

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Settlement Application Nos. 3892 of 2019 and 3893 of 2019

In Respect of Mr. Dushyant Natwarlal Dalal [PAN : AAAPD5859Q] and Ms. Puloma

Dushyant Dalal [PAN : AAEPD2909B]

In the matter of alleged IPO irregularities in the year 2005

1. Mr. Dushyant Natwarlal Dalal and Ms. Puloma Dushyant Dalal (hereinafter referred to as the “applicants”) filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “Settlement Regulations”) proposing to settle, without admitting the findings of fact and conclusions of law, through a settlement order, the pending adjudication proceedings initiated vide Show Cause Notices dated June 16, 2006 and January 18, 2011, and the prosecution proceedings for the alleged violation of Section 12A of the SEBI Act, 1992, Regulation 3, 4, and 6 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 1995 and Regulations 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. The settlement application also proposed to settle the adjudication proceedings initiated vide Show Cause Notice dated April 26, 2018 for the non-compliance of directions issued by SEBI thereby attracting penalty under Section 15HB of the SEBI Act, 1992.
2. Securities and Exchange Board of India (‘SEBI’) had conducted an investigation in the matter of the alleged irregularities in the year 2005, during the Initial Public Offering (hereinafter referred to as the ‘IPOs’) of various scrips. During the said investigation, vide an ad interim ex-parte Order dated April 27, 2006, SEBI had observed certain irregularities in the transactions in the shares that were issued through the IPOs made during the period 2003 – 2005, before their listings on the stock exchanges. Amongst other entities, Mr. Dushyant Natwarlal Dalal and Ms. Puloma Dushyant Dalal (hereinafter referred to as the ‘applicants’) had been directed not to buy, sell or deal in the securities market, including the IPOs, directly or indirectly, till further directions. The said directions were confirmed vide SEBI Orders dated September 09,

2008 and July 21, 2009. Subsequently the applicants preferred an appeal before the Hon'ble Securities Appellate Tribunal and subsequent civil appeal and review petitions before the Hon'ble Supreme Court of India which finally got disposed vide order dated August 24, 2011.

3. Pursuant to the application, during the meeting with the Internal Committee of SEBI on September 20, 2019, the authorized representatives of the applicants deliberated upon the settlement terms. Thereafter, the applicants, vide letter dated September 23, 2019, proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on November 21, 2019 considered the proposed settlement terms by the applicants and recommended the case for settlement upon payment of the following amounts towards settlement terms:

Name of applicant	Details of proceedings	Settlement Terms
Dushyant Dalal	Prosecution/ adjudication for alleged violations related to IPO irregularities	Rs.33,34,500/- (Rupees Thirty Three Lakh Thirty Four Thousand Five Hundred only) as settlement amount.
Dushyant Dalal	Adjudication for non-compliance of order of SEBI	Rs.4,98,750/- (Rupees Four Lakh Ninety Eight Thousand Seven Hundred and Fifty only) as settlement amount.
Puloma D. Dalal	Prosecution/ adjudication for alleged violations related to IPO irregularities	Rs.33,34,500/- (Rupees Thirty Three Lakh Thirty Four Thousand Five Hundred only) as settlement amount.
Puloma D. Dalal	Adjudication for non-compliance of order of SEBI	Rs.4,98,750/- (Rupees Four Lakh Ninety Eight Thousand Seven Hundred and Fifty only) as settlement amount.
Total	Rs.76,66,500/-	(Rupees Seventy Six Lakhs Sixty Six Thousand and Five Hundred only)

5. The applicants vide e-mail dated December 12, 2019, confirmed the payment of Rs.76,66,500/- (Rupees Seventy-Six Lakhs Sixty-Six Thousand and Five Hundred only) vide UTR Number: ICICR52019121200475560 dated December 12, 2019.

6. In view of the above, in exercise of the powers conferred under Section 15JB of the SEBI Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that the enforcement proceedings for the alleged defaults as discussed in paragraph 1 above are settled qua the applicants and as per the following terms:
- i. SEBI shall not initiate any enforcement action against the applicants for the said defaults,
 - ii. this order disposes of the enforcement proceedings in respect of the applicants as mentioned above and;
 - iii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, if SEBI finds that:
 - a. any representation made by the applicants in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order is passed on this 14th day of January, 2020 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicants and also be published on the website of SEBI.

Sd/-

S. K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER