BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER

ORDER

Under Section 11 and 11B of the SEBI Act, 1992 read withRegulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 against Platinum Corporation Ltd. and 39 Others.

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1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") received a complaint dated May 12, 2008 *inter alia* alleging thatpromoters of Platinum Corporation Ltd. (hereinafter referred to as "**Platinum Corporation"/ "the company"**) and certain entities connected/related to the company had (i) sold a substantial stake in the company and several persons holding more than one percent share in the company were dummies and that (ii) the company made several misleading and incorrect corporate announcements.

Brief background of the Company-

2.1 Platinum Corporation was incorporated on July 17, 1992 in the name of *Kanugo Lease and Investment Ltd.* Subsequently, the company changed its name to *Pentium Mercantile Ltd.* with effect from February 13, 1997, then to *Pentium Infotech Ltd.* with effect from May 19, 1999 and to Platinum Corporation Ltd. on June 08, 2007. The company came out with a public issue in the year 1996 and issued 67,00,000 shares of Rs.10/- each at par aggregating to Rs. 670 lakh. The shares are listed on Bombay Stock Exchange (BSE), w.e.f. January 09, 1997. The shares of the company were earlier listed in Ahmedabad Stock Exchange (ASE) and Vadodara Stock Exchange (VSE).

2.2 The details of Directors of Platinum Corporation are as under:

	Name of the Directors	Date of appointment	Date of Resignation/cessation
1.	Pratik Rameshchandra Shah	Information regarding original appointment not available	26/12/2005
		04/10/2008	Continues to be a member of the Board*
2.	Nikita Baldevbhai Dave	Information regarding appointment not available	26/12/2005
3.	Anindo Achinto Banerjee	26/12/2005	Continues to be a member of the Board *
4.	Dhrumal Kishor Vaidya	26/12/2005	Continues to be a member of the Board *
5.	Pranav Ashok Amrutlal	Information regarding appointment not available	29/07/2006
6.	Kaushal A. Shah	Information regarding appointment not available	01/12/2006
7.	Jignesh Dineshchandra Shah	29/07/2006	13/02/2008
8.	Jayesh Dineshbhai Shah	01/12/2006	13/02/2008
9.	Krunal Navnitbhai Patel	13/02/2008	12/12/2008
10.	Pragnesh Ramanlal Patel	13/02/2008	26/11/2008
11.	Bipinchandra Ratilal Gadhiya	03/10/2008	06/10/2008
12	Dinkar Bhanuprasad Shreemali	04/10/2008	Continues to be a member of the Board **
13	Mitul Chetankumar Shah	26/11/2008	28/11/2008

*As per last shareholding pattern filed by the company with BSE

**As per MCA website

Investigation by SEBI-

3.1 SEBI conducted investigation into buying, selling or dealing in the scrip of Platinum Corporation. Investigation *inter alia* revealed several irregularities, including misleading corporate announcements and reporting of incorrect financial results by the company and its directors/promoters, accompanied by offloading more than 90% of equity capital of the company by certain connected entities/persons of the company and its directors/promoters, thereby making a profit to the tune of Rs. 12 crore at the cost of innocent investors. Investigation also revealed that the company and its directors misled investing public by providing incorrect information on promoters' shareholding for 11 quarters (*i.e* from March 2005 till September 2007). The shareholding patterns of the promoters provided by the company to BSE, as on March 31, 2005, March 31, 2006 and March 31, 2007 were not correct. Further, the company failed to make relevant disclosures regarding the change in shareholding as required by the relevant provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 **(SAST Regulations, 1997).** It was also observed that Pratik Rameshchandra Shah, one of the directors, who was managing the affairs of Platinum Corporation received 1crore shares from Mr. Anand Ramanlal Trivedi on June 28, 2005, which constituted 9.34% of the equity capital of the company. However, Pratik Rameshchandra Shah did not disclose his acquisition of shares to the company and to the stock exchange.

Investigation further observed that the company made fraudulent preferential allotment of 290 lakh shares to seven connected entities/persons without real inflow of funds from the preferential allottees. The allottees of the aforesaid preferential issue, who were connected to one another and were acting in concert, acquired (by way of the said preferential issue) 21.32% of the post issue paid up capital of the company. However, they failed to make open offer as prescribed by SAST Regulations, 1997.

3.2 In view of the aforesaid findings of the investigation, SEBI initiated proceedings under Section 11 and 11B of the SEBI Act, 1992 against Platinum Corporation and 39 entities including its directors/promoters and other entities connected/related to the directors/promoters of the Platinum Corporation for the violation of Section 12A (a), (b) and (c) of SEBI Act, 1992 **(SEBI Act)** read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), (f), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 **(PFUTP Regulations, 2003)**, Regulation 8(3)and Regulation 10 of SAST Regulations, 1997**.**

The details of the 40 entities are as under:

Noticees nos.	Name of the Noticees	Designation	PAN
1	Platinum Corporation	Company	AABCP6500E
2	Mr. Pratik Rameshchandra Shah (Pratik Shah)	Director of Platinum Corporation (Noticee no. 1) and Hirak Biotech (Noticee no. 24)	ALWPS7673Q
3	Mr. Dhrumal Kishor Vaidya (Dhrumal Vaidya)	Director (also listed as a promoter of Platinum Corporation as per the last shareholding pattern reported to BSE)	ABQPV0547E
4	Mr. Anindo Achinto Banerjee (Anindo Banerjee)	Director (also listed as a promoter of Platinum Corporation Ltd. as per the last shareholding pattern reported to BSE)	AMUPB9384L
5.	Mr. Jignesh Dineshchandra Shah (Jignesh Shah)	Director of Platinum Corporation	ACXPJ9086G
6.	Mr. Jayesh Dineshbhai Shah (Jayesh Shah)	Director of Platinum Corporation	ACXPJ9087H
7.	Ms. Nikita Baldevbhai Dave (Nikita Dave)	Director of Platinum Corporation	AGWPD0810H
8	Vashi Constructions Pvt. Ltd. (Vashi Constructions)	Ashok Shah (Noticee no.9), Hiralal Shah (Noticee no.28), Bhavana Shah (Noticee no. 10) and Rajesh Shah (Noticee no. 11) are directors.	AACCV0861H
9	Mr. Ashok Hiralal Shah (Ashok Shah)	Signed the tripartite agreement on behalf of Platinum Corporation (as its director) with NSDL. He is also a director of Vashi Constructions (Noticee no.8), Induram Developers (Noticee no. 29) and Corporate Allianz (Noticee no. 27)	ACTPS7672M
10	Ms. Bhavana Rajesh Shah (Bhavana Shah)	Director, Vashi Constructions and Sister of Ashok Shah (Noticee no.9)	AABPS8414R
11	Mr. Rajesh Chandrakant Shah (Rajesh Shah)	Director, Vashi Constructions (Noticee no. 8) and Husband of Bhavana Shah (Noticee no.10)	AABPS8425J
12	Ms. Neha Ravindrakumar Shethwala (Neha Shethwala)	Authorized Signatory for Vashi Constructions (Noticee no.8), Rudra Securities (Noticee no. 13) and Dhanlaxmi Lease Finance (Noticee no.17)	BNJPS1826B
13	Rudra Securities & Capital Ltd. (Rudra Securities)	Ketan Sorathiya (Noticee no.14), Nileshkumar Kava (Noticee no. 15) and Vipul Trivedi (Noticee no. 16) are directors.	AACCR2292G
14	Mr. Ketan Dineshchandra Sorathiya (Ketan Sorathiya)	Director of Rudra Securities (Noticee no.13)	AQIPS6607D
15	Mr. Nileshkumar Tribhovandas Kava (Nileshkumar Kava)	Director of Rudra Securities (Noticee no. 13)	AQHPK1533F
16	Mr. Vipul Shantilal Trivedi (Vipul Trivedi)	Director of Rudra Securities (Noticee no. 13)	PAN not available

17	Dhanlaxmi Lease Finance Ltd. (Dhanlaxmi Lease Finance)	Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no.19) and Girish Doshi (Noticee no. 20) are directors	AABCD6189R
18	Mr. Bharat Ratilal Shah (Bharat Shah)	Director of Dhanlaxmi Lease Finance (Noticee no.17)	PAN not available
19	Mr. Bipin Ratilal Shah (Bipin Shah)	Director of Dhanlaxmi Lease Finance (Noticee no.17)	AWMPS5368K
20	Mr. Girish Gaturbhai Doshi (Girish Doshi)	Director of Dhanlaxmi Lease Finance (Noticee no.17)	AFZPD2380J
21	Sarang Chemicals Ltd. (Sarang Chemicals)	Lalitkumar Rathod (Noticee no. 22) and Dinkar Shreemali (Noticee no. 23 and one of the directors of Platinum Corporation (Noticee no. 1) and Hirak Biotech (Noticee no. 24)) are directors of Sarang Chemicals (Noticee no. 21).	AAECS0802R
22	Mr. Lalitkumar Kantilal Rathod (Lalitkumar Rathod)	Director of Sarang Chemicals (Noticee no.21)	AIXPR7270G
23	Mr. Dinkar Bhanuprasad Shreemali(Dinkar Shreemali)	Director of Platinum Corporation, Hirak Biotech (Noticee no. 24) and Sarang Chemicals (Noticee no.21)	BJEPS1523E
24	Hirak Biotech Ltd. (Hirak Biotech)	Dinkar Shreemali (Noticee no. 23 and director of Platinum Corporation (Noticee no. 1)) is a director.	AABCH5421N
25	Mr. Anand Ramanlal Trivedi (Anand Trivedi)	Son of Ramanlal Trivedi (Noticee no. 39- promoter of Platinum Corporation (Noticee no. 1)) and also Director of Shalibhadra Steel (Noticee no. 36), Shankeshwar Metals(Noticee no. 37) and Siddhivinayak Tradelink (Noticee no. 38)	AEGPT1120C
26	Exdon Trading Company Ltd. (Exdon Trading)	Managed by Ashok Shah (Noticee No. 9- who signed the tripartite agreement on behalf of Platinum Corporation (Noticee no. 1) (as its director))	AAACE2879A
27	Corporate Strategic Allianz Pvt. Ltd. (Corporate Allianz)	Ashok Shah (Noticee no. 9) and Hiralal Shah (Noticee no. 28) are directors	AACCC8085A
28	Mr. Hiralal Popatlal Shah (Deceased) (Hiralal Shah)	Director of Vashi Constructions (Noticee no.8), Induram Developers (Noticee no. 29) and Corporate Allianz (Noticee no.27). Father of Ashok Shah ((Noticee no. 9, who signed tripartite agreement on behalf of Platinum Corporation(Noticee no. 1))	AXLPS9469D
29	Induram Developers Pvt. Ltd. (Induram Developers)	Ashok Shah (Noticee no. 9) and Hiralal Shah (Noticee no. 28) are directors	AAACI9625C
30	Ms. Meena Ashok Kumar Shah (Meena Shah)	Wife of Ashok Shah (Noticee no.9)	APDPS3192P

31	Ms. Meeta Bipin Kumar Shah (Meeta Shah)	Wife of Bipin Shah (Noticee no.19). Director of Parvati Minerals (Noticee no. 32) and Pratik Minerals (Noticee no.33).	PAN not available
32	Parvati Minerals Pvt. Ltd.(Parvati Minerals)	Managed by Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no.19) and Meeta Shah (Noticee no.31)	PAN not available
33	Pratik Minerals Pvt. Ltd. (Pratik Minerals)	Managed by Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19) and Meeta Shah (Noticee no. 31)	AAACP9193N
34	Robinson Worldwide Trade Ltd. (Robinson Worldwide)- presently known as Sun and Shine Worldwide Ltd.	Managed by Ramanlal Trivedi ((Noticee no. 39 and promoter of Platinum Corporation (Noticee no. 1))	AABCR6814P
35	Ms. Sarlaben Hiralal Shah (SarlabenShah)	Mother of Ashok Shah ((Noticee no. 9, who signed tripartite agreement on behalf of Platinum Corporation (Noticee no. 1))	APDSP3191Q
36	Shalibhadra Steel Pvt. Ltd. (Shalibhadra Steel)	Anand Trivedi (Noticee no. 25 and son of Ramanlal Trivedi (Noticee no. 39)- promoter of Platinum Corporation (Noticee no. 1)) is a director	AACCS1369P
37	Shankeshwar Metals Pvt. Ltd.(Shankeshwar Metals)	Anand Trivedi (Noticee no. 25) (son of Ramanlal Trivedi- promoter of Platinum Corporation (Noticee no. 1)) is a director	AACCS7367D
38	Siddhivinayak Tradelink Pvt. Ltd. (Siddhivinayak Tradelink)	Anand Trivedi (Noticee no. 25) (son of Ramanlal Trivedi- (Noticee no. 39 and promoter of Platinum Corporation) is a director	AACCS1368N
39	Mr. Ramanlal Nagjibhai Trivedi (Ramanlal Trivedi)	Promoter of Platinum Corporation (Noticee no. 1), Director of Robinson Worldwide(Noticee no.34)	ACXPT8490J
40	Mr. Manish Muchhala (Manish Muchhala)	Director of Rudra Securities (Noticee no.13)	PAN not available

The aforesaid 40 entities are hereinafter collectively referred to as "***Noticees***" and individually by their respective names.

Show Cause Notice, Reply and Personal Hearing-

4.1 A common show cause Notice **(SCN)** dated September 23, 2013 was issued separately to Platinum Corporation (Noticee no. 1) and the other 39 aforementioned Noticees (entities/persons including the

directors/promoters of Platinum Corporation and other entities/persons connected or related to Platinum Corporation and its directors/promoters), to show cause as to why directions under Section 11, 11(4) and 11B of the SEBI Act should not be issued against them for the alleged violations of provisions of Section 12A (a), (b) and (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), (k) and (r) PFUTP Regulations, 2003 and provisions of Regulation 8(3)and Regulation 10 of SAST Regulations, 1997. The following are the allegations levelled against the Noticees:

A. Platinum Corporation (Noticee no. 1) and its directors/promoters(*i.e* Noticees nos. 2 to 7), *viz.* Pratik Shah(Noticee no.2), Dhrumal Vaidya (Noticee no.3), Anindo Banerjee (Noticee no.4), Jignesh Shah (Noticee no.5), Jayesh Shah (Noticee no. 6) and Nikita Dave (Noticee no. 7) were alleged to have conspired and connived with one another and made misleading and false corporate announcements during the period July, 2005 to December 2006, which induced investors in buying the shares of Platinum Corporation during the said period. They also aided, abetted and facilitated nineteen connected entities/persons *viz.*, Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no.25), Exdon Trading (Noticee no. 26), Corporate Allianz (Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers (Noticee no. 29), Meena Shah (Noticee no.30), Meeta Shah (Noticee no. 31), Parvati Minerals (Noticee no. 32), Pratik Minerals(Noticee no. 33), Robinson Worldwide (Noticee no. 34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38) to offload the shares at a price artificially inflated as a result ofthe misleading corporate announcements. The said Nineteen entities/persons were alleged to have made a profit to the tune of Rs. 12 crore, by offloading the shares of the company.

In view of this, the company, its directors/promoters are alleged to have violated Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), (k) and (r) of PFUTP Regulations, 2003. Further, the aforementioned nineteen entities/Noticees connected to the directors and promoters of the company and the directors who were in charge and responsible for the day to day affairs of the said nineteen entities/Noticees during the relevant period, *viz.* Ramanlal Trivedi (Noticee no. 39 and Director of Robinson Worldwide), Ashok Shah (Noticee no. 9 and Director of Vashi Constructions, Induram Developers and Corporate Allianz) and Manish Muchhala (Noticee no. 40 and Director of Rudra Securities)are alleged to have violated Section 12A (a), (b) and

(c) of SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e) of PFUTP Regulations, 2003.

B. Pratik Shah (Noticee no. 2), one of the directors of the company, who was managing the affairs of the company is alleged to have additionally violated Regulation 4(2) (f) of the PFUTP Regulations, 2003, for not reporting his acquisition of 9.34% shares of Platinum Corporation from Anand Trivedi (Noticee no. 25) on June 28, 2005, to the company and to the stock exchange.

C. The shareholding pattern of the promoters provided by the company to BSE *vis a' vis* the shares held by the promoters in their demat accounts indicate that the shareholding patterns declared by the company to the stock exchange as on March 31, 2005, March 31, 2006 and March 31, 2007 were not correct. Further, the promoters, *viz.* Mr. Tushar Shah, Mr. Parag Shah and Mr. Jayesh Shah (Noticee no. 6) offloaded their shareholdings as early as 2005 and their shareholding was reduced to nil by September 04, 2006. However, the company continued to file incorrect shareholding of promoters for next four quarters, *i.e.* from December 2006 till September 2007), wherein the aforementioned persons were shown as holding shares of the company under the category of promoters. The company and its directors, therefore misled investing public by filing incorrect promoters' shareholding for 11 quarters (*i.e* from March 2005 till September 2007) thereby violating provisions of Section 12A(c) of the SEBI Act read with Regulation 3(d), 4(1), 4(2) (e) and (r) of SEBI PFUTP Regulation, 2003.

It was also alleged that by filing incorrect promoters' shareholding for 11 quarters (*i.e* from March 2005 till September 2007) to the stock exchange, the company *i.e.* Platinum Corporation violated the provisions of Regulation 8(3) of SAST Regulations, 1997.

D. Platinum Corporation made preferential allotment of 290 lakh shares to seven Noticees/allottees, which include four of the directors of Platinum Corporation, *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no.3), Anindo Banerjee (Noticee no.4) and Nikita Dave (Noticee no.7) and three entities connected/related to the company *viz.* Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no.13) and Dhanlaxmi Lease Finance (Noticee no. 17) without real inflow of funds from the said Noticees (allottees). It was also alleged that the three entities/persons, *viz.* Sarang Chemicals (Noticees no.21), Hirak Biotech (Noticees no. 24) and Dinkar Shreemali (Noticees no.23) (who were also connected to the directors/promoters of the company and the allottees) aided and abetted the company

and the aforementioned allotees/Noticees in the whole scheme of fraudulent preferential allotment without infusion of funds through circular banking tranactions.

In view of this, the company, its directors (*i.e* Noticees nos. 1 to 7) are alleged to have conspired and acted in concert with the aforementioned*seven allottees*, *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no.3), Anindo Banerjee (Noticee no.4), Nikita Dave (Noticee no.-7), Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no.13) and Dhanlaxmi Lease Finance (Noticee no. 17) and their directors who were in charge and responsible for the day to day affairs of them, *viz.* Ashok Shah (Noticee no. 9), Bhavana Shah (Noticee no 10) and Rajesh Shah (Noticee no. 11) (directors of Vashi Constructions), Nileshkumar Kava (Noticee no.15), Ketan Sorathiya (Noticee no. 14) and Vipul Trivedi (Noticee no. 16) (directors of Rudra Securities),Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19) and Girish Doshi (Noticee no. 20) (directors of Dhanalaxmi Lease Finance) and Neha Shethwala (authorized signatory of Vashi Constructions, Rudra Securities and Dhanalaxmi Lease Finance) and the aforementionedthree Noticees (*viz.* Sarang Chemicals (Noticees no.21), Hirak Biotech (Noticees no. 24) and Dinkar Shreemali (Noticees no.23)), who alleged to have aided and abetted the company and the allottees) for executing fraudulent preferential allotment without infusion of funds thereby violating Regulation 3(a) and 3(c) of thePFUTP Regulations, 2003.

E. It was also alleged that the aforesaid allottees of the preferential issue, who were connected to one another and were acting in concert, acquired 21.32% of the post issue paid up capital of the company (by way of the said issue). However, they failed to make an open offer, as prescribed in the relevant provisions of SAST Regulations, 1997. In view of this, the said seven allottees *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no.3), Anindo Banerjee (Noticee no.4), Nikita Dave (Noticee no.-7),Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no.13) and Dhanlaxmi Lease Finance (Noticee no. 17) and their directors who were in charge and responsible for the day to day affairs of them *viz.* Ashok Shah (Noticee no. 9), Bhavan Shah (Noticee no 10) and Rajesh Shah (Noticee no. 11) (directors of Vashi Constructions), Ketan Sorathiya (Noticee no. 14), Nileshkumar Kava (Noticee no.15) and Vipul Trivedi (Noticee no. 16) (directors of Rudra Securities), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19) and Girish Doshi (Noticee no. 20) (directors of Dhanalaxmi Lease Finance) and Neha Shethwala (Noticee no. 12) (authorized signatory of Vashi Constructions, Rudra Securities and Dhanalaxmi Lease Finance)are alleged to have violated Regulation 10 of the SAST Regulations, 1997.

4.2 The relevant provisions of the SEBI Act and Regulations, alleged to have been violated by the aforesaid Noticees are reproduced below:

SEBI Act, 1992

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 recognized 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 recognized 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 recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP Regulations, 2003

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:—

……..

(e) any act or omission amounting to manipulation of the price of a security;

(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;

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

(r) planting false or misleading news which may induce sale or purchase of securities.

SAST Regulations, 1997

Regulation 8 (3)

"Every company whose shares are listed on a stock exchange, shall within 30 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, make yearly disclosures to all the stock exchanges on which the shares of the company are listed, the changes, if any, in respect of the holdings of the persons referred to under sub-regulation (1) and also holdings of promoters or person(s) having control over the company as on 31st March."

Regulation 10

"No acquirer shall acquire shares or voting rights which (taken together with shares or voting rights, if any, held by him or by persons acting in concert with him), entitle such acquirer to exercise ***fifteen per cent or more*** *of the voting rights in a company, unless such acquirer makes a public announcement to acquire shares of such company in accordance with the regulations."*

4.3 Replies to the SCNs were received from the following thirty Noticees:

i. Anindo Banerjee (Noticee no. 4) filed reply vide letter dated November 12, 2015,
ii. Vashi Constructions (Noticee no. 8) filed its reply vide letters dated March 29, 2014 and January 11, 2016,
iii. Ashok Shah (Noticee no. 9) filed reply vide letter dated October 7, 2015,
iv. Bhavana Shah (Noticee no. 10) filed her reply vide letters dated April 15, 2014 and January 11, 2016
v. Rajesh Shah (Noticee no. 11) filed reply vide letters dated April 15, 2014 and January 11, 2016
vi. Neha Shethwala (Noticee no. 12) filed reply vide letters dated November 30, 2013, October 12, 2013, December 30, 2013, March 26, 2014and January 11, 2016,
vii. Rudra Securities (Noticee no. 13) filed reply vide letter dated November 11, 2015,

viii. Ketan Sorathiya (Noticee no. 14) filed reply vide letters dated March 29, 2014 and January 11, 2016,

ix. Nileshkumar Kava(Noticee no. 15) filed reply vide letter dated April 6, 2014 and January 11, 2016,

x. Vipul Trivedi (Noticee no. 16) filed reply vide letters dated March 26, 2014 and January 11, 2016,

xi. Dhanlaxmi Lease Finance (Noticee no. 17) filed reply vide letter dated November 17, 2015

xii. Bharat Shah (Noticee no. 18) filed reply vide letter dated October 12, 2015,

xiii. Bipin Shah(Noticee no. 19) filed reply vide letter dated October 12, 2015,

xiv. Girish Doshi(Noticee no. 20) filed reply vide letter dated March 26, 2014 and January 11, 2016,

xv. Anand Trivedi (Noticee no. 25) filed reply vide letter dated November 12, 2015,

xvi. Exdon Trading (Noticee no. 26) filed reply vide letter dated November 12, 2015.

xvii. Corporate Allianz (Noticee no. 27) filed reply vide letter dated December 16, 2015,

xviii. Sarlaben Shah (w/o Hiralal Shah) vide letters dated December 30, 2013, March 5, 2014 and October 12, 2015 filed reply on behalf of Hiralal Shah (deceased)(Noticee no. 28),

xix. Induram Developers (Noticee no. 29) filed reply vide letter dated November 10, 2015,

xx. Meena Shah (Noticee no. 30) filed reply vide letter dated March 24, 2014,

xxi. Meeta Shah (Noticee no. 31) filed reply vide letter dated November 12, 2015,

xxii. Parvati Minerals (Noticee no. 32) filed reply vide letter dated November 12, 2015,

xxiii. Pratik Minerals(Noticee no. 33) filed reply vide letter dated November 12, 2015,

xxiv. Robinson Worldwide (Noticee no. 34) filed reply vide letter dated March 4, 2014 and November 12, 2015,

xxv. Sarlaben Shah (Noticee no. 35) filed reply vide letter dated March 10, 2014,

xxvi. Shalibhadra Steel (Noticee no. 36) filed reply vide letter dated November 12, 2015,

xxvii. Shankeshwar Metals (Noticee no. 37) filed reply vide letter dated October 12, 2015,

xxviii. Siddhivinayak Tradelink(Noticee no. 38) filed reply vide letter dated November 12, 2015,

xxix. Ramanlal Trivedi (Noticee no.39) filed reply vide letter dated November 12, 2015,

xxx. Manish Muchhala (Noticee no. 40) filed reply vide letters dated March 4, 2014 and March 29, 2014.

4.4 The following ten Noticees did not file their replies:

i. Platinum Corporation (Noticee no.1)

ii. Pratik Shah (Noticee no. 2)

iii. Dhrumal Vaidya (Noticee no.3)

iv. Jignesh Shah (Noticee no.5)

v. Jayesh Shah (Noticee no. 6)

vi. Nikita Dave (Noticee no.7)
vii. Sarang Chemicals (Noticee no.21)
viii. Lalitkumar Rathod (Noticee no.22)
ix. Dinkar Shreemali (Noticee no.23)
x. Hirak Biotech (Noticee no.24).

4.5 Some of the Noticees sought inspection of documents. Accordingly, SEBI granted opportunity for inspection of documents to the following Noticees:

i. Inspection was granted to Vashi Constructions (Noticee no. 8)on September 10, 2015,
ii. Inspection was granted to Neha Shethwala (Noticee no.12) on September 10, 2015,
iii. Inspection was granted to Rudra Securities (Noticee no. 13) on September 10, 2015,
iv. Inspection was granted to Vipul Trivedi (Noticee no. 16) on September 9, 2015,
v. Inspection was granted to Girish Doshi (Noticee no. 20) on November 18, 2015,
vi. Inspection was granted to Corporate Allianz (Noticee no. 27) on April 9, 2014,
vii. Inspection was granted to Induram Developers (Noticee no. 29) on April 10, 2014,
viii. Inspection was granted to Meena Shah (Noticee no. 30) on September 9, 2015,
ix. Inspection was granted to Parvati Minerals (Noticee no. 32) on April 10, 2014,
x. Inspection was granted to Meeta Shah (Noticee no.31) on September 7, 2015, however, the entity did not avail the opportunity for inspection.
xi. Inspection was granted to Pratik Minerals (Noticee no. 33) on September 11, 2015,
xii. Inspection was granted to Robinson Worldwide (Noticee no. 34) on September 11, 2015,
xiii. Inspection was granted to Sarlaben Shah (Noticee no.35) on April 9, 2014,
xiv. Inspection was granted to Shalibhadra Steel (Noticee no. 36) on September 11, 2015,
xv. Inspection was granted to Shankeshwar Metals (Noticee no. 37) on September 8, 2015,
xvi. Inspection was granted to Siddhivinayak Tradelink (Noticee no. 38) on September 8, 2015, however, the entity did not avail the opportunity for inspection.
xvii. Inspection was granted to Manish Muchhala (Noticee no. 40) on September 9, 2015,

4.6 SEBI also granted opportunity of personal hearing on July 17, 2015 to fifteen of the Noticees (*viz.* Pratik Shah (Noticee no. 2), Nikita Dave (Noticee no. 7), Ashok Shah (Noticee no. 9), Nileshkumar Kava (Noticee no. 15), Sarang Chemicals (Noticee no. 21), Lalitkumar Rathod (Noticee no. 22), Corporate Allianz (Noticee

no. 27), Hiralal Shah (Noticee no. 28), Induram Developers (Noticee no. 29), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no. 34), SarlabenShah (Noticee no. 35), Shankeshwar Metals (Noticee no. 37) and Ramanlal Trivedi (Noticee no. 39). However, the authorized representatives of the aforesaid Noticees, except Noticee no. 37- Shankeshwar Metals requested for adjournment of hearing.

4.7 Subsequently, another opportunity of personal hearing was granted on January 13, 2016 to the aforesaid fifteen Noticees and also to the remaining twenty five Noticees. The details are as under:

- The hearing notices could be served upon all the Noticees except two Noticees (Dhrumal Vaidya (Noticee no. 3) and Jignesh Shah (Noticee no. 5)).
- Nine Noticees, *viz.* Anindo Banerjee (Noticee no. 4), Bhavana Shah (Noticee no. 10), Rajesh Shah (Noticee no. 11), Neha Shethwala (Noticee no. 12), Ketan Sorathiya (Noticee no. 14), Nileshkumar Kava (Noticee no. 15), Vipul Trivedi (Noticee no. 16), Dhanlaxmi Lease Finance (Noticee no. 17) and Ramanlal Trivedi (Noticee no. 39) appeared on the scheduled date and made their respective oral submissions before me. The Noticees were granted time to file additional written submissions.
- Nine Noticees Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20), Induram Developers (Noticee no. 29), Meeta Shah (Noticee no. 31), Pratik Minerals (Noticee no. 33) and Robinson Worldwide (Noticee no. 34) requested for adjournment of hearing.
- The remaining twenty Noticees, *viz.* Platinum Corporation (Noticee no. 1), Pratik Shah (Noticee no. 2), Jayesh Shah (Noticee no. 6), Nikita Dave (Noticee no. 7), Ashok Shah (Noticee no. 9), Sarang Chemicals (Noticee no. 21), Lalitkumar Rathod (Noticee no. 22), Dinkar Shreemali (Noticee no.23), Hirak Biotech (Noticee no.24), Anand Trivedi (Noticee no. 25), Exdon Trading (Noticee no. 26), Corporate Allianz (Noticee no.27), Hiralal Shah (Noticee no.28), Meena Shah (Noticee no. 30), Parvati Minerals (Noticee no. 32), SarlabenShah (Noticee no. 35), Shalibhadra Steel (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38) and Manish Muchhala (Noticee no. 40) did not appear on the scheduled date.

4.8 One last opportunity was granted to the remaining Noticees including Noticees nos. 3 and 5 on February 12, 2016. The details are as under:

- The hearing notices in respect of Dhrumal Vaidya (Noticee no. 3) and Jignesh Shah (Noticee no. 5) were served through SEBI WRO-II.
- Twenty one Noticees, *viz.* Vashi Constructions (Noticee no. 8), Ashok Shah (Noticee no. 9), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no. 25), Exdon Trading (Noticee no. 26), Corporate Allianz (Noticee no.27), Hiralal Shah (Noticee no.28), Induram Developers (Noticee no. 29), Meena Shah (Noticee no. 30), Meeta Shah (Noticee no. 31), Parvati Minerals (Noticee no. 32),Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no. 34), SarlabenShah (Noticee no. 35), Shalibhadra Steel (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38) and Manish Muchhala (Noticee no. 40) appeared before me on the scheduled date and made their respective submissions. The Noticees were grnted time to file additional written submissions in the matter. Subsequently, some of the Noticees filed their additional written submissions. The details of the same are as under:
  - Vashi Constructions (Noticee no. 8) filed additional submissions vide letters dated February 23, 2016 and April 4, 2016.
  - Ashok Shah (Noticee no. 9), Rudra Securities (Noticee no. 13) Bharat Shah (Noticee no 18), Bipin Shah (Noticee no. 19) Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no. 25), Exdon Trading (Noticee no. 26), Hiralal Shah (Noticee no. 28), Induram Developers (Noticee no. 29), Meena Shah (Noticee no. 30), Meeta Shah (Noticee no. 31), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no. 34), Sarlaben Shah (Noticee No. 35), Shalibhadra Steel (Noticee no. 36), Shankeshwar Metals (Noticee No. 37), Siddhivinayak Tradelink (Noticee no. 38) and Manish Muchhala (Noticee no. 40) filed additional submissions vide separate letters dated February 23, 2016.

4.8.1 Some of the Noticees, who attended hearing on January 13, 2016 also filed their additional written submissions. The details are as under:

- Bhavana Shah (Noticee no. 10), Rajesh Shah (Noticee no. 11), Ketan Sorathiya (Noticee no. 14), Nileshkumar Kava (Noticee no. 15), Vipul Trivedi (Noticee no. 16) and Ramanlal Trivedi (Noticee no. 39) filed their additional written submissions vide separate letters dated February 23, 2016.
- Dhanlaxmi Lease Finance (Noticee no. 17) filed its additional written submissions vide separate letters dated February 23, 2016 and April 4, 2016.

- Neha Shethwala (Noticee no. 12) filed her additional written submissions vide separate letters dated February 23, 2016 and April 4, 2016.

4.9 The remaining ten Noticees (*i.e* Platinum Corporation (Noticee no. 1), Pratik Shah (Noticee no. 2, Dhrumal Vaidya (Noticee no. 3), Jignesh Shah (Noticee no. 5), Jayesh Shah (Noticee no. 6), Nikita Dave (Noticee no. 7), Sarang Chemicals (Noticee no. 21), Lalitkumar Rathod (Noticee no. 22), Dinkar Shreemali (Noticee no. 23) and Hirak Biotech (Noticee no. 24) did not avail the opportunity of hearing granted to them. As sufficient opportunities for personal hearing were granted to the said Noticees and the said Noticees failed to avail the opportunities granted to them, I am now constrained to proceed with the matter on the basis of material available on record.

5. I have carefully examined the SCN issued against the Noticees, their replies, written and oral submissions made before me during the hearing along with the documents submitted therewith. In the next few paragraphs, the charges *vis-a'-vis* each Noticee will be examined in the light of the findings of the investigation, replies filed by the Noticees and the oral and written submissions made before me during the personal hearing.

6 A. Platinum Corporation (Noticee no. 1) and its directors/promoters (Noticees nos. 2 to 7) conspired with one another and facilitated, aided and abetted nineteen other entities/persons *viz.* Vashi Constructions (Noticee no.8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no.25), Exdon Trading (Noticee no.26), Corporate Allianz (Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers (Noticee no. 29, Meena Shah (Noticee no. 30), Meeta Shah (Noticee no.31), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no.34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37) and Siddhivinayak Tradelink (Noticee no. 38) connected to the directors/promoters, in off-loading the shares at a price artificially inflated as a result of the false and misleading corporate announcements by the company, and facilitating the nineteen entities/persons to make a profit to the tune of Rs.12 crore.

6.1 The SCN alleges that Platinum Corporation made several corporate announcements pertaining to their business developments and plans during the period July 20, 2005 to December 08, 2006, such as

announcement in respect of the company's strategic tie-up with software companies for development of software for defense sector, procurement of an order worth Rs. 60 million by the company, company's plans to diversify in the field of ice cream and other dairy products, company's plans to enter the Construction and Infrastructure business, etc.

6.2 SCN alleges that the aforesaid positive announcements were misleading and false. Platinum Corporation and its directors/promoters conspired with oneanother and also with the other connected/related entities and actively played their role in the fraudulent and manipulative scheme, in which persons connected/related entities (nineteen Noticees listed in paragraph no. 6 A above) pooled the shares through various off-market deals and subsequently sold the shares in the market. The shares so offloaded were at a price artificially inflated as a consequence of the aforesaid false and misleading announcements made by Platinum Corporation. The entities/persons (nineteen Noticees) connected with directors/promoters of Platinum Corporation thus sold 90% of the equity capital in the market at the expense of innocent investors, thereby making a profit to the tune of around Rs.12 crore.

Findings-

6.3 The details of the directors (Noticees nos. 2 to 7) of Platinum Corporation (Noticee no. 1) during the period of aforesaid corporate announcements by the ompany (July 20, 2005 to December 08, 2006) are as under:

Name	**Designation**
Pratik Shah (Noticee no. 2)	Director
Dhrumal Vaidya* (Noticee no. 3)	Director
Anindo Banerjee* (Noticee no. 4)	Director
Jignesh Shah (Noticee no. 5)	Director
Jayesh Shah** (Noticee no. 6)	Director
Nikita Dave (Noticee no. 7)	Director

**Dhrumal Vaidya and Anindo Banerjee were also listed as belonging to the promoter group in the shareholding pattern of the company (available from BSE website) i.e. from the quarter ending March 2009 till June 2012.*

***Jayesh Shah was also listed as one of the promoters of the company in the shareholding details available from the BSE website for the period March 2001 to December 2006.*

6.4 A tripartite agreement dated March 30, 2000 executed by Platinum Corporation (issuer) and Pinnacle Finance Ltd. (the Registrar and Transfer Agent of the company/issuer) with NSDL, forwarded by NSDL

to SEBI vide e-mail dated August 4, 2015 indicates that Ashok Shah (Noticee no.9) had signed the said agreement on behalf of Platinum Corporation as its director.

6.5 As per the shareholding pattern of the company provided to BSE for the period March 2001 to December 2006, Mr. Tushar Shah, Mr. Parag Shah and Jayesh Shah (Noticee no. 6) were also listed under the category of promoters.

6.6 Further, the name of Ramanlal Trivedi (Noticee no. 39) is also listed as one of the promoters of Platinum Corporation in the quarterly share holding pattern provided to BSE by the company during the period March 2001 till September 2003.

Misleading Corporate Announcements by Platinum Corporation

6.7 Platinum Corporation made several corporate announcements pertaining to their business developments and plans during the period July 20, 2005 to December 08, 2006. The details of the corporate announcements are as under:

1) **On July 20, 2005**, the company claimed to have tie-ups with M/s Cartesian Computers Pvt. Ltd. (**Cartesian computers**) for development of software for defense,

2) **On September 06, 2005**, the company announced that they had procured an order worth Rs.60 million from M/s Alps BPO Services Ltd. (**Alps BPO**),
3) **On March 16, 2006**, the company announced that they had signed a contract to manufacture ice-cream with M/s Dharnendra Industries Ltd. and entered into an agreement with Hirak Biotech Ltd. to market their ice cream,

4) **On November 29, 2006**, the company announced that they were planning to enter in the business of Construction and Infrastructure, and "*also looking for negotiating for the tie up of construction and infrastructure related projects approved by the Government with the property developers and some industries in the infrastructure"* and

5) **On December 08, 2006**, the company announced that they had tied up with M/s Rajvi Construction for development of commercial and residential premises.

Price-Volume Analysis in the scrip during the period of Corporate Announcements-

6.8 Corporate Announcements regarding the development of Software business on July 20, 2005 and September 6, 2005-

i. As has been detailed above (in item No. 1 & 2 at paragraph no. 6.7 above), the company made two positive corporate announcements during the year 2005, *i.e* on July 20, 2005 and September 6, 2005. It is observed that the said positive announcements made by Platinum Corporation resulted in a substantial price rise in the scrip of Platinum Corporation during the announcement period. The price of the scrip went up from Rs1.36 to Rs.3.15 and closed at Rs.2.82, a rise of 107% during the period of corporate announcements. On the basis of the announcements and subsequent price-volume movement in the scrip, the aforesaid period of corporate announcements are divided:

- July 20, 2005 to September 05, 2005; and
- September 06, 2005 to September 15, 2005.

a. **July 20, 2005 to September 05, 2005 -**

ii. On July 20, 2005 (as mentioned in paragraph no. 6.7 above), the company made an announcement that *"the company has entered into strategic tie up with M/s Cartesian Computer Ltd. for development of software for defence.*" It was also stated that "*M/s Cartesian Computer Ltd., is currently engaged in developing of the high end software with many Government purpose such as defense and many other areas."* It is observed that the price and trading volume reacted positively to the announcement made by the company. This is evident from the increase in average trading volume and price of the scrip at BSE. The average volume one month prior to the announcement were 1,31,076 shares per day and the average volume one month after the announcement were 6,64,522 shares per day. Further, during the period of one month prior to the announcement, the price of the scrip moved in a range between Rs. 1.19 and Rs.1.59 and during the one month after the announcement, the price moved up from Rs1.36 to Rs. 2.18. The momentum in the price of the scrip, generated by the announcement resulted in upward movement of the price to Rs.3.00 by August 30, 2005, and thereafter settled at Rs.2.93 on September 02, 2005. The daily average volume during the period July 20, 2005- September 02, 2005 was 17,98,489 shares, an increase of 1272% of average trading volume prior to the announcement.

It is therefore clear that the steep rise in price and volume in the scrip can be directly attributed to the aforesaid positive announcements made by the company.

b. **September 06, 2005 to September 15, 2005-**

iii. The company once again released some characteristically positive news on September 06, 2005 stating: "*company recently bagged an order worth Rs.60 million from M/s Alps BPO Services Ltd., Bangalore branch for developing software for its clients."* The news apparently strengthened the belief of investors that the company was progressing in the area of infotech business. On the day of announcement, price of the scrip moved from Rs. 2.79 to Rs.3.15 with a trading volume of 23.40 lakh shares. Thereafter, the price was in a range bound between Rs. 3.15 and Rs.2.82 for next seven trading days with a daily average volume of 37.07 lac shares.

The surge in price and volume in the scrip was thus due to the aforesaid positive announcements made by the company.

iv. On perusal of the annual returns filed by Cartesian Computers with Registrar of Companies **(ROC)** for the year 2003-04 and the promoters' shareholding submitted by Platinum Corporation in their quarterly shareholding pattern, to BSE, it is observed that:

i. Cartesian Computers was a fully owned subsidiary of Alps BPO.
ii. Ramanlal Trivedi (Noticee no. 39), who was one of the promoters of Platinum Corporation during the period March 2001 and September 2003 (for 11 quarters), was also a director of the Cartesian Computers (since May 08, 1997).
iii. Further, the total sales of Cartesian Computers for the year ended March 31, 2005 was shown to be nil, whereas, Platinum Corporation in its announcement made on July 20, 2005 mentioned that *M/s Cartesian Computer Ltd., is currently engaged in developing of the high end software with many Government purpose such as defense and many other areas."*

v. From the above, it can be seen that one of the Directors of Cartesian Computers had also been a promoter of Platinum Corporation. Further, the language of announcement indicated that Cartesian Computers was a well-established company whereas it had nil income for year ended March 31, 2005.

vi. On perusal of the quarterly results published by the company with BSE during the period 2005 to 2008, it is observed that the areas of operaton of the company are by trading in Government Securities, Manufacturing of gold jewellery and Manufacturing of ice-creams. It is also observed that the company did not generate any income out of the software business.

It is pertinent to note that both the aforesaid announcements were subsequently withdrawn by the company, *i.e.* after 6-8 months(*i.e* on February 27, 2006 and March 06, 2006), the company announced that they had broken their tie up with Cartesian Computers and also that they had stopped dealing with Alps BPO.

vii. Under the facts and circumstances, it is clearly evident that the said corporate announcements were nothing but misleading in nature and were made by the company with the sole intention to artificially inflate the price and volume in the scrip of Platinum Corporation and to mislead the investors.

6.9 Corporate Announcement on March 16, 2006

i. On March 16, 2006, Platinum Corporation made an announcement that they had (i) signed a contract to manufacture ice-cream with M/s Dharnendra Industries Ltd. and (ii) entered into an agreement with Hirak Biotech (Noticee no. 24) to market the ice cream.

ii. The SCN alleges that the agreement between Hirak Biotech (Noticee no. 24) and Platinum Corporation (Noticee no. 1) could be a sham transaction intended only to give an impression to the investing public of serious business plans of the company, for the following factors:

- SEBI officials, on a visit to the premises of the Platinum Corporation, found that the name plate of Hirak Biotech (Noticee no. 24) was displayed at the office premises of Platinum Corporation, which indicated that Hirak Biotech (Noticee no. 24) was also operating from the same premises.
- The company documents from the MCA website indicate that Pratik Shah (Noticee no. 2) and Dinkar Shreemali (Noticee no. 23) are common directors of Hirak Biotech (Noticee no. 24) and Platinum Corporation (Noticee no. 1).

iii. The price and volume analysis during the period March 10, 2006 to August 30, 2006, indicated that the price of the scrip was volatile and moved in a range between Rs.1.30 to Rs.0.65 and reached Rs.0.72 by August 30, 2006.

iv. It is observed that the SCN proceeds solely on the basis that the aforesaid agreement with Hirak Biotech was a sham transaction (for factors mentioned above in paragraph no. (ii) above). However, SCN has not brought out any other evidence in support of the allegation.

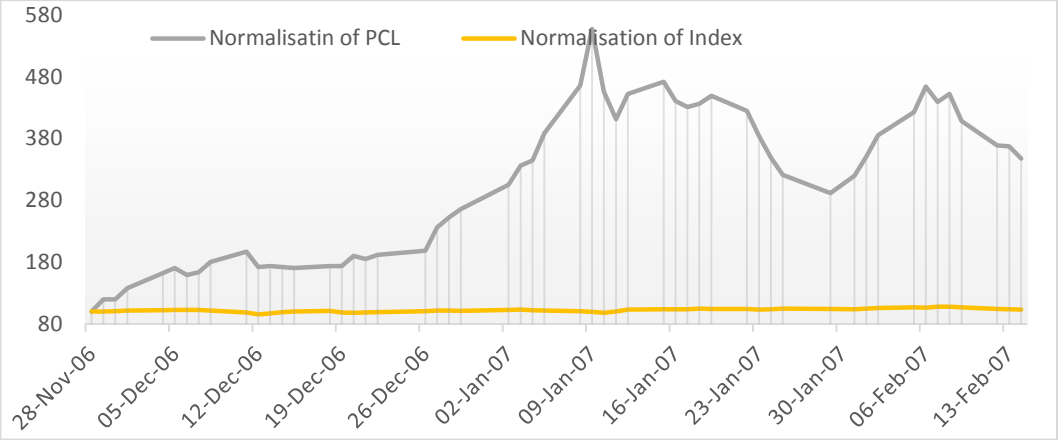
In view of this, I am inclined to give the benefit of doubt to the Noticees in respect of the allegation arising out of the corporate announcement of March 16, 2006.

6.10 Corporate Announcements during the period on November 29, 2006 and December 08, 2006-

i. As observed earlier (Paragraph No. 6.7 item no. 4 & 5), Platinum Corporation made two corporate announcements regarding its plans to enter into real estate business. On November 29, 2006, the company announced that they were planning to enter in the business of Construction and Infrastructure, and "*also looking for negotiating for the tie up of construction and infrastructure related projects approved by the Government with the property developers and some industries in the infrastructure'*. Further, on December 08, 2006, the company announced that they had tied up with M/s Rajvi Construction for development of commercial and residential premises. On the basis of the said corporate announcements and consequent price-volume movements in the scrip during the period, the price and volume analysis have been carried out for the period November 29, 2006 to February 14, 2007.

ii. The price-volume analysis of the scrip during the aforesaid period of announcement indicates that the price of the scrip and the price went up from Rs. 0.61 on November 28, 2006 to Rs.3.14 and settled at Rs.2.12 by February 14, 2007. During the same period BSE Sensex went up from 13,601 points to 14,009 points, a rise of 407 points or 3% rise, whereas, during the same period, price of the scrip of Platinum Corporation moved up by 347%.

iii. Chart indicating movement of scrip price (normalized) of Platinum Corporation in BSE sensex is given below-



iv. From the above chart, it is seen that:

- the scrip price moved to as high as 463% before it settled with a rise of 347% by February 14, 2007.
- the price rise of the scrip was abnormal compared to the movement of BSE index during the said period.
- Such steep price rise can only be attributed to the company announcing about their venturing into construction and infrastructure business and also regarding its tie-up with a real estate company.

v. It is observed that even though the price and volume of the scrip had increased subsequent to the announcements of the company regarding its plans to enter into real estate business and also regarding its tie up with M/s Rajvi Construction for the development of commercial and residential premises, the company's quarterly results(submitted by the company to the stock exchanges) for the 13 quarters starting from quarter ended March 31, 2007 to March 31, 2010 did not show any income out of the real estate business. The company was not able to generate any commercial activity in the business of construction and infrastructure. This clearly indicate that the aforesaid announcements earlier made by the company in respect of their plans to enter construction/infrastructure business and tie up with M/s Rajvi Constructions were nothing but misleading in nature and were made by the company with the sole intention to artificially inflate the price and volume in the scrip of Platinum Corporation and to mislead the investors.

6.11 Under the facts and circumstances mentioned above, it is clear that the announcements made by Platinum Corporation on July 20, 2005, September 06, 2005, November 29, 2006 and December 08, 2006 in respect

of its business were false and misleading and were deliberately made with an intention to influence the price and volume of the scrip and to lure more investors to trade in the scrip.

6.12 As observed earlier in paragraph no. 6.3 above, the directors who were in charge and responsible of the day to day affairs of Platinum Corporation during the aforesaid period of false and misleading corporate announcements by the company are Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no. 3), Anindo Banerjee (Noticee no. 4), Jignesh Shah (Noticee no. 5), Jayesh Shah (Noticee no. 6) and Nikita Dave (Noticee no. 7).

6.13 It is also noted that none of the directors of the company except Noticee No. 4 (Anindo Banerjee) replied to the charges alleged in the SCN. Anindo Banerjee vide reply dated November 12, 2015 has stated that the whole show was managed by Pratik Shah. During the personal hearing on January 13, 2015, he additionally submitted that he was inducted as a director in the company with a back date and was employed only for enhancing the agricultural business of the company. He was asked to furnish relevant documentary proof in support of his submission. However, till date he has not submitted any documents in support of his contentions.

In the absence of the same I am not able to consider his submissions.

6.14 The whole scheme of manipulation orchestrated by the company and its directors/promoters (Noticees nos. 1 to 7) along with connected entities/persons is further revealed by the fact that entitie/persons connected with the company pooled shares through off market from various other connected entities and offloaded them in the market in the wake of the said false and misleading corporate announcements by the company. The details of the same are narrated in the paragraphs below:

Sale/Offloading of shares by the entities/persons connected with the directors/promotersduring the period of corporate announcements-

6.15 The SCN alleges that nineteen of the Noticees, who are connected/related to the directors/promoters of the company *viz.* Vashi Constructions (Noticee no.8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no.25), Exdon Trading (Noticee no.26), Corporate Allianz (Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers(Noticee no. 29, Meena Shah (Noticee no. 30), Meeta Shah (Noticee no.31), Parvati Minerals

(Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no.34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37) and Siddhivinayak Tradelink (Noticee no. 38) offloaded their shares during the period of corporate announcements. The aforementioned nineteen Noticees are hereinafter referred collectively as "***Nineteen Noticees***"and individually by their respective names.

6.16 It is observed that out of the aforementioned *Nineteen Noticees*, sixteen Noticees *viz.* Noticees nos.8, 13, 18, 19, 20, 26, 27, 28, 29, 31, 32, 33, 34, 36, 37 and 38, prior to the offloading of shares in the market, had pooled the shares of Platinum Corporation through off market transactions. The shares were pooled (through off-market deals) from around 29 connected entities/persons (who were also found to have been connected/related to the directors/promoters of Platinum Corporation). The details of the aforesaid 29 connected entities have been given in the table mentioned at page no. 34 of the SCN. It is also observed some of the *Nineteen Noticees* received shares (off market) from the demat account of promoters of the company *viz.* Tushar Shah, Parag Shah and Jayesh Shah (Noticee No. 6).

The remaining three Noticees, *viz.* Noticee nos. 25, 30 and 35 were already holding shares in their respective demat accounts.

6.17 It may be noted that the aforesaid 29 connected entities/persons who were also found to have been connected/related to the company its directors/ promoters were charged for facilitating, aiding and abetting the company, its directors/promoters and the *Nineteen entities*, in offloading the shares of the company for a profit of around Rs. 12 crore. Adjudication proceedings were initiated against all the entities except, Mr. Ashok Ambani as he had expired. Adjudication Officer (A.O) had imposed penalties on twenty five entities, vide separate Orders dated January 5, 2012 (against Mr. Manish Ashokbhai), January 9, 2012 (against Ms. Meena Ashokbhai Ambani and Ms Ashaben Ambani), Janaury 10, 2012 (against Girish Metals Pvt. Ltd.), January 11, 2012 (against Manoj R Shah), January 12, 2012 (against Ms. Preeti Bharatkumar Shah), January 13, 2012 (against Shanti Tradelink Pvt. Ltd. and Sonika Granites Pvt. Ltd.), January 19, 2012 (against Lakshya Securities and Credit Holdings Ltd. and Mr. Shankarlal M. Patel), January 30, 2012 (against Mr. Ashok Purushottambhai Patel, Mr. Balchandra K. Patel, Mr. Divyesh Jayantbahi Parmar, Ms. Gitaben Chandulal Patel and Mr. Kalpesh Ramanbhai Patel), January 31, 2012 (against Mr. Mahendra Kashiram Patel, Mr. Mukesh Chimanlal Bhayani, Mr. Narendra Kashiram Patel, Mr. Pravinbhai Kashiram Patel and Mr. Sanjay S Patel), February 1, 2012 (against Ms. Subhadraben Ramalal Patel, Ms. Suketu Ramanlal Patel, Mr. Suresh H Patel and Mr. Vasudev Ambaram Patel) and February 22, 2012 (against Mr. Vinay R. Patel)

for facilitating, aiding and abetting the company, its directors/promoters and the *Nineteen entities* (by way of off market transfer of shares to the demat accounts of the said *Nineteen Noticees)*, in offloading the shares of the company for a profit of around Rs. 12 crore. The proceedings against the remaining three entities *viz.* Mr. Dharmendra Babulal Gandhi, Pavapuri Capital and Finance Ltd. and Shiromani Infrastructure Ltd. were disposed of by A.O. without any penalty vide separate Orders dated Janaury 19, 2012. It is further noted that sixteen of the twenty five entities (against whom adjudication orders were passed) filed appeals before the Hon'ble SAT challenging the findings of the A.O.. The findings of A.O. were however upheld by the Hon'ble SAT vide common Order dated August 24, 2012.

Adjudication Orders (vide separate orders dated November 30, 2015) were also passed against the promoters of Platinum Corporation, *viz.* Jayesh Shah (Noticee no. 6) Tushar Shah and Parag Shah.

6.18 It is noted from the SCN that the purchase price/acquisition cost of the shares received by the *Nineteen Noticees* through off-market transfers (from the aforesaid 29 connected entities (mentioned at Paragraph no. 6.17 above) and the promoters of Platinum Corporation) has been taken as Re. 1/- per share, as none of the Noticees furnished any material evidence indicating the cost at which the shares were received by them through off-market transactions.

Twenty five Noticees, *viz.* Ashok Shah (Noticee no. 9), Bhavana Shah (Noticee no. 10), Rajesh Shah (Noticee no. 11), Rudra Securities (Noticee no.13), Ketan Sorathiya (Noticee no. 14), Nileshkumar Kava (Noticee no. 15), Dhanlaxmi Lease Finance (Noticee no. 17), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Anand Trivedi (Noticee no.25), Exdon Trading (Noticee no. 26), Corporate Allianz (Noticee no.27), Hiralal Shah (through Sarlaben Shah) (Noticee no.28), Induram Developers (Noticee no.29), Meena Shah (Noticee no.30), Meeta Shah (Noticee no.31), Parvati Minerals (Noticee no.32), Pratik Minerals (Noticee no.33), Robinson Worldwide (Noticee no.34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steel (Noticee no.36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no.38), Ramanlal Trivedi (Noticee no. 39) and Manish Muchhala (Noticee no.40) vide their respective replies have stated that there is no logic on the part of SEBI for taking acquisition price/purchase price (for the shares received through off-market) as Re. 1/- per share. They have also contended that the off-market deals had taken place at or around the prevailing market rates and not Re. 1/- per share.

In this regard, it is noted that during the course of investigation and also during the hearing, the Noticees were asked to provide material/documents such as bank statements, transfer details etc. in order to substantiate that their off-market deals had indeed taken place at prevailing market rates. None of the Noticees provided any material documents such as bank statements, etc. indicating the price at which they purchased the shares. In the absence of the same, I am left with no option but to concur with the SCN

about the purchase price of the shares acquired through off-market at Re. 1/- per share (face value of the share) in order to compute the profit made by the Noticees by offloading the shares in the market.

6.19 The shares so received by the aforementioned *Nineteen Noticees*, through off-market deals (whose purchase price is taken at the rate of Re. 1 per share) were subsequently offloaded in the market during the following periods of misleading and false corporate announcements made by the company at a price artificially inflated as a result of the said corporate announcements:

i. July 20, 2005 to September 15, 2005,
ii. March 10, 2006 to August 30, 2006 and,
iii. November 29, 2006 to February 14, 2007.

It may be noted that the broker-wise sale of shares (Annexure-10 of the SCN) during the second period (*i.e.* item no. (ii) above, March 10, 2006 to August 30, 2006) indicate that the Noticees, *viz.* Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20) and Robinson Worldwide (Noticee no. 34) purchased 2,19,057 shares and sold 38,27,527 shares for a net consideration of Rs. 40,26,772/-.. However, the said offloading by the Noticees during this period are not taken into account for computing the profit, for the reasons mentioned in Paragraph No. 6.9 (iv) above,. Moreover, the number of shares and the amount involved during this period, (*i.e.* the Noticees offloaded around 38 lakh shares for Rs. 40 lakhs in the market) are less compared to the other two periods (*i.e.* during the period July 20, 2005 to September 15, 2005 and November 29, 2006 to February 14, 2007), (*i.e.* offloaded around 8 crore shares for approx. Rs. 20 crore).

6.20 It is observed that during the first round of sale (*i.e* during the period July 20, 2005 to September 15, 2005), six of the *Nineteen Noticees, viz.* Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Anand Trivedi (Noticee no.25), Exdon Trading(Noticee no.26), Meeta Shah (Noticee no.31) and Robinson Worldwide (Noticee no.34) offloaded around 4 crore shares in the market.

During the final round of sale (*i.e* during the period November 30, 2006 to February 14, 2006), sixteen of the *Nineteen Noticees, viz.* Vashi Constructions (Noticee no.8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Girish Doshi (Noticee no. 20), Exdon Trading (Noticee no.26), Corporate Allianz (Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers (Noticee no. 29, Meena Shah (Noticee no. 30), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee

no. 33), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37) and Siddhivinayak Tradelink (Noticee no. 38) sold and delivered around 4 crore shares in the market.

6.21 The details of the entities/persons, their connection/relation with the directors/promoters of the company and sale of shares during the aforesaid two periods *i.e.* July 20, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007 are as under:

(1) Bharat Shah (Noticee no. 18)-

i. Bharat Shah received shares through off-market deals from Anand Trivedi (Noticee no. 25), who is the son of Ramanlal Trivedi (Noticee no. 39)- promoter of Platinum Corporation. He also received shares in off-market from Tushar Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17 above, against whom the A.O. has imposed penalty vide Order dated November 30, 2015). The mobile number mentioned in the KYC details of Bharat Shah with DP SHCIL was being used by Ashok Shah (Noticee no. 9), who signed the tripartite agreement (as the director of Platinum Corporation) executed by Platinum Corporation with Pinnacle Finance and NSDL (details of the same are mentioned at paragraph no. 6.4 above).

ii. Bharat Shah and Bipin Shah (Noticee No. 19) are brothers. They are also the directors of Dhanlaxmi Lease Finance (Noticee No. 17). The registered address of one Lakshya Securities and Credit Holdings Ltd. (which had off-market transaction with Robinson Worldwide (Noticee no. 34)) is the same as the residential address of Bharat Shah.

iii. The facts and circumstances mentioned above, clearly indicate that Bharat Shah is connected to the company and its promoter/directors through Ashok Shah (Noticee no. 9) and also by way of the off-market transactions with directors/promoters of the company.

iv. The demat account statements of Bharat Shah indicate that he received shares in off market. The details are as under:

- On January 4, 2005, Bharat Shah received 20,00,000 shares from one Subhadraben Ramalal Patel (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty and the findings upheld by SAT) in one of his demat accounts (BOID-

30308189). Thereafter, he transferred the said shares to another of his demat accounts (BOID 10337884) on August 29, 2005.

- On August 12, 2005 and August 23, 2005, Bharat Shah received 15,00,000 shares and 40,468 shares respectively from Anand Trivedi (Noticee no. 25).
- On August 29, 2005, Bharat Shah also received 40,00,000 shares from another of his demat accounts.
- On January 30, 2006, Bharat Shah received 20,00,000 shares from Tushar Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17, against whom the A.O. has imposed penalty vide Order dated November 30, 2015),
- On December 05, 2006 and December 20, 2006 he received 6,00,000 shares and 2,00,000 shares respectively from his brother Bipin Shah (Noticee No. 19).

v. As explained earlier in paragraph no. 6.18 above, the purchase value/acquisition cost of the aforesaid shares received by the Noticee in off market have been taken as Re.1 per share. In addition to the aforementioned off market receipt of shares, it is found that Bharat Shah also purchased 6,76,053 shares for Rs. 6,05,460/- during the aforesaid period through market deals.

vi. The aforesaid shares received by Bharat Shah were offfloaded (in market) during the period, July 20, 2005-September 15, 2005 and November 29, 2006 to February 14, 2007. The details of the same as noted from the Annexure 10 of SCN are as under:

- Sold 55,40,468 shares for Rs. 1,45,48,534, during the period July 20, 2005 to September 15, 2005,
- Sold 20,31,870 shares for Rs.23,22,050/- during the period November 29, 2006 to February 14, 2007.

vii. Bharat Shah thus offloaded a total of 75,72,338 shares in the market through the broker India Infoline for a total sum of Rs. 1,68,70,584/-..

viii. The purchase price/acquisition cost of the aforesaid 75,72,338 shares (received in off market), which were subsequently sold in the market in the wake of the misleading corporate announcements is therefore estimated to be Rs. 75,72,338/- (*i.e* at the rate of Re. 1 per share). As the Noticee also purchased 6,76,053 shares (in market) for an amount of Rs. 6,05,460/-, the said amount has been added to the estimated purchase price/acquisition cost of the shares received in off market (*i.e* Rs. 6,05,460/-added to Rs. 75,

72,338/-), which is Rs. 81,77,798/-. The purchase value/acquisition cost of the shares received/bought (both off market and market) by Bharat Shah thus becomes Rs. 81,77,798/-.

ix. The illegal gain/profit earned by Bharat Shah (Noticee no. 18), therefore is the sale price (*i.e.* Rs. 1,68,70,584/-) less the purchase value/acquisition cost (*i.e* Rs. 81,77,798) *i.e.* Rs. 1,68,70,584 – Rs. 81,77,798 = **Rs. 86,92,786/-**

(2) Robinson Worldwide (Noticee no. 34)

i. The KYC details of the Robinson Worldwide with the DP India Infoline Ltd. indicate that Ramanlal Trivedi (Noticee no. 39) was the director of Robinson Worldwide. As mentioned earlier, the name of Ramanlal Trivedi was also listed in the quarterly shareholding of promoters submitted by Platinum Corporation with BSE for the period during the period March 2001 till September 2003. It is further observed from the demat statements of Robinson Worldwide that they had received 5,00,000 shares in off-market from one of the directors/promoters of Platinum Corporation, *viz.* Jayesh Shah (Noticee no. 6) on September 2, 2005.

Further, the KYC of Robinson Worldwide with the broker, Exclusive Broking House Ltd. indicates that the address of Robinson Worldwide is same as that of Induram Developers Pvt. Ltd. (Noticee no. 29), which is being managed by Ashok Shah (Noticee no. 9). The demat account statements of the Noticee indicated that he had received 75,00,000 shares from Ashok Shah on August 17, 2005 through off market deals. It is observed that Ashok Shah had signed the Tripartite agreement dated March 30, 2000 (entered between NSDL, Platinum Corporation and Pinnacle Share Registry Ltd.) on behalf of Platinum Corporation (as the director of Platinum Corporation).

ii. It is observed that Ramanlal Trivedi (Noticee no. 39) is also the Chairman and Managing Director of Cartesian Computers (with whom Platinum Corporation had announced (on July 20, 2005) to have tie-ups). Cartesian Computers is a wholly owned subsidiary of Alps BPO (with whom Platinum Corporation had announced (on September 6, 2005) to have tie-ups).

iii. The aforesaid facts clearly indicate that Robinson Worldwide is an entity connected with the directors/promoters of Platinum Corporation.

iv. The demat account statements of Robinson Worldwide indicate that he received shares in off market. The details of the same are as under:

- On August 3, 2001 and June 17, 2005 and Robinson Worldwide received 2,52,220 shares and 40,00,000 shares respectively from Lakshya Securities and Credit Holdings Ltd. (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty) through off-market,
- On August 17, 2005 they received 75,00,000 shares from Ashok Shah (Noticee no. 9),
- On September 2, 2005 they also received:
  - 80,00,000 shares from Anand Trivedi (Noticee no. 25) and son of Ramanlal Trivedi (Noticee no. 39 and promoter of Platinum Corporation),
  - 5,00,000 shares from Jayesh Shah (director/Promoter of Platinum Corporation) and,
  - 40,00,000 shares from one Manish Ashokbhai (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty and the findings upheld by SAT)
- On September 13, 2005 they received 40,00,000 shares from Meena Shah (Noticee no. 30)
- On September 19, 2005 they received 34,50,000 shares from Meeta Bipin (Noticee no. 31)

v. As explained earlier in paragraph no. 6.18 above, the purchase value/acquisition cost of the aforesaid shares received by the Noticee in off market have been taken at the rate of Re.1 per share. In addition to the aforementioned off market receipt of shares (whose fair value is taken at the rate of Re. 1 per share), it is found that Robinson Worldwide also purchased 1,48,903 shares through market deals for Rs.1,60,826/-.

vi. Robinson Worldwide ofloaded the aforesaid shares during the period July 20, 2005 -September 5, 2005 and September 6, 2005- September 15, 2005. The details of the same are as under:

- Sold 2,00,78, 369 shares for Rs.4,80,07,283/-during the period July 20, 2005 -September 5, 2005, and
- Sold 77,89,706 shares for Rs. 2,31,14,765/- during the period September 6, 2005- September 15, 2005.

vii. The Noticee therefore offloaded a total of 2,78,68,075 shares in the market during the aforesaid two periods for a total sum of Rs.7,11,22,048/-

viii. The purchase price/acquisition cost of the aforesaid 2,78,68,075 shares (received in off market, whose purchase price/acquisition cost is taken at te rate of Re. 1 per share), which were subsequently sold in the market in the wake of the misleading corporate announcements is therefore estimated to be Rs. 2,78,68,075/-. As noted above, the Noticee also purchased 1,48,903 shares from market for Rs. 1,60,826/-, the said amount has been added to the purchase price/acquisition cost of the shares received in off market (*i.e* Rs. 1,60,826 added to Rs. 2,78,68,075), which is Rs. 2,80,28,901/-. The purchase value/acquisition cost of the shares received/bought by Robinson Worldwide (both market and off market) therefore becomes Rs. 2,80,28,901/-.

The illegal gain/profit earned by the Noticee, therefore is the sale price (*i.e* Rs.7,11,22,048/) less purchase price/acquisition cost (*i.e.* Rs. 2,80,28,901/-) *i.e.* Rs. 7,11,22,048– 2,80,28,901 =**Rs.4,30,93,147/-**.

ix. The fraudulent and pre-meditated scheme/device of the company, its directors/promoters and their connected/related entities including Robinson Worldwide and Ramanlal Trivedi are evident from the facts that Ramanlal Trivedi, being the Chairman and MD of Cartesian Computers, entered into the agreement with Platinum Corporation for software development by Cartesian Computers, which was announced by the company on July 20, 2005. Platinum Corporation also entered into an agreement with the parent company of Cartesian Computers, *viz.* Alps BPO. The said relationship which Ramanlal Trivedi (promoter of Platinum Corporation) had with Cartesian Computers was not disclosed through in the announcement. It is pertinent to note that both the aforesaid announcements were withdrawn by the company subsequent to the sale of shares. Further, in the wake of such announcements, Robinson Worldwide (in which Ramanlal Trivedi is one of the directors), had sold shares of Platinum Corporation in the market at a price artificially inflated as a result of the said announcements, thereby making illegal gain.

x. The illegal gain/profit earned by Robinson Worldwide (as detailed in paragraph (viii) above) is **Rs.4,30,93,147/-.**

(3) Bipin Shah (Noticee no. 19)-

i. Bipin Shah is connected to the directors/promoters by way of off-market receipt of shares to his beneficiary account from Parag Shah (one of the promoters of Platinum Corporation). The mobile number mentioned in the KYC details of Bipin Shah with DP SHCIL is being used by Ashok Shah

(Noticee no. 9), who signed the tripartite agreement as the director of Platinum Corporation) executed by Platinum Corporation with Pinnacle Finance and NSDL (details of the same are mentioned at paragraph no. 6.4 above).

ii. Bharat Shah (Noticee no. 18) and Bipin Shah (Noticee No. 19) are brothers. They are also directors of Dhanlaxmi Lease Finance (Noticee No. 17). The registered address of one Lakshya Securities and Credit Holdings Ltd. (which had off-market transaction with Robinson Worldwide (Noticee no. 34) is the same as the residential address of Bharat Shah and Bipin Shah.

iii. The facts and circumstances mentionedabove, clearly indicate that Bipin Shahis connected to the company and its promoter/directors through Ashok Shah.

iv. The demat account statements of Bipin Shah indicate that on January 05, 2005 he received 5 ,00,000 shares from one Mr. Mahendra Kashiram Patel (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty and the findings upheld by SAT). Bipin Shah was holding the shares of Platinum Corporation in one of his demat accounts, which were subsequently transferred to another of his demat accounts.

v. Bipin Shah offloaded shares during the period September 06, 2005 to September 15, 2005 and also during the period November 30, 2006 to February 14, 2007. The details of the sale of shares by Bipin Shah during the period as given in Annexure-10 of the SCN are as under:

   i. During the period September 6, 2005- September 15, 2005, Bipin Shah transferred 4,00,000 shares to the account of Galaxy Broking and these shares were subsequently sold in the name of Hiralal Shah (Noticee no. 28) through the broker Galaxy Broking for Rs. 11,60,000/-Bipin Shah thus offloaded 4,00,000 shares in the market through the broker Galaxy Broking.

   ii. During the period November 30, 2006 to February 14, 2007 Bipin Shah through the broker India Infoline sold 19,15,476 shares for Rs.43,44,278/-.

vi. It is therefore evident that Bipin Shah, who is connected with the directors/promoters of the company conspired and connived with the company and offloaded a total of 23,15,476 shares for a total sum of Rs. 55,04,278/- in the wake of false and misleading corporate announcements (*i.e* during the period September 06, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007)

vii. As explained in paragraph no. 6. 18 above, the purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 23,15,476 shares) has been taken at the rate of Re. 1 per share. The purchase value of 23,15,476 shares therefore is estimated to be Rs. 23,15,476/-

viii. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost (*i.e.* Rs. 55,04,278 – Rs. 23,15,476 = **Rs. 31,88,802/-.**

(4) Exdon Trading (Noticee no. 26)-

i. The director of Exdon Trading is Ashok Shah (Noticee no. 9), who had signed the tripartite agreement dated March 30, 2000 entered between NSDL, Platinum Corporation and Pinnacle Share Registry Ltd. on behalf of Platinum Corporation, as a director of Platinum Corporation**.**

Off-market receipt of shares by Exdon Trading, which were subsequently sold in the market

ii. The demat account statements of Exdon Trading indicate that he received shares through off market deals as under:

- On August 29, 2005 Exdon Trading received 40,00,000 shares from Meena Ambani (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty),
- On September 6, 2005, they received 40,00,000 shares from Preeti Bharatkumar Shah (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty vide Order dated January 12, 2012),
- On November 17, 2005, they received 20,50,000 shares from Parag Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17 above against whom A.O. has imposed penalty vide Order dated November 30, 2015),
- They also received 9,43,502 shares from another of their demat accounts.

iii. The aforesaid shares were sold in the market during the period of false and misleading corporate announcements by the company *(i.e.* during the period July 20, 2005 to September 06, 2005, September 06, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007), through the broker

Indiabulls Securities Ltd. and Religare Securities. The details of the same as observed from the Annexure 10 of the SCN are as under:

- Sold 43,86,498 shares for Rs.1,31,14,957/-during the period July 20, 2005 to September 06, 2005,
- Sold 26,70,000 shares for Rs.80,96,666/- during the period September 06, 2005 to September 15, 2005,
- Sold 26,33,502 shares for Rs.61,54,717/- during the period November 30, 2006 to February 14, 2007.

iv. It is seen that the shares were first transferred to the demat account of the Noticee through off-market deals and subsequently the shares were offloaded in the market. The aforesaid details indicate that the Noticee offloaded a total of 96,90,000 shares in the wake of the false and misleading corporate announcements by the company for a total sum of Rs. 2,73,66,340/-.

v. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 96,90,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 96,90,000 shares therefore is estimated to be Rs. 96,90,000 /-. The illegal gain/profit earned by the Noticee, is sale price less the purchase value/acquisition cost, *i.e.* Rs.2,73,66,340 -Rs.96,90,000 = Rs. 1,76,76,340/-.

vi. Noticee, in their reply vide letters dated March 26, 2014 and February 23, 2016 stated that they had purchased 24,00,000 shares for Rs.30,15,000/-. It is however, observed that the Noticee has not submitted any material documents in support of their claim despite sufficient opportunities given to them. In the absence of the same, I am not able to consider their submissions.

vii. The illegal gain/profit earned by Exdon Trading by offloading the shares during the period (as detailed in paragraph no. (v) above is **Rs. 1,76,76,340/-.**

(5) Anand Trivedi (Noticee no.25) -

i. Anand Trivedi is the son of Ramanlal Trivedi (who was a promoter of Platinum Corporation and Noticee no. 39). Ashok Shah (director of Platinum Corporation and Noticee no. 9) in his letter dated July 23, 2010 to the investigating authority stated "….*he knew Anand Trivedi since long and that he was employed with my friend."*

ii. The demat account statements of Anand Trivedi indicated that he held shares prior to June 17, 2005.

iii. He sold 10,00,000 shares through the broker; Galaxy Broking Ltd. (**Galaxy Broking**) on August 10, 2005, of which 4,80,880 shares were sold through the account of Hiralal Shah (Noticee no. 28) and remaining 5,19,120 shares through his own demat account. The shares were sold for Rs.20,22,294/- (including 4,80,880 shares sold for Rs.9,42,000 in the name of Hiralal Shah (Noticee no. 28) in the wake of the corporate announcements by the company (during the period July 20, 2005 to September 06, 2005).

ix. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 10,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 10,00,000 shares therefore is estimated to be Rs. 10,00,000 /-.

x. The illegal gain/profit earned by the Noticee by offloading the shares in the wake of corporate announcements, is sale price less purchase price/acquisition cost (*i.e.* Rs.20,22,294 -Rs.10,00,000 = **Rs.10,22,294/- .**

(6) Meeta Shah (Noticee no. 31)-

i. Meeta Shah is wife of Bipin Shah (Noticee no. 19). The KYC details of Meeta Shah with the DP SHCIL, contain the mobile number used by Ashok Shah (Noticee no. 9 and director of Platinum Corporation). It is also noted that some of the shares in the demat account of Meeta Shah were transferred to her by broker Galaxy Broking, who inturn sold the shares in the name of Ramanlal Trivedi (Noticee no. 39 and promoter of Platinum Corporation) and Ashok Shah.

ii. The demat account statements of Meeta Shah indicate that she received shares in off market. The details of the same are as under:

- Received 5,00,000 shares from one Kalpesh Ramanbhai Patel (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty and the findings upheld by SAT), and
- Received 35,00,000 shares from one Vasudev Ambaram Patel (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty and the findings upheld by SAT).
- The aforesaid shares were subsequently transferred to the broker; Galaxy Broking.

iii. Galaxy Broking sold the aforesaid shares (so transferred by Meeta Shah), through the accounts of Hiralal Shah (Noticee no.28) (17,25,163 shares for Rs.52,82,768), Ramanlal Trivedi (Noticee no. 39) (7,32,040 shares for Rs.21,28,137/-), Anand Trivedi (Noticee no. 25) (90,000 shares for Rs.2,52,000/-), Ashok Shah (Noticee no. 9) (11,82,797 shares for 36,05,916/-) and Exdon Trading (Noticee no. 26) (2,70,000 shares for Rs.7,80,300/-).

Meeta Shah, who is connected to the promoter/director of Platinum Corporation thus offloaded total 40,00,000 shares (through the accounts of Hiralal Shah, Ramanlal Trivedi, Anand Trivedi, Ashok Shah and Exdon Trading) on August 30, 2005, (*i.e.* during the period July 20, 2005 to September 06, 2005) for Rs.1,20,49,121/-.

viii. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 40,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 40,00,000 shares therefore is estimated to be Rs. 40,00,000 /-.

ix. The illegal gain/profit earned by Meeta Shah by offloading shares in the wake of corporate announcements, is sale price less purchase price/acquisition cost, *i.e.* Rs.1,20,49,121-Rs.40,00,000 = **Rs.80,49,121/-.**

(7) Vashi Constructions (Noticee no. 8)

i. The KYC details obtained from the DP (Shah Investors Home Ltd.) indicate that Ashok Shah (Noticee no. 9) (director of Platinum Corporation) and his father Hiralal Shah (Noticee no. 28) were directors of Vashi Constructions (Noticee no. 8). Other directors of Vashi Constructions are Bhavana Shah (Noticee no. 10) and Rajesh Shah (Noticee no. 11). Bhavana Shah is the sister of Ashok Shah and wife of Rajesh Shah. Further, Neha Shethwala (Noticee no. 12) is the authorized signatory for Vashi Constructions, Rudra Securities (Noticee no. 13) and Dhanlaxmi Lease Finance (Noticee no. 17).

ii. The demat account statements of Vashi Constructions indicate that they received shares through off-market transactions. The details of the same are as under:

- On August 4, 2006, they received 10,00,000 shares from Tushar Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17, against whom the A.O. has imposed penalty vide Order dated November 30, 2015) and,

- On January 10, 2007, they received 10,00,000 shares from one Sonika Granites Pvt. Ltd. (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty).

iii. The aforesaid 20,00,000 shares were offloaded in the market through the broker, RR Equity Brokers for Rs.43,89,873/-.The details of the sale of shares by the Noticee during the said period has been given in the Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 20,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 20,00,000 shares therefore is estimated to be Rs. 20,00,000 /-. The illegal gain/profit earned by the Noticee, is is sale price less purchase price/acquisition cost, *i.e.* Rs.43,89,873 -Rs.20,00,000 = Rs.23,89,873/-.

v. It is observed that Ashok Shah (Noticee no. 9), Bhavana Shah (Noticee no.10) and Rajesh Shah (Noticee no.11) are the directors in charge and responsible for the day to day affairs of Vashi Constructions during the relevant period. As mentioned before, Bhavana Shah is the sister of Ashok Shah and wife of Rajesh Shah.

vi. Vashi Constructions in its replies vide letters dated March 29, 2014 and January 11, 2016 has stated that they received 10,00,000 shares from Tushar Shah on behalf of Bharat Shah (Noticee no. 18) for arranging temporary finance. It is however, observed that the Noticee did not submit any documents/material and details to substantiate their contentions. I am therefore of the view that the contentions put forth by the Noticee are not tenable.

vii. Further, Bhavana Shah (Noticee no. 10) and Rajesh Shah (Noticee no. 11) (directors of Vashi Constructions) in their replies vide separate letters dated April 15, 2014 and Vashi Constructions in their additional submissions vide letter dated April 4, 2016 submitted that Bhavana Shah and Rajesh Shah were appointed as directors of Vashi Constructions with effect from February 24, 2007, whereas the shares were sold on January 13, 2007. They also submitted copies of Form 32 to substantiate the same.

On examining the Form 32 obtained from MCA Website, it is noted that the Noticees, *viz.* Bhavana Shah and Rajesh Shah were appointed as directors Vashi Constructions with effect from February 24, 2007. In view of this, it is noted that Bhavana Shah and Rajesh Shah were not the directors

of Vashi Constructions during the relevant period, (*i.e.* November 30, 2006 to February 14, 2007). I am therefore of the view that the charges alleged against Bhavana Shah and Rajesh Shah in the SCN in respect of the off- loading of shares of Platinum Corporation by Vashi Constructions cannot be attributed to them.

viii. It is therefore observed that Vashi Constructions (Noticee no. 8), an entity connected with the directors/promoters of the company and its director, *viz.* Ashok Shah (Noticee no. 9), who was in charge and responsible for the day to day affairs of the Noticee, conspired and connived with Platinum Corporation and its directors and promoters and offloaded the shares of the company at a price artificially inflated as a result of the false and misleading announcements, thereby making an illegal gain/profit of **Rs. 23,89,873/-.**

(8) Rudra Securities (Noticee no. 13)

i. Rudra Securities is connected to the promoter of the company by way of off-market receipt of shares from the promoter of the company, Jayesh Shah (Noticee no. 6).

ii. The demat account statements of Rudra Securities indicate that on August 30, 2006, August 31, 2006 and September 4, 2006, they had received a total of 25,00,000 shares through off-market transfer from Jayesh Shah (Noticee no. 6).

iii. The aforesaid 25,00,000 shares so received through off-market have been offloaded in the market through the broker IL&FS Securities. The total sale consideration was Rs.46,59,971/-. The details of the sale of shares by the Noticee during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 25,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 25,00,000 shares therefore is estimated to be Rs. 25,00,000 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost, *i.e.* Rs.46,59,971 -Rs.25,00,000 = Rs. 21,59,971/-.

v. Manish Muchhala (Noticee no. 40) is the director in charge and responsible for the day to day affairs of the Noticee during the relevant period, *i.e.* during the period November 30, 2006 to February 14, 2007).

Manish Muchhala in his reply admitted that he was the director of Rudra Securities during the period February 10, 2006 to April 2, 2007.

It is therefore observed that Manish Muchhala (Noticee no. 40) is the director in charge and responsible for the day to day affairs of Rudra Securities during the period of aforesaid sale/offloading of shares by Rudra Securities (November 30, 2006 to February 14, 2007).

vi. Rudra Securities in its reply vide letter dated November 11, 2015 have stated as under:
   - They are not connected with promoter group.
   - Profit accrued to them, if any, is only Rs. 15,50,000/-.

vii. It is however observed that Rudra Securities failed to produce any documents to substantiate their contentions. Further, the Noticee is silent regarding the off-market receipt of 25,00,000 shares from one of the promoters of Platinum Corporation *viz.* Jayesh Shah (Noticee no. 6) on August 30, 2006, August 31, 2006 and September 4, 2006, which indicates the connection/relation between Rudra Securities and the promoter of Platinum Corporation. In view of this, I am inclined to reject the contentions put forth by the Noticee.

viii. It is therefore observed that Rudra Securities (Noticee no. 13) and its director *viz.* Manish Muchhala (Noticee no. 40), who was in charge and responsible for the day to day affairs of the company conspired and connived with the company and offloaded the shares in the wake of corporate announcements, thereby making an illegal gain/profit of **Rs. 21,59,971/-.**

(9) Girish Doshi (Noticee no. 20)

i. The demat account statements of the Noticee indicate that on January 30, 2006, he received 20,00,000 shares from Jayesh Shah (Noticee no. 6- one of the promoters of Platinum Corporation and against whom, A.O. has imposed penalty vide Order dated Novemebr 30, 2015) and 4,00,000 shares from Bipin Shah (Noticee no. 19) through off-market deals.

ii. The aforesaid off-market receipt of shares from one of the promoters of Platinum Corporation, (*viz.* Jayesh Shah) clearly indicate that he is connected to the promoter of the company.

iii. It is further observed that Girish Doshi offloaded 11,41,516 shares out of the total 24,00,000 shares (received through off market deals) in the market during the period November 30, 2006 to February 14, 2007 for Rs. 16,13,413/-. The details of the sale of shares by Girish Doshi during the period are given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 11,41,516 shares) has been taken at the rate of Re. 1 per share. The purchase value of 11,41,516 shares therefore is estimated to be Rs. 11,41,516/-.

v. The illegal gain/profit earned by Girish Doshi (Noticee no. 20) by offloading the shares in market in the wake of corporate announcements, is sale price less purchase price/acquisition cost, *i.e.* Rs.16,13,413 - Rs.11,41,516/- = **Rs. 4,71,897/-.**

(10) Corporate Allianz (Noticee no. 27)-

i. As per the KYC documents obtained from the DP (Shah Investors Home Ltd), it is observed that Ashok Shah (Noticee no. 9- director of Platinum Corporation) and his father, Hiralal Shah (Noticee no. 28) were the directors of Corporate Allianz. In view of this, it is clear that Corporate Allianz is an entity related to the promoter of Platinum Corporation.

ii. The demat statements of Corporate Allianz indicate that it received 10,00,000 shares from Tushar Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17, against whom the A.O. has imposed penalty vide Order dated November 30, 2015) on August 4, 2006 through off-market. The said shares were subsequently offloaded in the market through the broker Kotak Securities for Rs.30,64,745/-The details of the sale of shares by Corporate Allianz during the period are given in Annexure-10 of the SCN.

iii. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 10,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 10,00,000 shares therefore is estimated to be Rs. 10,00,000 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost, *i.e.* Rs.30,64,745 -Rs.10,00,000= Rs. 20,64,745/-..

iv. The Noticee in its reply vide letter dated December 16, 2015 submitted as under:

- A company named Mahavir Impex Ltd. which had no demat account of their own had parked 10,00,000 shares in the demat account of the Noticee on August 4, 2006.
- In January 2007 the said company, (through its authorized person Mr. Manish Shah) asked the Noticee to deal with the shares. Noticee therefore, sold the shares through Kotak Securities for Rs. 30,35,000/-.
- Thereafter, Noticee retained Rs. 45,000/- as charges and paid the remaining Rs. 29,90,000/- by account payee cheque to Mahavir Impex.
- Though Ashok Shah and Hiralal Shah were the directors of the Corporate Allianz, they were holding only 1.5% shares in Corporate Strategic Allianz (Noticee) and not managing the affairs of the Noticee.
- It has not made the profit as alleged in the SCN.

v. From the aforesaid submissions made by the Noticee, it is noted that the Noticee admitted that they sold 10 lakh shares through Kotak Securities. According to the Noticee, they sold those shares on behalf of another company, Mahavir Impex Ltd. (Mahavir Impex) as Mahavir Impex did not have a demat account. As regards, the sale consideration, Noticee stated that they sold 10 lakh sharesfor Rs. 30.35 lakhs and not for Rs. 30.65 lakhs as alleged in the SCN. They further stated thatNoticee retained Rs. 45,000/- as charges and paid the remaining Rs. 29,90,000/- by account payee cheque to Mahavir Impex. Noticee furnished a copy of a document, which they say is a copy of the ledger account of Mahavir Impex in the books of accounts of the Noticee, which contains the particulars regarding the payments made to Mahavir Impex and Kotak Securities. Noticee failed to produce any other credible material evidencing that the sale consideration was Rs. 30.35 lakh.

The details of the shares sold by the Noticee have been mentioned in the Annexure 10 of the SCN. Annexure 10 contains the entity-wise details of the trades executed during the relevant period, including the details of the shares sold, purchased, total sale consideration, trade date, settlement number, demat account details, etc.. On perusal of the Annexure 10, it is however observed that 10,00,000 shares were sold from the demat account of Corporate Allianz for Rs. 30,64,745/- (*i.e.* they sold 4,00,000 shares for Rs. 10,76,362/- on January 8, 2007 and 6,00,000 shares for Rs. 19,88,383/-on January 9, 2007).

In the absence of any material evidence to substantiate that the Noticee sold the shares for Rs. 30.35 lakh, as claimed by them, I have no other option, but to accept the aforementioned figures given in Annexure 10 of the SCN.

As regards, the connection between the Corporate Allianz and the company, it is observed that even though the Noticee stated that Ashok Shah (who signed tripartite agreement on behalf of Platinum Corporation, as its director) was not managing the affairs of the Noticee, they have been silent about their connection with the promoter of the company (Tushar Shah) by way of off-market deals. Further, Noticee's submission that the alleged transactions were executed on behalf of a company named Mahavir Impex Ltd. cannot be accepted as a valid defense for the charges of offloading shares in the wake of misleading corporate announcements as the shares were offloaded from the demat account of the Noticee, wherein he profit at the cost of innocent investors. The fact that the profit earned by the Noticee has been transferred to another entity is therefore not really relevant for the reasons detailed above.

vi. The illegal gain/profit earned by Corporate Allianz (Noticee no. 27) by offloading shares in the market in the wake of corporate announcements (as mentioned in paragraph no. (iii) above) is **Rs. 20,64,745/-.**

(11) Hiralal Shah (Noticee no. 28)-

i. The demat account statements of Hiralal Shah indicate that he received shares through off-market as under:

- On October 18, 2005, he received 10,500 shares from Parag Shah (one of the promoters of Platinum Corporation, against whom A.O. has imposed penalty),
- On October 19, 2005 and December 29, 2005, he received 1,26,368 shares and 5000 shares respectively from Galaxy Broking,
- On January 19, 2007 he received 2,48,082 shares from Anand Trivedi (Noticee no. 25) (son of Ramanlal Trivedi (Noticee no. 39 and promoter of Platinum Corporation) ,
- On February 07, 2007, he held around 14,55,000 shares in physical as well as dematerialized form.

ii. Hiralal Shah (Noticee No. 28) is the father of Ashok Shah (Noticee no. 9-one of the directors of Platinum Corporation). He also had off-market transfers with Parag Shah (one of the promoters of Platinum Corporation, against whom A.O. has imposed penalty).

iii. Hiralal Shah offloaded 18,34,450 shares for Rs.43,45,814/- during the said period through the broker Shah Investor's Home(*i.e* offloaded 3,79,450 shares on January 19, 2007 and 14,55,000 shares between February 8, 2007 and February 14, 2007). The details of the sale of shares by Hiralal Shah during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 18,34,450 shares) has been taken at the rate of Re. 1 per share. The purchase value of 18,34,450 shares therefore is estimated to be Rs. 18,34,450 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost *i.e.* Rs.43,45,814 -Rs.18,34,450= Rs.25,11,364/-.

v. Sarlaben Shah (Noticee no. 35) (wife of Hiralal Shah (deceased)) filed reply vide letters dated December 30, 2013 and March 3, 2014, on behalf of Hiralal Shah. She advised that Hiralal Shah passed away on October 8, 2012 (a copy of death certificate was also submitted).

vi. The illegal gain/profit earned by Hiralal Shah by offloading the shares in the wake of corporate announcement (as mentioned in paragraph no. (iv) above) is **Rs.25,11,364/-.**

(12) Induram Developers (Noticee no. 29)

i. The demat account statements of Induram Developers indicate that they received shares through off-market as under:
   - On July 12, 2006, they received 10,00,000 shares from Bipin Shah (Noticee no.19),
   - On December 28, 2006 and December 29, 2006 they received 4,14,999 shares from Girish Doshi (Noticee no. 20) and
   - On January 09, 2007 they received 10,00,000 shares from one Sonika Granites Pvt. Ltd. (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty).

ii. The aforesaid shares so received through off-market (*i.e* 24,14,999 shares) were sold for Rs.49,62,241/-in the market by the entity during the said period of announcement. The details of the sale of shares by Induram Developers during the period are given in Annexure-10 of the SCN.

iii. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 24,14,999 shares) has been taken at the rate of Re. 1 per share. The purchase value of 24,14,999 shares therefore is estimated to be Rs. 24,14,999 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost (*i.e.* Rs.49,62,241 -Rs.24,14,999= Rs.25,47,242/-..

iv. Noticee in its reply vide letter dated November 10, 2015 *inter alia* has stated as under:

- Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
- Off-market transactions were bonafide and for consideration,
- Profit, if any, accrued to them in the transaction was only Rs. 6,47,320/-.

v. Apart from the mere statements that the off-market transactions with the promoter related entities were bonafide and for consideration, the Noticee has not furnished any documents such as proof for consideration paid, transfer details, etc. to substantiate its contention. The Noticee was also silent on the aspect of its sudden offloading of the shares during the said period at a price inflatedas a result ofthe said announcements.

I am therefore not in a position to accept the contentions put forth by the Noticee.

vi. The illegal gain/profit earned by Induram Developers (as mentioned in paragraph no. (iii) above) by offloading the shares in the wake of corporate announcements is **Rs.25,47,242/-.**

(13) Meena Shah (Noticee no.30)-

i. Meena Shah is the wife of Ashok Shah (Noticee no. 9-director of Platinum Corporation).

ii. The demat account statements of Meena Shah indicate that on November 16, 2005 she dematerialized 15,00,000 shares.

iii. The said 15,00,000 shares were offloaded in the market during the period November 30, 2006 to February 14, 2007 for Rs.41,86,610/-. The details of the sale of shares by Meena Shah during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 15,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 15,00,000 shares therefore is estimated to be Rs. 15,00,000/-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost *i.e.* Rs.41,86,610 -Rs.15,00,000= Rs.26,86,610/-.

v. Noticee in its reply vide letter dated November 10, 2015 *inter alia* stated as under:

- She held 15,00,000 shares of the company since 1998 and sold them in the usual course of business through stock exchange,

vi. It is however observed that the Noticee is silent on the reasons of her sudden offloading of his entire holdings in Platinum Corporation (which she says she was holding since 1998) in the market during the period of corporate announcement.

I am therefore not convinced with the submissions made by the Noticee.

vii. The illegal gain/profit earned by Meena Shah (as mentioned in paragraph no. (iv) above) is **Rs.26,86,610/-**

(14) Parvati Minerals (Noticee no. 32)-

i. Parvati Minerals is connected to the promoter of the company by way of off-market transfers with Parag Shah (promoter of the company). It is also observed that Bipin Shah (Noticee no. 19) and Meeta Shah (Noticee no. 31) (both the said entities are connected to the directors/promoters of Platinum Corporation) are directors of Parvati Minerals.

ii. The demat account statements of Parvati Minerals indicate that they had received shares off-market. The details of the same are as under:

- On July 10, 2006 they received 10,00,000 shares from Preeti Bharat Ratilal (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty),
- On July 13, 2006, they received 20,00,000 shares from Ashaben Ambani (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty),
- On August 11, 2006 and August 18, 2006, they received 20,00,000 shares from Parag shah (one of the promoter entities of Platinum Corporation against whom the A.O. has imposed penalty),
- On January 09, 2007 and January 10, 2007, they received 15,00,000 shares from Shanti Tradelink Pvt. Ltd. (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty),
- On January 10, 2007 they received 5,85,001 shares from Girish Metals Pvt. Ltd (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty)

iii. The aforesaid 70,85,001shares so received through off-market were offloaded in the market during the period of announcement through brokers Geojit Securities and JM Financials for Rs.1,60,37,989/. The details of the sale of shares by the Noticee during the period are given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 70,85,001 shares) has been taken at the rate of Re. 1 per share. The purchase value of 70,85,001 shares therefore is estimated to be Rs. 70,85,001 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost, *i.e.* Rs.1,60,37,989 -Rs.70,85,001 =Rs.89,52,988/-.

v. Parvati Minerals filed their reply vide separate letter dated November 12, 2015. They have *inter alia* stated as under:

- Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
- Off-market transactions were bonafide and for consideration,
- They are not connected with the promoters of Platinum Corporation.
- Profit, if any, accrued in the transactions was Rs.15,48,164/- to Parvati Minerals and Rs.16,99,356/- to Pratik Minerals .

vi. Apart from the mere statements that the off-market transactions with the promoter related entities were bonafide and for consideration, the Noticeehas not furnished any documents evidencing consideration paid, transfer details, etc. to substantiate their contention. The Noticeeis also silent on the aspect of the sudden offloading of the shares during the said period at a price inflated as a result of the said announcements. Regarding the profit made in the transaction, the Noticeehasnot submitted any supporting material/documents. I am therefore not in a position to accept the contentions put forth by the Noticee.

vii. The illegal gain/profit earned by Parvati Minerals (as mentioned in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs.89,52,988/-.**

(15) Pratik Minerals (Noticee no. 33)-

i. Pratik Minerals is connected to the promoter of the company by way of off-market receipt of shares from the promoter of the company, Parag Shah (one of the promoter entities of Platinum Corporation against

whom A.O. has imposed penalty). It is also observed that Bipin Shah (Noticee no. 19) and Meeta Shah (Noticee no. 31) (both the said entities are connected to the directors/promoters of Platinum Corporation) are directors of Pratik Minerals (Noticee no.33).

ii. The demat account statements of Pratik Minerals indicate that they had received shares through off-market. The details of the same are as under:

- On July 10, 2006, they received 10,00,000 shares from Preeti Bharat Ratilal (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty),
- On August 17, 2006, they received 10,00,000 shares from Parag Shah (one of the promoter entities of Platinum Corporation against whom A.O. has imposed penalty) and,
- On January 9-10, 2007, they received 15,00,000 shares from Shanti Tradelink Pvt. Ltd. (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty).

iii. The aforesaid 35,00,000 shares so received through off-market were offloaded in the market through the broker JM Financials for Rs.81,74,344/-. The details of the sale of shares by the Noticee during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market, (*i.e* 35,00,000 shares) has been taken at the rate of Re. 1 per share. The purchase value of 35,00,000 shares therefore is estimated to be Rs. 35,00,000 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost (*i.e.* Rs.81,74,344 -Rs.35,00,000 = Rs.46,74,344/-.

v. Pratik Minerals, ifiled their reply vide letter dated November 12, 2015. They have *inter alia* stated as under:

- Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
- Off-market transactions were bonafide and for consideration,
- They are not connected with the promoters of Platinum Corporation.
- Profit, if any, accrued in the transactions was Rs.15,48,164/- to Parvati Minerals and Rs.16,99,356/- to Pratik Minerals .

vi. Apart from the mere statements that the off-market transactions with the promoter related entities were bonafide and for consideration, the Noticee has not furnished any documents evidencing consideration paid, transfer details, etc. to substantiate their contention. The Noticeeis also silent on the aspect of the sudden offloading of the shares during the said period at a price inflated as a result of the said announcements. Regarding the profit made in the transaction, the Noticeehas not submitted any supporting material/documents. I am therefore not in a position to accept the contentions put forth by the Noticee.

vii. The illegal gain/profit earned by Pratik Minerals (as mentioned in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs.46,74,344/-.**

(16) Sarlaben Shah (Noticee no. 35)-

i. Sarlaben Shah is the mother of Ashok Shah (Noticee no. 9 and a Director of Platinum Corporation).

ii. The demat account statements of Sarlaben Shah indicate that on November 16, 2005 she dematerialized 15,00,000 shares.

iii. The aforesaid 15,00,000 shares were offloaded in the market through the broker Shah Investor's Home Ltd. for Rs.44,03,638/- during the period November 30, 2006 to Febraury 14, 2007.The details of the sale of shares by the Noticee during the period have been given as Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market by the Noticee, (*i.e* 15,00,000 shares)) has been taken at the rate of Re. 1 per share. The purchase value of 15,00,000 shares therefore is estimated to be Rs. 15,00,000 /-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost (*i.e.* Rs.44,03,638 -Rs.15,00,000 =Rs.29,03,638/- ..

v. Noticee in her reply vide letters dated March 10, 2014 and February 12, 2016 has stated as under:

- She was a bonafide shareholder since 1998.
- She was not part of any promoter group of Platinum Corporation.
- The allegations against her are probably because she is the mother of Ashok Shah.

vi. Even though the Noticee stated that she was a bonafide shareholder since 1998, she was silent regarding the sudden offloading of her entire holdings in Platinum Corporation in the market (which she says she was holding since 1998) during the period of corporate announcement. I am therefore not convinced with the submissions made by the Noticee.

vii. The illegal gain/profit earned by Sarlaben Shah (Noticee no. 35) (as mentioned in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs.29,03,638/-.**

(17) Shalibhadra Steels (Noticee no. 36)-

i. Anand Trivedi (Noticee no. 25 and son of Ramanlal Trivedi -promoter of Platinum Corporation (Noticee No. 39)) is the Director of Shalibhadra Steel.

ii. The demat account statements of Shalibhadra Steel indicate that on July 17, 2006, they received 20,00,000 shares from one Ashok Ambani (one of the 29 connected entities mentioned in paragraph no. 6.17 above- no action initated as the entity had expired).

iii. Shalibhadra Steel offloaded 23,10,000 shares in the market through the broker Anand Rathi Financial Services for Rs.52,83,225/-.The details of the sale of shares by the Noticee during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market by the Noticee, (*i.e* 23,10,000 shares)) has been taken at the rate of Re. 1 per share. The purchase value of 23,10,000 shares therefore is estimated to be Rs. 23,10,000/-. The illegal gain/profit earned by the Noticee is sale price less purchase price/acquisition cost (*i.e.* Rs.52,83,225 -Rs.23,10,000 =Rs. 29,73,225/-.

v. Noticee in their reply vide letter dated November 12, 2015 has stated as under:

- Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
- Mr. Ambani had no trading account and since he wanted to sell the Platinum Corporation shares, he transferred the shares to it in off-market.

- Not connected with promoters of Platinum Corporation.
- No profit has been made as sale was on behalf of another person.

vi. Apart from the mere statements, the Noticee has not furnished any documents to substantiate their contentions. The Noticee is also silent on the aspect of their sudden offloading of the shares during the said period at a price inflated as a result of the said announcements. Regarding the profit made in the transaction, the Noticee has not submitted any supporting material/documents. I am therefore not in a position to accept the contentions put forth by the Noticee.

vii. The illegal gain/profit earned by Shalibhadra Steel (Noticee no. 36) (as detailed in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs. 29,73,225/-.**

(18) Shankeshwar Metals (Noticee no. 37)-

i. Anand Trivedi(Noticee no. 25 and son of Ramanlal Trivedi (promoter of Platinum Corporation (Noticee No. 39)) is a Director in Shankeshwar Metals.They arealso connected to the promoter of Platinum Corporation by way of receipt of the shares through off-market from the promoter of the company-Jayesh Shah (Noticee no. 6).

ii. The demat account statements of Shankeshwar Metals indicate that they received shares through off-market. The details of the same are as under:
   - On July 17, 2006, the Noticee received 10,00,000 shares from Mr. Ashok Ambani (one of the 29 connected entities mentioned in paragraph no. 6.17 above- no action initated as the entity had expired),
   - On August 26, 2006 they received 10,00,000 shares from Jayesh Shah (Noticee No. 6) and 5,00,000 shares from the demat account of Girish Metals Pvt. Ltd. (BOID-CDS-14271) (one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty).

iii. Shankeshwar Metals sold the aforesaid 25,00,000 sharesin the market through the broker Anand Rathi Financial Services for Rs.56,16,683/- .The details of the sale of shares by the Noticee during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market by the Noticee, (*i.e* 25,00,000 shares)) has been taken at the rate of Re. 1 per share. The purchase value of 25,00,000 shares therefore is estimated to be Rs. 25,00,000/-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost, *i.e.* Rs.56,16,683 -Rs.25,00,000= Rs. 31,16,683/-

v. Shankeshwar Metals in their reply vide letter dated October 12, 2015 has stated as under:

- Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
- Ashok Ambani and Jayesh Shah (Noticee no.6) had no trading account and since they wanted to sell the Platinum Corporation shares, they transferred the shares to the demat account of the Noticee in off-market.
- No profit has been made as sale was on behalf of another person.

vi. From the above, it is noted that Noticee has admitted that they sold shares on behalf of Jayesh Shah (Noticee no.6), who was one of the promoters of Platinum Corporation. The connection/relation of the Noticee with Platinum Corporation and its directors/promoters is further strengthened by the fact that they are managed by Anand Trivedi (son of Ramanlal Trivedi (promoter of Platinum Corporation)).

vii. The illegal gain/profit earned by Shankeshwar Metals (Noticee no. 37) (as detailed in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs. 31,16,683/-.**

(19) Siddhivinayak Tradelink (Noticee no. 38)-

i. Anand Trivedi(Noticee no. 25 and son of Ramanlal Trivedi (promoter of Platinum Corporation and Noticee No. 39) is a Director in Siddhivinayak Tradelink.They arealso connected to the promoter of Platinum Corporation by way of receipt of the shares through off-market from the promoter of the company- Jayesh Shah (Noticee no. 6).

ii. The demat account statements of Siddhivinayak Tradelink indicate that they received shares through off-market. The details of the same are as under:

- On July 17, 2006, the Noticee received 10,00,000 sharesfrom Mr. Ashok Ambani (one of the 29 connected entities mentioned in paragraph no. 6.17 above- no action initated as the entity had expired,
- On August 26, 2006 they received 10,00,000 shares from Jayesh Shah and 5,00,000 shares from the demat account of Girish Metals Pvt. Ltd. (BOID-CDS-14271) -one of the 29 connected entities mentioned in paragraph no. 6.17 above against whom the A.O. has imposed penalty).

iii. Siddhivinayak Tradelink sold the aforesaid 25,00,000 sharesin the market through the broker Anand Rathi Financial Services for Rs.58,52,299/.The details of the sale of shares by the Noticees during the period have been given in Annexure-10 of the SCN.

iv. The purchase price/acquisition cost of the shares (which were subsequently sold/offloaded in the market by the Noticee, (*i.e* 25,00,000 shares)) has been taken at the rate of Re. 1 per share. The purchase value of 25,00,000 shares therefore is estimated to be Rs. 25,00,000/-. The illegal gain/profit earned by the Noticee, is sale price less purchase price/acquisition cost, *i.e.* Rs.58,52,299 - Rs.25,00,000 =Rs. 33,52,299/- .

v. Siddhivinayak Tradelink in their reply vide letter dated November 12, 2015 has stated as under:
   - Platinum Corporation was a liquid scrip and its sale volume compared to total market volume is not substantial,
   - Ashok Ambani and Jayesh Shah (Noticee no.6) had no trading account and since they wanted to sell the Platinum Corporation shares, they transferred the shares to the demat account of the Noticee in off-market.
   - No profit has been made as sale was on behalf of another person.

vi. From the above, it is noted that the Noticee has admitted that they sold shares on behalf of Jayesh Shah (Noticee no.6), who was one of the promoters of Platinum Corporation. Further, the connection/relation of the aforesaid Noticee with Platinum Corporation and its directors/promoters is further strengthened by the fact the Noticee is managed by Anand Trivedi (Noticee no. 25) (son of Ramanlal Trivedi (promoter of Platinum Corporation and Noticee no. 39)).

vii. The illegal gain/profit earned by Siddhivinayak Tradelink (Noticee no. 38) (as mentioned in paragraph no. (iv) above) by offloading shares in the wake of corporate announcements is **Rs. 33,52,299/-.**

Findings-

6.22 From the aforesaid facts and circumstances, I find that:

- There was a concerted effort by Platinum Corporation and its directors/promoters to publish the corporate announcements regarding its tie-ups with two software development companies (July 20, 2005 and September 06, 2005) and its plan to enter into real estate business (November 29, 2006 and December 8, 2006), which contained distorted and misleading information, which had likely influenced the investors decisions.The company does not appear to have implemented the corporate announcements. Furthermore, these announcements contained distorted and false information (as explained in the paragraph no. 6.8 (iv), (v) and (vi) and 69 (v) above).

- The following factors clearly indicate that there was a concerted effort on the part of Platinum Corporation and its directors/promoters in publishing the false and misleading corporate announcements with the sole purpose of artificially inflating the price and volume in the scrip to lure investors:
  i. The false announcement was made by the company (on July 20, 2005) that "*M/s Cartesian Computer Ltd., is currently engaged in developing of the high end software with many Government purpose such as defense and many other areas",* when the total sales of Cartesian Computers for the year ended March 31, 2005 was shown in the company's Accounts to be nil,
  ii. The non-disclosure by the company regarding the connection/relation between Platinum Corporation and Cartesian Computers through Ramanlal Trivedi,
  iii. Quarterly results of the company for the period 2005 to 2008 revealed that the company had not generated any income out of the software business for the period 2005 to 2008 and that the income earned by the company was through trading in Government Securities, manuafaturing of gold jewellery and manuafaturing of ice cream,
  iv. Sunsequent withdrawal of both the aforesaid announcements regarding the tie-ups with Cartesian Computers (on March 6, 2006) and Alps BPO (on February 27, 2006),

v. Despite the corporate announcements by the company regarding its plan to enter into real estate business (on November 29, 2006) and its tie up with another real estate company (announced on December 08, 2006), the company did not generate any income from the construction and real estate business for the 13 quarters starting from March 31, 2007 to March 31, 2010.

- Noticees nos. 2 to 7, *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no. 3), Anindo Banerjee (Noticee no. 4), Jignesh Shah (Noticee no. 5), Jayesh Shah (Noticee no. 6) and Nikita Dave (Noticee no. 7) being the directors of the company who were in chrage and responsible for the day to day affairs of Platinum Corporation during the said period are liable for the acts and omissions of the company.

- The fraudulent and pre-meditated plan or artifice of Platinum Corporation, its directors/promoters and the aforementioned *Nineteen Noticees* connected with the directors/promoters(as detailed in paragraph nos. 6.7 to 6.21 above) along with the 29 connected entities (who transferred shares to the *Nineteen Noticees* in off-market) (the details of the 29 connected entities have been given in paragraph no. 6.17 above) were exposed fully when the *Nineteen Noticees* offloaded their shares in the market at a price artificially inflated as a result of the fraudulent and misleading announcements made by the company during the period July 20, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007. In other words, the company on the one hand made fraudulent and misleading announcements, and, on the other hand, facilitated the Noticees (entities/persons connected to its directors/promoters) to sell their shares in the market at a price inflated as a result of the said announcements.

- The timing of the sale of shares by these Noticees coupled with their connection/relation with the directors/promoters of the company as explained in the forgoing paragraphs lead to the inescapable conclusion that the company, its promoters/ directors and the Noticees, who were connected with the company acted as a group and conspired and connived with one another in order to perpetrate the fraudulent scheme of manipulation at the cost of innocent investors.

- The aforesaid *Nineteen Noticees viz.* Vashi Constructions (Noticee no.8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no.25), Exdon Trading(Noticee no.26), Corporate Allianz (Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers(Noticee no. 29, Meena Shah (Noticee no. 30), Meeta Shah (Noticee no.31), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson

Worldwide (Noticee no.34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37) and Siddhivinayak Tradelink (Noticee no. 38), connected to the promoters group aggregately sold around 8 crore shares for a profit of around Rs.12 crore during the period July 20, 2005-September 15, 2005 and November 30, 2006- February 14, 2007 as detailed in the forgoing paragraphs.

- It is further observed that Ashok Shah (Noticee no. 9) was the Director in charge and was responsible for the day to day affairs of Vashi Constructions (Noticee No. 8), Induram Developers (Noticee No. 29) and Corporate Allianz (Noticee No.27); Ramanlal Trivedi (Noticee no. 39) was the Director of Robinson Worldwide (Noticee No.34); and Manish Muchhala (Noticee no. 40) was the Director of Rudra Securities (Noticee No.13). The aforesaid Noticees were in charge and responsible for the day to day affairs of the Noticees (during the relevant period).

- In the instant matter, the whole array of events commencing from the pooling of shares through off-market deals by the said *Nineteen Noticees* (who were connected/related to the promoters of the company), publishing of misleading and distorted corporate announcements by the company and its directors which induced investors to buy the shares of the company and fraudulent off- loading of shares by the said *Nineteen Noticees* was premeditated and orchestrated by the group consisting of the company and its promoters/ directors in concert with the aforementioned *Nineteen Noticees* and other connected entities. The same was done with the sole intention to offload the shares of Platinum Corporation, so that innocent and un-informed investors would get induced by the positive news and thereby purchase shares of Platinum Corporation at a price inflated as a result of the misleading corporate announcements. The *Nineteen Noticees* connected to the promoters group offloaded around 8 crore shares for a profit of around Rs.12 crore during the period. The cogent and convincing trail of events as detailed in the preceding paragraphs conclusively establish the charges of manipulative and fraudulent activities on the part of the Noticees, which are in clear violation of the provisions of PFUTP Regulations, 2003.

6.23 Nineteen Noticees *viz.* Vashi Constructions (Noticee No. 8), Ashok Shah (Noticee no. 9), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Anand Trivedi (Noticee no. 25), Exdon Trading (Noticee no. 26), Hiralal Shah (Noticee no. 28), Meena Shah (Noticee no. 30), Meeta Shah (Noticee no. 31), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no. 34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steel (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38), Ramanlal Trivedi (Noticee

no. 39) and Manish Muchhala (Noticee no. 40) in their replies contended that the ingredients of circular trades, self-trades, reversal trades and synchronized trades are absent in their transactions, hence violation of PFUTP Regulations cannot be alleged against them. Further, eight Noticees, *viz.* Anand Trivedi (Noticee no. 25), Robinson Worldwide (Noticee no. 34), Bharat Shah (Noticee no.18), Bipin Shah (Noticee no. 19), Meena Shah (Noticee no.30), Meeta Shah (Noticee no.31), Parvati Minerals (Noticee no. 32) and Pratik Minerals (Noticee no. 33) additionally submit: "*the violation of PFUTP Regulations and SAST Regulations cannot be treated conjunctly together or simultaneously*".

In this regard, it is observed that:

a. Adjudication orders were passed against nine Noticees, *viz.* Ashok Shah (Noticee No.9), Bharat Shah (Noticee No.18), Bipin Shah (Noticee no.19), Anand Trivedi (Noticee no. 25), Meena Shah (Noticee no.30), Meeta Shah (Noticee no.31), Parvati Minerals (Noticee no.32), Pratik Minerals (Noticee no.33) and Robinson Worldwide (Noticee no. 34) for not disclosing their shareholding and also for not disclosing the change in their shareholding in the company to the company and to the stock exchange in the prescribed format, as mandated by the provisions of Regulation 7(1) of the SAST Regulations, 1997 and Regulation 13(3) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (**Insider Trading Regulations, 1992**). Adjudication orders were also passed against the three Noticees, *viz.* Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19) and Meeta Shah (Noticee no.31) for not making public announcement as prescribed by Regulation 10 of the SAST Regulations, 1997.

b. Regulation 7(1) of the SAST Regulations, 1997 mandates any person who holds more than 5% of shares or voting rights in any listed company, to disclose to the company in Form A, the number of shares held and such disclosure has to be made within four working days of receipt of the intimation of allotment of shares. Similarly, Regulation 13(3) of the Insider Trading Regulations, 1992 *inter alia* requires a person holding more than 5% shares in any listed company to disclose to the company the number of shares or voting rights held and change in shareholding, if there has been change in such holdings from the last disclosure and if such change exceeds 2% of the total shareholding in the company. Further, Regulation 10 of the SAST Regulations, 1997 *inter alia* prohibits an acquirer from acquiring shares which (taken together with shares already held by him or by persons acting in concert with him) would entitle him to exercise 15% or more of the voting rights in a company.

c. In this regard, it may be noted that the change/increase in the shareholding of the aforesaid Noticees, which ultimately trigerred the aforementioned Regulations was due to the off-market receipt of shares by the said Noticees and also due to the offloading of shares in the market (as explained in the forgoing paragraphs). The said off-market receipt of shares by the Noticees and subsequent offloading of shares in the wake of misleading and false corporate announcements were all part of a larger conspiracy hatched by the company, its directors/promoters and connected entities including the *Nineteen Noticees* (explained in detail in the forgoing paragraphs). It is also relevant to note that the *Nineteen Noticees* have made illegal profit of around Rs. 12 crore.

The provisions of Section 12A(a)-(c) of the SEBI Act read with Regulations 3(a)- (d) of the PFUTP Regulations, inter alia prohibit buying, selling or dealing in securities in a fraudulent manner; employment of any manipulative/deceptive device, scheme or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Further, Regulations 4 (1), 4(2)(e), 4(2)(k) and 4(2)(r) of the PFUTP Regulations, 2003, *inter alia* prohibit fraudulent and unfair trade practices in securities through various acts, omissions stated therein. In my view, any fraudulent or deceptive device, scheme, act, omission, etc. which has the potential to *inter alia* induce sale/purchase of securities of any company; influence investment decisions of investors in such company; or result in wrongful gain, etc. would be covered within the prohibition under the aforementioned provisions of law.

It is also pertinent to refer to the judgment of the Hon'ble Securities Appellate Tribunal in the matter of ***V. Natarajan vs. SEBI***, SAT 2011 Indlaw SAT 29 Appeal No.104 of 2011, wherein it was held as follows:-

"... we are satisfied that the provisions of Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, were violated. These regulations, among others, prohibit any person from employing 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 an exchange. They also prohibit persons from engaging 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 that are listed on stock exchanges. These regulations also prohibit persons from indulging in a fraudulent or unfair trade practice in securities which includes publishing any information which is not true or which he does not believe to be true. Any advertisement that is misleading or contains information in a distorted manner which may influence the decision of the investors is also an unfair trade practice in securities which is prohibited. The regulations also make it clear that planting false or misleading news which may induce the public for selling or purchasing securities would also come within the ambit of unfair trade practice in securities...

... A basic premise that underlies the integrity of securities market is that persons connected with securities market conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities."

d. I am therefore, of the view that the aforesaid fraudulent and manipulative acts committed by the Noticees indeed attract the provisions of PFUTP Regulations, 2003 and also resultant change in the shareholding will attract the provisions of relevant Regulations including SAST Regulations, 1997. In view of this, I am not inclined to accept the contention put forth by the Noticee that "*the violation of PFUTP Regulations and SAST Regulations cannot be treated conjunctly together or simultaneously*".

Conclusion-

6.24 In view of this, I do not have slightest hesitation to hold that:

- Platinum Corporation (Noticee no. 1) and its aforementioned directors, *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya (Noticee no. 3), Anindo Banerjee (Noticee no. 4), Jignesh Shah (Noticee no. 5), Jayesh Shah (Noticee no. 6) and Nikita Dave (Noticee no. 7) have violated Section 12A (a), (b) and (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), (k) and (r) of PFUTP Regulations, 2003.

- Further, the *Nineteen Noticees* (mentioned in paragraph 6 A above) , *viz.*, Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no. 13), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20), Anand Trivedi (Noticee no.25), Exdon Trading(Noticee no. 26), Corporate Allianz(Noticee no. 27), Hiralal Shah (Noticee no. 28), Induram Developers(Noticee no. 29), Meena Shah (Noticee no.30), Meeta Shah (Noticee no. 31), Parvati Minerals(Noticee no. 32), Pratik Minerals(Noticee no. 33), Robinson Worldwide (Noticee no. 34), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38) and their directors who were in charge and responsible for the day to day affairs of the aforesaid Noticees during the relevant period, *viz.* Ramanlal Trivedi (Noticee no. 39 and Director of Robinson Worldwide), Ashok Shah (Noticee no. 9 and Director of Vashi Constructions, Induram Developers and Corporate Allianz) and Manish Muchhala (Noticee no. 40 and Director of Rudra Securities) have violated provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1) and4(2)(e), PFUTP Regulations, 2003.

6.25 Coming to the disgorgement of the unlawful gain/sale proceeds made by the *Nineteen Noticees*, as contemplated in the SCN, I am of the view that no person can be allowed to participate in securities market and unjustly enrich themselves at the cost of investors, by way of ill-gotten gain made on account of such

fraudulent and manipulative trade practices as detailed above. The facts and circumstances mentioned in the forgoing paragraphs (paragraph nos. 6.7 to 6.23 above) clearly indicate that the *Nineteen Noticees*, who were connected/related to the company and its directors/promoters have made unlawful profit by offloading the shares of Platinum Corporation during the period July 20, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007, at a price artificially inflated through the false and misleading corporate announcements.

6.26 Ten Noticees, *viz.* Hiralal Shah (Noticee no. 28) (through his widow Sarlaben Shah (Noticee no. 35)), Induram Developers (Noticee no. 29), Parvati Minerals (Noticee no. 32), Pratik Minerals (Noticee no. 33), Robinson Worldwide (Noticee no. 34), Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no.19), Exdon Trading (Noticee no.26), Anand Trivedi (Noticee no. 25) and Meeta Shah (Noticee no. 31) made common submissions vide their respective replies. They stated that the aforementioned off-market transactions were bonafide and for consideration and that they are not connected with the directors/promoters of Platinum Corporation. They also stated that they had incurred loss out of the aforementioned transactions and did not gain profit as alleged in SCN.

It is however observed that apart from merely stating that they had incurred loss, the Noticees have not produced any material evidence, such as the bank statements etc. to substantiate their contentions. In view of this, I am not in a position to consider the contentions put forth by the said Noticees.

6.27 As regards the offloading of shares by the *Nineteen Noticees*, the SCN refers to three separate periods during which the Noticees offloaded their shares, *i.e.* (i) July 20, 2005 to September 15, 2005, (ii) March 10, 2006 to August 30, 2006 (intermittent period) and (iii) November 30, 2006 to February 14, 2007. The computation of profit earned by the *Nineteen Noticees* mentioned in the Column H of the table at page no. 58 of the SCN was done by taking into account the entire shares offloaded by them during the period June 17, 2005 to February 14, 2007 including the second period, *i.e.* from March 10, 2006 to August 30, 2006. I am of the opinion that the shares offloaded during the second period, *i.e.* from March 10, 2006 to August 30, 2006, should not be taken into account for computing the profit in view of the reasons mentioned in paragraph no. 6.9 (iv) above. The illegal profit earned by the Noticees, therefore have been calculated anew by taking into account the shares off loaded during the remaining two periods, *i.e.* July 20, 2005 to September 15, 2005 and November 30, 2006 to February 15, 2007.

The illegal gain/profit earned by the *Nineteen Noticees* is tabulated as under:

Sl. no.	Name of the entity A	shares purchased from market B	Purchase price C	No. of Shares sold (whose fair value of acquisition taken as Re.1/) D	Purchase price of Shares (acquisition is taken at fair value of Re.1/-) E=(DxRe.1)	Total shares received/bought (both off market and market) F=(B+D)[1]	Sale consideration G	PROFIT H=[G-(E+C)][2]
1.	Bharat Shah (Noticee no. 18)	6,76,053	6,05,460	75,72,338	75,72,338	82,48,391	1,68,70,584	86,92,786
2.	Robinson Worldwide (Noticee no.34)	1,48,903	1,60,826	2,78,68,075	2,78,68,075	2,80,16,978	7,11,22,048	4,30,93,147
3.	Bipin Shah (Noticee no.19)			23,15,476	23,15,476	23,15,476	55,04,278	31,88,802
4.	Exdon Trading (Noticee no.26)			96,90,000	96,90,000	96,90,000	2,73,66,340	1,76,76,340
5.	Anand Trivedi (Noticee no.25)			10,00,000	10,00,000	10,00,000	20,22,294	10,22,294
6.	Meeta Shah(Noticee no.31)			40,00,000	40,00,000	40,00,000	1,20,49,121	80,49,121
7.	Vashi Constructions (Noticee no.8)			20,00,000	20,00,000	20,00,000	43,89,873	23,89,873
8.	Rudra Securities (Noticee no.13)			25,00,000	25,00,000	25,00,000	46,59,971	21,59,971
9.	Girish Doshi (Noticee no.20)			11,41,516	11,41,516	11,41,516	16,13,413	4,71,897
10	Corporate Allianz (Noticee no.27)			10,00,000	10,00,000	10,00,000	30,64,745	20,64,745
11	Hiralal Shah (Noticee no.28)			18,34,450	18,34,450	18,34,450	43,45,814	25,11,364
12	Induram Developers (Noticee no. 29)			24,14,999	24,14,999	24,14,999	49,62,241	25,47,242
13	Meena Shah (Noticee no.30)			15,00,000	15,00,000	15,00,000	41,86,610	26,86,610
14	Parvati Minerals (Noticee no.32)			70,85,001	70,85,001	70,85,001	1,60,37,989	89,52,988
15	Pratik Minerals (Noticee no.33)			35,00,000	35,00,000	35,00,000	81,74,344	46,74,344
16	Sarlaben Shah (Noticee no.35)			15,00,000	15,00,000	15,00,000	44,03,638	29,03,638
17	Shalibhadra Steel (Noticee no.36)			23,10,000	23,10,000	23,10,000	52,83,225	29,73,225
18	Shankeshwar Metals (Noticee no.37)			25,00,000	25,00,000	25,00,000	56,16,683	31,16,683
19	Siddhivinayak Trade link (Noticee no.38)			25,00,000	25,00,000	25,00,000	58,52,299	33,52,299
Grand Total		**8,24,956**	**7,66,286**	**8,42,31,855**	**8,42,31,855**	**8,50,56,811**	**20,75,25,510**	**12,25,27,369**

1. *In addition to the off market acquisition, Bharat Shah and Robinson Worldwide had purchased some shares from market (**B**), These shares were added to the number of shares received/acquired by them (i.e. through off market deals) (**D**), whose fair value were taken as Re. 1/-, while computing the total shares acquired/purchased by the Noticees (**F**).*
2. *Further, the purchase value (of shares bought in market) **(C)** is added to the acquisition cost of shares received in off market **(E)** (whose value is taken as Re. 1 per share (as explained in paragraph no. 6.18 above).*

6.28 The aforesaid table indicates that the *Nineteen Noticees,* who were connected/related to the company and its directors/promoters have made an illegal profit of Rs.12,25,27,369/- by offloading 8,50,56,811 shares in the market during the period of misleading corporate announcements by the company (*i.e.* July 20, 2005 to September 15, 2005 and November 30, 2006 to February 14, 2007).

6.29 It **is** observed from the records that one of the *Nineteen Noticees*, Hiralal Shah- Noticee No. 28 had expired on October 8, 2012. The death certificate of the Noticee was forwarded to SEBI by his wife, Sarlaben Shah, vide letter dated March 3, 2014. It is observed that Hiralal Shah was also the Karta of Hiralal Poatlal Shah-HUF. As per the information obtained from NSDL and CDSL on June 05, 2015 with respect to the status of the demat account held by Hiralal Shah and Hiralal Popatlal Shah-HUF, it is observed that demat account in the name of the late Hiralal Shah was closed on May 17, 2013 and the shares in the said account were transferred to the demat account of his nominee, *viz.* Meena Shah. It is further observed that the legal heirs, Sarlaben Shah, wife of Hiralal Shah and Ashok Shah, son of Hiralal Shah represents Hiralal Popatlal Shah-HUF.

I am therefore of the view that the illegal profit earned by Hiralal Shah has to be disgorged from the estate of the deceased represented by his legal heirs, *viz.* Sarlaben Shah, Ashok Shah and the nominee, Meena Shah. They are liable to the extent of funds/assets received by them. Further, the shares in the name of Hiralal Shah lying in the demat account of the HUF, are also liable to be disgorged.

A. Non- reporting of the acquisition of shares of Platinum Corporation by one of the directors, *viz.* Pratik Shah (Noticee no.2)-

7.1 The SCN alleges that Pratik Shah, a Director of the company, who was managing the affairs of the company did not disclose his acquisition of shares on June 28, 2005 and change of his shareholding as on July 01, 2005 to the company and to the Stock Exchange. He failed to disclose his shareholding as on June 30, 2005

in the quarterly shareholding submitted by the company to BSE. Therefore, he additionally violated Regulation 4 (2) (f) of SEBI (PFUTP) Regulations, 2003.

7.2 It is observed that Pratik Shah had his beneficiary account (BOID:10008793) with DP, H. Nyalchand Financial Services. The transactions in the said beneficiary account revealed that he received 1 crore shares of Platinum Corporation from the demat account of Anand Trivedi (Noticee no. 25) on June 28, 2005, which translates to 9.34 % of the equity capital of the company. These shares were transferred back to Anand Trivedi on July 01, 2005.

7.3 The details of the directors of Platinum Corporation as observed from the material available on record indicate that Pratik Shah was one of the active directors of Platinum Corporation and had been managing the day to day affairs of the company during 2005.

7.4 As per Regulation 4(2) (f) of the PFUTP Regulations, 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 is a fraudulent or an unfair trade practice. Pratik Shah (Noticee no. 2), being a Director who is in charge and responsible for the day to day affairs of the company was fully aware of his duty to disclose his acquisition of 9.34% shares on June 28, 2005 and also the change of his holding as on July 01, 2005 to the company and to the stock exchange, failed to report the same to the company and the stock exchange. Therefore, the quarterly shareholding submitted by the company to BSE as on June 2005 was incorrect.

7.5 I am therefore, of the view that Pratik Shah (Noticee no. 2), who being an active Director in charge and responsible for the day to day affairs of the company, by not reporting his holdings in Platinum Corporation to the company and to the stock exchange is liable for the wrong reports published in the stock exchange. By doing so he has violated Regulation 4(2) (f) of SEBI (PFUTP) Regulations, 2003.

B. Misleading investing public on promoter's shareholding for 11 quarters-

8.1The SCN alleges that the company and its directors misled investing public on promoter's shareholding for 11 quarters in violation of provisions of section 12 A (c) of SEBI Act., 1992 read with Regulation 3(d), 4(1), 4(2) (e) and (r) of SEBI (PFUTP) Regulations, 2003.

8.2 The shareholding pattern submitted by the company with BSE since April 2005, *i.e* for about 20 quarters and copies of shareholding pattern submitted by the company to BSE, since March 2001 till June, 2008, it is observed as under:

a. Details submitted by the company to their shareholders and investing public at large has been compiled and tabulated as shown below:

Quarter ended	**Holdings of Promoters**					
	Parag shah	**Jayesh Shah**	**Tushar Shah**	**Other promoters**	**Total shares**	**% of equity capital**
March 2005	**40,00,000**	**40,00,000**	**40,00,000**	**20,64,000**	**1,40,64,000**	**13.14%**
June 2005	40,00,000	40,00,000	40,00,000	20,64,000	1,40,64,000	13.14%
Sept 2005	40,00,000	40,00,000	40,00,000	20,64,000	1,40,64,000	13.14%
Dec 2005	40,00,000	40,00,000	40,00,000	20,64,000	1,40,64,000	13.14%
March 2006	**40,00,000**	**65,00,000**	**20,00,000**	**15,64,000**	**1,40,64,000**	**13.14%**
June 2006	40,00,000	65,00,000	20,00,000	-Nil-	1,25,00,000	11.68%
Sept 2006	40,00,000	65,00,000	20,00,000	-Nil-	1,25,00,000	11.68%
Dec 2006	40,00,000	65,00,000	20,00,000	-Nil-	1,25,00,000	11.68%
March 2007	**40,00,000**	**65,00,000**	**20,00,000**	**-Nil-**	**1,25,00,000**	**11.68%**
June 2007	40,00,000	65,00,000	20,00,000	-Nil-	1,25,00,000	11.68%
Sept 2007	40,00,000	65,00,000	20,00,000	-Nil-	1,25,00,000	11.68%
Dec 2007	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-	-Nil-

b. From the above table, it can be seen that during the year 2005, the three major promoter shareholders (Parag Shah, Jayesh Shah and Tushar Shah) were shown to have held 40,00,000 shares each. In the year 2006, 20,00,000 shares were apparently transferred from the account of Tushar Shah (one of the promoter entities of Platinum Corporation mentioned in paragraph no. 6.17, against whom the A.O. has imposed penalty vide Order dated November 30, 2015) to Jayesh Shah (Noticee no.6). Similarly, it is seen that during the same period, 5,00,000 shares were transferred from other promoters to Jayesh

Shah. Subsequently, by end of the quarter December 2007 the shares held by the three promoters were indicated as nil.

8.3On analyzing the demat statements of the promoters *vis a vis* the shareholding pattern of the company as submitted to the stock exchanges, it is however observed as under:

Relevant date	**Promoters** *(Jayesh Shah, Tushar Shah, Parag Shah)* **shareholding declared to BSE**	**Shares held by Promoters** *(Jayesh Shah, Tushar Shah, Parag Shah***) as per Beneficiary accounts**	**Remarks.**
March 31, 2005	1,20,00,000	2,20,00,000	Under reported 1 crore shares
March 31, 2006	1,25,00,000	1,09,89,500	Reported 15,10,500 shares in excess of actual holdings
March 31, 2007	1,25,00,000	-Nil-	Reported 1,25,00,000 shares in excess of actual holdings of promoters
March 31, 2008	-Nil-	-Nil-	

8.4 From the above table, it is observed that as on March 2005, the shareholdings of the aforesaid three promoters as reported to BSE were 1,20,00,000 shares. However, on perusal of their demat account statements the number shares held by them were found to be 2,20,00,000 shares. This indicates that the company underreported 1 crore shares as on March 2005. Similarly, they reported 15,10,500 shares in excess as on March 2006. Further, as on March 2007, when the shareholdings of the promoters were nil (as per the demat account statements), the company reported their shareholdings (under the category of promoter shareholdings) as 1,25,00,000 shares. This was continued tillSeptember 2007.

It is therefore evident that the shareholding patterns of their promoters provided by the company to the stock exchange for the 11 quarters (*i.e.* from March 2005 to September 2007) were wrong.

8.5 The SCN alleges that company, despite receiving correct shareholding details from NSDL, failed to report the same to BSE. On perusal ofthe details obtained from NSDL (via e-mail dated August 04, 2010), it is noted that at the end of every week NSDL provides a list containing the details of the beneficiaries (with NSDL) along with their shareholdings electronically, to the company or its Registrar and Transfer Agent (RTAs). Therefore, the company did have the information regarding the exact number of shares held by the promoters in demat form, before making the disclosures of the shareholding to the stock exchange.

It is however observed that the company, despite having the correct information, deliberately reported incorrect shareholding pattern to the stock exchanges (as detailed in the table at paragraph no. 8.3 above).

8.6 It is further observed from the documents collected from the premises of the company at 402, 4th Floor, Sakar –III, Near Income Tax Circle, Ashram Road, Ahmedabad, that:

a. The company issued two jumbo share certificates of 50 lakh shares each to Parag Shah and Jayesh Shah on January 05, 2005.

b. When the shares were tendered for dematerialization on January 13, 2005, the company rejected the request for dematerialization. Subsequently, when the shares were tendered again on April 8, 2005, the company confirmed the dematerialization.

8.7 From the aforesaid details and documents obtained from the premises of the company, it is observed that the issuance of two jumbo share certificates of 50 lakh shares each to Parag Shah and Jayesh Shah on January 05, 2005 was suppressed by the company while disclosing their quarterly results to the stock exchange. Further, the rejection of their dematerialization request by the company on January 13, 2005 leads to an inference that the company didn't want to disclose the issuance of the shares to the promoters in their March 2005 quarter. It is pertinent to note that Pratik Shah, Dhrumal Vaidya, Anindo Banerjee, Jignesh Shah, Jayesh Shah and Nikita Dave (Noticees nos. 2 to 7) were the directors of Platinum Corporation, who were in charge and responsible for the day to day affairs of the company during the relevant period.

8.8 Under the facts and circumstances mentioned above, it is clearly evident that the Company and its directors, who were in possession of the information regarding the exact shareholdings of the promoters (as provided by NSDL to the company on weekly basis), knowingly and deliberately declared false shareholdings of their promoters for 11 quarters (*i.e.* quarter ended March 2005 to September 2007). The company and its directors knowingly made misrepresentation to the shareholders and innocent investors.

I, therefore find that the aforementioned acts of the company and its directors (Noticees nos. 1 to 7) in respect of the disclosure of shareholding pattern to the stock exchanges is in violation of provisions of Section 12 A (c) of SEBI Act, 1992 read with Regulation 3(d), 4(1), 4(2) (r) of SEBI (PFUTP) Regulations, 2003.

8.9 As per Regulation 8 (3) of the SEBI SAST Regulations, 1997: "*Every company whose shares are listed on a stock exchange, shall within 30 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, make yearly disclosures to all the stock exchanges on which the shares of the company are listed, the changes, if any, in respect of the holdings of the persons referred to under sub-regulation (1) and also holdings of promoters or person(s) having control over the company as on 31st March.*"

8.10 Under the facts and circumstances mentioned above, the company by not disclosing the correct share holding pattern in their annual disclosures to the stock exchanges has also violated Regulation 8(3) of the SAST Regulations, 1997.

C. Fraudulent preferential allotment of 290 lakh shares through circular banking transactions without real inflow of funds to the company from the preferential allottees-

9.1 The SCN alleges that the company fraudulently allotted 290 lakh shares through preferential allotment on January 13, 2009 to seven connected person/entities without real inflow of funds. It was also alleged that three other entities *viz.* Sarang Chemicals (Noticee no. 21), Hirak Biotech (Noticee no.24), Dinkar Shreemali (Noticee no.23), (hereinafter referred to as the ***"three connected entities"***), who were also connected/related to the company and its directors/promotersaided and abetted the company and seven allottees of preferential allotment in creating entries in the books of accounts of the company to the tune of Rs. 3,62,50,000/- without actual infusion of funds from the preferential allotment.

9.2 The company in the notice to its shareholders for EGM held on December 29, 2008, inter-alia, mentioned purpose of raising funds through preferential allotment of shares. The notice stated:

"*The funds flow for this Agri-biotechnology project will be vested into installing Hi-tech R&D Center, where right from seed hybridization to genome analysis will be taken into consideration with acquisition of land for development nurseries and subsequently model farms followed by contract/ corporate farming*".

From the above, it is clear that the company raised capital for the purpose of setting up R&D Centre and acquisition of land for the purpose of its biotechnology project.

9.3 The details of the preferential allotment of 290 lakh shares (of Re.1/- each at a premium of Rs.0.25 per share) by Platinum Corporation on January 13, 2009 to seven persons/entities (hereinafter referred to as the "***seven allottees***"), who are connected to the company are tabulated below:

Sl. no.	**Name of the allottees**	**Relationship with the company**	**No. of shares allotted**	**Amount in Rs.**
1	Dhrumal Vaidya (Noticee no. 3)	Director of Platinum Corporation (Noticee no. 1)	25,00,000	31,25,000
2	Anindo Banerjee (Noticee no.4)	Director of Platinum Corporation (Noticee no. 1)	25,00,000	31,25,000
3	Pratik Shah- (Noticee no.2)	Director of Platinum Corporation (Noticee no. 1)	50,00,000	62,50,000
4	Nikita Dave (Noticee no.7)	Former Director of Platinum Corporation (Noticee no. 1)	50,00,000	62,50,000
5	Vashi Constructions- (Noticee no.8)	Directors are Bhavana Shah (Noticee no. 10), Rajesh Shah (Noticee no. 11)and Ashok Shah (Noticee no. 9)	50,00,000	62,50,000
6	Dhanlaxmi Lease Finance (Noticee no.17)	Directors are Bharat Shah(Noticee no. 18) and Bipin Shah (Noticee no. 19)	40,00,000	50,00,000
7	Rudra Securities (Noticee no.13)	Directors are Ketan Sorathiya (Noticee no. 14), Nileshkumar Kava (Noticee no. 15)and Vipul Trivedi (Noticee no.16)	50,00,000	62,50,000
Total			**2,90,00,000**	**3,62,50,000***

**On perusal of the Balance Sheet of the company (as obtained from the website of Money Control), it is noted that the total share capital was shown to have increased from Rs. 14.11Cr. as on March 2008 to Rs. 17.02 Cr. as on March 2009. It is however noted that the company has not accounted for the money received as share premium in the balance sheet,*

9.4 It is observed that Platinum Corporation was having current account (no. CA-2349) in Shri Vinayak Sahakari Bank Ltd., which was used for the purpose of receiving the share allotment money. The aforementioned seven allottees along with *three connected entities* mentioned at paragraph no. 9.1 above *viz.* Sarang Chemicals

(Noticee no. 21), Hirak Biotech (Noticee no.24), Dinkar Shreemali (Noticee no.23 (connected/related to the company and its promoters), also had bank accounts with Shri Vinayak Sahakari Bank Ltd., Ahmedabad. Further, it is also noted that the bank accounts of the allottees, *viz.* Vashi Constructions, Rudra Securities and Dhanlaxmi Lease Finance with Shri Vinayak Sahakari Bank Ltd. were opened just before the preferential allotment.

9.5 On perusal of the bank account statements of the company (maintained with Shri Vinayak Sahakari Bank Ltd.), the *seven allottees* and the *three connected entities*, before the allotment of shares (*i.e* on January 7, 8 and 12 of 2009), it is observed that all these accounts carried only nominal balance, as can be seen from the table below:

(in Rs.)

Account no.	**Name of the account holder**	**Opening balance on 07/01/09**	**Closing balance on 07/01/09**	**Opening balance on 08/01/09**	**Closing balance on 08/01/09**	**Opening balance on 12/01/09**	**Closing balance on 12/01/09**
CA-2349	Platinum Corporation Ltd. (Noticee no.1)	900.00	12,900.00	12,900.00	12,900.00	12,900.00	12,62,822.00
SB-2418	Pratik R. Shah (Noticee no.2)	2,860.00	2,860.00	2,860.00	2,860.00	2,860.00	2,860.00
SB-2413	Dhrumal Vaidya (Noticee no. 3)	1,880.00	1,880.00	1,880.00	1,880.00	1,880.00	1,880.00
SB-2415	Anindo Banerjee (Noticee no.4)	30.00	1,010.00	1,010.00	1,010.00	1,010.00	1,010.00
SB-2417	Nikita Dave (Noticee no.7)	120.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
CA-2425	Vashi Constructions (Noticee no.8)	NA	NA	2,000.00	1,988.00	1,988.00	1,988.00
CA-2427	Rudra Securities (Noticee no.13)	NA	NA	NA	NA	1,952.00	1,952.00
CA-2426	Dhanlaxmi Lease Finance (Noticee no.17)	NA	NA	NA	NA	1,952.00	1,952.00

CA-2285	Sarang Chemicals (Noticee no. 21)	1,750.00	1,750.00	1750.00	1690.00	1690.00	1606.00
SB-2414	Dinker Shreemali (Noticee no. 23)	1,060.00	960.00	960.00	960.00	960.00	960.00
CA-2345	Hirak Biotech (Noticee no. 24)	1,000.00	1,000.00	1000.00	940.00	940.00	940.00

9.6 The aforesaid bank account statements of the Noticees further indicate that Platinum Corporation and *the seven allottees* with the help of the *three connected entities*, *viz.* Sarang Chemicals, Hirak Biotech, Dinkar Shreemali, created entries to the tune of Rs. 3.65 crore in the books of the company through circular banking transactions to make an impression of receipt of funds by the company towards allotment money. Subsequent to this, company allotted 290 lakh shares of Rs. 1 each to the seven allotees. Following are the details of the transactions observed in the bank accounts of the aforesaid Noticees including the company.

Transactions on January 07, 2009-

9.7 The following transactions were noticed in the bank accounts of Platinum Corporation, Nikita Dave, Pratik Shah, Dinkar Shreemali, Sarang Chemicals and Hirak Biotech:

a. An amount of Rs.62,50,000/-was credited to the account of Nikita Dave. (Rs. 12,50,000/- from Hirak Biotech and Rs. 50,00,000/- from Sarang Chemicals vide Cheque no. "319196" dated January 7, 2009). Pratik Shah also received Rs.62,50,000/-from Hirak Biotech (vide cheque no. "318721" dated January 7, 2009).The said cheques issued by Hirak Biotech were signed by Pratik Shah on behalf of Hirak Biotech.
b. The bank account statement of the company indicates that they received allotment money of Rs.62,50,000/- from Nikita Dave and Rs.62,50,000/- from Pratik Shah on January 7, 2009.
c. The company immediately transferred the amount (of Rs. 1,25,00,000/-) to Dinkar Shreemali, who inturn transferred the same to the account of Hirak Biotech.
d. There were 25 withdrawals of Rs. 5,00,000/- amounting to Rs. 1,25,00,000/- in the account of Hirak Biotech on the same day.

e. Out of the aforesaid amount of Rs. 1,25,00,000/-, shown to have been withdrawn from the account of Hirak Biotech, an amount of Rs. 75,00,000/- was once again shown to have been credited to their account on the same day, (*i.e.* Hirak Biotech received 5 cash deposits of Rs. 15,00,000/- each (amounting to Rs. 75,00,000/-)) and the remaining amount of Rs. 50,00,000/- was credited to the bank account of Sarang Chemicals, *i.e* Sarang Chemicals received 3 cash deposit amounting to Rs. 50,00,000/-, thereby completing the circular transactions.

9.8 The aforesaid details of transactions in the bank accounts of the Noticees clearly indicate that the amount of Rs. 1,25,00,000/- shown to have been credited to the account of the company for the preferential allotment from the allottees, *viz.* Nikita Dave and Pratik Shah was in fact received by the said allottees from the entities, Hirak Biotech (Rs. 75,00,000/-) and Sarang Chemicals (Rs. 50,00,000/-). The company after the receipt of the said amount from the allottees, transferred the same back to Hirak Biotech and Sarang Chemicals, thereby completing the circular transactions. In the process, the company created entries of receipt of application money of Rs.1,25,00,000/- in their books of accounts for the purpose of allotment of shares.

Transactions on January 08, 2009-

9.9 The following transactions were noticed in the bank accounts of Platinum Corporation, Anindo Banerji, Dhrumal Vaidya, Vashi Constructions, Sarang Chemicals and Hirak Biotech:

a. On January 8, 2009, amount of Rs. 31,25,000/- each was credited to the bank accounts of the allottees, Anindo Banerji and Dhrumal Vaidya (vide cheques nos. "325425" and "325426" dated January 8, 2009) and an amount of Rs. 62,50,000/- was credited to the bank account of Vashi Constructions (vide cheque no. "325424" dated January 8, 2009). The said cheques were issued by Hirak Biotech and signed by Pratik Shah on behalf of Hirak Biotech.
b. The company had shown to have received allotment money of Rs.31,25,000/- each from the allottees, *viz.* Anindo Banerji and Dhrumal Vaidya and Rs.62,50,000/- from the allottee, Vashi Constructions.
c. The company immediately transferred the aforesaid amount of Rs.1,25,00,000/- so received from them to one of the three connected entities, *viz.* Sarang Chemicals.
d. On the same day, there were 25 cash withdrawals of Rs.5,00,000/- each amounting to Rs.1,25,00,000/- from the account of Sarang Chemicals.

e. The aforesaid cash so withdrawn were deposited in the account of Hirak Biotech by way of 8 cash deposits amounting to Rs. 75,00,000/- and the remaining Rs. 50,00,000/- so withdrawn (from the account of Sarang Chemicals) was deposited in the account of Pratik Shah, who inturn deposited the same to the account of Hirak Biotech.

f. Hirak Biotech, therefore received 8 cash deposits amounting to Rs. 75,00,000/- (from Sarang Chemicals) and also received Rs. 50,00,000/- from Pratik Shah.

9.10 The aforesaid details of transactions in the bank accounts of the Noticees clearly indicate that the amount of Rs. 1,25,00,000/- shown to have been credited to the account of the company as consideration for the preferential allotment from the allottees, Anindo Banerji, Dhrumal Vaidya and Vashi Constructions was in factreceived by the said allottees from the entity Hirak Biotech. The company after the receipt of the said amount from the allottees, transferred the same back to Hirak Biotech through Sarang Chemicals, thereby completing the circular rotation of transactions. In the process, the company created entries of receipt of application money of Rs.1,25,00,000/- in their books of accounts for the purpose of allotment of shares.

Transactions on January 12, 2009-

9.11 The following transactions were noticed in the bank accounts of Platinum Corporation, Rudra Securities, Dhanlaxmi Lease Finance, Hirak Biotech and Sarang Chemicals:

a. Rudra Securities and Dhanlaxmi Lease Finance received an amount of Rs. 62,50,000/- and Rs.50,00,000/- respectively from Hirak Biotech (vide cheque nos. 325427" and "325428" dated January 12, 2009 respectively). The said cheques issued by Hirak Biotech were signed by Pratik Shah on behalf of Hirak Biotech.

b. The company is shown to have received an amount of Rs. 62,50,000/- from Rudra Securities and an amount of Rs. 50,00,000/- from Dhanlaxmi Lease Finance as allotment money.

c. The company immediately transferred an amount of Rs. 1,00,00,000/- to Sarang Chemicals.

d. Thereafter, 20 cash withdrawals for an amount of Rs. 1,00,00,000/-were noticed in the bank account of Sarang Chemicals. Hirak Biotech in turn received 10 cash deposits amounting to a total of Rs.1,00,00,000/- .

e. On January 13, 2009, the company transferred the remaining amount of Rs. 12,50,000/- to Hirak Biotech.

f. Hirak Biotech therefore received back the amount (Rs. 1,12,50,000/-)

9.12 From the above, it is clear that the amount of Rs. 1.125 Cr shown to have been received by the company by way of allotment money from the allottees, *viz.* Rudra Securities and Dhanlaxmi Lease Financewas in factreceived by the said allottees from the entity Hirak Biotech. The company after the receipt of the said amount from the allottees, transferred the same back to Hirak Biotech through Sarang Chemicals, thereby completing the circular transactions. In the process, the company created entries of receipt of application money of Rs.1.125 crore in their books of accounts for the purpose of allotment of shares.

9.13 Dhanlaxmi Lease Finance in their reply vide letter dated November 17, 2015 has stated that the aforesaid amount of Rs. 50,00,000/- was received by them from Hirak Biotech towards a loan transaction. During the hearing held on January 13, 2016, the Noticee was asked to produce documentary evidence, such as copies of loan agreement, etc. to substantiate their claim. Dhanlaxmi Lease Finance, in their additional submissions, vide letter dated April 4, 2016 has stated "*We had not executed any loan agreement andthetransaction was for a very short period and due to this reason we had not executed any agreement*". In the absence any documentary proof, I am unable to consider the submissions made by the Noticee.

9.14 Under the facts and circumstances mentioned above, it is clear that the allottees were having only meagre balances in their accounts in contrast to the heavy turnover in their accounts. However, they received a credit transaction in their bank accounts from Hirak Biotech and Sarang Chemicals, *i.e* out of the aggregate allotment money amounting to Rs. 3,62,50,000/-, an amount of Rs. 3,12, 50,000/- was provided by Hirak Biotech to the seven allottees and the remaining amount of Rs. 50,00,000/- was provided by Sarang Chemicals. After the receipt of the allotment money, Platinum Corporation made entries of receipts in their bank accounts and thereafter transferred the said amount so received, back to Hirak Biotech (through the bank account of Dinkar Shreemali) and Sarang Chemicals.

The directors of Platinum Corporation, *viz.* Pratik Shah and Nikita Dave were also directors of Hirak Biotech. It is pertinent to note that all the cheques issued by Hirak Biotech to the allottees (details as mentioned in paragraph nos. 9.7 (a), 9.9 (a) and 9.11 (a) above) were signed by Pratik Shah.

9.15 The aforesaid facts and circumstances have to be viewed in the light of the connection/relation which the company had with the allottees and also with the *three connected entities*including Dinkar Shreemali who facilitated the entire scheme of fraudulent allotment of shares without inflow of funds to the company. It is observed that:

- The allottees, *viz.* Anindo Banerjee (Noticee no. 4), Dhrumal Vaidya (Noticee no. 3) and Pratik Shah (Noticee no. 2) are directors of Platinum Corporation (Noticee no. 1). Nikita Dave (Noticee no. 7) is a former Director of Platinum Corporation (Noticee no. 1).
- The allottees, Nikita Dave (Noticee no. 7) and Pratik Shah (Noticee no. 2) are also directors of Hirak Biotech (Noticee no. 24) (one of the *three connected entities*).
- All the seven allottees except Nikita Dave (Noticee no. 7), received their entire money for subscribing to the shares of the company from Hirak Biotech. Nikita Dave received Rs. 12,50,000/- from Hirak Biotech (Noticee no. 24) and the remaining Rs. 50,00,000/- from Sarang Chemicals (Noticee no. 21). All the cheques issued(towards the allotment money) to the allottees by Hirak Biotech (Noticee no. 24) were signed by Pratik Shah.
- Vashi Constructions (Noticee no. 8) (one of the allottees) belongs to Ashok Shah (Noticee no. 9) (connectedto Platinum Corporation (as a Director) by signing the tripartite agreement on behalf of the company with NSDL). As per the bank account details of Vashi Constructions (Noticee no. 8), Rajesh Shah (Noticee no. 11) and Bhavana Shah(Noticee no. 10) are also its directors. Bhavana Shah(Noticee no. 10) is the sister of Ashok Shah (Noticee no. 9) and wife of Rajesh Shah (Noticee no. 11).
- Dhanlaxmi Lease Finance (Noticee no. 17) belongs to Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19) and Girish Doshi (Noticee no. 20), who were connected with the directors/promoters of Platinum Corporation by way of off-market deals (as detailed in paragraph no. 6.21 (1) (i) to (iii) and 6.21 (2) (i) to (iii) above)
- The address of Rudra Securities (Noticee no. 13), prior to November 11, 2008 was shown to have been the residential address of Ashok Shah (Noticee no. 9). Rudra Securities is also connected to Platinum Corporation by way of off-market deals with the promoter/director of Platinum Corporation (as detailed in paragraph no.6.21 (8) (i) above.
- The director of Sarang Chemicals (Noticee no. 21) (one of the *three connected entities*), *viz.* Dinkar Shreemali (Noticee no. 23) was also a Director of Platinum Corporation. Pratik Shah (Noticee no. 2), Nikita Dave (Noticee no. 7) and Jayesh Shah (Noticee no. 6) were directors of Hirak Biotech (Noticee no. 24), who were also directors of Platinum Corporation. Thereby, the three persons Sarang Chemicals (Noticee no. 21), Hirak Biotech (Noticee no. 24) and Dinkar Shreemali (Noticee no. 23) are connected to one another and with Platinum Corporation.
- The cheques issued by the allottees *viz.* Vashi Construction (Noticee no. 8), Dhanlaxmi Lease Finance (Noticee no. 17) and Rudra Securities (Noticee no. 13) to Platinum Corporation were signed by a single

authorized signatory, *viz.* Neha Shethwala (Noticee no. 12). She acted as the authorized signatory for aforesaid three allottees.

- The fact that the aforesaid allottees and the *three connected entities* acted as a group is further substantiated by the fact that the said 290 lakh shares issued through preferential allotment to the allottees were pledged with Ahmedabad Peoples Co-operative bank Ltd. as collateral security in respect of the loan taken by Platinum Corporation and its group companies including Hirak Biotech (Noticee no. 24), Sarang Chemicals (Noticee no. 21) (two of the *three connected entities*), etc.

9.16 The entire scheme of fraudulent allotment of preferential shares to the connected/related entities without actual inflow of funds has been masterminded and executed by the company and the seven allottees along with the *three connected entities* (through whom the funds were rotated), *viz.* Hirak Biotech, Sarang Chemicals and Dinkar Shreemali (Director of Sarang Chemicals). The stated purpose for raising the capital by way of preferential allotment was for setting up R&D Centre and for acquisition of land for setting up nursery. However, the aforementioned facts clearly indicate that the company immediately (on same day) transferred funds received from the preferential allottees, to the accounts of Sarang Chemicals (one of the *three connected entities*) and its director Dinkar Shreemali (one of the *three connected entities*) to camouflage circular entries for the purpose of creation of equity.

The facts and circumstances such as creating entries in the bank accounts, allotment of shares without actual infusion of funds to the company, pledge of the shares with the bank and subsequent default of the loan, clearly indicate that the object of raising capital through preferential allotment, as stated to the other shareholders of the company was not fulfilled.

9.17 Ashok Shah (Noticee no. 9), Bhavana Shah (Noticee no. 10) and Rajesh Shah (Noticee no. 11) were the directors of Vashi Constructions (Noticee no.8); Ketan Sorathiya (Noticee no.14), Nileshkumar Kava (Noticee no. 15) and Vipul Trivedi (Noticee no. 16) were the directors of Rudra Securities (Noticee no.13); Bharat Shah (Noticee no.18), Bipin Shah (Noticee no.19) and Girish Doshi (Noticee no.20) were the directors of Dhanlaxmi Lease Finance (Noticee no.17) and Lalitkumar Rathod (Noticee no. 22) was the Director of Sarang Chemicals (Noticee no. 21) during the relevant period who were in charge and responsible for the day to day affairs of the respective companies/Noticees. Further the cheque issued by Sarang Chemicals to Nikita Dave (mentioned at paragraph no. 9.7 (a) above) was signed by the Director of Sarang Chemicals, *viz.* Lalitkumar Rathod. It is further observed that the cheques issued by the allottees *viz.*

Vashi Constructions, Dhanlaxmi Lease Finance and Rudra Securities to Platinum Corporation were signed by a single authorized signatory, *viz.* Neha Shethwala (Noticee no.12).

The SCN therefore alleges that the aforesaid directors, *viz.* Ashok Shah (Noticee no.9), Bhavana Shah (Noticee no.10), Rajesh Shah (Noticee no.11), Ketan Sorathiya (Noticee no.14), Nileshkumar Kava (Noticee no.15), Vipul Trivedi (Noticee no.16), Bharat Shah (Noticee no18), Bipin Shah (Noticee no.19), Girish Doshi (Noticee no.20) and Lalitkumar Rathod (Noticee no.22) along with the authorized signatory *viz.* Neha Shethwala (Noticee no.12) were liable for facilitating, aiding and abetting the fraudulent allotment of preferential shares without infusion of funds.

9.17.1 Ashok Shah (Noticee no. 9) in his reply vide letter dated October 7, 2015 submitted that he was not the Director of Vashi Constructions(Noticee no. 8) during the relevant period (January 2009) and that his directorship in Vashi Constructions was during the period August 20, 2005 to February 25, 2007. He also submitted a copy of Form 32 evidencing his resignation as Director of Vashi Constructions with effect from February 25, 2007. On the basis of the said document, it appears that Ashok Shah was not a Director of Vashi Constructions during the period of preferential issue, I am therefore inclined to give benefit of doubt to Ashok Shahfor the charge regarding the fraudulent preferential allotment without infusion of funds.

9.17.2 Similarly, Neha Shethwala (Noticee no. 12) in her replies vide letters dated January 11, 2016 and April 4, 2016 stated that she was only an authorized signatory of the companies, without any designation in the management. She was appointed in the said companies through one of her relatives.

In this regard, it is noted that the adjudication proceedings were iniated against Neha Shethwala (Noticee no. 12) in respect of the aforesaid allegations and also for the violation of Regulation 10 of the SAST Regulations. A.O. vide Order dated January 19, 2012 observed that she acted only as an authorized signatory of a company and per se cannot be held responsible for the conduct of the business of the company. A.O. therefore disposed of the proceedings against Neha Shethwala (Noticee no. 12) without any penalty as no violation was established against her. It is also pertinent to note that the said findings of the A.O. was upheld by the Hon'ble SAT vide Order dated April 8, 2013. As, I do not find any other material available on record to proceed against her, I am inclined to give benefit of doubt to Neha Shethwala (Noticee no. 12) for the charges alleged against her in the SCN.

9.18 Ketan Sorathiya (Noticee no. 14) also submitted that he was not the Director of Rudra Securities (Noticee no. 13) during the period of preferential allotment. It is however noted that he did not submit any documentary proof for the same. In the absence of the same, I am not in a position to accept his plea.

9.19 Under the facts and circumstance mentioned above, I find that the directors *viz.* Bhavana Shah(Noticee no. 10) and Rajesh Shah (Noticee no. 11) (directors of Vashi Constructions), Nileshkumar Kava (Noticee No. 15), Ketan Sorathiya (Noticee no. 14) and Vipul Trivedi (Noticee no. 16) (directors of Rudra Securities), Bharat Shah (Noticee no. 18), Bipin Shah(Noticee no. 19) and Girish Doshi (Noticee no. 20) (directors of Dhanlaxmi Lease Finance) and Lalitkumar Rathod (Director of Sarang Chemicals) were in charge and responsible for the day to day affairs of the said entities during the period of preferential allotment and hence are equally liable for the fraudulent acts and omissions of the allottees, *viz.* Vashi Constructions, Rudra Securities and Dhanlaxmi Lease Finance.

9.20 Noticees, *viz.* Vashi Constructions (Noticee no. 8), Bhavana Shah (Noticee no.10), Rajesh Shah (Noticee no.11), Rudra Securtiies (Noticee no. 13),Ketan Sorathiya (Noticee no. 14), ileshkumar Kava (Noticee no.15),Vipul Trivedi (Noticee no. 16) and Dhanlaxmi Lease Finance (Noticee no.17) in their respective replies submit:"*the violation of PFUTP Regulations and SAST Regulations cannot be treated conjunctly together or simultaneously*". As explained earlier in Paragraph No. 6.23 above, (wherein similar contentions were put forth by the Noticees therein), it is observed that even though penalties might have been imposed in the adjudication proceedings initiated against the Noticees for the violations of the provisions of SAST Regulations, this does not preclude any action against them for the violation of PFUTP Regulations, 2003.

9.21 All things considered, I find that Platinum Corporation (Noticee no. 1), the aforementioned seven allottees, *viz.* Pratik Shah (Noticee no. 2), Dhrumal Vaidya(Noticee no.3), Anindo Banerjee (Noticee no.4), Nikita Dave (Noticee no.-7), Vashi Construction –(Noticee no. 8) and its directors (*viz.* Bhavana Shah (Noticee no. 10) and Rajesh Shah (Noticee no. 11)), Rudra Securities(Noticee no.13), and its directors (*viz.* Nileshkumar Kava (Noticee no.15), Ketan Sorathiya (Noticee no. 14 and Vipul Trivedi (Noticee no. 16)), Dhanlaxmi Lease Finance(Noticee no. 17) and its directors (*viz.* Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19) and Girish Doshi (Noticee no. 20)) and the *three connected entitiesviz.* Hirak Biotech (Noticee no.24), Sarang Chemicals- (Noticee no. 21) and its director (Lalitkumar Rathod (Noticee no. 22)) and Dinkar Shreemali (Noticee no. 23),conspired and connived with one another, created entries in the books of

accounts of Platinum Corporation to the tune of Rs.3,62,50,000/- without actual infusion of funds by way of the fraudulent allotment of 2,90,00,000 preferential shares of Re.1/- each per share.

I find that such fraudulent activities by the aforesaid Noticees are in clear violation of the provisions of Regulation 3(a) and 3(c) of SEBI (PFUTP) Regulations, 2003.

D. Violation of Regulation 10 of the SEBI SAST Regulations, 1997-

10.1 The allotment of 290 lakh shares through preferential allotment (as detailed in the forgoing paragraphs) by Platinum Corporation constitutes 21.32 % of the post issue paid up capital of the company. Consequent to the aforesaid preferential allotment, the shareholding of the aforesaid Noticees/allotees *viz.* Dhrumal Vaidya, Anindo Banerjee, Pratik Shah, Nikita Dave, Vashi Constructions, Dhanlaxmi Lease Finance and Rudra Securitieshad increased by 21.32%, thereby crossing the threshold limit of 15% specified in Regulation 10 of the SAST Regulations, 1997.

10.2 It is observed from the connection/relation amongst the aforesaid allottees, as detailed in the paragraph no. 9.15 above, that the seven entities are connected and related to one another and have acted as a group in acquiring the shares of the company. The fact that the seven allottees are connected to one another and hence acted as a group is further strengthened by the fact that out of aggregate allotment amount of Rs.3,62,50,000/- received by the Company as allotment money from the said allottees, Rs.3,12,50,000/- has been provided to the preferential allottees by Hirak Biotech and the remaining amount of Rs.50,00,000/- has been provided by Sarang Chemicals. It is also pertinent to note that the cheques issued by Hirak Biotech to the Noticees/acquirers were signed by Pratik Shah. The details of the same have already been mentioned in the forgoing paragraphs (9.7 to 9.11).

It is also noted that the total 290 lakh shares allotted to the Noticees/allottees were placed as collateral security by the Noticees/allottees with Ahmedabad Peoples Co-operative Bank for the purpose of obtaining loans for the purpose of raising loans for Platinum Corporation and its group companies including Hirak Biotech and Sarang Chemicals.

10.3 As per Regulation 10 of the SAST Regulations, 1997,

"No acquirer shall acquire shares or voting rights which (taken together with shares or voting rights, if any, held by him or by persons acting in concert with him), entitle such acquirer to exercise fifteen per cent or more of the voting rights in a company, unless such acquirer makes a public announcement to acquire shares of such company in accordance with the regulations."

10.4 Under the facts and circumstances mentioned above, it is evident that all the seven persons/entities acted in concert for the purpose of acquiring shares of the company through preferential allotment. Subsequent to the preferential allotment, they have acquired 21.32 % of the paid up capital of the company. I therefore, find that the following entities/persons violated provisions of Regulation 10 of SEBI (SAST) Regulations, 1997:

Serial No.	Name of the allottee	Connection
1.	Pratik R. Shah (Noticee no. 2)	Director of Platinum Corporation
2.	Dhrumal K. Vaidya (Noticee no.3)	Director of Platinum Corporation
3.	Anindo Banerjee (Noticee no. 4)	Director of Platinum Corporation
4.	Nikita Dave(Noticee no.7)	Director of Platinum Corporation
5.	Vashi Constructions (Noticee no. 8)	Connected entity of the company and the promoter/director
6.	Rudra Securities (Noticee no.13)	Connected entity of the company and the promoter/director
7.	Dhanlaxmi Lease Finance (Noticee no. 17)	Connected entity of the company and the promoter/director

10.5 It is observed that Regulation 10 of the SAST Regulations, 1997 mandates the acquirers to make public announcement if they acquire shares or voting rights which (taken together with shares or voting rights, if any, held by him or by persons acting in concert with him), entitle such acquirer to exercise fifteen per cent or more of the voting rights in a company. The aforesaid Noticees, by not complying with the regulatory obligation of making public announcement had deprived the other shareholders of the company the right to exit through open offer mechanism.

10.6 Having found that the aforesaid Noticees have violated Regulation 10 of the SAST Regulations 1997 by failing to make any public announcement, I now proceed to determine the nature of direction to be issued against the Noticees/acquirers in respect of the violation. Regulation 10 of the SAST Regulations, 1997 clearly states that any acquirer whose acquisition, together with the persons acting in concert with him, increases their shareholdings beyond the threshold limit of 15%, shall make a public announcement and open offer to acquire the shares of that company in accordance with the SAST Regulations.

10.7 Further, the provisions of Regulations 44 and 45 of the SAST Regulations, 1997 provide for various kinds of directions for enforcing the provisions of the Regulations and also provide for penalties for non-compliance of the provisions of Regulations in the interest of securities market and for the protection of investors including (a) disinvestment of shares acquired in breach of regulations, (b) transfer of proceeds or

securities to the investors protection fund, (c) making open offer for acquiring shares of the target company, etc. and penalties by way of actions including adjudication proceedings for imposing penalty under Section 15H of the SEBI Act.

In the instant case, it is noted that adjudication order (common Order) dated January 19, 2012 was passed against the Noticees/acquirers, *viz.* Dhrumal Vaidya(Noticee no.3), Anindo Banerjee(Noticee no.4), Pratik Shah(Noticee no.2), NikitaDave(Noticee no.7), Vashi Constructions(Noticee no.8), Dhanlaxmi Lease Finance (Noticee no. 17) and Rudra Securities(Noticee no. 13) and the directors of Vashi Constructions, Dhanlaxmi Lease Finance and Rudra Securities who were in charge and responsible for the day to day affairs of the said entities during the relevant period, *viz.* Rajesh Shah (Noticee no. 9) and Bhavana Shah (Noticee no. 10) (Directors of Vashi Constructions), Bipin Shah (Noticee no.19), Bharat Shah (Noticee no. 18) and Girish Doshi (Noticee no. 20) (Directors of Dhanlaxmi Lease Finance) and Nileshkumar Kava (Noticee no.15), Ketan Sorathiya (Noticee no. 14) and Vipul Trivedi (Noticee no. 16) (Directors of Rudra Securities) for the violation of Regulation 10 of the SAST Regulations. Vide the said Order, the adjudicating officer has also imposed a penalty of Rs. 20,00,000/- on the aforesaid Noticees/acquirers and their directors to be paid jointly and severally by them. It is pertinent to note that the aforesaid adjudication order has been upheld by the Hon'ble SAT vide Order dated April 8, 2013.

10.8 Noticees, in their replies *interalia* have stated that the adjudicating officer has already imposed a penalty for the violation of Regulation 10 of the SAST Regulations, 1997. In this regard, it is important to note that under the scheme of the SEBI Act, there is no bar for initiating parallel proceedings for the same set of violations. In this context, it is also pertinent to note the following observations of the Hon'ble Securities Appellate Tribunal (SAT) in its Order dated September 08, 2011 in Appeal no. 31 of 2011; ***Nirvana Holdings Private Limited vs. SEBI,***

"It must be remembered that whenever an acquirer violates Regulation 10, 11 or 12 of the takeover code by not making a public announcement, he should be directed to comply with the provision by making a public offer. The words "unless such acquirer makes a public announcement" appearing in Regulations 10 and 11(1) make these provisions mandatory and a public announcement has to be made. Similar words appear in Regulation 12 as well. These provisions make the acquisition conditional upon a public announcement being made. The primary object of the takeover code is to provide an exit route to the public shareholders when there is substantial acquisition of shares or a takeover. This right to exit is an invaluable right and the shareholders cannot be deprived of this right lightly. It is only when larger interest of investor protection or that of the securities market demands that this right could be taken away. Therefore, as a normal rule, a direction to make a public announcement to acquire shares of the target company should be issued to an acquirer who fails to do that. The Board need not give reasons as to why such a direction is being issued because that is the mandate of Regulations 10, 11 and 12.

However, if the issuance of such a direction is not in the interest of the securities market or for the protection of interest of investors, the Board may deviate from the normal rule and issue any other direction as envisaged in Regulation 44 of the takeover code. In that event, the Board should record reasons for deviation. "

10.9 As discussed above, the public announcement under the provisions of Regulation 10 of the SAST Regulations, 1997 is mandatory. As observed by the Hon'ble SAT in the *Nirvana Holding's* case, the mandatory public announcement can only be dispensed with if such a direction is not in the interest of the securities market or for the protection of the interest of investors.

In the instant case, had the Noticees/acquirers made the mandatory public offer within the time stipulated under the provisions of SAST Regulations, 1997, the offer price could have been determined in terms of the provisions of Regulation 20 of the SAST Regulations, 1997.

Considering the facts and circumstances of the case and the interest of the securities market and the interests of investors, I am of the considered opinion that an order directing the Noticees/acquirers to make a public offer would be appropriate and would meet the objectives of the scheme of the SAST Regulations. I find no reasons to depart from the normal rule of public announcement and public offer and I am inclined to issue necessary directions as envisaged in Regulation 44 of the SAST Regulations, 1997.

10.10 SAST Regulations, 1997 have been repealed by the SAST Regulations, 2011. As per Regulation 35(2)(b) of the SAST Regulations, 2011, the obligation or liability acquired, accrued or incurred under the repealed regulations, shall remain unaffected as if the repealed regulations were never repealed. In the present case, the aforesaid Noticees/acquirers, *viz.* Dhrumal Vaidya (Noticee no.3), Anindo Banerjee (Noticee no.4), Pratik Shah (Noticee no.2), NikitaDave (Noticee no.7), Vashi Constructions (Noticee no.8), Dhanlaxmi Lease Finance (Noticee no. 17) and Rudra Securities (Noticee no. 13) by acquiring 21.32% of the equity capital of Platinum Corporation (through preferential allotment), triggered the obligation to make open offer under Regulation 10 of the SAST Regulations, 1997 on January 13, 2009. Regulation 14(1) mandates that the public announcement referred in Regulation 10 shall be made not later than four working days of entering into an agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the percentage specified in the Regulation. Had the Noticees made the public announcement within a period of 4 working days from January 13, 2009, in accordance with the provisions of the SAST Regulations, 1997 and complied with all related activities within the timelines specified therein, all formalities with respect to their public announcement and the open offer would have been completed by April 26, 2009, *i.e.,* 97 days from the date of making the public announcement. I am of the view that since the public

announcement now would provide a delayed exit opportunity to the shareholders of the target company, the Noticees shall pay interest on offer price determined in terms of the provisions of the SAST Regulations, 1997 to the shareholders who tender their shares in the open offer and who are eligible for interest as per law.

11 SEBI strives to safeguard and protect the interests of a genuine investor in the Indian securities market. The aforementioned fraudulent activities of the company and its directors/promoters (Noticees nos. 1 to 7) along with the entities connected/related to the promoters (Noticees nos. 8 to 40), such as making misleading and false corporate announcements by a listed company, with a view to increase the price and traded volume in the scrip coupled with the*mala fide* intention of facilitating the connected/related or group entities to offload their shares at a price artificially increased by the said false announcements, fraudulently allotting preference shares to the connected/related entities including its own directors without infusion of funds are of serious and grave in nature and are inimical to the interests of participants in the securities market. The facts and circumstances detailed in the forgoing paragraphs clearly indicate that all the 40 Noticees acted as a group and conspired and connive with one another in executing the whole scheme of manipulation.

Allowing such entities/persons who are found to be involved in such fraudulent, unfair and manipulative practices to continue to operate in the market would shake the confidence of the investors in the securities market. Further, the fraudulent, manipulative and deceptive device, plan and artifice employed by connected parties in this case, not only endanger the interests of investors in securities but also the integrity of securities market as a whole. If such activities are left unchecked, it will give wrong signals to the securities market. I am of also of the view that such fraudulent, manipulative and deceptive acts, device, plan and artifice employed by the company, its directors/promoters and their connected entities/persons acting in group in this case have wider impact on the securities market and should be dealt with sternly.

In this regard, it is relevant to refer to the following observations made by the Hon'ble Supreme Court in ***N. Narayanan vs. Adjudicating Officer*,** SEBI 2013 Indlaw SC 269 in Civil Appeal Nos. 4112-4113 of 2013, (order dated April 26, 2013) is also noteworthy:

"SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of

this country and 'market security' is our motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a divided lot. SEBI has, therefore, a duty to protect investors individual and collective, against opportunistic behavior of Directors and Insiders of the listed companies so as to safeguard market's integrity."

12 Considering the facts and circumstances of this case and the indulgence of the aforesaid forty Noticees, in such fraudulent, manipulative and deceptive plan, device and artifice in violation of Section 12A (a), (b) and (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), (f), (k) and (r) of PFUTP Regulations, 2003 and Regulation 8(3) and Regulation 10 of the SAST Regulations, 1997as found in this case, I am convinced that this is a fit case to impose a stringent penalty.

13 The proceedings in the instant matter had commenced pursuant to the issuance of a common SCN dated September 23, 2013 to all the 40 Noticees. Thereafter, an opportunity of personal hearing was granted to all the 40 entities on various dates *i.e* July 17, 2015, January 13, 2016 and February 12, 2016, etc. Subsequent to the hearing granted to the Noticees on February 12, 2016, some of the Noticees filed additional submissions and documents vide letters dated February 23, 2016, March 1, 2016, April 4, 2016, etc.. Having regard to the fact that the 40 Noticees (which includes the company, its directors/promoters, entities/persons connected to the company along with the directors of these entities) acted as a group and connived and conspired with one another in executing the entire scheme of fraudulent manipulation in the scrip of Platinum Corporation, comprising of misleading and false corporate announcements by the company, offloading of shares by the connected entities thereby making profit at the cost of other investors, fraudulent preferential allotment without infusion of funds by the company with the help of other connected entities, etc., a consolidated view in the instant proceedings was possible only on completion/conclusion of hearings in respect of all the Noticees who had indulged in the aforesaid activities and thereafter, examination and consideration of each of their replies (wherever made) to the SCN and additional written submissions filed by the Noticees subsequent to the hearing.

14 In view of the foregoing, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Section 11 and 11B of the SEBI Act, 1992, Regulation 11 of the PFUTP Regulations, 2003, hereby direct as under –

False and Misleading Corporate Announcements, aiding and abetting the Connected entities in Offloading of shares and Facilitating them to make Illegal Profit/Gain;
Misleading Investing Public on Promoter's Holding and Non-reporting of Acquisition of Shares and Violation of Regulation 8(3) of the SAST Regulations, 1997.

i. *The Company, Platinum Corporation Ltd. (Noticee no. 1) and its directors/promoters, viz. Pratik Rameshchandra Shah (Noticee no. 2), Dhrumal Kishor Vaidya (Noticee no. 3), Anindo Achinto Banerjee (Noticee no. 4), Jignesh Dineshchandra Shah (Noticee no. 5), Jayesh Dineshbhai Shah (Noticee no. 6) and Nikita Baldevbhai Dave (Noticee no. 7) are prohibited from accessing the securities market directly or indirectly, and are prohibited from buying, selling or otherwise dealing in securities, directly or indirectly for a period of* ***5 years*** *from the date of this Order.*

Conniving and Conspiring with Platinum Corporation and its directors/promoters and Offloading shares in the wake of False and Misleading Corporate Announcements thereby making Illegal Profit/Gain-

ii. *The Noticees, viz., Bharat Ratilal Shah (Noticee no. 18), Robinson Worldwide Trade Ltd. (Noticee no. 34) (presently known as Sun and Shine Worldwide Ltd.), Bipin Ratilal Shah (Noticee no. 19), Anand Ramanlal Trivedi (Noticee no.25), Exdon Trading Company Ltd. (Noticee no. 26), Meeta Bipin Kumar Shah (Noticee no. 31),Vashi Constructions Pvt. Ltd. (Noticee no. 8), Rudra Securities and Capital Ltd. (Noticee no. 13), Girish Gaturbhai Doshi (Noticee no. 20), Corporate Strategic Allianz Pvt. Ltd. (Noticee no. 27), Induram Developers Pvt. Ltd (Noticee no. 29), Meena Ashok Kumar Shah (Noticee no.30), Parvati Minerals Pvt. Ltd (Noticee no. 32), Pratik Minerals Pvt. Ltd (Noticee no. 33), Sarlaben Hiralal Shah (Noticee no. 35), Shalibhadra Steels Pvt. Ltd (Noticee no. 36), Shankeshwar Metals Pvt. Ltd (Noticee no. 37), Siddhivinayak Tradelink Pvt. Ltd. (Noticee no. 38) and the directors of the aforesaid Noticees viz. Ashok Hiralal Shah (Noticee no. 9) (being director of Vashi Constructions Pvt. Ltd., Corporate Strategic Allianz Pvt. Ltd. and Induram Developers Pvt. Ltd.); Ramanlal Nagjibhai Trivedi (Noticee no. 39) (being the director of Robinson Worldwide) and Manish Muchhala (Noticee no. 40) (being director of Rudra Securities and Capital Ltd.) are prohibited from accessing the securities market directly or indirectly, and are prohibited from buying, selling or otherwise dealing in securities, directly or indirectly for a period of* ***3 years*** *from the date of this Order.*

iii. *The Noticees, viz. Bharat Shah (Noticee no. 18), Robinson Worldwide (Noticee no. 16), Bipin Shah (Noticee no. 19), Anand Trivedi (Noticee no.25), Exdon Trading (Noticee no. 26), Meeta Shah (Noticee no. 31), Vashi Constructions (Noticee no. 8), Rudra Securities (Noticee no. 13), Girish Doshi (Noticee no. 20), Corporate Allianz (Noticee no. 27),*

Hiralal Shah- (Noticee no. 28 –deceased) -represented by legal heirs/ nominee Sarlaben Shah, Ashok Shah and Meena Shah (to the extent of the funds/ assets received/ inherited by them)), Induram Developers (Noticee no. 29), Meena Shah (Noticee no.30), Parvati Minerals (Noticee No. 32), Pratik Minerals (Noticee no. 33), Sarlaben Shah (Noticee no. 35), Shalibhadra Steels (Noticee no. 36), Shankeshwar Metals (Noticee no. 37), Siddhivinayak Tradelink (Noticee no. 38) to disgorge the entire profit unlawfully gained by them as mentioned in the ***column No. H*** *in the table at* ***paragraph no. 6.27 above*** *with simple interest @12% per annum from February 2007 till the date of payment. They shall pay the said amounts 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 Branch*	*BKID 0000122*	*Securities and Exchnage Board of India*	*012210210000008*

Noticees who are making e- payment are advised to forward the details and confirmation of the payments so made to the Enforcement department of SEBI for their records as per the format provided in* ***Annexure A*

Fraudulent Preferentia l Allotment without Infusion of Funds-

iv. The company, viz. Platinum Corporation Ltd. (Noticee no. 1); seven allottees, viz. Pratik Rameshchandra Shah (Noticee no.2), Dhrumal KishorVaidya (Noticee no. 3), Anindo Achinto Banerjee (Noticee no. 4), Nikita Baldevbhai Dave (Noticee no. 7), Vashi Constructions Pvt. Ltd. (Noticee no. 8), Rudra Securities and Capital Ltd. (Noticee no. 13) and Dhanlaxmi Lease Finance Ltd. (Noticee no. 17); three connected entities, viz. Hirak Biotech Ltd. (Noticee no. 24), Sarang Chemicals Ltd. (Noticee no. 21) and Dinkar Bhanuprasad Shreemali (Noticee no. 23) and the directors, viz. Bhavana Rajesh Shah (Noticee no. 10) and Rajesh Chandrakant Shah (Noticee no. 11) (being director of Vashi Constructions Pvt. Ltd.); Ketan Dineshchandra Sorathiya (Noticee no. 14), Nileshkumar Tribhovandas Kava (Noticee no. 15) and Vipul Shantilal Trivedi (Noticee no. 16) (being directors of Rudra Securities and Capital Ltd.); Bharat Shah (Noticee no. 18), Bipin Shah (Noticee no. 19), Girish Doshi (Noticee no. 20) (being directors of Dhanlaxmi Lease Finance Ltd.); Lalitkumar Kantilal Rathod (Noticee no. 22) (being director of Sarang Chemicals Ltd.); are prohibited from accessing the securities market directly or indirectly, and are prohibited from buying, selling or otherwise dealing in securities, directly or indirectly for a period of ***5 years*** *from the date of this Order.*

Violation of Regulation 10 of the SAST Regulations

v. Noticees, viz. Pratik Rameshchandra Shah (Noticee no.2), Dhrumal KishorVaidya (Noticee no. 3), Anindo Achinto Banerjee (Noticee no. 4), Nikita Baldevbhai Dave (Noticee no. 7), Vashi Constructions Pvt. Ltd. (Noticee no. 8), Rudra Securities and Capital Ltd. (Noticee no. 13) and Dhanlaxmi Lease Finance Ltd. (Noticee no. 17) shall make a combined public announcement to acquire shares of the target company, Platinum Corporation Ltd., in terms of Regulations 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, within a period of 45 days from the date of this Order. The said Noticees shall, along with consideration amount, pay interest at the rate of 10% per annum from April 26, 2009 till the date of payment of consideration to the shareholders who were holding shares in the target company on the date of violation and whose shares are accepted in the open offer, after adjustment of dividend paid, if any. The prohibition ordered against the aforesaid seven Noticees/acquirers at item No. (i) and (ii) above shall not affect them from making offer and accepting shares in the open offer.

15 The period of debarment directed against the Noticees in paragraph No. (i), (ii) and (iv) shall run concurrently.

16 This Order shall come into force with immediate effect.

17 The copy of the said Order shall be forwarded to the concerned Stock Exchanges and Depositories.

Place: Mumbai
Date: August 12, 2016

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA