

Bank of Rajasthan issue: impounding order passed

Our Bureau

Mumbai, January 6:

SEBI has issued an impounding order for Rs. 1.6 crore against seven entities connected with the promoter group of the erstwhile Bank of Rajasthan for allegedly making unlawful gains through insider trading.

To recover Rs. 1.6 crore

The order has been issued against Rohit Premkumar Gupta, Sanjay Kumar Tayal, Navin Kumar Tayal, Jyotika Tayal, Advik Textiles and Realpro Pvt Ltd, Kulwinder Kumar Nayyar and Azam Mohammed Ashan Shaikh. They have been asked to pay Rs. 1.6 crore jointly and severally (Rs. 95 .78 lakh of unlawful gain with interest of Rs. 64.36 lakh) for insider trading in the shares of the erstwhile Bank of Rajasthan on the basis of unpublished price sensitive information (UPSI).

Bank of Rajasthan had merged with ICICI Bank in August 2010. The regulator found that the sale transactions took place during May 25-27, 2010.

Defeating the purpose

SEBI in its ex-parte interim order said, "It is possible that the above seven noticees may divert the unlawful gains (subject to the adjudication of the allegation on the merits in the final order), which may result in defeating the effective implementation of the direction of disgorgement, if any, to be passed after adjudication on merits."

"Non-interference by the regulator at this stage would, therefore, result in irreparable injury to interests of the securities market and investors. It, therefore, becomes necessary for SEBI to take urgent steps of impounding and retaining the proceeds (unlawful gains) allegedly made by the above noticees, by way of an interim measure," it added.

(This article was published in the Business Line print edition dated January 7, 2016)

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