt regarding the complicity of the Noticee no. 2 in the entire fraud. As regards the Noticees' submissions regarding SEBI not providing them with the original PANs and documents of the suspected entities for their examination, I note that the same is merely a lame excuse to wriggle out of the present proceedings, since the colour copies of the documents, as available with SEBI, have already been provided to the Noticees. Further, in any case, the original documents pertaining to the fictitious entities, like PAN Card, cannot be produced by SEBI since the same must be in the custody of the Noticees themselves who are charged with creating such fictitious identities. Thus, I do not find merit in the submissions of the Noticees.

21. In view of the above, I find that the Noticees by creating false identities and cornering shares in IPOs at the cost of genuine investors have indulged in fraudulent and unfair trade practices, thereby violating Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations.

22. I note from records that the Noticees have made unlawful gains of Rs.3,07,607.30 in the entire fraud committed by them and the year-wise breakup of the same is given below. Needless to say, the said illegal gains have to be recovered from them, along with interest.

Year	Amount of Notional Gain (Rs.)	Simple Interest @12% p.a. on the year-wise notional gains calculated from the first day of the next year till the date of the order i.e. 20.12.2019 (Rs.)
2004	11474.1	20608
2005	93628.65	156927
2009	1497.3	1791
2010	198271	213350
2011	2736.25	2616
Total	3,07,607.30	395292

23. The Noticees' act of creating sham identities to corner shares in the IPOs at the cost of genuine investors is detrimental to the securities market. Such unscrupulous practices threaten the market integrity and orderly development of the market and call for regulatory intervention to weed out such unscrupulous practices. Thus, it is in the fitness of things that entities indulging in such practices are kept outside the market activities. Accordingly, I find that it is a fit case for issuance of suitable directions in the interest of the securities market.

ORDER:

24. I, in exercise of the powers conferred upon me under Section 19, read with Sections 11, 11(4) and 11B of the SEBI Act, 1992 read with Regulation 11 of the PFUTP Regulations, hereby issue the following directions:

- (a) Mr. Babulal M. Dugar, Mr. Manoj Kumar Dugar and Mr. Vinod Kumar Dugar shall not buy, sell or deal in the securities market in any manner whatsoever, or access the securities market, directly or indirectly for a period of seven years from the date of this order.
- (b) Mr. Babulal M. Dugar, Mr. Manoj Kumar Dugar and Mr. Vinod Kumar Dugar shall, jointly and severally, disgorge the unlawful gain of ₹ 3,07,607/- along with interest of Rs.3,95,292/- (i.e. total amount to be disgorged is Rs.7,02,899/-).

- (c) The above named Noticees shall pay the amount, as directed above, within 45 days from the date of this Order either by way of demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai or by e-payment to SEBI account as detailed below:

Name of the Bank	Branch Name	RTGS Code	Beneficiary Name	Beneficiary Account No.
Bank of India	Bandra Kurla Complex	BKID 0000122	Securities and Exchange Board of India	012210210000008

- (d) In case of Noticees making e-payment, they shall forward the details and confirmation of the payments so made to the Enforcement department of SEBI for their records as per the format reproduced hereunder:

1. Case Name:	
2. Name of the payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction No.:	
6. Bank Details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details:	

- (e) In case the aforesaid direction for disgorgement of the unlawful gains along with interest is not complied within the stipulated time, Mr. Babulal M. Dugar, Mr. Manoj Kumar Dugar and Mr. Vinod Kumar Dugar shall be restrained from accessing or buying, selling or otherwise dealing in the securities market in any manner whatsoever, for a further period of 5 years, over and above that mentioned at para 24(a) above, without prejudice to any action for recovery of such amounts that may be initiated by SEBI against them.
- (f) The exchanges and depositories shall ensure that the PANs belonging to fictitious entities, viz. **AKSPB5105B** (Sampatmal Bucha), **AFFPJ9593K** (Subhkaran Jain), **BGUPS6004F** (Karan Sethia) and **BGYPS8681L** (Sitaram Sharma) are not allowed to be used, in any manner, for transacting in the securities market.

25. This Order shall come into force with immediate effect.
26. This Order shall be served on all recognized stock exchanges and depositories to ensure necessary compliance.
27. A copy of this order shall also be served on the Income Tax Department, for action as deemed appropriate at their end.

DATE: December 20, 2019
PLACE: MUMBAI

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA