Filed on : 26.3.2014 Registered on : 03.6.2014 Decided on : 15.12.2017

Duration : Year-3 Month-8 Day-19

IN THE COURT OF THE SPECIAL JUDGE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

SEBI SPECIAL CASE NO. 294 OF 2014

EXH.35

Securities and Exchange Board of India

A statutory body established under the provisions of the Securities & Exchange Board of India Act, 1992 having its Head Office at SEBI Bhavan, Plot No.C-4/A,G Block, Bandra Kurla Complex, Mumbai 400 051. through its Officer Grade A Legal Mr. Dipak Shrirang Lingot

Complainant

Versus

Ashok Bhagat

Indian Inhabitant having address at H-19 Ramji Gupta Chawl, Sakharam Bhuva Patil Marg, (Ghazadhar Road), Santacruz (West), Mumbai- 400 054

Accused

Appearance:

Ld.SPP Shri S.G.Mendon for SEBI. Ld. Adv. Shri Sandeep Karu for accused.

CORAM: HIS HONOUR SPECIAL JUDGE

SHRI M. G. DESHPANDE SEBI SPECIAL COURT (COURT ROOM NO. 22)

DATE : December 15, 2017

JUDGMENT

(Dictated and pronounced in an Open Court)

1. This is a complaint by Securities and Exchange Board of India (hereinafter referred to as "SEBI") under Section 200 Cr.P.C. alleging that accused Ashok Sonu Bhagat committed an offence under Section

..2.. J-SEBI Spl.Case No.294/14

15HA punishable u/s. 24(2) of the Securities and Exchange Board of India Act, 1992 (for short "SEBI Act, 1992"), as he failed to pay the penalty Rs.82,00,000/-. Hence accused is facing the trial.

2. My Learned Predecessor framed charge against accused at Exh. 4. He pleaded not guilty and claimed to be tried. His statement u/s. 313 Cr.P.C. was recorded at Exh.32. His defence is of total denial and false implication. He further contended that he never received any correspondence alleged in the complaint. In this background, heard arguments of Ld.SPP Shri S. G. Mendon and Learned Advocate Shri Sandeep Karu for accused. Following points arise for my determination. I am recording following findings thereon for the reasons discussed below:-

POINTS

FINDINGS

Whether complainant SEBI proves that accused failed to pay penalty Rs.82,00,000/- imposed by Adjudicating Officer and committed offence under Section 15HA punishable u/s. 24(2) of the SEBI Act, 1992?

In the affirmative

2 What order?

Accused is convicted as per final order.

REASONS

POINT NO.1:

FACTS AND THE BACKGROUND

3. Complainant SEBI conducted investigation relating to buying, selling and dealing in the shares of Empower Industries India Ltd. (for short "EIIL") for the period between February 16,2005 to March 11,2005. Involvement of accused Ashok Sonu Bhagat was revealed in violation of Regulation 3(a), 4(1),4(2)(a) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003. (For short "PFUTP Regulations, 2003"), Regulations 7 (1) ,7(2) and Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 (Hereinafter referred to as "SAST Regulations") and Regulation 13(1) and Regulation 13(3) both read with Regulation 13(5) of SEBI (Prohibition of Insider Trading) Regulation 1992. (Hereinafter referred to as "PIT Regulations"). Thereafter adjudication proceeding was initiated. On January 1, 2013 Adjudication Order was passed holding that the accused committed various breaches of the Regulations referred above. Penalty Rs.82,00,000/- specifying the heads was imposed on the accused. The copy of Adjudication Order was sent and delivered to him. Subsequently reminder was also sent and delivered to him. accused failed to pay the penalty. Hence, this prosecution.

..4.. J-SEBI Spl.Case No.294/14

DOCUMENTS RELIED ON BY SEBI

- Exh.9 Letter of Authority dt. January 25,2016
- **Exh.10** Certified copy of Delegation of Powers
- **Exh.11** Original Adjudication Order dt. January 1, 2013
- **Exh.12** Office copy of the letter dt. January 1,2013 sent to the accused.
- **Exh.13** Hand Delivery Acknowledgment
- **Exh.14** Office copy of first reminder dt. March 12,2013
- **Exh.15** Hand delivery acknowledgment dt.14.3.2013
- **Exh.16** Second reminder dt. May 6,2013.
- **Exh.29** Registered Post Acknowledgment Due.
- **Exh.29A** Office copy of intimation dt. December 17,2013 of launching prosecution
- **Exh.34** Certified copy of SAT Order in MA NO. 109/2016 and Appeal No.150/2016

SEBI examined Shri Avinash Dhumal, Assistant General Manager (C.W.1), Shri Nirdosh Rajan Minz (C.W.2) Assistant General Manager, Shri Abhishek Singh, Assistant General Manager(C.W.3,), Shri Mahesh Sakharam Gawali, Office Boy(C.W.4), and Ms. Anamika Shripat, Assistant General Manager (C.W.5)

ARGUMENT OF LD.SPP SHRI S.G.MENDON

4. It is the argument of Ld.SPP Shri S.G.Mendon that accused participated huge illegal trade of the shares, by way of synchronized as well as transfer. The evidence of hand delivery boy clearly proves the delivery of correspondence to the accused. Accused failed to pay the

..5.. J-SEBI Spl.Case No.294/14

penalty. Considering the huge illegal trade by the accused proportionate penalty Rs.82 lacs was imposed on the accused. This itself indicates the manner in which accused illegally traded. SEBI has proved offence u/s.24(2) of SEBI Act, 1992. Therefore, accused deserves to be convicted.

ARGUMENT OF LD. ADVOCATE SHRI SANDEEP KARU FOR ACCUSED

- 5. Ld. Advocate Shri Karu for accused argued that the Adjudication Order itself indicates the involvement of many persons. None of them was prosecuted by SEBI and only the accused is falsely implicated in this case. This itself indicates how the SEBI left the real persons scot free who are involved in the offence and obliquely implicated the accused in this false case. He further referred Section 15-I of SEBI Act, 1992 and argued that accused preferred appeal before the SAT. However, he could not argue this aspect as the SAT rejected the delay condonation application and dismissed the appeal. Accused never received any correspondence. He had no knowledge of Adjudication Order and penalty imposed on him. All the witnesses examined by SEBI are interested. Hence cannot be believed. Delivery of correspondence is not proved. Hence, accused deserves acquittal.
- 6. I carefully examined these arguments on the basis of documentary evidence. Admittedly, case of SEBI is based on hand deliveries of the correspondence to the accused. Evidence of Shri Avinash Dhumal (CW1) is general i.e. on the basis of record. This being complaint u/s. 200 Cr.P C by a Public Servant on behalf of Public Authority, his evidence is admissible

..6.. J-SEBI Spl.Case No.294/14

and relevant. He specifically deposed how the Adjudication Order was passed and the copy thereof was communicated to the accused alongwith the letter. It was a clear intimation to the accused about his liability to pay the penalty. Despite the reminders he failed to pay the same.

- 7. Shri Abhishek Singh (C.W.2) is the Assistant Manager of SEBI . He specifically deposed how the original letter of Exh.12 alongwith the copy of Adjudication Order was sent and delivered to the accused by hand. He further deposed that this hand delivery correspondence was sent to the accused by the outward mechanism of SEBI. His role clearly proves that at the relevant time he forwarded the correspondence in discharge of his official duties. There is no reason to disbelieve his testimony.
- 8. Shri Nirdosh Rajan Minz (C.W.3) is next witness examined by SEBI. He elaborately deposed about the facts and circumstances of the transaction while sending reminder (Exh.14) to the accused by hand and its delivery. At the relevant time, he was Assistant General Manager. After passing Adjudication Order same was forwarded to him and he issued letter (Exh.14) and got delivered the same by hand vide hand delivery acknowledgment (Exh.15). He further referred another reminder dt. 12.3.2013. However, its acknowledgment is not available with SEBI. Careful examination of his evidence, indicates whatever done by him was outcome of discharge of official duties by him.
- 9. Shri Mahesh Sakharam Gawali(C.W.4) is the delivery boy who

..7.. J-SEBI Spl.Case No.294/14

actually effected hand delivery. He clearly stated the method adopted by SEBI whenever any correspondence is sent to the addressee by hand. Since 19 years he has been serving with SEBI in Outward Department. His duty is to deliver the letters received from Outward Department and every day he receives such letters. As soon as any letter is received by him and other staff, they enter the same in the register. They are in all 5 persons in Outward Department for this specific work. When Supervisor makes entry of the letter in the Outward Register, the same is handed over to them for the actual delivery. He identified hand delivery acknowledgment(Exh.15) and deposed that the delivery of the correspondence with acknowledgment (Exh.15) was personally carried out by him to deliver the same at "Ashok Sonu Bhagat, Ramaji Gupta Chawl, Sakharam Patil Marg, Santacruz (West)". He further deposed that in order to reach the house of accused he passed by a small lane. He confirmed the address of the accused and then knocked the door. A girl opened the door whom he asked whether it was the house of Mr. Ashok Sonu Bhagat. On confirming the same, he handed over the envelope containing the correspondence to the said girl who accepted the same and further took it inside the house. Thereafter she returned alongwith acknowledgment and the signature of recipient. He submitted said hand delivery acknowledgment in the office of SEBI to the Supervisor who accepted the same and made its entry in the Register. It is material to note that the address of accused is nowhere disputed in the cross-examination. Even it is not suggested to this witness that the address where he delivered the letter to said girl is not the address of accused.

..8.. J-SEBI Spl.Case No.294/14

- 10. Ms. Anamika Shripat (C.W.5) was the Assistant General Manager of SEBI at the relevant point of time. She referred the office copy of letter dt. 17.12.2013(Exh.29-A) and deposed that the original thereof was sent by her to the accused. It was sent and delivered to the accused by RPAD and Exh.29 is the Registered Post Acknowledgment Due thereof. Her evidence clearly proves that she dealt with correspondence (Exh.29 and Exh.29-A)in discharge of official duties.
- Exh.13 is the hand delivery acknowledgment signed by one 11. "Surekha" as recipient and token of acceptance. Exh.15 is the second Hand delivery acknowledgment signed by 'Narayan Sonu Bhagat' on 14.3.2013 as recipient and token of acceptance. Exh.29 is the RPAD signed by 'Sanjana S. Bhagat' as recipient and token of acceptance. Address of accused mentioned in the entire correspondence and acknowledgments is the same as "Ashok Sonu Bhagat, H-19, Ramaji Gupta Chawl, Sakharam Buva Patil Marg, Santacruz (West), Mumbai- 400 054" The evidence of delivery boy Shri Mahesh S Gawali (C.W.4) clearly proves real circumstances of the transaction taken place while effecting the hand delivery. He referred how a girl accepted the correspondence took the same inside the house, further brought the acknowledgment signature and handed over the same to him. Accused has mentioned his same address in the statement u/s. 313 Cr.P.C. The evidence of delivery boy Shri Mahesh Gawli (C.W.4) corroborates the same. Accused never raised any dispute that the correspondence addressed to him at the above address and the address mentioned in RPAD (Exh.29) is not his correct

..9.. J-SEBI Spl.Case No.294/14

postal address. Therefore, I hold that the SEBI has proved that accused received their correspondence by hand deliveries as well as RPAD as per Rule 7(a) and 7(b) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.(For short "SEBI Rules,1995"). Evidence of Shri Avinash Dhumal, (C.W.1), Shri Nirdosh Rajan Minz (C.W.2), Shri Abhishek Singh,(C.W.3,), Shri Mahesh Sakharam Gawali, (C.W.4), and Ms. Anamika Shripat,(C.W.5) is sufficient to hold that common course of business was followed in this particular case as required u/s.114(f) of The Indian Evidence Act. Hence, the contention of accused that he never received any correspondence is feigned.

12. Rule 6 of SEBI Rules,1995 relates to sending copy of Adjudication Order to the person concerned. Rule 7(a) to (d) prescribe various modes of sending and delivery of the correspondence by SEBI to the accused pursuant passing of Adjudication Order. Object of SEBI Act, 1992 is laudable to secure the interests of the investors. It reads as "To provide for the establishment of a Board to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto." The real intention and purport behind Rules 6 and 7(a) to (d), of SEBI Rules, 1995 is to make aware the person concerned like accused that Adjudication Order is passed against him and he is liable to pay the penalty within stipulated time. It is because the SEBI has to compensate the investors who are affected by synchronized, circular trades and manipulation in the securities market by the person against whom

..10.. J-SEBI Spl.Case No.294/14

Adjudication Order is passed. In short, whether the accused has knowledge of Adjudication Order, penalty and he paid or failed to pay the same? are the questions to be examined in order to assess the case u/s. 24(2) of SEBI Act, 1992.

13. For the sake if it is assumed that accused had not received any correspondence by hand deliveries, I am of the opinion that informing the accused about passing of Adjudication Order and giving him opportunity to pay the penalty within specified period is the real object and purport of Rule 6 and Rule 7 (a) to (d) of SEBI Rules, 1995. The intention behind the rules is to bring to the notice and knowledge of the accused the Adjudication order passed against him and his liability to pay the penalty. Though accused denies the deliveries of the correspondence, yet he preferred appeal before the SAT vide M.A. 109/2016 and Appeal No.150 of 2016. Exh.34 is the certified copy of final order passed by the SAT in said appeal. The SAT dismissed the appeal and also rejected the delay condoation application. It is necessary to reproduce the observations of the SAT in Paragraph 3 of its order (Exh.34) as follows:-

"Shri Prakash Shah, Learned Counsel appearing on behalf of appellant submitted that the delay in filing the appeal is not intentional; it happened because the appellant became traumatized and gloomy after receiving the impugned order; he took some time in comprehending the impugned order; professional help was not forthcoming etc. Learned Counsel for the appellant also cited the following orders in support of seeking condonation of delay....."

..11.. J-SEBI Spl.Case No.294/14

I reproduced this Paragraph 3 of SAT Order (Exh.34) because the same indicates clear admission of accused how he received the correspondence and Adjudication Order but failed to file appeal as he was traumatized for about 3 years 1 month and 26 days. This goes to the root and proves that accused received entire correspondence made by SEBI including the copy of Adjudication Order but he raised a feigned defence that he never received the same. The SAT appeal preferred by him itself indicates his knowledge of Adjudication Order. Therefore, compliance or non compliance of Rules 6 and 7(a) of SEBI Rules, 1995 has no bearing on the merit of the case. All this is defeating the object of SEBI Act, 1992.

- 14. It is necessary to refer the Object of SEBI which reads as "To provide for the establishment of a Board to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto.". The penalty Rs.82 lacs was imposed on accused within the limitation and power of Adjudicating Officer by noting the serious breaches of their Regulations and involvement of accused in huge illegal trade defeating the rights of the investors.
- 15. Compass of trial u/s.24(2) is limited wherein the court has to find out whether accused paid the penalty or failed to pay the same. The argument of Ld.Adv. Shri Karu that many others were also involved in said circular trading, rigging the price, and creating fake volume attracting the investors, were not prosecuted by the SEBI and accused alone is implicated

..12.. J-SEBI Spl.Case No.294/14

and prosecuted by the SEBI etc. has no bearing on the merit of the case. It

is because all such issues can be raised in appeal before the SAT being the

competent forum having exclusive jurisdiction to entertain the same.

Accused did the same but the SAT rejected his contention. Admittedly,

accused has not preferred any second appeal before the Hon'ble Supreme

Court. Therefore, the Adjudication Order became absolute and attained

finality.

16. Admittedly the accused has not paid the penalty. Even he has

not applied to the SAT showing his bonafides to pay the penalty by

installments. Therefore, I hold that offence u/s. 24(2) is proved against

him. Point No.1 is answered in the affirmative. Accused has to be

convicted. It is now 11.35 a.m. Accused needs to be heard on the question

of sentence. Hence, I am taking pause. Accused is taken in judicial custody.

(M. G. Deshpande)

Special Judge, SEBI Special Court, City Civil & Sessions Court,

Gr. Bombay

Time: 11.35 a.m.

Date:15.12.2017

Resumed at 1.35 pm.

17. It is now 1.35 p.m. Heard accused. He submitted that he is

old and residing in hut and this aspect be considered to see his financial

condition and ability to pay. He further submitted to take a lenient view.

Also heard his Learned Advocate Shri Karu at length. He reiterated the

13/-

..13.. J-SEBI Spl.Case No.294/14

same. He also produced xerox copy of Bank Account Statement of the accused and prayed to take lenient view. Sum and substance of their contention is that accused is slum dweller, cannot indulge in such manipulation alleged in the complaint. He is unable to pay the fine or undergo imprisonment. Hence, lenient view be taken.

QUANTUM

18. The observations and findings in the Adjudication Order (Exh.11) which have become absolute and final cannot be ignored while fixing the quantum of punishment. Adjudication Order (Exh.11) clearly indicates that investigation revealed that total trading volume during the period of investigation was 2,17,700 shares with an average daily trading volume of 12,095 shares. Price of the scrip increased from Rs.61.00 on 13.1.2005 to Rs.79.50 on 9.2.2005. One month after investigation period, the scrip traded with average trading volume of 13,773 shares per day and price of the scrip come down to Rs.97.80 on 11.4.2005 as against Rs. 110.75 on 14.3.2005 (Decrease of 13.29%). Accused was a participant to circular movement of shares with a clear intention to inflate trade volumes, creating interest in the share and aided and abetted the Company defrauding innocent investors. He failed to make disclosures and public announcement under SAST Regulations. Adjudication Order has detail tables, description of methods and manner in which accused made circular transactions and illegally traded with co-entities.

..14.. J-SEBI Spl.Case No.294/14

- 19. There are two broad types of manipulation. One is the manipulation of price which refers to purchasing or selling securities thus communicating (falsely) to the market that the market price of the security reflects the value of the security and based on that premise making a person enter into a trade. The other form of manipulation is entering into a transaction to create an appearance of activity in the security. Such artificial volumes would mislead investors and potential investors to believe that an illiquid stock is liquid and therefore invest in a security market which they otherwise would not have invested in.
- 20. I gave thoughtful consideration to whatever submitted by accused and his Ld.Advocate. Bank Account Extract of the accused submitted by Ld.Advocate Shri Karu indicates Balance of Rs.1,110.30. However, this will not influence the quantum of punishment as I have already discussed above how accused was found involved in circular trading and made huge transactions at the costs of the honest investors who invested their hard earned money believing the fake volume created by the accused. This is a typical example of people like accused who are involved in manipulation in the securities market. They always say that they are very poor, living in hut, has no source of income. Infact these people are involved in serious manipulation very wisely by preparing plans and strategies with calculated steps to fetch hard earned money from the pockets of the honest investors and earned huge on its basis. Front entities like accused and many people behind the curtain are involved in such strategies. Involvement of accused in this and other pending cases clearly

..15.. J-SEBI Spl.Case No.294/14

prove how he was manipulating the securities market acting as front entity. This is what held by the Hon'ble Supreme Court as "white collar crime" in the case of **State of Gujarat Vs. Mohanlal Jitamalji Porwal** (1987) 2 Supreme Court Cases 364.

- 21. The Hon'ble Supreme Court in State of Gujarat Vs. Mohanlal Jitamalji Porwal (1987) 2 Supreme Court Cases 364 held as, "A murder may be committed in the heat of moment upon passions being aroused. An economic offence is committed with cool calculation and deliberate design with an eye on personal profit regardless of the consequence to the community. A disregard for the interest of the community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even-handed manner without fear of criticism from the quarters which view white collar crimes with a permissive eye unmindful of the damage done to the national economy and national interest..."
- 22. Accused in this case contends himself as slum dweller but had committed manipulation as such. Now, under the garb of his slum dwelling and old age, he wants acquittal or lenient view. The volume traded by him seriously affected the investors and their money, cannot be overlooked even for taking lenient view. Such a huge volume, illegal trade, price manipulation, circular trading by the accused created fake volume and seriously affected not only the defrauded innocent investors but also created repercussion on the economy of the Nation. All this he did with

..16.. J-SEBI Spl.Case No.294/14

calculated steps for fetching hard earned money from the pockets of the honest investors.

I further feel it necessary to rely on the guidelines of the Hon'ble Supreme Court in the case of N. Narayanan Vs. Adjudicating Officer, SEBI (Civil Appeal No.4112-4113 of 2013 delivered on April 26,2013) wherein it is specifically held as:

"India's capital market in the recent times has witnessed tremendous growth, characterized particularly by increasing participation of public. Investors' confidence in the capital market can be sustained largely by ensuring investors' protection. Disclosure and transparency are the two pillars on which market integrity rests. Facts of the case disclose how the investors' confidence has been eroded and how the market has been abused for personal gains and attainments."

In paragraph 10, the Hon'ble Supreme Court discussed manipulative conduct in the securities market in India in following terms:

"We would like to demonstrate on the facts of this case as well as law on the point that "Market Abuse" has now become a common practice in the Indian security market and, if not properly curbed, the same would result in defeating the very object and purpose of SEBI Act which is intended to protect the interests of the investors in securities and to promote the development of securities market. Capital market, as already stated, has witnessed tremendous growth in recent times, characterized particularly by the increasing participation of the public. Investor's confidence in capital market can be sustained largely by ensuring investor's protection."

The Hon'ble the Supreme Court in Paragraph 35 further discussed about **Securities Market-Market Abuse** as:

"Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law. Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market Abuse'. The object of the SEBI Act is to protect the interest of investors in securities and to promote the development and to regulate the securities market, so as to promote orderly, healthy growth of securities market and to promote investors protection. Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner on which it is made available to market. 'Market Abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers."

The Hon'ble the Supreme Court in paragraph 43 gave **A Word of Caution** as:

"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 securities market of this country and 'market security' is our motto."

24. It is significant to mention that w.e.f. 29.10.2002 Section 24 of the SEBI Act,1992 was amended and provides imprisonment

extending up to 10 years or with fine upto Rs.25 Crore or both. This shows that the Legislature has viewed the offences under SEBI Act, 1992 very seriously. Applying the ratio and guidelines cited supra, I am of the opinion that punishment being proposed to the accused would hardly be half of the total punishment. I am of the opinion that accused is front entity of the persons who are back entities and all of them earned huge at the relevant time knowing well the consequences of their trade. With this knowledge, they continued trading and manipulated the securities market. Certainly accused is not a poor person as urging before the Court. On the contrary he is able to pay the fine. Adjudicating Officer assessed the role of accused and imposed the penalty as per Section 15HA of the SEBI Act, 1992. His findings were confirmed by the SAT as the SAT appeal was dismissed. These factors cannot be ignored while considering the quantum of punishment. Merely accused says to take lenient view being hut dweller does not absolve him from the serious manipulation. Economic offences have to be dealt with stern hand. He manipulated the securities market at the cost of hard earned money of the honest investors. Had the investors invested the same in any other legal schemes, they would have earned double the invested amount, this aspect cannot be ignored.

In Mrs. Shivani Rajiv Saxena Vs. Directorate of Enforcement & Anr. (Bail Application 1518/2017 Decided on 15.9.2017) the Hon'ble Delhi High Court held that economic offences stand on graver footing. These crimes are professionally committed by white-collared people which inflict severe injuries on both health and wealth of the Nation. Such offences need to be dealt with a heavy hand.

..19.. J-SEBI Spl.Case No.294/14

This authority relates to bail in economic offences. However, the gist of the authorities indicates the caution for dealing with the accused who are involved in economic offences. In the instant case offence is proved against the accused. Hence, the ratio is applicable for fixing the quantum of sentence. In view of the guidelines of the Hon'ble Supreme Court, Hon'ble Delhi High Court cited supra and detail discussion on the quantum of punishment/sentence, following order is passed:-

ORDER

- 1. Accused Ashok Sonu Bhagat is convicted as per Section 235(2) of the Code of Criminal Procedure, 1973 for the offence punishable u/s. 24(2) of Securities and Exchange Board of India Act, 1992 and sentenced to undergo Rigorous **Imprisonment** for with 5 vears Rs.1,02,50,000/- (One Crore Two Lacs Fifty Thousand Rupees) out of which Rs.92,25,000/-(Ninety Two Lacs Twenty Five Thousand Rupees) be awarded to the complainant Securities and Exchange Board of India (SEBI) as the compensation. In default of fine accused shall undergo simple imprisonment for One Year.
- 2. As the judgment in SEBI Special Case No.251 of 2014 is delivered simultaneously, the sentence of rigorous imprisonment in this case and sentence of Rigorous Imprisonment in SEBI Special Case No.251 of 2014 shall run concurrently.
- 3. Accused has not furnished bail. Hence question of cancellation thereof does not arise.

..20.. J-SEBI Spl.Case No.294/14

- 4. Copy of the judgment is being given to the accused forthwith free of cost. Accused shall acknowledge the same.
- 5. Accused is explained about the provision to prefer jail appeal.

(M. G. Deshpande)

Special Judge, SEBI Special Court,

Date: 15.12.2017 City Civil & Sessions Court,

Gr. Bombay

Dictated on : 15.12.2017
Transcribed on : 15.12.2017
Draft submitted on : 15.12.2017
Final submitted on : 15.12.2017
Signed by HHJ on : 15.12.2017

Certified to be true and correct copy of the original signed order

15.12.2017 (4.37 p.m.)

DATE AND TIME B.S.Parab

Name of the Judge (With Court Room No.)	HHJ Shri M.G.Deshpande
	C.R.No.22
Date of pronouncement of Judgment/Order	15.12.2017
Judgment/Order signed by P.O. on	15.12.2017
Judgment/Order uploaded on	15.12.2017