

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Appeal No. 87 of 2011**

**Date of decision: 11.7.2011**

M/s Murli Industries Limited  
101, Jai Bhawani Society, C. A. Road,  
Wardhaman Nagar, Nagpur.

.....Appellant

Versus

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

..... Respondent

Mr. V. Sridharan, Advocate with Mr. Prashant Agarwal, Mr. T. Sundar Ramanathan, Advocates for the Appellant.

Mr. Shiraz Rustomjee, Advocate with Ms. Harshada Nagare, Advocate for the Respondent.

CORAM : Justice N. K. Sodhi, Presiding Officer  
P. K. Malhotra, Member  
S. S. N. Moorthy, Member

Per : Justice N. K. Sodhi, Presiding Officer (Oral)

This order will dispose of 13 appeals all of which are directed against the order dated March 23, 2011 passed by the whole time member of the Securities and Exchange Board of India by which he has confirmed the ad interim ex-parte order dated December 2, 2010 against the appellants. By order dated December 2, 2010 the appellants, among others, had been restrained from dealing in the securities of Murli Industries Ltd. and its group companies pending investigations. They had also been directed to ensure that the shareholding of the promoter/promoter group entities in the aforesaid company is not altered.

2. The Securities and Exchange Board of India (for short the Board) had received a reference from the office of the Assistant Commissioner of Income Tax, Central Circle, Nagpur in regard to Murli Industries Limited wherein it was pointed out that as many as 10 entities all of which were being looked after by one

Amit Raja CA were holding substantial shares in the company. The income tax authorities had raided the premises of Murli Industries Ltd. and other associate entities and discovered certain documents suggesting that the shares of the company were being manipulated. The Board looked into the matter and the investigations are still on. Preliminary investigations revealed that one Dangi group of companies had manipulated not only the scrip of Murli Industries but of a few other companies as well. The Board is investigating into all this. After collecting some material the entities including the appellants were restrained by an ex-parte order which was subsequently confirmed.

We have heard the learned counsel for the parties and since the investigations are still on, we are not inclined to interfere in the matter at this stage. It is true that a restraint order is operating against the appellants but the Board also needs time to complete the investigations. Having regard to the facts and circumstances of these cases and keeping in view the equities, we dispose of these appeals with a direction to the Board to complete the investigations qua the appellants expeditiously and in any case before the end of this year. The appellants shall cooperate with the investigations. No costs.

Sd/-  
Justice N. K. Sodhi  
Presiding Officer

Sd/-  
P. K. Malhotra  
Member

Sd/-  
S. S. N. Moorthy  
Member