

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

IN RESPECT OF SHRI PANKAJ DHANJI GOSHAR – IN THE MATTER OF PINE ANIMATION LTD.

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1. Securities and Exchange Board of India ("SEBI"), vide an *ad interim ex-parte* order dated May 8, 2015 (hereinafter referred to as "*interim order*"), restrained 178 entities, including Shri Pankaj Dhanji Goshar (PAN – AACPG7709G), from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.
 2. While the proceedings pursuant to the *interim order* were in progress, Shri Goshar, vide letter dated October 27, 2015 *inter-alia*, requested for certain documents. In response thereof, SEBI vide letter dated November 06, 2016 provided all the documents that were relied upon for passing the *interim order*. The documents provided to Shri Goshar are as follows:
 - a. Copy of the resolution passed at the meeting of Board of Directors held on December 13, 2012.
 - b. Copy of certified extracts of minutes of the EGM held on March 9, 2013.
 - c. Annual Report of Pine Animation Ltd., for the year 2012-13.
 - d. Annual Report of Pine Animation Ltd. (formerly, FourK Animation Ltd.) for the year 2011-12.
 - e. Bank statement of Pine Animation Ltd. (Allahabad Bank a/c No. 50103075412) wherein proceeds of preferential issue were received.
 - f. Entire order log for the examination period in the scrip of Pine Animation Ltd.
 - g. Entire trade log for the examination period in the scrip of Pine Animation Ltd.
 3. I note that Shri Goshar was provided opportunities of personal hearing on two occasions. however, vide letters dated December 23, 2015, March 02, 2016, May 16, 2016 and August 21, 2016, he repeatedly sought for more documents. Vide SEBI's correspondences dated February 29, 2016 and May 05, 2016, Shri Goshar was informed that all documents that were relied upon for passing the *interim order* were already provided to him.
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4. I note that Shri Goshar filed Appeal No. 245 of 2016 before Hon'ble Securities Appellate Tribunal ("Hon'ble SAT"), on the grounds that SEBI has not given inspection of documents sought by him. Hon'ble SAT, after considering the submissions made by Shri Goshar, vide its order dated September 27, 2016, permitted Shri Goshar to agitate the issue relating to the inspection of documents before the WTM of SEBI and directed SEBI to pass such orders as deemed fit.
5. Pursuant to the order of Hon'ble SAT, Shri Goshar vide letter dated October 04, 2016, requested WTM to pass an appropriate order directing SEBI to provide him with copies of relevant documents referred to and relied upon by SEBI in the matter of Pine Animation Ltd., or to furnish reasons as to why the same cannot be provided. Shri Goshar has also requested to reschedule the date of personal hearing scheduled for October 19, 2016, by two weeks after an appropriate order is passed on his representation.
6. I have carefully considered the list of documents sought by Shri Goshar and the documents already provided to him by SEBI. I now proceed to deal with the relevancy of the documents sought by Shri Goshar for passing the purpose of passing of the *interim order* :

Sr. No	Document sought by Shri Goshar	Relevancy of the document for passing of the <i>interim order</i> .
i.	Report of the preliminary inquiry conducted by SEBI with regards to dealing in Pine (Refer Para 1 of Order).	The findings of the preliminary inquiry have been brought out in detail in the <i>interim order</i> . No separate inquiry report was prepared by SEBI after the preliminary inquiry.
ii.	Details of the due diligence carried out by SEBI and BSE before giving approval to pine at the time of share split and subsequent revocation of suspension of trading of Pine in June 2012.	Revocation of suspension and share split have not been set out to be reasons for passing the <i>interim order</i> .
iii.	Details of the alerts generated while the scrip of Pine was trading on the stock exchange and adverse findings by Appointed Authority.	As already mentioned in paragraph 1 of the order, SEBI had undertaken preliminary examination citing huge rise in the price and traded volume in the scrip of Pine Animation Limited. The <i>interim order</i> had not relied

		upon the alerts generated by SEBI Surveillance system.
iv.	Copy of Investor complaint/s received by SEBI and BSE against Pine Company.	<i>Interim Order</i> does not refer to any complaint in the matter received by SEBI/BSE
v	Copy of statement of any person recorded by SEBI in course present proceedings.	No statements were recorded during the <i>preliminary inquiry</i> which formed the basis of the <i>interim order</i> .
vi.	List of IPO Applicants who were allotted Pine shares and had subsequently sold their shares during the investigation period.	This has not been dealt with in the <i>interim order</i> .
vii.	Under Para 5 of the order it is mentioned that "... the issue of these shares was under a prior arrangement between them... " In this regard, I would like to request your kind serves to provide me with the <u>details and documents in possession with SEBI as to what sort or nature of 'Prior arrangement' (Para 5) or 'connection or connection" (Para 20) existed between me and the Promoters of Pine.</u>	Prior arrangement is only a <i>prima facie</i> inference that has been drawn in the <i>interim order</i> considering the <i>modus operandi</i> which has been described in the <i>interim order</i> .
viii.	Any other document referred to and relied upon by SEBI in the present proceedings.	All the documents relied upon for passing the <i>interim order</i> have already been provided to the entity.
ix.	Pre and Post Notices for the Meetings of the Board of Directors 13-12-2012 and 09-03-2013.	Not relied upon in the <i>interim order</i> .
x.	List of persons to whom the Notices for Meetings of 13-12-2012 and 09-03-2013 were sent.	Not relied upon in the <i>interim order</i> .
xi.	List of persons who attended the Board of Directors Meeting on 13-12-2012 and 09-03-2013.	Not relied upon in the <i>interim order</i> .
xii.	List of all applicants for Preferential allotment.	Not relied upon in the <i>interim order</i> .
xiii.	Copy of Agendas of Meeting of 13-12-2012 and 09-03-2013.	Not relied upon in the <i>interim order</i> .
xiv.	Approval of the Stock Exchange and the SEBI for the fresh issue of capital to the company.	Not relied upon in the <i>interim order</i> .
xv	List and details of the Companies which had come out with the preferential issue during the last 5 years from 2011 to 2015.	Not relied upon in the <i>interim order</i> .

xvi.	Details of the Preferential Allottees of other companies where it is concluded that the Preferential Allottees are connected or not connected with the Promoters of the Companies and if not done, rationale for the same	Not relied upon in the <i>interim order</i> .
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7. Considering the above, I find that all the documents relied upon by SEBI while passing the *interim order* have already been provided to Shri Goshar and the other documents (mentioned in the table above) sought by Shri Goshar have not been relied upon by SEBI in the said *interim order*. All the representations of Shri Goshar in this regard are accordingly disposed of.

Sd/-

DATE: October 18th, 2016

PLACE: MUMBAI

RAJEEV KUMAR AGARWAL

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA