National Stock Exchange of India
Circular

Department: Investigation	
Download Ref No: NSE/INVG/ 60282	Date: January 16, 2024
Circular Ref. No: 272/2024	

To All NSE Members,

Sub: **SEBI Order in the matter of Magma Fincorp Ltd. (now known as Poonawalla Fincorp Ltd.).**

This has reference to NSE circular no. NSE/INVG/51793 dated March 28, 2022 in reference to SEBI Order no. WTM/SM/ISD/15646/2021-22 dated March 28, 2022, wherein SEBI restrained Abhijit Pawar (PAN: AFPPP7465L) from buying, selling or dealing in securities of Magma Fincorp Ltd. (now known as Poonawalla Fincorp Ltd.), either directly or indirectly, in any manner whatsoever until further orders

SEBI now vide its order no. WTM/ASB/IVD/ID1/29987/2023-24 dated January 16, 2024 has revoked the directions issued against above entity vide SEBI order dated March 28, 2022.

This Order shall come into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

Members are advised to take note of the above and ensure compliance.

National Stock Exchange of India

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SEBI Order in the matter of Magma Fincorp Ltd. (now known as Poonawalla Fincorp Ltd.)

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

Under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995

In respect of

Noticee	PAN
ABHIJIT PAWAR	AFPPP7465L

In the matter of Magma Fincorp Ltd. (now known as Poonawalla Fincorp Ltd.)

Background:

1. Securities and Exchange Board of India (herinafter referred to as "**SEBI**"), had issued a show cause notice dated September 15, 2022 ("**SCN**") to seven entities, including Shri Abhijit Pawar ("**Noticee**") alleging that the said entities had indulged in insider trading in the scrip of Magma Fincorp Limited (now known as Poonawalla Fincorp Limited) ("**the Company" / "Magma**") and had violated the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations, 2015**") and Section 12A(d) of the SEBI Act, 1992. A brief background of the matter is provided in subsequent paragraphs.

2. SEBI received an alert relating to insider trading by certain entities in the scrip of Magma during the month of February 2021. A preliminary examination by SEBI revealed that Magma had made an announcement on February 10, 2021 on National Stock Exchange Ltd. (hereinafter referred to as '**NSE**') and BSE India Ltd. (hereinafter referred to as '**BSE**') regarding the acquisition of controlling stake by Rising Sun Holdings Private Limited (hereinafter referred to as '**RSHPL**' or '**Poonawalla Group**') in Magma. The acquisition by Poonawalla Group was to be made through a preferential allotment by infusing fresh capital

of ₹3,456 crores in Magma. The information regarding acquisition of controlling stake in Magma by Poonawalla Group was an 'Unpublished Price Sensitive Information' ("**UPSI**") in terms of Regulation 2(1)(n) of the PIT Regulations, 2015, which had originated on January 11, 2021 and came into the public domain on February 10, 2021 (i.e. UPSI Period was from January 11, 2021 to February 10, 2021).

3. The data pertaining to movement of price and volume traded in the scrip of Magma from Feb 09, 2021 (second last day of UPSI Period) to Feb 19, 2021 is given below. On all of the nine days during this period, the share price of Magma had closed at the upper end of the price band (i.e. 10 % or 5%).

Date	Previous Close	Open Price	High Price	Low Price	Close Price	Volume BSE and NSE	Variation between Previous Day Closing Price and Closing Prices
09-Feb-21	₹70.35	₹77.35	₹77.35	₹73.00	₹77.35	50,80,546	10%
10-Feb-21	₹77.35	₹82.80	₹85.05	₹77.00	₹85.05	73,19,593	10%
11-Feb-21	₹85.05	₹93.55	₹93.55	₹93.55	₹93.55	3,51,399	10%
12-Feb-21	₹93.55	₹98.20	₹98.20	₹98.20	₹98.20	6,94,959	*5%
15-Feb-21	₹98.20	₹103.10	₹103.10	₹100.00	₹103.10	89,61,565	5%
16-Feb-21	₹103.10	₹108.25	₹108.25	₹108.25	₹108.25	4,45,190	5%
17-Feb-21	₹108.25	₹113.65	₹113.65	₹113.65	₹113.65	76,243	5%
18-Feb-21	₹113.65	₹119.30	₹119.30	₹119.30	₹119.30	7,43,728	5%
19-Feb-21	₹119.30	₹125.25	₹125.25	₹120.00	₹125.25	90,59,418	5%

Source: NSE and BSE websites (Price of NSE)

(**The stock was moved from 10% price band to 5% on 12-Feb-21 by Stock Exchanges*)

4. Based on the submissions of MD & Vice Chairman of Magma, Shri Sanjay Chamria, it was *prima facie* found during the preliminary examination that Shri Abhay Bhutada, the then Managing Director and CEO of Poonawalla Finance Private Limited (**PFPL**), had access to the UPSI, since he was involved in the abovementioned deal pertaining to investment of Poonawalla Group in Magma. It was *prima facie* found that Shri Abhay Bhutada had passed on the said UPSI to certain other entities in the following manner.

5. There were several phone calls between Shri Abhay Bhutada on the one side and Shri Saumil Shah, Rakesh Bhojgadhiya and Shri Abhijit Pawar on the other side, during the UPSI period. Further, Shri Abhay Bhutada and Shri Rakesh Bhojgadhiya had known each other for many years and both of them shared certain commercial relationships over the years. Similarly, there were financial transactions between Shri Abhay Bhutada and Shri Abhijit Pawar.

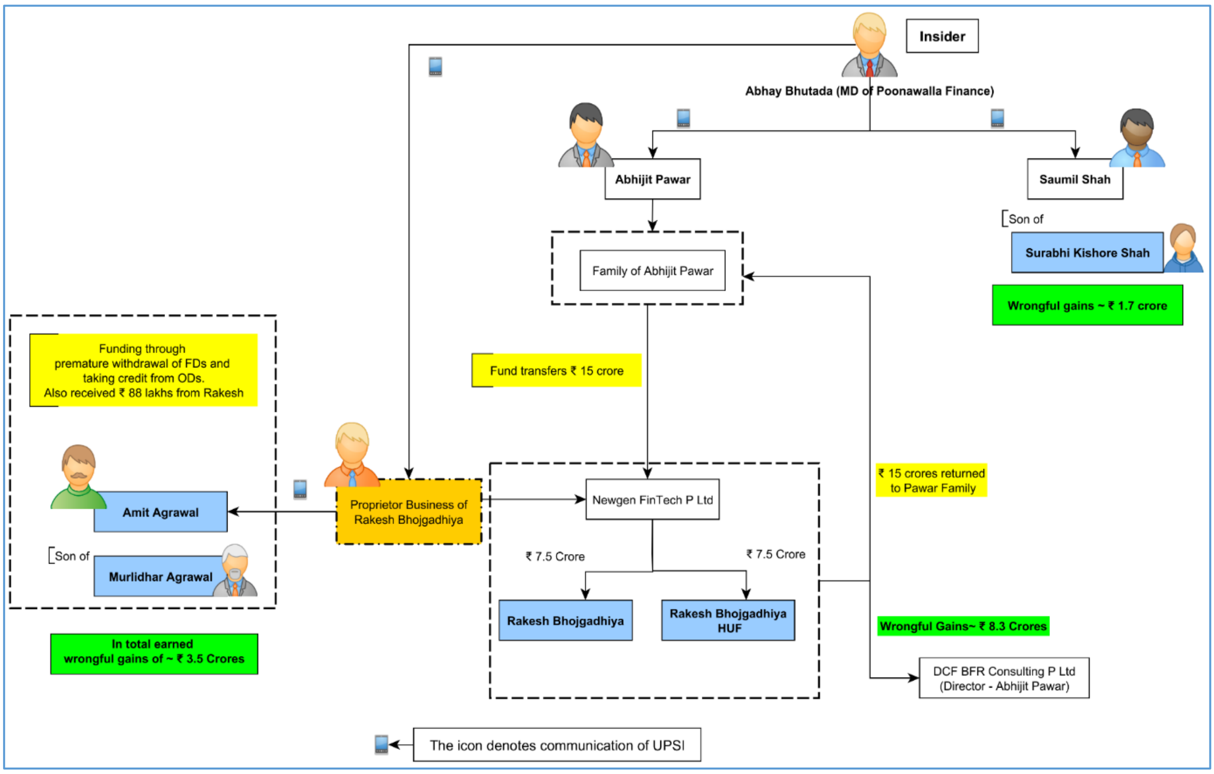
6. Based on the abovementioned observations, it was *prima facie* found that Shri Abhay Bhutada had passed on the UPSI to Shri Saumil Shah, Shri Rakesh Bhojgadhiya and Shri Abhijit Pawar (Noticee), who then traded directly / indirectly, in the scrip of Magma, on the basis of the said UPSI in the following manner:

(a) Upon receipt of UPSI from Shri Abhay Bhutada, Shri Saumil Shah had purchased shares of Magma in the account of his mother, Ms. Surabhi Kishore Shah, based on the said UPSI during the UPSI period. Likewise, Shri Rakesh Bhojgadhiya had executed buy trades in the scrip of Magma for himself and his HUF (i.e. Rakesh Bhojgadhiya HUF) based on the UPSI during the UPSI period.

(b) Shri Abhijit Pawar (Noticee) was *prima facie* found to have facilitated the trades of Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF in the scrip of Magma, by providing funds through his own account as well as that of his wife, for the said trades. Later, the borrowed funds were returned. Additionally, an amount almost similar to the profits earned by Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF through the trades in the scrip of Magma, was transferred by Shri Rakesh Bhojgadhiya to DCF BFR Consulting Pvt. Ltd., a company owned and controlled by Shri Abhijit Pawar, for subscribing to preference shares issued by the said company. This showed that Shri Abhijit Pawar had receiving back the funds along with profits earned through trades executed by Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF.

(c) Shri Rakesh Bhojgadhiya, after receiving the UPSI from Shri Abhay Bhutada, passed on the same to Shri Amit Agrawal (brother-in-law of Shri Rakesh Bhojgadhiya) and Shri Murlidhar Bajranglal Agrawal (father-in-law of Shri Rakesh Bhojgadhiya). The same was evident from the fact that there were several telephone calls between Shri Rakesh Bhojgadhiya and Shri Amit Agrawal during the UPSI period. Shri Rakesh Bhojgadhya also provided funds to Shri Amit Agrawal, which was used by Shri Amit Agrawal for trading in the scrip of Magma for himself as well as his father, Shri Murlidhar Agrawal, on the basis of the UPSI and making illegal gains.

7. A pictorial representation of the connection between various entities and the flow of UPSI is placed below:



8. Thereafter, SEBI passed an *ex-parte* interim order dated September 15, 2021 (hereinafter referred to as '**Interim Order**'), against 1) Shri Abhay Bhutada, 2) Shri Saumil Shah, 3) Ms. Surabhi Kishore Shah 4) Shri Amit Agrawal, 5) Shri Murlidhar Bajranglal Agrawal, 6) Shri Rakesh Bhojgadhiya, 7) Rakesh Bhojgadhiya HUF and 8) Abhijit Pawar (Noticee), whereby *inter alia* they were restrained from buying, selling or dealing in securities, either directly or

indirectly, in any manner whatsoever, until further orders, and their bank accounts were impounded to the extent of alleged illegal gains.

9. Subsequently, SEBI passed an order dated March 28, 2022 (hereinafter referred to as '**Confirmatory Order**'), whereby the directions, issued vide the Interim Order against all the eight entities, were confirmed, subject to certain modifications. It was *inter alia* observed in the Confirmatory Order that Shri Abhay Bhutada had succeeded, to an extent, in dispelling the *prima facie* finding that he alone was having access to the UPSI, by demonstrating that besides him, Shri Saumil Shah and Shri Abhijit Pawar were also having direct access to the UPSI. The Confirmatory Order also took note of Shri Abhay Bhutada's argument that Shri Rakesh Bhojgadhiya was closely connected with various other entities of Magma Group and through them, was capable of having access to UPSI independently, without depending upon any communication from Shri Abhay Bhutada.

10. Subsequently, SEBI concluded its investigation and Investigation Report dated April 11, 2022 made *inter alia* the following major findings:

(a) Shri Saumil Shah was independently aware of the UPSI in January 2021 and thus was an insider in terms of Regulation 2(1)(g)(ii) of the PIT Regulations, 2015. Shri Saumil Shah had executed trades in the account of his mother, Ms. Surabhi Kishore Shah on the basis of UPSI and had made illegal gains of Rs.1.76 Crore.

(b) Shri Abhijit Pawar (Noticee) had independent access to the UPSI and was an insider in terms of Regulation 2(1)(g)(ii) of the PIT Regulations, 2015. During the UPSI period, Shri Abhijit Pawar was in frequent communication with Shri Rakesh Bhojgadhiya, who was the CEO of 'Sakal Money', which was owned by Shri Abhijit Pawar. Shri Rakesh Bhojgadhiya and his HUF purchased shares of Magma during the UPSI period by using funds provided by Shri Ajit Pawar and his wife. Shri Bhojgadhiya earned hefty profits by quickly selling shares of Magma after the UPSI became public. Thereafter, Shri Rakesh Bhojgadhiya returned the funds to Shri Abhijit Pawar and his wife.

(c) Later, Shri Rakesh Bhojgadhiya also transferred an amount almost equal to the profits earned by himself and his HUF through their trades in the scrip of Magma to DCF BFR Consulting Pvt. Ltd. (a company owned by Shri Abhijit Pawar) as subscription amount for preference shares issued by the said company. Since Shri Abhijit Pawar and Shri Rakesh Bhojgadhiya shared a close relationship and the latter had used the funds provided by Shri Abhijit Pawar and his wife for the purpose of purchasing shares of Magma, there was strong probability that Shri Abhijit Pawar had shared the UPSI relating to the acquisition of controlling stake by Poonawalla Group in Magma with Shri Rakesh Bhojgadhiya, who then traded in the scrip of Magma, on behalf of Shri Abhijit Pawar, on the basis of said UPSI in his own account and that of his HUF. By passing on the UPSI to Rakesh Bhojgadhiya, Shri Abhijit Pawar had violated the provisions of Regulation 3(1) of the PIT Regulations, 2015. Further, by trading (directly and indirectly) in the scrip of Magma on the basis of UPSI, Shri Abhijit Pawar, Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF had violated Regulation 4(1) of the PIT Regulations, 2015 read with Section 12A(d) and (e) of the SEBI Act, 1992.

(d) It was found that there were several phone calls between Shri Rakesh Bhojgadhiya (who had received the UPSI from Shri Abhijit Pawar, as discussed above) and Shri Amit Agrawal (brother-in-law of Rakesh Bhojgadhiya) during the UPSI Period. Further, Shri Rakesh Bhojgadhiya had also provided funds to Shri Amit Agrawal who used the said funds for trading in the scrip of Magma in his own account as well as that of Shri Murlidhar Agrawal (Amit Agrawal’s father), during the UPSI period. The close connection and frequent communication between Shri Rakesh Bhojgadhiya and Shri Amit Agrawal, the transfer of funds between them and the trading pattern of Shri Amit Agrawal and Shri Murlidhar Agrawal suggested that Shri Rakesh Bhojgadhiya had shared the UPSI with Shri Amit Agrawal who then traded on the basis of said UPSI. Shri Rakesh

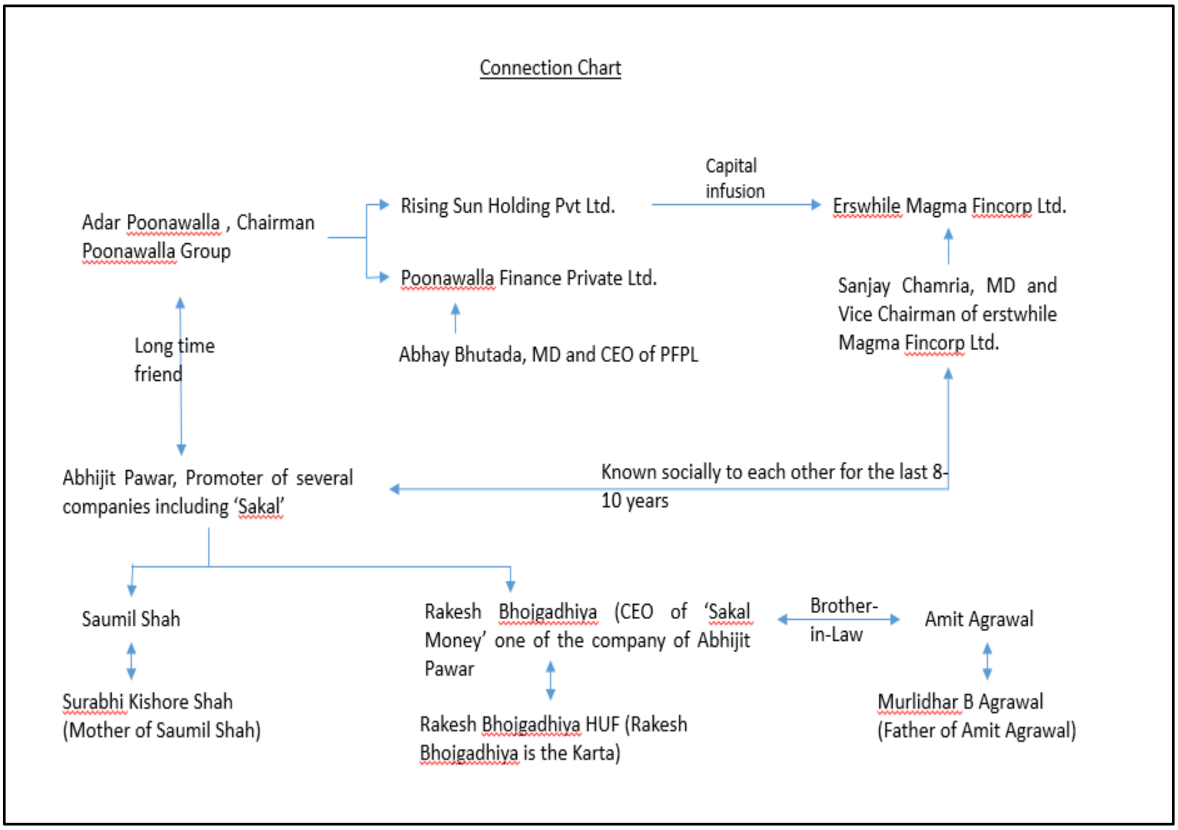
Bhojgadhiya, Shri Amit Agrawal and Shri Murlidhar Agrawal had thus indulged in insider trading, thereby violating the provisions of the PIT Regulations, 2015.

(e) Shri Abhay Bhutada was involved in the discussions relating to the acquisition deal and thus had access to and was in possession of the UPSI, thereby being an insider in terms of Regulation 2(1)(g)(ii) of the PIT Regulations, 2015. Even though there were several phone calls between Abhay Bhutada on one side and Abhijit Pawar and Saumil Shah on the other side during the UPSI period, no adverse inference could be drawn against Shri Abhay Bhutada regarding communication of UPSI by him to other two entities, since Abhijit Pawar and Saumil Shah, were already having independent access to UPSI and were insiders, in terms of Regulation 2(1)(g)(ii) of the PIT Regulations, 2015.

(f) As regards several phone calls between Abhay Bhutada and Rakesh Bhojgadhiya, it was observed that while the frequency of calls between the two entities was significantly large, Abhay Bhutada had explained that the phone calls were to discuss the matters relating to 'Sakal' (a company owned by Abhijit Pawar) and 'Udchalo' (a company which Abhijit Pawar was looking to acquire).

(g) The presence of all three entities i.e. Abhijit Pawar, Abhay Bhutada and Rakesh Bhojgadhiya on January 20, 2021 at a common place in Mumbai, based on the Mobile Phone Network Tower records, suggested that Rakesh Bhojgadhiya could have received the UPSI regarding acquisition of controlling stake by Poonawalla Group in Magma, from either Abhijit Pawar or Abhay Bhutada. However, considering the submissions made by Abhay Bhutada, coupled with the facts that Shri Abhijit Pawar had provided funds to Shri Rakesh Bhojgadhiya, which were used by him for purchasing shares of Magma during the UPSI Period and that Shri Rakesh Bhojgadhiya had returned the funds along with the profits earned therefrom to Shri Abhijit Pawar, there was strong preponderance of probability that the information regarding the proposed acquisition was received by Shri Bhojgadhiya from Shri Abhijit Pawar and not Shri Abhay Bhutada.

11. The connection between various entities is shown below:



12. Based on the findings of investigation, SEBI issued a revocation order dated June 03, 2022 in respect of Shri Abhay Bhutada, whereby the directions issued vide the Interim Order and confirmed vide the Confirmatory Order against him were withdrawn.

13. Thereafter, SCN, as referred to in para 1 above, was issued to seven entities, viz. 1) Shri Saumil Shah, 2) Ms. Surabhi Kishore Shah 3) Shri Amit Agrawal, 4) Shri Murlidhar Bajranglal Agrawal, 5) Shri Rakesh Bhojgadhiya, 6) Rakesh Bhojgadhiya HUF and 7) Abhijit Pawar (Noticee), mentioning the abovementioned findings of investigation against them in detail.

14. Thereafter, 1) Shri Saumil Shah, 2) Ms. Surabhi Kishore Shah 3) Shri Amit Agrawal, 4) Shri Murlidhar Bajranglal Agrawal, 5) Shri Rakesh Bhojgadhiya, 6)

Rakesh Bhojgadhiya HUF filed applications under SEBI (Settlement Proceedings) Regulations, 2018. The said settlement applications were duly processed by SEBI. The settlement terms proposed by the said entities were accepted and approved by the panel of Whole Time Members. Subsequently, Settlement Orders were passed in respect of the proceedings initiated against the said six entities vide the SCN. The details of the said Settlement Orders are provided in the Table below:

Sr. No	Settlement Application No.	Name of the Applicant	Settlement Order No. and Order Date
1	7035/2022	Saumil Shah	SO/AB/EFD2/2023-24/7034 dated April 26, 2023
2	7034/2022	Surabhi Kishore Shah	
3	7066/2022	Amit Agrawal	SO/AB/EFD2/2023-24/7066 dated May 17, 2023
4	7067/2022	Murlidhar Bajaranglal Agrawal	
5	7032/2022	Rakesh Rajendra Bhojgadhiya	SO/AB/EFD2/2023-24/7032 dated May 17, 2023
6	7033/2022	Rakesh Rajendra Bhojgadhiya HUF	

15. As regards Shri Abhijit Pawar (Noticee), the SCN was duly served on him. Thereafter, he requested for inspection of various documents, which was provided to him on October 11, 2022. Further, he requested for cross-examination of Shri Saumil Shah and Shri Rakesh Bhojgadhiya, which was accepted and the same was conducted on July 18, 2023. The Noticee was granted opportunities of personal hearing on October 16, 2023 and December 08, 2023, which were attended by him. In the meantime, the Noticee has filed replies dated July 11, 2023; July 28, 2023; October 16, 2023; October 30, 2023; November 23, 2023, December 15, 2023 and December 27, 2023. The submissions of the Noticee have been discussed later, while deciding the issues. Further, the Noticee also made certain submissions through email dated October 29, 2023.

Consideration of issues and findings:

16. At the outset, I deem it important to highlight that whereas the scope of the instant proceeding is limited to adjudging the role of the Noticee in alleged

violations, the roles of entities, viz. 1) Shri Saumil Shah, 2) Ms. Surabhi Kishore Shah 3) Shri Amit Agrawal, 4) Shri Murlidhar Bajranglal Agrawal, 5) Shri Rakesh Bhojgadhiya, 6) Rakesh Bhojgadhiya HUF are intricately linked with the facts of this case and consequently, the role of the Noticee cannot be seen or adjudged in isolation. However, since the proceedings against abovementioned six entities have already been disposed of by way of settlement orders, any reference to them in this order is merely incidental and this order shall not be taken to have expressed any opinion or given any finding on their role in insider trading or otherwise.

17. As regards the allegations against the Noticee mentioned in the SCN, I note that the Noticee is alleged to have indulged in insider trading in the scrip of Magma by passing on the UPSI to Shri Rakesh Bhojgadhiya and providing funds to him who then traded in the scrip of Magma during the UPSI period by using the funds provided by the Noticee. The Noticee is also alleged to have received the ill-gotten gains earned by Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF through their trades, executed on the basis of the UPSI, by utilizing the funds provided by Shri Abhijit Pawar and his wife.

18. There is also reference to certain facts in the SCN indicating that Shri Saumil Shah may have obtained UPSI from Shri Abhijit Pawar. However, I note that the SCN has also recorded the fact that Saumil had access to UPSI independently. Further, the SCN has not alleged any violation of provisions of PIT Regulations, 2015 against the Noticee in respect of any alleged sharing of UPSI by him with Shri Saumil Shah. I thus note that the instant case against the Noticee is confined to the allegations of him having shared UPSI with Shri Rakesh Bhojgadhiya only and trading through him by providing funds. Accordingly, the focus of this order has been kept on this particular aspect of the allegation.

19. Before proceeding any further, I deem it appropriate to refer to the legal provisions relevant to this case. The same are referred to below:

20. Regulation 2(1)(g)) of the PIT Regulations, 2015 defines 'insider' as under -

"2(1)….

(g) "insider" means any person who is:

(i) a connected person; or
(ii) in possession of or having access to unpublished price sensitive information;"

21. Regulation 2(1)(d) of the PIT Regulations, 2015 defines 'connected person' as under –

(d). "connected person" means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
(ii) … … …"

22. Regulation 3(1) of the PIT Regulations, 2015 provides that – *"No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations."*

23. Further, Regulation 4(1) provides inter alia that – *"No person shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information. [Explanation – When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.]"*

24. I note that the SCN has alleged certain basic facts, which have already been admitted directly / indirectly by the Noticee. The same are as mentioned below:

(a) The proposed acquisition of controlling stake by Poonawalla Group in Magma was a UPSI.

(b) The UPSI Period was from January 11, 2021 to February 10, 2021.

(c) The Noticee, a close friend of Shri Adar Poonawalla of Poonawalla Group, was involved in the discussions pertaining to the proposed acquisition by Poonawalla Group in Magma and thus had access to and was in possession of the UPSI pertaining to the same. Accordingly, the Noticee was an insider in terms of Regulation 2(1)(n)(ii) of the PIT Regulations, 2015.

(d) The Noticee had close connection with Shri Rakesh Bhojgadhiya, who was the CEO of 'Sakal Money' which is a company owned by Shri Abhijit Pawar. Further, there was frequent communication between Shri Abhijit Pawar and Shri Rakesh Bhojgadhiya during the UPSI period.

(e) Shri Abhijit Pawar and his wife had provided funds to Shri Rakesh Bhojgadhiya during the UPSI period, which were used by Shri Rakesh Bhojgadhiya for executing trades, for himself and his HUF, in the scrip of Magma during the UPSI period. Shri Rakesh Bhojgadhiya had subsequently returned the said funds to Shri Abhijit Pawar. After making profits from his trades, Shri Rakesh Bhojgadhiya had also invested an amount almost equal to the profits earned by him though his trades, in the preference shares of DCF BFR Consulting Pvt. Ltd., a company belonging to Shri Abhijit Pawar.

25. I note that since the Noticee has directly/indirectly admitted to the abovementioned facts, the matter may proceed ahead by placing reliance on the correctness of the said facts as any further discussion on them would only add to the length of this order without any meaning contribution. In the backdrop of these facts, I now proceed to decide the issues at hand.

26. I note that the Noticee in his various submissions has raised *inter alia* the following points in his defense:

(a) The Noticee has not traded in the scrip of Magma at all and the allegations are based on communication of UPSI.

(b) The allegations in the SCN are fundamentally inconsistent, illogical and self-contradictory. The allegation of violation of Regulation 3(1) of PIT Regulation, 2015 cannot co-exist with allegation of violation of Regulation 4(1). A person can be held to have traded on the basis of UPSI or can be stated to have passed on the information to tipee. Both the observations cannot co-exist, especially when the tipee is also alleged to have undertaken insider trading. The two allegations therefore are contradictory to each other and are devoid of merit.

(c) The Confirmatory Order records that Shri Rakesh Bhojgadhiya had independent relations with several people from Magma. However, the Investigation Report of SEBI provides no rationale for alleging that it was the Noticee who passed on the UPSI to Shri Rakesh Bhojgadhiya.

(d) Shri Abhay Bhutada was named as a noticee along with Shri Abhijit Pawar in the Interim Order and the Confirmatory Order. It was alleged that the Noticee had provided the UPSI to Shri Rakesh Bhojgadhiya and further provided funds to him to trade in the scrip of Magma. There were identical allegations against Shri Abhay Bhutada in the Interim Order and the Confirmatory Order. Accordingly, the Noticee ought to be exonerated in the matter based on the exoneration of Shri Abhay Bhutada.

(e) A brief comparative analysis between the allegations made against the Noticee and Shri Abhay Bhutada shows the following:
   - Both of them had knowledge of UPSI since January 11, 2021.
   - Both were known to Shri Rakesh Bhojgadhiya and had close business relations with him. During cross-examination, it became clear that Shri Bhojgadhiya was in close contact with Shri Bhutada and interacted with him at least 3-4 times a week. In fact, Shri Bhojgadhiya also stated that he and Shri Bhutada resided in the same building in Pune.
   - Both had telephonic conversations with Shri Rakesh Bhojgadhiya during the UPSI period.

- Both had stated that the conversations between the Noticee, Shri Abhay Bhutada and Shri Rakesh Bhojgadhiya were in relation to Sakal Money. Surprisingly, while this has been accepted by SEBI in case of Shri Bhutada, the same has not been accepted for the Noticee.
- The IR states that all three parties – the Noticee, Shri Bhutada and Shri Bhojgadhiya were at the same place at the same time on January 20, 2021. However, the allegation of passing on the UPSI to Shri Bhojgadhiya has been made only against the Noticee.
- Both of them had financial transactions with Shri Rakesh Bhojgadhiya during and after the UPSI period. However, while SEBI had accepted the explanations provided by Shri Bhutada, the same has not been done in case of the Noticee.

(f) The abovementioned points show that the Noticee and Shri Bhutada had identical factual situation. Despite that, the Noticee has been arraigned as a party in the SCN, while Shri Bhutada has been exonerated. It is shocking to see how SEBI has dealt with two identical situations in completely different manners.

(f) The financial transactions between the Noticee and Shri Bhojgadhiya were in the regular course of business, which have been explained by the Noticee. Shri Rakesh during the cross-examination confirmed that the Noticee was not aware that Shri Bhojgadhiya had traded in the scrip of Magma and that the funds were borrowed from the Noticee for other purposes.

(g) The amount of Rs.8.60 Crore transferred by Shri Bhojgadhiya to DCF BFR Consulting Pvt. Ltd. in May 2021 was in furtherance of preference shares which were allotted to Shri Bhojgadhiya. The said investment was made in furtherance of a business plan between the Noticee and Shri Bhojgadhiya and had no relation to the alleged trades, as alleged in the SCN.

(h) SEBI itself has observed that Shri Bhojgadhiya was in touch with and communicated frequently with senior management of the Poonawalla Group, who were aware of the UPSI. The Confirmatory Order categorically records that Shri Bhojgadhiya was involved in few securitization transactions with Poonawalla entities during the period between January

2021- February 2021. Further, Shri Bhojgadhiya was in touch with one Mr. Deshpande, who was involved in the transaction and was well aware of the UPSI. Despite such observations, SEBI arrived at the conclusion that it was the Noticee who had passed on the UPSI to Shri Bhojgadhiya. The same was without any rationale.

(i) The responses of Shri Bhojgadhiya during cross-examinations clearly demonstrate Shri Bhojgadhiya's close relationship and interactions with Shri Abhay Bhutada and Shri Amar Deshpande, who were both insiders in relation to the transaction concerning the UPSI. Further, the number of calls between Shri Bhutada and Shri Bhojgadhiya during the UPSI period (total 136 phone calls) further shows the close contact between the two persons. Post the UPSI period, the calls between them became few and far apart. Pertinently, there was only one telephonic conversation between the Noticee and Shri Bhojgadhiya during the UPSI period, on Feb 10, 2021. Another call on Feb 10, 2021 was made after the UPSI had become public and after the commencement of trading by Shri Bhojgadhiya.

(j) The Noticee has stated on oath that it was Mr. Bhutada who had introduced Mr. Bhojgadhiya to the Noticee, which goes to show the long term relationship shared by Shri Bhojgadhiya and Shri Abhay Bhutada.

(k) During the cross-examination, it became crystal clear that Rakesh Bhojgadhiya was in close contact with Abhay Bhutada and interacted with him at least 3-4 times a week. In fact, Rakesh Bhojgadhiya has also stated that he and Abhay Bhutada reside in the same building in Pune. Shri Rakesh Bhojgadhiya has also stated that he also interacted with Mr. Amar Deshpande, who was an insider.

(l) The IR itself notes that the Noticee, Shri Bhutada and Shri Rakesh Bhojgadhiya were in the same location on January 20, 2021 and had met with each other after the meeting between the Noticee, Shri Bhutada and Shri Sanjay Chamria. Therefore, Shri Bhojgadhiya had reasonable access to the UPSI on January 20, 2021. The SCN has conveniently left out this observation and has alleged that it was the Noticee who passed on the UPSI to Shri Bhojgadhiya.

(m) Shri Bhutada and Shri Bhojgadhiya had multiple financial transactions among themselves, as referred to in the Interim Order and the Confirmatory Order. However, the SCN has overlooked the same.

(n) Shri Bhojgadhiya traded only on Feb 09 and 10, 2021 during the UPSI period, whereas, as per SEBI, he was aware of the UPSI since Jan 20, 2021. If he was aware of UPSI on Jan 20, 2021, he would not have waited till Feb 09, 2021 (which was immediately before the deal was made public) to trade when the price of the scrip had already become very high.

(o) The Noticee cannot be held responsible solely based on the fact that he advanced loans to Shri Bhojgadhiya. He extends loans to several known persons and has extended similar loan to Shri Bhojgadhiya, other than that mentioned in the SCN. The Noticee had no idea that Shri Bhojgadhiya had used funds for trading in the scrip of Magma. The Noticee through the accounts of his children had also provided additional sum of Rs.10 Crore to Rakesh Bhojgadhiya, on or around Feb 25, 2021, which was after the UPSI Period. The same was in normal course of business.

(p) If the Noticee had any interest to trade through Rakesh Bhojgadhiya, he would have lent funds earlier in Jan 2020 itself, when the price of the scrip was significantly lower. There was no reason for the Noticee to wait till one day before the UPSI became public.

(q) There is also a possibility that Amit Agarwal could have obtained UPSI from True North, which was a private equity fund and substantial investor in Magma, which was area about the UPSI. Rakesh Bhojgadhiya could have obtained UPSI from Amit Agarwal.

(r) Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF had also traded in the scrip of magma in the Post-UPSI Period and had purchased shares at higher prices. Their Post-UPSI trades were larger than their trades in Magma during UPSI Period. The same has not been considered by SEBI.

(s) Magma had made a corporate disclosure on Feb 06, 2021 informing about the decision taken / approval by board of directors to raise funds by issuance of NCDs for amount up to Rs.3000 Crore. The impact of the said disclosure was seen on the share price on Feb 08, 2021 and the price had already increased. Rakesh Bhojgadhiya purchased shares on Feb 09, 2021 when the prices were already increased substantially.

(t) As the entities who had traded in the scrip during UPSI period have settled the matter and the alleged illegal gains have already been disgorged, the matter against the Noticee may be disposed of, in line with the Hon'ble SAT's Order in the matter of *Utsav Pathak Vs. SEBI.*

(u) Further, order dated October 31, 2023 in the matter of Suumaya Industries Ltd. (**Suumaya Order**) and order dated November 06, 2023 in the matter of Lux Industries Limited (**Lux Order**) passed by SEBI may be taken into consideration and the proceedings against the Noticee be disposed off. Also, the order dated August 23, 2023 in the matter of United Spirits Ltd. (**United Spirits Ltd. Case**) and the order dated December 20, 2023 in the matter of Kishore Biyani V. SEBI (**Kishore Biyani Case**), passed by the Hon'ble SAT, may also be may also be taken into account.

27. I have carefully considered the submissions of the Noticee. I note that the crux of the Noticee's submissions can be summarized as follows:

(a) Shri Rakesh Bhojgadhiya, due to his proximity with certain persons connected to Magma, had independent access to the UPSI and thus, the Noticee could not be held to have passed on the UPSI to Shri Rakesh Bhojgadhiya.

(b) The Noticee's case is identical to that of Shri Abhay Bhutada, who was named as the tipper in the Interim Order but later was exonerated by SEBI.

28. I note that the Confirmatory Order itself has indicated towards the possibility of Shri Rakesh Bhojgadhiya having independent access to the UPSI, due to his connection with certain persons associated with Magma. Further, I also note that Noticee's case has a lot of similarities with the case of Shri Abhay Bhutada. Both were insiders having access to UPSI pertaining to the proposed acquisition of controlling stake in Magma by the Poonawalla Group. Both of them had close relations with Shri Rakesh Bhojgadhiya and had multiple financial transactions. Thus, at first glance, the Noticee and Shri Bhutada appear to be equally placed and it appears quite likely that the UPSI could have been passed from either of them to Shri Rakesh Bhojgadhiya. Similarly, it looks likely that Shri Rakesh Bhojgadhiya could have obtained the UPSI

independently, through his connections with persons associated with Magma. However, there are certain noticeable facts, which differentiate the case of Shri Abhay Bhutada from that of the Noticee, as far as the question of sustainability of allegation of passing on the UPSI by them by taking into account the preponderance of probability is concerned. The said facts also provide circumstantial evidence indicating that Shri Rakesh Bhojgadhiya did not obtain the UPSI from anyone else but from Shri Abhijit Pawar. The said facts are discussed below.

29. The Noticee has referred to the following financial transactions between Shri Rakesh Bhojgadhiya and Shri Abhay Bhutada.

(a) M/s. Newgen Fintech Advisors (Newgen) (a proprietary concern of Shri Rakesh Bhojgadhiya) had received Rs.4.97 Crore on October 12, 2020 from Poonawalla Finance Pvt. Ltd. (PFPL), where Shri Abhay Bhutada was the MD and CEO. Out of the said amount so received, Rs.4.86 Crore was transferred to TAB Capital Pvt. Ltd. (where 93.33% shares were held by Shri Abhay Bhutada as on March 31, 2019) on the same day i.e. October 12, 2020.

(b) Shri Rakesh Bhojgadhiya had transferred Rs.54 lakh to TAB Commercial Pvt. Ltd. (owned and controlled by Shri Abhay Bhutada) on March 16, 2021.

30. I note that the first transaction involving Rs.4.86 Crore and Rs.4.97 Crore had taken place during October 2020, which was much before the UPSI had come into existence. Thus, the said transaction cannot be said to be related to trades of Shri Rakesh Bhojgadhiya, executed during the UPSI period, in any manner.

31. As regards the second transaction payment of Rs.54 Lakh by Shri Rakesh Bhojgadhiya to an entity owned and controlled by Abhay Bhutada, I note that Shri Rakesh Bhojgadhiya has explained that the said payment was pursuant to a contract. He had further explained that an amount of Rs.57.47 was returned back to him, which included an amount of Rs.3.47 Lakh as penalty for non-fulfilment of contractual obligations. I thus note that the transfer fund was

reversed without any significant difference in the amount which was originally transferred.

32. In comparison to the abovementioned transactions, the following financial transactions were observed between the Noticee and Shri Rakesh Bhojgadhiya, close to the end of the UPSI Period.

Receipt of Funds by Shri Rakesh Bhojgadhiya and his HUF from Shri Abhijit Pawar and related entities which were used for trading in the scrip of Magma during UPSI Period			
Date	**From**	**To**	**Amt.**
06-Feb-21	Abhijit Pawar (HDFC - XXXXXXXXXX8282)	Newgen (HDFC - XXXXXXXXXX7240) - Company owned by Rakesh Rajendra Bhojgadhiya	₹10,50,00,000
	Wife of Abhijit Pawar (HDFC – XXXXXXXXXX7299)		₹4,50,00,000
		Total	**₹15,00,00,000**
Onward transfer of Funds from Newgen to Rakesh Bhojgadhiya and his HUF			
08-Feb-21	Newgen (HDFC – XXXXXXXXXX7240)	Rakesh Rajendra Bhojgadhiya (HDFC – XXXXXXXXXX4222)	₹7,50,00,000
		Rakesh Rajendra Bhojgadhiya HUF ICICI – XXXXXXXX2934)	₹7,50,00,000
		Total	**₹15,00,00,000**
Same Day →Transfer of funds to Trading Accounts of Rakesh Bhojgadhiya and his HUF			
08-Feb-21	Rakesh Rajendra Bhojgadhiya (HDFC – XXXXXXXXXX4222)	Transfer to HDFC Securities	₹ 7,50,00,000
	Rakesh Rajendra Bhojgadhiya HUF ICICI – XXXXXXXX2934)	Transfer to Globe Capital Market Ltd	₹ 7,50,00,000
		Total	**₹ 15,00,00,000**

33. It is noted that from the above transactions that Shri Bhojgadhiya, through Newgen, had received funds amounting to Rs.15 Crore from Shri Abhijit Pawar and his wife during the UPSI period and utilized the said funds for making payments to his brokers for purchasing shares of Magma during the UPSI Period. It is also pertinent to note that for trading in the scrip of Magma during the UPSI period, Shri Rakesh Bhojgadhiya had opened his trading account with HDFC Securities, a day before fund transfers by the Noticee. Further, Shri Bhojgadhiya had not traded in any scrip in the last three years prior to his trades in Magma during the UPSI period.

34. It is noted that Shri Rakesh Bhojgadhiya and his HUF earned a total profit of Rs.8.32 Crore by trading in the scrip of Magma on the basis of UPSI. Surprisingly, he not only returned the funds received from Shri Abhijit Pawar and his wife, he also transferred an amount of Rs. 8.60 Crore (which is close to the profits earned by him and his HUF) to a company owned by the Noticee, on the next day (May 12, 2021) of returning the funds to Abhijit Pawar (May 11, 2021). The details of the said transactions are as under:

Receipt of funds by Rakesh Bhojgadhiya from his Trading Member after selling of securities of Magma			
Date	**From**	**To**	**Amt.**
15-Mar-21	HDFC Securities	Rakesh Rajendra Bhojgadhiya (HDFC - XXXXXXXXXX4222)	₹8,63,36,577
		Total	**₹8,63,36,577**
Part 1 - Onward return of Funds by Rakesh Bhojgadhiya to Wife of Abhijit Pawar			
16-Mar-21	Rakesh Rajendra Bhojgadhiya (HDFC - XXXXXXXXXX4222)	Wife of Abhijit Pawar (HDFC – XXXXXXXXXX7299)	₹4,50,00,000
		Total	**₹4,50,00,000**
Receipt of funds by Rakesh Bhojgadhiya and his HUF from Trading Members after selling of securities of Magma			
Date	**From**	**To**	**Amt.**
10 - May-21	HDFC Securities	Rakesh Rajendra Bhojgadhiya (HDFC - XXXXXXXXXX4222)	₹16,70,69,372
11-May-21	Globe Capital Market Ltd	Rakesh Rajendra Bhojgadhiya HUF ICICI - XXXXXXXX2934)	₹12,47,80,453.79
		Total	**₹29,18,49,825.79**
Part – 2(a) Onward return of Funds by Rakesh Bhojgadhiya to Abhijit Pawar			
11 - May-21	Rakesh Rajendra Bhojgadhiya (HDFC - XXXXXXXXXX4222)	Abhijit Pawar (HDFC - XXXXXXXXXX8282)	₹10,50,00,000
		Total	**₹10,50,00,000**
Transfer of funds by Shri Rakesh Bhojgadhiya and his HUF to Newgen			
11-May-21	Rakesh Rajendra Bhojgadhiya HUF	Newgen (HDFC - XXXXXXXXXX7240)	₹12,58,00,000
12-May-21	Rakesh Rajendra Bhojgadhiya (HDFC - 59102890944222)	Newgen (HDFC - XXXXXXXXXX7240)	₹1,02,00,000
		Total	**₹13,60,00,000**
Part - 2(b) Onward transfer of Funds from Newgen to a company owned by Shri Abhijit Pawar			
12-May-21	Newgen (HDFC - XXXXXXXXXX7240)	DCF BFR Consulting Pvt Ltd (Private company of Abhijit Pawar)	₹8,60,00,000
		Total	**₹8,60,00,000**

35. It is also noted from records that Shri Rakesh Bhojgadhiya had received additional funds of Rs.10 Crore from Shri Abhijit Pawar in Feb 2021 after the UPSI became public. Admittedly, the said money was used by Shri Rakesh

Bhojgadhiya for trading in the scrip of Magma after the UPSI Period. However, since the said trades were done after the UPSI became public, the said trades have not been considered in the context of the allegations against the Noticee.

36. It is noteworthy that though Shri Abhijit Pawar had claimed the transfer of funds of Rs.15 Crore to Shri Bhojgadhiya on Feb 06, 2021 to be a loan transaction, he could not produce credible documentary evidence in support of such claim. The purported loan agreements, purportedly dated Feb 01, 2021 produced by Shri Pawar were found to be suspect, since the same were executed on a plain paper, without any stamp / notarization, which could show the date of execution of the said document. Further, on the date the said agreement which was purportedly executed at Pune, Maharashtra, Shri Pawar was out of India, as revealed by his passport. Hence, it is clear that the purported evidences of loan agreement produced by Shri Pawar were fabricated and false.

37. It is noted that Shri Abhijit Pawar has claimed that the transfer of Rs.8.60 Crore by Shri Rakesh Bhojgadhiya to DCF BFR Consulting Pvt. Ltd. was for subscription to preference shares issued by the said company. However, from the details obtained from the MCA21 Portal, it is noted that the said company had nil revenue and no profits during the FYs 2016-17 to 2020-21 (five FYs immediately preceding the fund transfer of Rs.8.60 Crore). During the subsequent two FYs, the revenue and profits were still negligible. A summary of the said company's financials are stated in the Table below:

	2016-17	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Revenue (In Rs.)	Nil	Nil	Nil	Nil	Nil	20,16,762	3,447
Profit (In Rs.)	(21,095)	(35,319)	(26,691)	(27,741)	(12,400)	6,22,495	(3,50,926)

38. From the above, it is clear that the company of the Noticee, in which Shri Rakesh Bhojgadhiya had invested by subscribing to its preference shares, had no real business at the time of investment. It defies logic as to why anyone would invest such huge amount of Rs.8.60 Crore in such a company. Thus, the Noticee's claim that the fund transfer of Rs.8.60 Crore from Shri Rakesh

Bhojgadhiya to the Noticee's company was for subscription of preference shares appears to be merely a ploy to camouflage the real nature of transactions, which was to receive the huge gains made out of trades using funds from the Noticee.

39. Apart from the above, it is noted that though Shri Rakesh Bhojgadhiya, Rakesh Bhojgadhiya HUF and the Noticee were jointly and severally liable to disgorge the ill-gotten gains of Rs.8.32 Crore, the entire amount was deposited in an escrow account by the Noticee alone. Further, even when Shri Rakesh Bhojgadhiya and his HUF had to pay the disgorgement amount of Rs.8.32 Crore under the Settlement Order passed by SEBI, the Noticee had provided his No Objection Certificate for utilizing the amount deposited by him in the escrow account. Further, it is noted from records that apart from the disgorgement of illegal gains, even the settlement amount paid by Shri Bhojgadhiya and his HUF to SEBI was provided by the Noticee by redeeming Shri Bhojgadhiya's investment in the preference shares of Noticee's company, as mentioned in the preceding paragraphs. During the personal hearing on December 15, 2023, the Noticee was specifically asked to explain the said transactions. The Noticee has submitted that the bank deposit of Rs.8.32 Crore which was utilized by Shri Rakesh Bhojgadhiya for disgorgement of illegal profits, is an outstanding loan without any documentation. I find the said contention to be untenable as it defies logic as to why the Noticee would lend such a large amount without proper documentation.

40. The sequence of events and the abovementioned observations and findings connect the dots to lead to an inference that Shri Rakesh Bhojgadhiya was only acting as a proxy for Shri Abhijit Pawar. Transactions involving crores of rupees cannot be accepted as merely buddy deals, when the real intent behind such deals is betrayed by the circumstances surrounding such deals. The timing and the precise amounts of money involved in the above transactions appear suspect and cannot be explained by mere serendipity. The benevolence apparently shown by Shri Abhijit Pawar in bailing out Shri Rakesh Bhojgadhiya by providing funds after he was caught by SEBI cannot be overlooked. All these factors show that Shri Bhojgadhiya's trades in Magma were executed on the

basis of UPSI, which preponderance of probability suggests, were provided by the Noticee.

41. I note that the Noticee has been very forthcoming with his replies during the personal hearings. He has responded to my queries with confidence and his demeanour throughout the hearings was very positive. However, what comes across very clearly in the preceding paragraphs is the fact that the Noticee had UPSI and he transferred Rs.15 crores from his and his wife's account to accounts of Mr. Bhojgadhiya very close to the announcement of the transaction between Magma and the Poonawalla Group. The start of the UPSI period for the transaction was January 10, 2021 and ended on February 10, 2021, after market hours. Though the Noticee has contended that if he wanted to trade through Rakesh Bhojgadhiya on the basis of UPSI, he would have done so much earlier than Feb 09, 2021. However, the transfer of funds from the Noticee and his wife on February 6, 2021 shows that he went ahead only when there was reasonable certainty that the deal would go through. In commercial transactions, the surety and finality of the transactions are important. The Noticee lent money and Mr. Bhojgadhiya entered into transactions when they were reasonably sure of the final outcome of the takeover deal of Magma by the Poonawalla group. The transactions were done when there was little uncertainty of any risk of financial loss. Accordingly, the transactions for the purchase of the Magma shares by Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF happened on Feb 09 & 10, 2021 and profits amounting to Rs.8.32 Crores were made in these transactions.

42. The fact that the Noticee paid for the disgorgement and penalty also clearly shows that the economic interest of the lending transactions was entirely with the Noticee. After all, how often would one see the entire profit flowing into the hands of the lender while the risk taker got nothing in return.

43. The transfer of funds amounting to Rs.8.6 Crores to a group entity of Abhijit Pawar appears to be merely an accommodation entry into a company that had no activity. In five financial years prior to investment Rs.8.6 Crores through preference shares, the said company had nil turnover. The financial

transactions paint an entirely different picture, which does not corroborate the submissions made by the Noticee. It is clear that the transactions done by Rakesh Bhojgadhiya / his HUF were done at Noticee's behest. The transfer of funds from Mr. Abhijit Pawar/his wife to Mr. Bhojgadhiya during the UPSI period and the transfer back of the entire amount lent by the Noticee/ his wife after the quick sale of Magma shares, and the subsequent payment of disgorgement and penalty by the Noticee plainly indicates the economic interest of the Noticee in the transactions during the UPSI period.

44. The Noticee has cited to various orders passed by SEBI and Hon'ble SAT in support of his contentions including Lux Order, Suumaya Order, United Spirits Ltd. Case and Kishore Biyani Case. In my considered view, I find that these orders are not relevant to the present case, which has peculiar facts and circumstances, which set this case apart from other cited cases. Contrary to Noticee's submission that price sensitive information had already come into public domain on Feb 05 & 06, 2021, I note that the information regarding investment by Poonawalla Group came only on Feb 10, 2021. In Suumaya Order and Lux Order, the trading pattern of the entity was found relevant to draw an inference regarding insider trading. However, in the instant case, apart from the trading pattern, the fund flow between the parties is a crucial corroborative evidence. The Noticee has referred to the case of United Spirits Ltd. Case which has reference to the judgment of the Hon'ble Supreme Court in the matter of *Balram Garg vs. SEBI* [(2022) 9 SCC 425] to contend that there has to be direct evidence of communication of UPSI. However, having considered the judgment in the said Order, I note that it may not be possible in every case to have direct proof of communication of UPSI. In the absence of direct proof, such inference has to be drawn on the basis of preponderance of probability, as held by the Hon'ble SAT in the matter of *Ameen Khwaja & Others Vs. SEBI* (date of Decision: 15.06.2022).

45. Having observed the above points, I am of the belief that the facts of the case present a strong preponderance of probability leading to the inference that the Noticee had provided UPSI to Shri Rakesh Bhojgadhiya, that he had facilitated Shri Bhojgadhiya's insider trades by providing funds and that the said trades

were entirely at the behest of the Noticee, since he later received the illegal gains by way of investment in his company.

46. The Noticee has contended that the allegations of violation of Regulations 3(1) and 4(1) of the PIT Regulations, 2015 cannot co-exist. I note that the Noticee had not only communicated the UPSI, the trades of Rakesh Bhojgadhiya were also at the behest of the Noticee. Accordingly, I do not find any merit in the contention of the Noticee.

47. Accordingly, I conclude that the Noticee has violated the provisions of Regulations 3(1) and 4(1) of the PIT Regulations, 2015. The same makes the Noticee liable for monetary penalty under Section 15G of the SEBI Act, 1992. While imposing the monetary penalty, I have also considered the factors mentioned under Section 15J of the SEBI Act, 1992.

48. I note that illegal gains of Rs. 8.32 Crore earned by Shri Rakesh Bhojgadhiya and Rakesh Bhojgadhiya HUF have already been disgorged. In addition to that, the said entities have already paid a settlement amount of more than Rs.8 Crore to SEBI. Thus, the entire ill-gotten gains, along with additional amount has already been recovered. I have considered these factors while deciding the monetary penalty to be imposed on the Noticee for the abovementioned violations.

49. I further note that the Noticee has already undergone a debarment for buying, selling or dealing in securities for more than six months since passing of the Interim Order. Further, he has also remained debarred from trading in the scrip of Magma after the Confirmatory Order. Considering the above, I do not deem it fit to extend the restraint imposed on the Noticee, any further.

Directions:

50. I, in exercise of the powers conferred upon me under Sections 11 (1), 11(4) and 11(4A), 11B(1) and 11B(2) read with Section 19 of the SEBI Act, 1992, hereby issue the following directions:

(a) The Noticee is hereby imposed with monetary penalty of Rs.10 Lakh (Rs.10,00,000/-) under Section 15G of the SEBI Act, 1992.

(b) The Noticee shall remit / pay the amount of penalty mentioned in sub-para (a) above, within 45 days of receipt of this order by using the undermentioned pathway: www.sebi.gov.in/ENFORCEMENT → Orders → Orders of Chairman/ Members → Click on PAY NOW or by using the web link: https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. The Noticee shall forward the details/confirmation of penalty so paid through e-payment to "The Division Chief, IVD-ID 01, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai -400 051" and also to e-mail id: tad@sebi.gov.in in the format given in the table below.

1. Case Name	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for : (like penalties/ disgorgement/ recovery/settlement amount and legal charges along with order details)	

(c) The directions issued against the Noticee vide the Interim Order, as modified and confirmed vide the Confirmatory Order, are hereby revoked.

51. This Order shall come into force with immediate effect.

52. A copy of this Order shall be served on the Noticee and the recognized Stock Exchanges, Depositories and RTAs for ensuring compliance of this Order.

PLACE: MUMBAI **ASHWANI BHATIA**

DATE: JANUARY 16, 2024 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA