

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Date of Decision : 01.09.2022**

**Misc. Application No. 823 of 2022  
And  
Misc. Application No. 824 of 2022  
And  
Appeal No. 491 of 2022**

Dizzystone Trading Pvt. Ltd.  
B2-04 / Mascots, 7<sup>th</sup> & 8<sup>th</sup> Floor,  
Times Square Plot No. C,  
Bearing CTS No. 349 & 349-1,  
Andheri (East), Mumbai – 400 069.

..... Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, Plot No. C-4A, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051.

... Respondent

**With  
Misc. Application No. 825 of 2022  
And  
Misc. Application No. 826 of 2022  
And  
Appeal No. 492 of 2022**

Anvita Real Estate Pvt. Ltd.  
B-8, 5<sup>th</sup> Floor, Block – A, Aidun Building  
1<sup>st</sup> Dhobi Talao Lane,  
Mumbai – 400 002.

..... Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, Plot No. C-4A, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051.

... Respondent

Mrs. Rinku Valanju, Advocate with Mr. Sumit Yadav, Ms. Simran Singh, Advocates i/b R V Legal for the Appellants.

Mr. Abhiraj Arora, Advocate with Mr. Deepanshu Agarwal, Mr. Shourya Tanay, Advocates i/b ELP for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer  
Justice M. T. Joshi, Judicial Member  
Ms. Meera Swarup, Technical Member

Per : Justice Tarun Agarwala, Presiding Officer (Oral)

1. There is a delay in the filing of the appeals. For the reasons stated in the applications, the delay is condoned. Misc. Applications are allowed.
2. Both the appeals are against a common order dated May 6, 2022 passed by the Adjudicating Officer (hereinafter referred to as 'AO') of Securities and Exchange Board of India (hereinafter referred to as 'SEBI') imposing a penalty of Rs. 20 lacs to be paid jointly and severally by the appellants and 11 other noticees.
3. Investigation in the matter of Shantanu Sheorey Aquakult Ltd. was carried out and based on the investigation, notices were issued to

13 noticees. The AO while imposing a penalty of Rs. 20 lacs has exonerated noticee nos. 7 and 12. The show cause notice alleged that the appellants alongwith other noticees had manipulated the price of the scrip of the company and had earned profits.

4. We find that on the same cause of action, the Whole Time Member (hereinafter referred to as 'WTM') had also issued a show cause notice and thereafter had passed an order dated June 1, 2021 restraining the appellants from accessing the securities market and further prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly for a period of three months.

5. The WTM also came to the conclusion that the appellants alongwith other noticees had manipulated the price of the shares of the company during the investigation period and that the price of the shares opened at Rs. 4.95 on March 3, 2014 and touched a high of Rs. 261 on May 26, 2016 in spite of the facts fundamentals of the company are weak.

6. Against the order of the WTM appeal nos. 418 of 2021 and 419 of 2021 were filed which were dismissed by this Tribunal by an order dated January 4, 2022.

7. On the same facts, the AO has initiated proceedings and has passed the present impugned order. Thus, in our view, since the finding has been upheld against the WTM order and the same findings have been given by the AO, we are of the opinion that the findings given by the AO does not suffer from any error of law.

8. In view of the aforesaid, the only contention raised by the learned counsel for the appellants is that the direction of the AO to pay the amount jointly and severally was wholly harsh and inappropriate in the present facts and circumstances of the case.

9. We have heard Mrs. Rinku Valanju, the learned counsel with Mr. Sumit Yadav, Ms. Simran Singh, the learned counsel for the appellants and Mr. Abhiraj Arora, the learned counsel with Mr. Deepanshu Agarwal, Mr. Shourya Tanay, the learned counsel for the respondent.

10. In *M/s. Agarwal Holdings vs. SEBI Appeal No. 702 of 2021 decided on June 18, 2022*, this Tribunal passed the following order on the issue of jointly and severally liability. Paragraph No. 4 of the said judgment is as under :-

*“4. It was urged that the direction of the AO to pay the penalty amount jointly and severally was wholly erroneous, since the appellant alongwith other noticees did not act in concert. In this regard, we find that the*

*only connection shown of the appellant with other noticees has been indicated in paragraph no. 21 of the impugned order wherein the appellant has been shown to be connected with noticee no. 4, Invorex Vincom Pvt. Ltd. through offmarket transfer. There is nothing to indicate the appellant's connection with other noticees. Since eight noticees have been found to have violated provisions of the Section 12A read with Regulations 3 and 4 of the PFUTP Regulations and in the absence of any finding as to why all the noticees should be liable to pay jointly and severally, we are of the opinion that the direction of the AO to pay the penalty amount jointly and severally is harsh and arbitrary and without any reasons.”*

11. In the instant case, we find that the only connection of the appellants with other noticees has been indicated in paragraph no. 4 of the impugned order wherein the appellants have been shown to be connected with the noticee no. 1 through a common director. There is nothing on record to connect the appellants with the other noticees. There is also no finding as to why all the noticees including the appellant should be held to be liable to pay jointly and severally and consequently, we are of the opinion that the direction of the AO to pay the penalty amount jointly and severally is harsh and arbitrary and is also without any cogent reasons.

12. We find that out of 13 noticees, 11 noticees have been found to be guilty for the violation for which a sum of Rs. 20 lacs have been imposed to be paid jointly and severally.

13. In view of the aforesaid, while affirming the violation committed by the appellants, we modify the direction of the AO to pay the penalty amount jointly and severally to the extent that the appellants will pay its share of the penalty which is Rs. 2 lacs each within four weeks from today. The appeals are partly allowed with no order as to costs.

14. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala  
Presiding Officer

Justice M. T. Joshi  
Judicial Member

Ms. Meera Swarup  
Technical Member

01.09.2022  
PTM