BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S.K. MOHANTY, WHOLE TIME MEMBER

ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

In respect of:

Sr. No.	Noticees /Name of the entities	PAN
1	Somani Overseas Limited	AAECS2257A
2	Sumeet Menthol Private Limited	AABCM9702F
3	Sumeet Silk Processors Private Limited	AADCS3516M
4	Sitaram Prints Private Limited	AAECS2255C
5	Ambaji Syntex Private Limited	AABCA9728K
6	Urmila Sunder	ABIPS4331F
7	Ganga Somani	ABNPS7081F
8	Sumandevi Somani	ACIPS4869H
9	ShankarlalSomani	ABNPS7087D
10	Raj Kumar Somani	ACIPS4806L
11	Bajranglal Somani	ABNPS7085B

IN THE MATTER OF SUMEET INDUSTRIES LIMITED.

PURSUANT TO THE ORDER DATED DECEMBER 21, 2021 PASSED BY THE HON'BLE SECURITIES APPELLATE TRIBUNAL

1. The instant proceedings are arising out of and in compliance with the order dated December 21, 2021 passed by the Hon'ble Securities Appellate Tribunal (hereinafter referred to as the **"SAT/ Tribunal**") in Appeal No. 431 of 2019. Vide the aforesaid order, the Hon'ble Tribunal have held that the violations allegedly committed by the *Noticees* stand established and while upholding the directions as passed *vide* order dated September 30, 2019 of Securities and

Exchange Board of India (hereinafter referred to as "***SEBI***"), including disgorgement of unlawful gains with interest, the Hon'ble Tribunal has remitted the matter to SEBI with a direction that unlawful gains should have been calculated while taking the average cost of acquisition of shares by the *Noticees* on October 03, 2006, i.e., INR 5.34. The exact findings of the Hon'ble SAT are being reproduced herein:

> *11. We find that since the appellants purchased shares on 3rd October, 2006 the price per share on that date can easily be found out. From a perusal of table 3 of the impugned order we find that the appellants had purchased 1,67,950 shares valuing Rs.8,97460. As per the statement of the learned counsel for the appellant the valuation of one share on 3rd October, 2006 works out to Rs.5.34 per share.*
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> *12. Whereas the WTM has taken the opening price of 3rd October, 2006 as the cost price, namely, Rs.4.33. Since the appellants had purchased the shares on that date at a value of Rs.5.34 per share the same should be taken into consideration as the acquisition price.*
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> *13. To that extent the order of the WTM requires modification ….*
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> *17. For the reasons stated aforesaid the appeal is partly allowed. The WTM is directed to calculate the disgorgement amount taking the acquisition price as Rs.5.34/- per share as on 3rd October, 2006 and the sale price at Rs.18.98/- per share. The calculation shall be made by the WTM within four weeks from today alongwith interest."*

2. Pursuant to the above order of the Hon'ble SAT, the limited issue that requires consideration is re- calculation of the amounts of unlawful gains as earned by the *Noticees* while trading in the scrip of the *Company*, by considering the cost of acquisition as INR 5.34 per share instead of INR 4.33 per share and the sale price as INR 18.98 per share and accordingly, the revised computation is as under:

TABLE-1

S. No.	Name	Sell Qty	Sell Value*	Buy Qty	Buy Value**	Net Sell Qty or Excess Shares	Net Sell Value	Acquisition price as per Hon'ble SAT order	Buy Value of excess shares	Unlawful gains for disgorgement INR)
		A	B	C	D	E = (A-C)	F = (B-D)	G	H = (E*G)	I = B-(D+H)
1	Sumeet Menthol Pvt. Ltd. (now Siddhipriya Poly Fab Pvt. Ltd.)	600000	11388000	0	0	600000	11388000	5.34	3204000	8184000
2	Rajkumar Sitaram Somani	545000	10344100	50000	267000	495000	10077100	5.34	2643300	7433800
3	Shankarlal Sitaram Somani	334250	6344065	50000	267000	284250	6077065	5.34	1517895	4559170
4	Sumeet Processors Pvt. Ltd.	300000	5694000	0	0	300000	5694000	5.34	1602000	4092000
5	Sitaram Prints Pvt. Ltd.	300000	5694000	0	0	300000	5694000	5.34	1602000	4092000
6	Urmila Shyam Sunder	250000	4745000	0	0	250000	4745000	5.34	1335000	3410000
7	Ganga Devi Somani	250000	4745000	0	0	250000	4745000	5.34	1335000	3410000
8	Bajranglal Siyaram Somani	250000	4745000	0	0	250000	4745000	5.34	1335000	3410000
9	Sumandevi Madan Somani	250000	4745000	0	0	250000	4745000	5.34	1335000	3410000
10	Somani Overseas Ltd.	195000	3701100	67950	362853	127050	3338247	5.34	678447	2659800
11	Ambaji Syntex Pvt. Ltd.	150000	2847000	0	0	150000	2847000	5.34	801000	2046000
	TOTAL	**3424250**	**64992265**	**167950**	**896853**	**3256300**	**64095412**		**17388642**	**46706770**

*Sell value has been calculated using sale price of INR 18.98 as per Hon'ble SAT's direction

**Buy value has been calculated using acquisition price of INR 5.34 as per Hon'ble SAT's direction

3. It is also noted that the Hon'ble SAT has further directed to calculate the disgorgement amount along with interest after adjusting the amount of INR 2.00 Crore paid collectively by the *Noticees* in compliance with the order dated

October 25, 2019 passed by the Hon'ble Tribunal. Accordingly, while calculating the liability along with interest accrued on the amount to be disgorged, the amount deposited collectively on March 04, 2020 by the *Noticees* needs to be duly factored in for the purpose of calculation of liability accrued so far. Therefore, keeping in view the findings made in SEBI's orders dated May 21, 2014, September 30, 2019, and orders of the Hon'ble Tribunal dated October 25, 2019 and December 21, 2021, the amount to be disgorged and interest on the disgorgement amount are calculated in the following manner:

Table no. 2

Sr. No.	Date of event	Description of amount	Amount (in INR)
1.	December 21, 2021.	In terms of Tribunal Order, while taking acquisition price as INR 5.34 per share and the sale price at INR 18.98 per share.	4,67,06,770
2.	March 12, 2007 – June 30, 2016 Period from the amount of disgorgement becoming due (last day of investigation period, i.e., March 12, 2007) till the date of order passed by	Interest @ 12% on the total amount of **INR 4,67,06,770**	5,21,93,855.75

	the Hon'ble SAT.		
3.	September 30, 2019 – March 03, 2020 Period from the date of order passed by SEBI in compliance with the Hon'ble SAT's order dated June 30, 2016 till date of deposit of INR 2.00 Crore. (Deposit made by Noticees in compliance with the order dated October 25, 2019)	Interest @ 12% on the total amount of **INR 4,67,06,770**	23,95,481.46
4.	March 04, 2020 Payment of INR 2.00 Crore by	Payment of INR 2.00 Crore	- (2,00,00,000)

	the Noticees in compliance with the order dated October 25, 2019 of the Hon'ble SAT.		
5.	Period from March 04, 2020 till January 12, 2022 (date of passing of present order)	Interest on balance amount of **INR 2,67,06,770**.	59,70,609.40
6.		**Net disgorgement amount=** **Actual unlawful gains+ interest (as calculated at Serial no. 2, 3 and 5 above)- INR 2 Crore (as shown in Serial no. 4)**	**8,72,66,716.60**

4. The computation as tabulated above, has been done in pursuance of the directives of the Hon'ble SAT. I, therefore, in compliance with the directions of the Hon'ble SAT issued vide its order dated December 21, 2021, hereby direct disgorgement of the unlawful gains as mentioned in Table no. 1 above by directing that:

a) *Noticee nos. 1* to *11* shall disgorge the amounts of wrongful gains, as mentioned in the aforesaid table no. 2 along with further interest @12% from date of this order till the date of payment.

b) *Noticees* shall pay the said amount by way of demand draft drawn in favour of "Securities and Exchange Board of India", payable at Mumbai, in terms of order dated December 21, 2021 passed by the Hon'ble SAT.

c) The *Noticees* are also directed not to dispose of or alienate any of their assets/ properties/ securities, till such time the direction of this order is complied with. Further, the Noticees are directed to provide, within 15 days of this order, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/ securities, if held in physical form and details of companies in which they hold substantial or controlling interest.

d) The amount of INR 2.00 Crore as deposited by the *Noticees* in compliance with the order dated October 25, 2019 of the Hon'ble SAT, stands disgorged and appropriated along with the interest accrued thereto.

5. This order shall come into force with immediate effect.

6. A copy of this order shall also be served upon the *Noticees*, Depositories, Stock Exchanges and Registrars and Transfer Agents for necessary action on their part.

-Sd-

DATE: JANUARY 12, 2022 **S. K. MOHANTY**

PLACE: MUMBAI **WHOLE TIME MEMBER**