

WTM/AB/IVD/ID3/20/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA
AD INTERIM EX PARTE IMPOUNDING ORDER

Under Sections 11 (1), 11 (4), 11 (4A), 11B (1) and 11 B (2) of the Securities and Exchange Board of India Act, 1992

In respect of:

Noticee no.	Name of the Entity	PAN
1.	Mr. Hemant Ghai	AHMPG0327K
2.	Ms. Jaya Hemant Ghai	ADWPT5210G
3.	Ms. Shyam Mohini Ghai	AHSPG1017G

The aforesaid entities are hereinafter individually referred to by their respective names/noticee numbers and collectively as “the Noticees”.

In the matter of Trading Activities of Family Members of Hemant Ghai

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted a preliminary examination into the trading pattern of certain entities for the period between January 1, 2019 to May 31, 2020 to look into possible violations of provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and various regulations framed thereunder including SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”) based on the fact that high correlation of the trades of the aforesaid entities was observed with the

recommendations furnished in the show Stock 20-20 aired on news channel CNBC Awaaz.

2. In light of the aforesaid findings of the examination, an interim *ex parte* order dated January 13, 2021 (hereinafter referred to as the “**Interim Order**”) was passed by SEBI against the Noticees by which *inter alia* bank accounts of the Noticees were impounded for Rs. 2,95,18,690/- (Rupees Two crore Ninety Five Lakh Eighteen Thousand Six Hundred and Ninety). Thereafter, after hearing the Noticees and considering their replies a confirmatory order dated September 02, 2021 (hereinafter referred to as “**Confirmatory Order**”) was passed by SEBI confirming the directions issued vide the Interim Order.
3. As noted in the Confirmatory Order a detailed investigation was undertaken in the matter by SEBI. The detailed investigation covered all the stock recommendations made on all televised shows hosted / co-hosted by Mr. Hemant Ghai and the BTST and Intraday trades undertaken to trade ahead of such recommendations for a period of 3 years preceding the date of the Interim Order. SEBI conducted the aforesaid detailed investigation to ascertain whether there was any violation of the provisions of the PFUTP Regulations, 2003 and SEBI Act, 1992 by Mr. Hemant Ghai, Ms. Jaya Hemant Ghai and Ms. Shyam Mohini Ghai during the period from January 1, 2018 to January 13, 2021.
4. Upon conclusion of the investigation in the matter, the relevant extract of the findings of investigation forming part of the allegations against each of the Noticees, shall be contained in the show cause notice (hereinafter referred to as “**SCN**”) which is being separately issued to the Noticees herein.
5. The findings of the investigation has also brought out enhanced quantum of wrongful gains as under:

Entity trading in synchronization with	Entity possession information	in of of	Total Unlawful gains (Rs.)	Person responsible for disgorgement of profit jointly and severally
--	-------------------------------	----------	----------------------------	---

recommendations provided on shows hosted / co-hosted by Hemant Ghai on CNBC Awaaz	recommendations provided on shows hosted / co-hosted by Hemant Ghai on CNBC Awaaz		
Jaya Hemant Ghai	Hemant Ghai	4,51,88,459.07	Jaya Hemant Ghai and Hemant Ghai
Shyam Mohini Ghai	Hemant Ghai	1,63,28,675.02	Shyam Mohini Ghai, Jaya Hemant Ghai and Hemant Ghai

6. From the above, it is observed that Ms. Jaya Hemant Ghai and Ms. Shyam Mohini Ghai have made wrongful gains of Rs. 4,51,88,459.07/- and Rs. 1,63,28,675.02/-, respectively, as a result of the impugned trades. While a sum of Rs. 2,95,18,690/- (Rupees Two crore Ninety Five Lakh Eighteen Thousand Six Hundred and Ninety) has already been impounded vide Interim Order dated January 13, 2021. However, detailed investigation reveals that total wrongful gains made by the Noticees was Rs. 6,15,17,134/- (Rupees Six Crore Fifteen Lakh Seventeen Thousand One Hundred and Thirty Four). As mentioned in para 4 above, a SCN is being separately issued *inter alia* for disgorgement of whole amount.
7. If pending conclusion of proceedings being initiated through the SCN, the enhanced amount of Rs. 3,19,98,444.09/- (Rupees Three Crore Nineteen Lakh Ninety Eight Thousand Four Hundred and Forty Four and Nine Paise) is not impounded, immediately, it may ultimately pose a hindrance in the effective implementation of direction of disgorgement and/or imposition of monetary penalty, if any, to be issued, on disposal of the SCN which is being separately issued to the Noticees. Therefore, I note that it is necessary for SEBI to take urgent steps for impounding the remaining proceeds of wrongful gains made by the Noticees through impugned trades, by way of an *ex parte ad interim* measure, under Sections 11(1), 11(4) and 11B (1) of the SEBI Act, 1992, the details of which are as hereunder:

Entities Liable	Total Unlawful gains (Rs.)	Amount already impounded (Rs.)	Balance Amount (Rs.)	Entities from whom amount is to be impounded
Jaya Hemant Ghai and Hemant Ghai	4,51,88,459.07	2,95,18,680	3,19,98,454	Hemant Ghai ,Jaya Hemant Ghai and Shyam Mohini Ghai
Shyam Mohini Ghai and Hemant Ghai	1,63,28,675.02			

DIRECTIONS:

8. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Section 19 read with Sections 11(1), 11(4)(d), 11(4A), 11B (1) and 11B (2) of the SEBI Act, hereby issue the following directions:

- (i) A sum of Rs. 3,90,67,921 (Rupees Three Crore Ninety Lakh Sixty Seven Thousand Nine Hundred Twenty One), being the unlawful gains, along with interest, is impounded, jointly and severally, from the Noticees as mentioned in the table below:

Entities Liable	Total Unlawful gains (Rs.)	Amount already impounded (Rs.)	Balance Amount (Rs.)	Interest on Balance amount (Rs.)	Amount to be impounded (Rs.)
Jaya Hemant Ghai and Hemant Ghai	4,51,88,459.07	2,95,18,680	3,19,98,454	70,69,467	3,90,67,921
Shyam Mohini Ghai and Hemant Ghai	1,63,28,675.02				

* Rate of interest for the calculation of interest is 12% p.a., simple interest. Period of interest for the alleged gains made is March 31, 2020 (the last date of the fraudulent trades) to January 31, 2022.

- (ii) The above mentioned amount shall remain impounded till disposal of the SCN being issued and shall be subject to the directions issued in the final order while disposing of such SCN. The aforesaid amount shall be kept in an escrow account, as detailed in (v) below. A lien shall be marked in the Escrow Account/s in favour of SEBI and the monies kept therein shall not be released without the permission

of SEBI.

- (iii) The banks where Noticees i.e. Mr. Hemant Ghai, Ms. Jaya Hemant Ghai and Ms. Shyam Mohini Ghai are holding accounts are directed that no debits shall be made, without the permission of SEBI, in the said bank accounts. Further, the depositories are also directed that no debit shall be made, without the permission of SEBI, in respect of the demat accounts held by the said Noticees. However, credits, if any, into the said bank and demat accounts may be allowed. The banks and the depositories are directed to ensure that all the above directions are strictly enforced. Further, debits may also be allowed for amounts available in the account in excess of the amount impounded. Banks are allowed to debit the accounts for the purpose of complying with this order. On production of proof by any of the Noticees that the said money has been deposited in the Escrow Account, SEBI shall communicate to the Banks and Depositories to defreeze the accounts.
- (iv) The Registrar and Transfer Agents are also directed to ensure that till further directions, except for compliance of direction at para 8 (i) above, the securities / units held in the name of Noticees mentioned at para 8 (i) above, jointly or severally, are not transferred / redeemed.
- (v) The Noticees mentioned in the table in para 8 (i) are also directed not to dispose of or alienate any of their assets/properties/securities, except for compliance of direction at para 8 (i) above, till such time the amount mentioned in para 8 (i) is credited to an Escrow Account [***“Escrow Account in Compliance with SEBI Order dated February 03, 2022– A/c (in the name of the respective persons/entities”***] created specifically for the purpose in a Nationalized Bank.

9. This Order comes into force with immediate effect and shall remain in force till order to be passed on conclusion of SCN proceedings.s.
10. This Order shall be served on all Recognized Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance.

Place: Mumbai

Date: February 03, 2022

**ANANTA BARUA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**