

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application Nos. 3074/2016, 3075/2016, 3077/2016, 3078/2016 and 3079/2016

Submitted by Ravi Parthasarathy (PAN: AAKPP8872B), Vimal Bhandari (PAN: ABJPB8612R), Arun Kumar Saha (PAN: AAIPS3352F), Vibhav Kapoor (PAN: AALPK7034M) and Hemang Raja (PAN: AAAPR7214H)

In the matter of Adani Exports Limited

1. Mr. Ravi Parthasarathy (erstwhile Chairman), Mr. Hemang Raja (erstwhile Managing Director) and Mr. Vimal Bhandari, Mr. Arun Kumar Saha and Mr. Vibhav Kapoor (erstwhile directors) of M/s Investmart India Limited (IIL) [subsequently known as 'IL&FS Investmart Securities Limited' and presently known as 'HSBC InvestDirect Securities (India) Limited, a SEBI registered broker] (hereinafter collectively referred to as '**Applicants**'), have filed separate Settlement Applications, all dated March 03, 2016, in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ('Settlement Regulations'). All five Applicants have proposed to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the pending proceeding initiated under Section 11 and Section 11B of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') against them. The said proceedings were initiated vide common show cause notice (hereinafter referred to as '**SCN**') dated January 13, 2014, for the alleged violations of the regulations 4(a), 4(b), 4(c) & 4(d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 (hereinafter referred to as '**PFUTP Regulations, 1995**').
2. SEBI conducted an investigation into the dealings in the shares of M/s Adani Exports Limited (AEL) from January 1999 to February 2001. It was alleged that IIL executed synchronized/structured and cross trades in the scrip of AEL for its clients

which resulted in manipulation of price and volume of the scrip of AEL. IIL also alleged to have paid ₹ 57 Crores for the sale transactions to its clients without receiving the pay-out from the exchange. The applicants were issued the SCN being Chairman/Managing Director/Directors and thus being in-charge of the affairs of IIL at the relevant time.

3. The authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on July 12, 2016 wherein the settlement terms were deliberated. Thereafter, Mr. Ravi Parthasarathy Mr. Vimal Bhandari, Mr. Arun Kumar Saha and Mr. Vibhav Kapoor vide separate letters dated September 01, 2016 and Mr. Hemang Raja vide letter dated September 02, 2016 proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**'), considered the settlement terms proposed by the Applicants in its meeting dated December 14, 2016 and recommended the case for settlement upon payment of ₹ 34,42,500/- (Rupees Thirty Four Lakh, Forty Two Thousand and Five Hundred Only) each by Ravi Parthasarathy and Hemang Raja (Application nos. 3074/2016 and 3079/2016 respectively) and ₹ 13,77,000/- (Rupees Thirteen Lakh and Seventy Seven Thousand Only) each by Vimal Bhandari, Vibhav Kapoor and Arun Kumar Saha (Application nos. 3075/2016 and 3078/2016 and 3077/2016 respectively) towards settlement terms for the aforementioned defaults. The Panel of Whole Time Members of SEBI had accepted the said recommendations of the HPAC and the same was communicated to all the Applicants vide separate e-mail dated January 20, 2017.
5. Accordingly, the Applicants have remitted the amount by way of Demand Draft (hereinafter referred to as '**DD**') towards the settlement charges as per the following table:

Sr. No.	Applicants Name	DD No.	DD Date	Amount	Bank Name
1	Ravi Parthasarathy	080191	23/01/2017	₹34,42,500/-	Axis Bank Ltd
2	Hemang Raja	073940	30/01/2017	₹34,42,500/-	HDFC Bank Ltd
3	Arun Kumar Saha	080189	23/01/2017	₹13,77,000/-	Axis Bank Ltd
4	Vibhav Kapoor	080190	23/01/2017	₹13,77,000/-	Axis Bank Ltd
5	Vimal Bhandari	326575	23/01/2017	₹13,77,000/-	Vijaya Bank

6. Accordingly, the proceedings initiated against the Applicants for the alleged violation as discussed in paragraph 1 and 2 above, are settled *qua* the Applicants as per the above terms, by way of this order and SEBI shall not proceed with any enforcement action against the applicant for the said defaults.
7. In view of the above, in terms of Regulation 15 and 19 of the Settlement Regulations, it is hereby ordered that:
- i. this order disposes of the proceedings initiated under Section 11 and Section 11B of SEBI Act against the Applicants vide common SCN dated January 13, 2014, as discussed above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including recommencing/ reopening of the pending proceedings against the applicant, if SEBI finds that:
 - a. any representations made by the Applicants in the present settlement proceedings are subsequently discovered to be untrue;
 - b. the Applicants has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
8. This settlement order passed on this 13th day of February, 2017 shall come into force with immediate effect.
9. In terms of Regulation 17 of the Settlement Regulations, a copy of this order shall be sent to the Applicants and shall also be published on the website of SEBI.

-Sd-

G. MAHALINGAM
WHOLE TIME MEMBER

-Sd-

S. RAMAN
WHOLE TIME MEMBER