BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. IVD/WOL/AO/DRK/ASG/EAD3-82/2009]

UNDER SECTION 15 I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5(1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

Against
Shri Rameshchandra K. Jain
PAN: ADIPJ1942R
(having address at 16, Venu Apartment, Kesar Bagh,
B.J. Deorukhar Road,
Naigaon, Dadar (East),
Mumbai-400014)

FACTS OF THE CASE IN BRIEF

1. Wellworth overseas Ltd. (hereinafter referred to as '**WOL**') was originally incorporated under the name of Premier Fincaps Ltd., as a public limited company on July 13, 1995 to undertake fund and non-fund based activities. The company came out with a public issue in March 1996. The trading in the scrip was suspended from September 8, 1997 to October 23, 2001 due to non-compliance of the Listing Agreement. BSE revoked the suspension with effect from October 24, 2001. On January 16, 1998 the company changed its name to Wellworth Overseas Ltd. The company has changed its registered office twice in the year 2002 and 2005.

2. During the financial year 2002-03 WOL incurred a loss of Rs 1.78 lakhs on a total income of Rs 2.34 lakhs. For the year ended 2003-04 WOL incurred a loss of Rs 2.40 lakhs on income of Rs 2.25 lakhs on an equity capital of Rs 10.26 crore.

3. BSE conducted an investigation into the trading of the scrip Wellworth Overseas Ltd. (hereinafter referred to as '**WOL**') on the basis of an offline alert. The period of investigation was January 01, 2003 to October 30, 2003. The major Observations of BSE were that the major buying and selling clients in the scrip were connected /related to each other and with WOL and with a certain group of entities called the Parklight Group. WOL itself appears to be a Parklight group company. The volumes in the scrip were created artificially amongst these entities and they contributed to almost 80 per cent of the total market volumes during the entire period of investigation. Self trades, circular trading, synchronized/ structured trades and reversal of trades amongst various other members were also observed with almost negligible deliverable position thus contributing to the artificial volumes in the scrip. Based on the above facts, SEBI conducted an investigation relating to buying, selling or dealing in the shares of WOL for the period from January 01, 2003 to October 23, 2003 (hereinafter referred to as the '**Investigation Period'**).

4. It has been observed in the Investigation Report (hereinafter referred to as the '**IR**') that the scrip was last traded on July 03, 1997 for 100 shares at Rs 0.15. There was no trading in the scrip from the date of revocation of suspension till the beginning of the investigation period. During the period of investigation the scrip went for stock split from Rs 10 face value to Re 1.00 face value with effect from July 29, 2003. Accordingly the period of investigation is divided into two parts viz. Pre Stock Split period i.e from January 01, 2003 to July 28, 2003 and Post Stock Split period i.e. from July 29, 2003 to October 30, 2003

5. During the Pre Stock Split period the scrip recorded a volume of 36,53,573 shares on BSE. The scrip was traded for 66 days. There was no trading from January 01, 2003 to February 24, 2003. On February 25, 2003 the scrip was traded at Rs 0.15. Thereafter the price of the scrip moved up from Rs 0.15 on February 25, 2003 to a high of Rs 7.35 on June 25, 2003 and then closed at Rs 6.66 on July 09, 2003. The record date for stock split was July 21, 2003. During the Post Stock Split period the scrip recorded a volume of 8,62,451 shares on BSE. The scrip was traded for

50 days. The adjusted price of the scrip after the stock split was Re 0.69 on July 29, 2003. The scrip moved up from Re 0.69 on July 29, 2003 to a high of Rs 3.15 on October 10, 2003 and then came down to Rs 1.89 on October 30, 2003.

6. The IR observed that in the pre Stock Split Period 5 different groups of stock brokers / sub brokers and clients had done circular / reversal trades which were synchronized/ structured in nature and which created artificial volume. One of the groups (Group 4) was identified as consisting of:

i. Rameshchandra K Jain (hereinafter referred to as '**the noticee'**) and Rajesh Kantilal Shah, trading through the stock broker Galaxy Broking Ltd.
ii. Laxmanbhai Patel trading through the stock broker Ramaben Samani Finance Pvt. Ltd.
iii. NCJ Shares& Stock Brokers Ltd. trading on its own account and
iv. Sayyed Mustaffa trading through the stock broker Bharati Thakkar.

APPOINTMENT OF ADJUDICATING OFFICER

7. I was appointed as the Adjudicating Officer (subsequent to the transfer of Shri Biju S.) vide order dated December 10, 2008, under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the **'SEBI Act'**), read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) to inquire into and adjudge under Section 15HA of the SEBI Act, the violations of Regulations 3, 4 (b) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 (hereinafter referred to as '**PFUTP Regulations 1995'**) read with Regulations 4(1), 4(2)(a), (b) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as the **'PFUTP Regulations 2003'**) alleged to have been committed by the noticee.

SHOW CAUSE NOTICE, HEARING AND REPLY

8. A Show Cause Notice A&E/BS/ASG/124430/2008 dated April 30, 2008 (hereinafter referred to as '**SCN**') was served on the noticee in terms of the provisions of the Adjudication Rules by Registered Post Acknowledgment Due requiring it to show cause as to why an inquiry should not be held against him and why penalty, if any, should not be imposed on him under Section 15HA of the SEBI Act in respect of the violations alleged to have been committed by the noticee.

9. In the SCN it was alleged that during the Investigation Period, the noticee created artificial volume in the scrip of WOL. In this regard, it was also observed that during the said period the noticee in collusion with the stock brokers and clients mentioned in para 6 had executed circular/ reversal trades which were synchronized/ /structured in nature and which resulted in the creation of artificial volume. These actions amounted to execution of non-genuine trades and misuse of the stock exchange mechanism.

10. The noticee replied to the SCN vide his letter dated May 26, 2008 wherein he denied all the allegations levelled against him and he mainly stated the following:

i. The PFUTP Regulations 2003 did not apply in the present case since the trades had taken place in June 2003 and PFUTP Regulation 2003 came into force in July 2003.

ii. He was a genuine investor who was doing intra-day trading and he had done transactions in other scrips as well.

iii. He did not know the counter party brokers or clients. Once he placed orders in the system he had no means to know how , when and at what price they would get matched.

iv. He asked for condoning the delay in filing the reply to the SCN due to health reasons.

v. The total market volume was 45,16,024 shares during the investigation period and out of this volume the noticee traded for 16,210 shares (matched between the noticee and other entities mentioned in the investigation report) which amounted to 0.358 % of the total volume.

vi. The noticee traded for only 5 days in the scrip of WOL during the investigation period.

vii. The price of the scrip rose from .15 paisa to Rs. 33. The noticee only traded in the range of Rs. 5 to Rs. 7 and thus, he was not instrumental in causing the price rise.

viii. He had been the introducer of certain people in the normal course of business but he did not join hands with them in the manipulation of the price of the scrip of WOL.

11. Considering the facts and circumstances of the case, a personal hearing notice dated June12, 2009 was served on the noticee granting him an opportunity of hearing on July 10, 2009. The noticee sought an adjournment of the hearing vide his letter dated August 03, 2009 citing ill health. Subsequently, a final hearing notice dated September 04, 2009 was served on the noticee granting him a final opportunity of hearing on September 18, 2009.

12. The noticee appeared for the hearing and reiterated the submissions made in his reply dated May 26, 2008. He has stated that he traded for only 5 days during the investigation period, out of the total trading days of 180 trading days. He traded for only 16,210 shares out of a total volume of 45,16,024 shares during the investigation period. The noticee submitted that he did not know any of the promoters or directors of Wellworth Overseas Ltd. or any member of the Parklight group. The noticee

submitted that he had introduced Shri Laxmanbhai Patel and Shri Rajesh K. Shah on request from the stock broker in good faith and did not know these two clients personally. There was no fund/ share transfer between Shri Shah, Shri Patel and the noticee. The noticee also submitted that he was in the business of share trading for a period of 7 to 8 years and he is no more in this business since the last 2-3 years and he had mainly incurred losses in the business. The noticee submitted that he had dealt through five stock brokers.

13. A further reply dated September 25, 2009 was received form the noticee in which he requested that a lenient view be taken in the matter due to his ill health. He had attached a copy of his bank pass book to show that there were no transactions in his account in the last 3 years.

14. Vide a letter dated November 11, 2009 (sent by Hand Delivery), comments were sought from the noticee on the submissions made by one Shri Piyush M. Shah during the personal hearing held on June 09, 2009 related to his trades in the scrip of WOL. During the personal hearing on June 09, 2009 Shri Shah had made submissions about the trades of Shri Rameshchandra Jain which mainly included that Shri Jain used to be in the business of paying cash in lieu of shares at a discount, without waiting for pay-out. These shares were transferred to Shri Jain in off-market transactions which Shri Jain used to offload via the various accounts that he was operating/ controlling. For operating both bank/ demat accounts Shri Jain was paying a monthly charge to the bank account holder/ beneficial owners.

15. In response to the aforesaid letter, Shri Jain vide his letter dated November 19, 2009 denied all the charges leveled against him by Shri Piyush. He submitted that he had never used any one else’s name except for his son Shri Vipul Jain and that he had no connection or association with any person involved in the matter.

CONSIDERATION OF EVIDENCE AND FINDINGS

16. I have taken into consideration the facts and circumstances of the case, the submissions made by the noticee and the material made available on record.

17. The allegations against the noticee is that the noticee, along with the members of the group mentioned in para 6, had executed circular/reversal trades which were synchronized/ structured in nature and indulged in non-genuine transactions in the scrip of WOL during the pre stock split period.

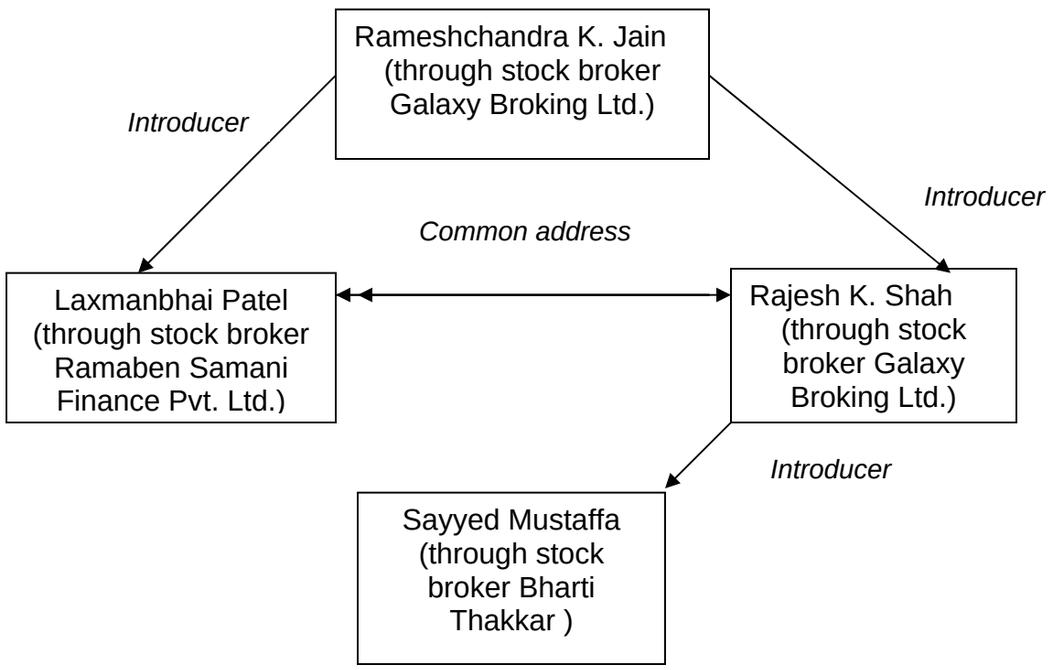
18. The Investigation Report has provided the following details regarding the trading among the group mentioned in para 6:

Members	Own Account / Client	No of Days Traded During the Period / No of Days Done Circular Trading	Buy Qty Being Part of Circular traded Qty	Buy Qty as % to Market Volume	Sell Qty Being Part of Circular traded Qty	Sell Qty as % to Market Volume
Galaxy Broking Ltd.	**Rameshchandra K Jain**	**5 / 5**	**16,210**	**2.57**	**16,210**	**2.57**
Ramaben Samani Finance Pvt. Ltd.	Laxmanbhai Patel	14 / 14	61,060	9.69	66,560	10.56
Galaxy Broking Ltd.	Rajesh Kantilal Shah	8 / 8	36,400	5.78	36,400	5.78
NCJ Shares & Stock Brokers Ltd.	Own A/c	14 / 14	70,110	11.12	64,660	10.26
Bharati Thakkar	Sayyed Mustaffa	3 / 3	12,450	1.98	12400	1.98
Total			**196,230**	**31.14**	**196,230**	**31.14**
Market Vol on BSE		14 / 14	**630,280**	**100.00**	**630,280**	**100.00**

19. It has been observed from the IR that the group was observed to be entering into circular / reversal of trades which were synchronized / structured in nature for 1,96,230 shares in 911 trades (61 buy orders and 62 sell orders) and accounted for 31.14% of the market volume of 6,30,280 shares during the patch June 2, 2003 to June 13, 2003 and June

23, 2003 to June 27, 2003. The time difference between the respective buy order time and sell order time for 852 trades (181,930 shares) ranged from 0 Sec to 55 Sec and for 59 trades (14,300 shares) ranged between 1 min to 2min 9 sec. The pattern of trading was such that shares sold by one broker were purchased by the second broker who in turn used to sell it to the third broker and so on. Sometime the two brokers would reverse the position within the same day thus creating artificial volume.

20. Further, connection among the entities acting in concert is seen. It is noted from the investigation report that from the details furnished by the stock brokers it is observed that the noticee introduced Shri Rajesh Kantilal Shah to Galaxy Broking Ltd. and also introduced the Laxmanbhai Patel to Ramaben Samani Finance Pvt. Ltd. Rajesh Kantilal Shah also introduced Shri Sayyed Mustaffa to his stock broker Bharati Thakkar. Moreover, it is noted from the records made available that Rajesh Kantilal Shah and Laxmanbhai Patel share a common address. The nexus between the entities mentioned in para 6 is graphically represented in the following chart:



21. The IR alleged that, among the group which indulged in such circular/ reversal trades which were synchronized/structured in nature, the noticee

trading through his stock broker purchased 16,210 shares (which amounted to 2.57% of the market volume) and sold 16,210 shares (which amounted to 2.57% of the market volume) through such circular/ reversal trades. From the order log trade log of the group as a whole it appears that the buy and sell order quantities and rates were similar or identical in most of the cases and the time difference between placing the buy and sell order ranged from 0 seconds to 55 seconds and in most cases the buy order and sell order time are exactly the same. Hence, the orders of most of these trades appear to be structured/ synchronized. It suggests that the orders were punched in/ placed with preconceived motive and with prior arrangement that the orders would be picked up by a particular client(s) and broker(s) on the opposite side.

22. From the order log trade log of the noticee the details about the noticee's trading during the Investigation Period is revealed. This is similar to the pattern of trading of the group (Group 4) described in the Investigation Report as stated in the previous paragraphs. It is observed that there is a time difference of 0 to 55 seconds only between the placing of the buy order and the sell order. In some cases the buy and the sell orders are placed at the same time. The buy order quantities as well as the sell order quantity are identical. The buy order price and the sell order price are also identical. The noticee's order log trade log shows that he had undertaken such transactions on five trading days from June 02 to June 27, 2003.

23. Though the noticee's trades were not in the beginning or at the end of the price range as argued by the noticee, it should be understood that as in a relay race the importance of team member is equi – vital, irrespective of whether his position is at the beginning, in between or at the end of the relay race.

24. The noticee's trades also reveal a pattern which is circular /reversal in nature. For example, on June 10, 2003 NCJ Share and Stock Broker Ltd. (trading on its own account) sold 3000 shares to the Laxmanbhai Patel (trading through the stock broker Ramaben Samani Finance Pvt. Ltd.). Laxmanbhai Patel in turn sold these 3000 shares to the noticee (trading

through the stock broker Galaxy broking Ltd.). The noticee in turn sold the 3000 shares to NCJ Share and Stock Broker Ltd. Thus, the same 3000 shares were traded in a circular fashion among these entities thus reversing their positions. This can be illustrated in a tabular form as follows:

Date	Selling Member	Sell Client	Buying Member	Buy Client	Quantity traded
June 10, 2003	NCJ Share and Stock Broker Ltd.	NCJ Share and Stock Broker Ltd.	Ramaben Samani Finance Pvt. Ltd.	Laxmanbhai Patel	3000
	Ramaben Samani Finance Pvt. Ltd.	Laxmanbhai Patel	Galaxy Broking Ltd.	Ramesh K. Jain	3000
	Galaxy Broking Ltd.	Ramesh K. Jain	NCJ Share and Stock Broker Ltd.	NCJ Share and Stock Broker Ltd.	3000

25. The noticee indulged in circular/ reversal trades in a synchronized/ structured pattern. The buy and sell orders were placed exactly at the same time. Most of the transactions carried out by the noticee between June 02 and June 27, 2003 were through synchronized orders. The buy orders and sell orders were placed at the same time. The following are examples of synchronized trading between the noticee and Laxmanbhai Patel (trading through the stock broker Ramaben Samani Finance Pvt. Ltd.) and NCJ Shares and Stock Broker Ltd. (trading on its own account) on June 23,24 and 26 2003.

Trade date	**Trade Qty**	**Counter Party Member**	**Trade price (in Rs.)**	**Buy Order time**	**Sell Order time**	**Trade time**	**Time Diff**	**Diff between buy and sell order quantity**	**Diff between buy and sell order rate**
23.06.2003	330	Ramaben Samani	6.67	14.30.09	14.29.54	14.30.09	00:00:15	0	0
24.06.2003	60	Ramaben Samani	7	15.08.34	15.08.33	15.08.34	00:00:01	0	0
26.06.2003	330	NC J	7	14.53.00	14.53.00	14.53.00	00:00:00	0	0

All the transactions undertaken by the noticee from June 02 to June 27, 2003 reveal this pattern. However, the IR has observed that the trades did not affect the price of the scrip but created artificial volume.

26. I have taken into consideration the facts and circumstances of the case and the material made available on record. The allegations against the noticee in the SCN are that it executed circular/ reversal trades which were synchronized / structured in nature which created artificial volume and indulged in non-genuine transactions in the scrip of WOL and misused the stock exchange mechanism during the Investigation Period. I have noted that there were numerous trades in the scrip which were carried out with a few counter party clients (Group 4) mentioned in the table in para 18 on a daily basis for a period of five days.

27. In this case, it becomes necessary to quote the judgment of the Hon'ble Securities Appellate Tribunal (hereinafter referred to as **'SAT'**), in *Ketan Parekh Vs. Securities and Exchange Board of India* (Appeal No. 2 of 2004), wherein it was observed that:

"A synchronised transaction will,however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."

28. Also the Hon'ble SAT, in *Nirmal Bang Securities Pvt. Ltd Vs SEBI* (Appeal no. 54-57/2002), observed as follows:

"Synchronized trading is violative of all prudential and transparent norms of trading in securities. Synchronized trading on a large scale can create false volumes… There are many transactions giving an impression that these were all synchronized, otherwise there was no possibility of such perfect matching of quantity price etc….. In a synchronized trading intention is implicit."

29. In the case of *Ashok K Chaudhary v SEBI*, (Appeal No 69 of 2008), dated November 5, 2008, the Hon'ble SAT observed that :

"*such large number of reverse trades cannot take place through the mechanism of the system. These have obviously been manipulated. Moreover, reverse trades are fictitious trades meant to increase volumes on the screen of the trading system as there is no change of beneficial ownership in the traded shares*".

30. The Hon'ble Supreme Court of India in the matter of *SEBI Vs. Shri Ram Mutual Fund* [2006] 68 SCL 216(SC) held that :

"*once the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established, then the penalty is to follow*".

The orders passed by the Hon'ble SAT / Supreme Court of India are relied upon in this case for guidance.

31. In view of the above findings it can be concluded that the noticee has violated Regulations 3, 4 (b), of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with Regulations 4(1), 4(2) (a), (b) and (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 . The text of the said provisions is as follows:

SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 1995:

"3. Prohibition of certain dealings in securities:
No person shall buy, sell or otherwise deal in securities in a fraudulent manner.

4. Prohibition against Market Manipulation

No person shall –

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

SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003:

"**4**. **Prohibition of manipulative, fraudulent and unfair trade practices**

(1) Without prejudice to the provisions of Regulation 3[1], 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;

…….

(b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

……

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

32. The noticee's submission regarding the non-applicability of the PFUTP Regulations of 2003 cannot be accepted since Regulation 13(3) of the 2003 Regulations which deals with Repeals and Savings states that:

> "13. (3) Notwithstanding repeal of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995, any investigation pending, at the commencement of these regulations shall be continued and disposed of in accordance with the procedure laid down in these regulations."

However, the delay on the part of the noticee in replying to the SCN has been condoned keeping in mind his ill health.

33. The said violations attract penalty under section 15HA of the SEBI Act which provides that:

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[1] Regulation 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.

"15HA. Penalty for fraudulent and unfair trade practices- If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."

34. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Rules require that while adjudging the quantum of penalty, the adjudicating officer shall have due regard to the following factors namely;

a. the amount of disproportionate gain or unfair advantage wherever quantifiable, made as a result of the default

b. the amount of loss caused to an investor or group of investors as a result of the default

c. the repetitive nature of the default

35. It can be concluded from the facts made available on record that the noticee has executed circular/ reversal trades which were synchronized / structured in nature, in violation of the provisions of the PFUTP Regulations. Further, it can also be concluded that the noticee indulged in the creation of artificial volume in the scrip of WOL and misuse of the stock exchange mechanism. It is also to be noted that the Investigation report has not quantified the profit/ loss for the nature of violations / transactions carried out by the noticee and no quantifiable figures are made available on record to assess the disproportionate gain or unfair advantage and amount of loss caused to an investor or group of investors as a result of the fraudulent practices and non-genuine transactions.

36. From the trade volume of the noticee it is seen that he had purchased 16,210 shares (which amounted to 2.57% of the market volume) and sold 16,210 shares (which amounted to 2.57% of the market volume) through circular/ reversal trades which were synchronized/structured in nature. In fact, the objective of such non genuine/ circular/ reversal/ synchronized trades, as has been undertaken by the noticee and the group is to create a false impression about the value of the scrip/ demand for the scrip and then take advantage of it, since the common investors will be vulnerable to be misled by the falsely created high volume. In this case the group

indulged in this fraudulent activity and the noticee was a member of the group.

37. In view of the above, I impose a penalty of Rs. 40,000/- (Rupees Forty Thousand only) on the noticee under Section 15 HA of the Securities and Exchange Board of India Act, 1992, which is appropriate in the facts and circumstances of the case.

ORDER

38. In exercise of the powers conferred under Section 15 I of the Securities and Exchange Board of India Act, 1992, and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, I impose a penalty of of Rs. 40,000/- (Rupees Forty Thousand only) on Shri Rameshchandra K. Jain (PAN: ADIPJ1942R) having his address at 16, Venu Apartment, Kesar Bagh, B.J. Deorukhar Road, Naigaon, Dadar (East), Mumbai-400014 in terms of the provisions of Section 15HA of the Securities and Exchange Board of India Act,1992 for the violation of the provisions of Regulations 3, 4 (b) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with Regulations 4(1), 4(2)(a), (b) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. In the facts and circumstances of the case, I am of the view that the said penalty is commensurate with the violations committed by the noticee.

39. The penalty shall be paid by way of demand draft drawn in favour of “SEBI – Penalties Remittable to Government of India” payable at Mumbai within 45 days of receipt of this order. The said demand draft shall be forwarded to the General Manger- ID-8, Securities and Exchange Board of India, Plot No. C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

40. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, copies of this order are being sent to Shri Rameshchandra K. Jain and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai

Date: November 26, 2009

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER