

WTM/AB/IVD/ID2/7161/2019-20

**SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: ANANTA BARUA, WHOLE TIME MEMBER
MISCELLANEOUS ORDER**

Order on the Representation dated February 26, 2020 made by Ms. Pia Johnson (PAN: AGVPJ6093M) and Mr. Mehul Johnson (PAN: ABBPJ3414H) pursuant to order dated February 24, 2020 passed by Hon'ble SAT in Misc. Application No. 61 of 2020 in Appeal No. 59 of 2020 – In the matter of Indiabulls Ventures Limited.

1. Ms. Pia Johnson and Mr. Mehul Johnson (hereinafter referred to as “**the Representors**”) have filed a representation dated February 26, 2020 (hereinafter referred to as “**the Representation**”) received on February 27, 2020, requesting therein to permit them to sell the shares, as mentioned in the representation.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) passed a final order dated February 05, 2020 (hereinafter referred to as “**Final Order**”) against the Representors, *inter alia*, directing as under:

“

50. *In view of the aforesaid findings, I, in exercise of the powers conferred upon me under Section 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, hereby, directs, -*

- a. *That Noticees shall remain restrained from accessing the securities market and from buying, selling or dealing in securities including the units of mutual funds, directly or indirectly, in any manner whatsoever, for a period of 1 year;*
- b. *That Noticees shall remain restrained from buying, selling or dealing in the securities of the Indiabulls Ventures Limited, directly or indirectly, in any manner whatsoever, for a period of 3 years; and*

- c. *That the amount of Rs. 87,21,918.55/- which was impounded from the Noticees vide interim impounding order cum show cause notice dated May 09, 2019 stands disgorged and shall be remitted to Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of the SEBI Act, 1992.*

.....”

3. Aggrieved with the Final Order, the Representors have preferred Appeal No. 59 of 2020 before Hon’ble SAT impugning the Final Order. The Representors also filed a miscellaneous application in the said appeal pending before Hon’ble SAT praying therein the stay on the directions contained in the Final Order. The aforesaid appeal alongwith the miscellaneous application was listed before Hon’ble SAT on February 24, 2020 when the Hon’ble SAT, *inter alia*, directed as under:

“.....2. In the meanwhile, the impounding of Rs. 87,21,918.55/- by way of disgorgement shall be kept by the respondent in an escrow account and would be subject to the result of the appeal. In so far as the restraint order is concerned, we permit the appellant to sell its stocks and shares as and when required during the pendency of the appeal by making an appropriate application before SEBI. If such an application is filed, an appropriate order shall be passed by SEBI within a week thereof.....”

4. In view of the aforesaid direction of Hon’ble SAT, the Representors have made the Representation, requesting therein permission to sell the following shares:

S. No.	Name of Representor	Name of the Company	Equity Type	ISIN	Number of Shares
1.	Ms. Pia Johnson	The Bombay Dyeing & Manufacturing Co. Ltd. (Bombay Dyeing)	EQ NEW FV Rs. 2/-	INE032A01023	54,680

2.	Mr. Mehul Johnson	The Bombay Dyeing & Manufacturing Co. Ltd. (Bombay Dyeing)	EQ NEW FV Rs. 2/-	INE032A01023	12,000
		Indiabulls Real Estate Limited (Indiabulls Real)	EQ NEW FV Rs. 2/-	INE069101010	13,33,425
		Indiabulls Ventures Limited (Indiabulls Ventur)	EQ NEW FV Rs. 2/-	INE274G01010	2,50,000

5. Details of intermediaries whose services are sought to be availed by the Representors for the sale of shares mentioned in para 4 above, as mentioned in the Representation, are as under:

S. No.	Name of the Representor	Account No.	Name of the intermediary	Type of intermediary
1.	Ms. Pia Johnson	(DP ID: IN301549) DP Account No. 56828037	HDFC Securities Ltd.	Depository Participant
		Client Code: 3237406	HDFC Securities Ltd.	Trading Member/Stock-Broker
2.	Mr. Mehul Johnson	(DP ID: IN301549) DP Account No. 56827296	HDFC Securities Ltd.	Depository Participant
		Client Code: 3237665	HDFC Securities Ltd.	Trading Member/Stock-Broker
		(DP ID: 12029900) DP Account No. 25386524	Indiabulls Securities Ltd.	Depository Participant
		Client Code: 441515	Indiabulls Securities Ltd.	Trading Member/Stock-Broker

6. I note that order dated February 24, 2020 passed by the Hon'ble SAT permits the Representors to sell their stocks and shares as when required during the pendency of the appeal by making an appropriate application to SEBI. As a consequence of the said order, the Representors have made the Representation to SEBI to permit them to undertake the sale of shares mentioned in para 4 above and to issue appropriate directions to the market intermediaries mentioned in para 5 above for the said sale. In view of the order dated February 24, 2020 passed by Hon'ble SAT, the Representors have not provided any reasons in the Representation to sell the shares. From the miscellaneous application dated February 07, 2020 filed by the Representors in their appeal filed before Hon'ble SAT, it has been submitted by the Representors that as a consequence of the direction contained in the Final Order, the Representors will be impaired to honour their pending obligations/dues, some of which were as under:

- (i) Mr. Mehul Johnson has taken a finance facility of up-to Rs. 4,00,00,000/- which has to be serviced and bullets payment of disbursed loan amount of Rs. 3,77,40,160/- has to be made as per the sanctioned terms. Further, Mr. Johnson is also required to service quarterly interest on the finance facility so availed.
- (ii) The Representors have also taken two housing loans of Rs. 11,82,77,280/- and Rs. 5,94,99,792/- which have to be serviced and EMI needs to be made as per the sanctioned terms.
- (iii) The Representors have entered into agreements and contracts with the Promoter of the Project as also the financiers and those agreements/contracts also contain dispute resolution clauses wherein disputes are to be adjudicated either by arbitration or by legal recourse to the courts of law i.e. civil and criminal action. Thus no-debit direction would serve as a hindrance to the Applicants in case such entities may then invoke the dispute resolution clauses and commence arbitration or civil/criminal action against the Representors.

- (iv) The Representors also have to pay their advance taxes and statutory dues which they had intended to pay by liquidating the shares held in their demat account.
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- 7. Final Order records that Mr. Mehul Johnson is/had been director in seven companies belonging to Indiabulls group and thus has been coming across various UPSIs pertaining to the Indiabulls group. Also Mr. Johnson may be a designated person for Indiabulls Real Estate Limited and Indiabulls Ventures Limited i.e. the two companies whose shares the Representors seek to sell.
 - 8. As mentioned above, Hon'ble SAT by an order dated February 24, 2020 has permitted the Representors to sell their stocks and shares as and when required during the pendency of the appeal by making an appropriate application before SEBI.
 - 9. In view of the aforesaid, the Representors may sell the shares mentioned in para 4 above by availing the services of intermediaries mentioned in para 5 above, subject to the compliance with following:
 - (a) That the sale shall be completed within a period of three months;
 - (b) Shares of Indiabulls Real Estate Limited and Indiabulls Ventures Limited shall be sold as per the Code of Conduct of these companies made under Regulations 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons, if applicable to the Representors;

(c) The sale of shares shall be conducted in accordance with all requirements under law including prohibition on trading while in possession of unpublished price sensitive information, pre-clearance of trades and trading window restrictions, whichever is applicable.

(d) Within 7 days of payment of Advance Tax, the Representors shall file copy of bank account statement highlighting credit of amounts received as sale consideration and debit entries corresponding to the payment of Advance Tax or any other tax paid out of the amount so realised, with SEBI; and

(e) The Representors shall also file copy of Advance Tax Challan or any other tax, as the case may be, with Enforcement Department of SEBI.

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

11. A copy of this order shall be forwarded to the Representors, Stock Exchanges, Depositories, the intermediaries mentioned in para 5 above, Registrar and Share Transfer Agents and Banks to ensure necessary compliance.

Place: Mumbai

Date: March 04, 2020

Sd/-

ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA