

MOOT PROBLEM

1. Mr. Victor Molly was the promoter of a 60 year old company by the name of Victor Spirits Limited (“VSL”) which carried on the business of manufacturing alcohol. It was one of the first liquor businesses started during the early years of independent India, by Mr. Victor Molly’s father, and had a near monopoly in the manufacture and distribution of liquor during the License Raj. VSL’s shares were listed on the Calcutta Stock Exchange, a regional stock exchange, MSE and DSE, two recognized stock exchanges which had nationwide terminals. As of 2007, Mr. Victor Molly personally held about 24% of the total equity share capital of VSL and a private company by name of VM Holdings Private Limited (“VMHPL”) held another 32% of the total equity share capital of VSL. The remaining 44% of the shares of VSL were held by public shareholders. Mr. Victor Molly and his wife Ms. Folly Molly held 50% each of the total equity share capital of VMHPL. VSL made very handsome profits and Mr. Victor Molly had used the profits derived from VSL to expand and diversify into other businesses.
2. In 1991, Mr. Victor Molly decided to take advantage of the housing boom in India and make a foray into the enormously profitable paints business and purchased about 38% of the total equity share capital of Burger Paints Limited (“BPL”). BPL was carrying on the business of manufacture of paints and also offered a wide range of wall painting and waterproofing solutions for homes, offices and buildings. BPL’s equity shares were listed on the MSE and the DSE. Pursuant to the acquisition of 30% of the total equity share capital of BPL from the erstwhile promoters of BPL, Mr. Victor Molly and his relatives were categorized as promoters of BPL. It seemed that everything that Mr. Victor Molly touched turned into gold, for VSL and BPL were making record profits year after year.
3. Using the profits derived from VSL and BPL, Mr. Molly decided to invest in the chemicals and fertilizer business and acquired 55% of the total equity share capital of Trivandrum Chemicals Limited (“TCL”) in 1995, a company whose equity shares were listed only on the MSE. Pursuant to the acquisition of the shares of TCL, Mr. Victor Molly and his relatives were categorized as the promoters of TCL.
4. Mr. Victor Molly had been a long time admirer of Mr. Richard Jagger, an Australian businessman who was very well known for his style, ethics, charisma and a string of wildly successful businesses. Following in the footsteps of Mr. Jagger, Mr. Victor Molly in 2006 decided to get into the airline business and incorporated a public limited company called Fancy Airlines Limited (“FAL”). Under the extant rules issued by the Directorate General of Commercial Airlines, airlines companies in India were required to mandatorily fly domestic routes for a minimum period of 5 years before they were allowed to fly overseas. This rule did not make any sense to Mr. Victor Molly who could not wait to fly long haul flights to North America, Europe, Australia, etc. He decided to acquire Vidharba Airlines Limited in 2007, a 4 year old low cost airline company whose shares were listed on MSE

and DSE, by way of a scheme of arrangement under the provisions of Sections 391-394 of the Companies Act, 1956. Pursuant to the scheme of arrangement, Vidharba Airlines Limited would amalgamate into FAL and cease to exist. The shares of FAL were listed on MSE and DSE pursuant to the exemption availed by FAL under Rule 19(7) of the Securities Contracts (Regulations) Rules, 1957. Mr. Molly owned about 39.5% of the total equity share capital of FAL. After the scheme of arrangement became effective on January 1, 2008, FAL was allowed to fly overseas. FAL grabbed this opportunity with both hands and began flying regular flights to London, New York, Chicago, Frankfurt, Sydney, San Francisco, etc. It quickly established itself as one of the most luxurious airlines in India and quickly became a favourite of customers.

5. In June 2008, the sub-prime mortgage bonds crashed in the US, which quickly snowballed into a global financial meltdown. Overnight, millions of employees were laid off, the banks stopped lending and there was extreme uncertainty all around. Oil prices, however, were at an all-time high and there were no signs of it abating any time soon. Mr. Victor Molly soon found himself in a sticky situation. He had invested huge sums of money for starting the airline, for acquiring Vidharba Airlines Limited and just before the sub-prime mortgage crisis hit the financial world, FAL had placed an order for 100 new aircrafts from Boeing, U.S., incurring billions of dollars in expenses. Because of the slowdown in business, FAL soon found that people were flying a lot less. This meant that there was a steep fall in the airline revenue and the high fuel prices meant that the airline was spending a lot more money to keep the planes flying. This forced Mr. Molly to borrow heavily from banks.
6. In May 2009, FAL borrowed a sum of Rs. 2,000 crores for working capital purposes from a consortium of banks and financial institutions led by Stellar Bank to keep the airline flying and pay the salaries of its employees. In order to secure the loans availed, Mr. Molly mortgaged the fixed assets owned by FAL in various cities in India, hypothecated the aircraft owned by the company and pledged his entire shareholding in FAL. FAL was able to tide over the crisis for a while at least, thanks to the loans provided by the banks.
7. However, by September 2010, the corporate world was still reeling from the effects of the global financial crisis and the world crude oil prices showed no signs of ever coming down from US\$120 a barrel and in India, consumer air traffic was still flat. FAL was burning through a lot of cash to keep flying and pretty soon, they were in need of funds again. This time around, Mr. Molly approached the banks for a further loan of Rs. 3,000 crores in order to meet working capital requirements, interest payments for buying new aircrafts from Boeing and for paying employees' salaries. A consortium of banks led by the Aam Janta Bank granted the loan of Rs. 3,000 crores to FAL on September 23, 2010 and the same was secured by a second charge on the fixed assets of FAL and hypothecation of all the current and future assets and receivables. Mr. Molly also procured VSL to issue a corporate guarantee for the loans availed. Mr. Molly also pledged 5,00,00,000 shares that he held in BPL, which amounted to 30% of the total equity share capital of BPL. The market price of the equity shares of BPL as on the date of the pledge stood at Rs. 200.

8. Mr. Molly had a passion for fast cars and it was always a dream of his to own a Formula 1 team. He began making enquiries in the F1 circuit to buy a team. In March, 2010, Mr. Molly had a meeting with Mr. Juan Carlos Montezemolo, the owner of the legendary Formula 1 team Ferrero Rocha (“FR”) in London and had begun talks for acquiring his team. Mr. Molly would have to cough up Rs. 5,000 crores to buy out Mr. Montezemolo’s team. Rs. 5,000 crores was not too big an amount for a multi billionaire like Mr. Molly, and he figured that given the goodwill and performance of the FR team in F1 he stood to make several times that amount in the next few years. Calcutta Spices Private Limited (“CSPL”), a company incorporated in the UK and whose entire share capital was owned by Mrs. Victor Molly entered into a purchase agreement with FR PLC, a company incorporated in the UK and which owned the FR team to purchase 100% of the share capital of FR PLC for Rs. 5,000 crores, on September 5, 2010. As per the terms of the purchase agreement, the deal had to be completed within the long stop date of December 31, 2010. Although Mr. Molly was fabulously wealthy, all his wealth had been invested in companies and other passion projects. He did not readily have Rs. 5,000 crores to purchase the FR team. So he began arranging for funds for the purchase through various sources.
9. Out of the Rs. 3,000 crores raised by FAL through loans from banks, he directed his CFO, Mr. Simbleton to use a sum of Rs. 2,000 crores for the purpose for which it had been originally borrowed and directed that FAL use the remaining sums of money for its international businesses. In the meanwhile, Mr. Molly who was a hands on manager at FAL, had directed his company secretary and compliance officer to make a disclosure under Clause 36 of the Equity Listing Agreement about the utilization of the loan of Rs. 3,000 crores availed by FAL. FAL issued a disclosure statement stating that it had utilized all of the loans availed for the purpose for which it was raised and that they expected the business to turn around soon. Soon thereafter, a sum of Rs. 1,000 crores was advanced to a wholly owned subsidiary of FAL, FAL (UK) Pvt. Ltd. (“FAL (UK)”), a company incorporated in the UK. FAL (UK) entered into a series of transactions whose nature was not disclosed, with CSPL, which resulted in a payment of Rs. 1,000 crores to CSPL by October 2010.
10. Mr. Molly was aware that VSL was sitting on a huge cash pile of Rs. 3,000 crores. Mr. Molly wanted to use some of these funds for the purpose of acquisition of FR PLC. He travelled to Delhi to meet with one of his old friends and distributors of VSL’s products in North India, Mr. Bonty Chaddha. He entered into an arrangement with Mr. Chaddha whereby VSL would make advance loans to certain entities owned by Mr. Chaddha, in the form of short term loans to its distributors, and these entities would then on lend the amounts received by them to CSPL. Mr. Molly thereafter directed his CFO to arrange to lend Rs. 150 crores each to 10 of its distributors. VSL, on November 20, 2010, lent Rs. 1,500 crores in this manner to its distributors who further lent these funds to CSPL. The advances made by VSL were done in the usual course of business and were not disclosed to the stock exchanges as they were not deemed material.

11. Mr. Molly used a similar modus operandi with the distributors of BPL and TCL and ensured that a sum of Rs.750 crores each was utilized from the cash balances available with BPL and TCL to make advances to CSPL, on November 25, 2010. Subsequently, on November 28, 2010, Mr. Molly pledged 30% of the total share capital of TCL or 3,00,00,000 shares that he personally owned in TCL to raise a further Rs. 1,000 crores by way of a loan from State Bank of Vidarbha (“SBV”) for a period of one year, for the purpose of purchasing the F1 team from banks and financial institutions. The market price for TCL’s shares at the time of pledge was Rs. 500 per share. As per the terms of the sanction letter issued by the banks, Mr. Molly was required to pledge such number of shares to the banks so as to ensure that the market value of the shares so pledged was at all times 1.5 times the loan amount availed by him. Requisite disclosures were made under the relevant provisions of the Takeover Code to the stock exchanges for pledging the shares by Mr. Molly. The funds raised by Mr. Molly by pledging TCL’s shares were advanced to CSPL on November 30, 2010. CSPL, on December 1, 2010 completed the purchase of FR PLC and the consideration was not disclosed to the public and remained confidential.
12. By 2011, FAL was in dire straits. FAL continued to burn through cash but there was nothing Mr. Molly could do to reduce expenses. All his efforts in that direction had gone in vain. By July 2011, he needed another Rs. 2,400 crores to keep FAL flying. The extant FDI policy in India did not allow foreign residents to own a stake in airline companies. Even though many foreign investors were keen on entering the airline business in India, the Government of India did not ease the restrictions on investment and none of the rich people and businessmen in India wanted to invest in the over regulated airline business. Mr. Molly did not have spare cash to invest in FAL in the form of equity. Mr. Molly had no choice but to go to the banks to borrow funds to raise another Rs. 2,400 crores. On August 13, 2011, Mr. Molly pledged 8,00,00,000 shares of VSL which he owned personally and which amounted to 24% of the total equity share capital in VSL for a total of Rs. 2,400 crores with a consortium of lenders led by Lena Bank. The share price of VSL on August 13, 2011 was Rs. 450. Mr. Molly was required to pledge such number of shares so that the value of the shares pledged at all times would be equal to 1.5 times the loan availed. Mr. Molly invested the amounts raised from the banks into FAL in the form of equity shares through preferential allotment.
13. On November 27, 2011, SBV demanded that he repay the loan of Rs. 1,000 crores availed by Mr. Molly on November 28, 2011. Mr. Molly did not have the funds to repay the loan and requested SBV to extend the term of the loan. After protracted negotiations for a month, SBV refused to comply with Mr. Molly’s request to restructure the loan and invoked the pledge they held on 3,00,00,000 equity shares of TCL. They sold 3,00,00,000 equity shares of TCL at a price of Rs. 550 per share to 7 different foreign portfolio investors in an off-market transfer and used the proceeds of the sale to pay themselves the principal and the interest amounts on the loan and returned the excess amount to Mr. Molly.

14. By May 2012, FAL was doing worse than ever. It had outstanding loans of around Rs. 7,000 crores. In the domestic market, it faced stiff competition from a new low cost airline called Purple Airlines that had been operating for just about 2 years, which started a price war with FAL. FAL had no choice but to cut its fares to compete with Purple Airlines, which only worsened the financial position of FAL. Mr. Molly did not have the wherewithal or the means to invest further in the airline business. He seemed to be at his wit's ends. He was hoping that the terrible financial condition of FAL would finally spur the government into liberalizing FDI norms and allow foreign investment into the airline sector. But alas, that was not to be. With no working capital to conduct business operations, the airline could not fly. FAL's aircrafts were grounded. With no flights bringing in revenues, the airline could not afford to pay its staff that went on a strike after they were not paid for a few months. The pathetic state of affairs continued like this for another 6 months and when it seemed like there was no end in sight to the woes of FAL, the DGCA, the regulatory authority of Central Government of India, revoked the airline license of FAL without which it could not fly anymore. This was the final nail in the coffin. The market price of FAL's shares went into a nose dive and the stock markets suspended trading activities in FAL's shares in March 2012. The banks and financial institutions which had lent to FAL and Mr. Molly were now anxious to get their money back. Mr. Molly reassured them that they were working on a restructuring plan and they would be back to business once the details were hashed out. However, there was no change in status quo for another six months.
15. On September 7, 2012, when FAL failed to repay the loans availed from the consortium of banks led by Stellar Bank, the lenders declared it to be an "event of default" under the loan agreements and demanded that FAL repay its debts immediately. The declaration of an "event of default" had a cascading effect on the other lenders of FAL. As per the loan agreement with the consortium of banks led by Aam Janta Bank, an event of default under other loan agreements would also constitute an event of default under their loan agreements. Pursuant to this provision, the Aam Janta Bank also called an event of default under their loan agreement on September 8, 2012 and demanded that FAL immediately repay all its loans. When no payment was made by FAL after the declaration of the event of default, Aam Janta Bank on September 28, 2012, invoked the pledge on the shares of BPL and sold 5,00,00,000 equity shares of BPL to Hummus Indian Paints Limited ("HIPL"), a competitor of BPL and the rest to mutual funds, financial institutions and FPIs at an average price of Rs. 180 per equity share. Overnight, Mr. Molly had lost control of BPL and HIPL made an open offer to the public shareholders of BPL under Regulations 3(1), 3(2) and 4 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("**Takeover Code**") to acquire a further 26% in BPL.
16. There was a provision in the loan agreement executed by Mr. Molly with the consortium of banks and financial institutions led by Lena Bank which stipulated that an event of default under the loan agreements entered into by FAL with its lenders would constitute an event of default under their agreement. Pursuant to this provision, on October 4, 2012, Lena Bank recalled the loan from Mr. Molly and demanded immediate repayment of loans. When Mr.

Molly failed to repay, Lena Bank invoked the pledge on VSL's shares on October 12, 2012 and sold 8,00,00,000 shares to one of the world's largest liquor companies which is based in the UK called Jacky Runner PLC ("**Jacky Runner**"), at a price of Rs. 220 per share. By virtue of this sale by Lena Bank, Jacky Runner owned 24% of the total share capital of VSL, the crown jewel of the Molly family. Jacky Runner always wanted to enter the lucrative Indian market but till then had never been able to make serious inroads into the market because of the dominance of VSL. They could scarcely believe their luck when the consortium led by Lena Bank approached them to buy Mr. Molly's shares in VSL. Once they completed the sale, Jacky Runner launched a voluntary open offer under Regulation 3(1) and 6 of the Takeover Code to acquire a further 20% of the shares of VSL. However, the voluntary open offer failed and Jacky Runner did not acquire any shares of VSL. Given that Mr. Molly was severely cash strapped and in danger of losing his business empire, he decided to enter into an arrangement with Jacky Runner. As per this arrangement, Mr. Molly decided to sell about 15% of the shares he held in VSL through VMHPL to Jacky Runner by entering into a share purchase agreement dated January 15, 2013 ("**SPA**"). Further, VMHPL also entered into a shareholders' agreement dated January 15, 2013 ("**SHA**") with Jacky Runner which laid down the mutual rights and responsibilities of both VMHPL and Jacky Runner. The most important clauses of the SHA are as provided here:

- a) The terms of the SHA would be binding on both the parties as long as VMHPL held at least 8% of the shares of VSL;
 - b) VMHPL would have the right to appoint at least 2 directors on the board of VSL as long as the SHA remained valid and binding between the parties;
 - c) Jacky Runner would have the right to appoint at least 3 directors on the board of VSL;
 - d) Jacky Runner would not cause VSL to issue new equity shares out of the unissued authorized share capital of VSL without VMHPL's positive consent;
 - e) Mr. Victor Molly would continue to be the Chairman Emeritus of VSL as long as the SHA remained valid.
17. On January 15, 2013, Jacky Runner made a public announcement under Regulation 3(1), 3(2) and 4 of the Takeover Code to acquire 26% of the total equity share capital from the public shareholders of VSL. On April 28, 2013, VSL completed its open offer obligations and became the majority shareholder in VSL with a total shareholding of 53% of the total share capital of VSL. VMHPL held about 17% and the rest was held by the public shareholders. Mr. Molly resigned as the managing director of VSL and was subsequently appointed as the Non-Executive Chairman Emeritus of VSL. Jacky Runner appointed one Mr. Drinksalot as the new managing director to the board of VSL and also replaced the existing CFO with its own nominee.
18. It was only after Jacky Runner took over the management of VSL that they began to understand the status of business operations of VSL. The new managing director and CFO of VSL began studying the financial statements released by VSL over the last one year to ensure they got the real picture of the business. It was during one of these exercises that they

realized that VSL had made advances to the tune of Rs. 1,500 crores to 10 different entities that had been outstanding since November 2010. The managing director and CFO found a few other irregularities in the financial statements of VSL. Jacky Runner then decided to conduct a forensic audit into the irregularities and find out the true nature of these transactions. The forensic audit was conducted by the internationally reputed firm Earnest & Honest, UK and the report was released in June, 2013. It was only then that they realized that the funds that had been ostensibly advanced to the distributors of VSL had eventually found their way to CSPL in London. VSL disclosed the summary of the findings of the forensic audit to the stock exchanges and also disclosed the fact that it had moved the CLB against Mr. Molly to recover Rs. 1,500 crores which were allegedly diverted to CSPL at the behest of Mr. Molly. SEBI took cognizance of the matter and issued a letter raising queries on the disclosures made and sought clarifications from VSL.

19. In July, 2013, the Securities Exchange Board of India (“SEBI”) received an anonymous tip from a person claiming to be an employee of TCL alleging that Mr. Molly had allegedly diverted a sum of Rs. 750 crores from TCL without making adequate disclosures. SEBI on July 19, 2013 forwarded the tip to the management of TCL and asked them to comment on the same within 3 days from receipt of this letter. The company secretary cum compliance officer of TCL brought the letter from SEBI to Mr. Molly’s attention. Mr. Molly engaged legal experts who were tasked with the activity of issuing a tactful reply to SEBI’s queries in a manner that did not arouse further suspicions.
20. In the meanwhile, the new management of BPL which was unaware of the developments that were happening at VSL and TCL, while finalizing the books of accounts for the financial year 2012-13 also noticed that there was a sum of Rs. 750 crores which had remained on the balance sheet of the company from November, 2010 and found it strange that regular distributors of the company had not paid the company back for so long. The management was alerted to the developments that were happening vis-à-vis Mr. Molly and VSL. Suspecting this to be a similar transaction to the one at VSL, the management of BPL shot off a letter to SEBI on August 3, 2013, informing them about the suspicious transactions in their books during the time when Mr. Molly was in control of BPL and informed them that the management of the company was investigating it further.
21. Alarmed by these allegations, SEBI immediately swung into action and initiated investigations against Mr. Molly under Section 11C of the SEBI Act on August 18, 2013. SEBI appointed one Mr. Sahoo as the Investigating Authority under Section 11C to investigate into the affairs of VSL, TCL and BPL. Mr. Sahoo summoned Mr. Molly to appear personally and depose before him. He also requisitioned the books of accounts of VSL, TCL and BPL for the financial years 2010, 2011, 2012 and 2013 to investigate into the allegations of fund diversion by Mr. Molly. VSL, TCL and BPL cooperated with SEBI and furnished the books of accounts demanded for. However, Mr. Molly who was in the Caribbean partying on his 60th birthday on one of the islands he owned there at the time when Mr. Sahoo issued summons, feared that the investigation into his business activities

was politically motivated and that he was being made a victim of his own success. He extended his stay in the Caribbean and refused to accede to the request of Mr. Sahoo and appear before him. He feared that he would be thrown in jail by the Indian authorities and thought it better not to return to India for the time being.

22. In the meanwhile, other investigating and enforcement agencies got wind of the possible violations of the foreign exchange regulations committed by Mr. Molly while funding his Formula 1 venture and they issued summons to Mr. Molly to appear before them as well. When Mr. Molly refused, they approached the Central Government which promptly suspended his passport and made sure Mr. Molly could not travel anywhere using his Indian passport.
23. SEBI conducted its investigation into the alleged diversion of funds and summoned various office bearers of VSL, TCL and BPL, respectively, and questioned them about the nature of the advances made during November and December 2010 in all the three companies. All eyes were on the regulator to see how swiftly and decisively they could act to get to the bottom of the matter. On February 11, 2014, a Whole Time Member of SEBI passed an ex-parte ad-interim order under Section 11(1), 11(4) and 11(B) of the SEBI Act, 1992 against Mr. Molly accusing him of *prima facie* having committed the following securities laws violations:
- Violation of Clause 36 of the Listing Agreement for making false and misleading disclosures to the stock exchanges in relation of the end use of loans obtained by FAL;
 - Violation of Regulation 3(i) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (“**PIT Regulations**”) by Mr. Molly, who was determined to be an “*insider*” of TCL under the PIT Regulations and for having dealt with the shares of TCL on November 28, 2010 while in possession of “*unpublished price sensitive information*”. The unpublished price sensitive information that Mr. Molly was allegedly in possession of was the fact that TCL had advanced Rs. 750 crores to its distributors, but the same was never going to be utilized in connection with TCL’s business, and it was instead used to make advances to CSPL in London;
 - Violation of Regulation 3(i) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (“**PIT Regulations**”) by Mr. Molly, who was determined to be an “*insider*” of BPL under the PIT Regulations and for having dealt with the shares of BPL on September 23, 2010 while in possession of “*unpublished price sensitive information*”. The unpublished price sensitive information that Mr. Molly was in possession of was the fact that BPL had advanced Rs. 750 crores to its distributors, but the same was never going to be utilized in connection with BPL’s business, and it was instead used to make advances to CSPL in London;

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 - Violation of Section 12A(c) of the SEBI Act, 1992 (“SEBI Act”) and Regulations 3(d); 4(1) along with 4(2)(e), (f) and (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“**PFUTP Regulations, 2003**”) for having manipulated the books of accounts of VSL;
 - Violation of Section 12A(c) of the SEBI Act, 1992 (“SEBI Act”) and Regulations 3(d); 4(1) along with 4(2)(e), (f) and (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“**PFUTP Regulations, 2003**”) for having manipulated the books of accounts of FAL;
 - Violation of Section 12A(c) of the SEBI Act, 1992 (“SEBI Act”) and Regulations 3(d); 4(1) along with 4(2)(e), (f) and (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“**PFUTP Regulations, 2003**”) for having manipulated the books of accounts of TCL;
 - Violation of Section 12A(c) of the SEBI Act, 1992 (“SEBI Act”) and Regulations 3(d); 4(1) along with 4(2)(e), (f) and (k) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“**PFUTP Regulations, 2003**”) for having manipulated the books of accounts of BPL;
24. In respect of the aforementioned violations the Whole Time Member of SEBI, in exercise of the powers conferred to him by Section 19 read with Section 11(1), 11(4) and 11(B) of the SEBI Act, issued the following directions:
- Mr. Molly was restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly;
 - Mr. Molly was restrained from holding the position as director or key managerial person of any listed company;
 - Directed SEBI to appoint an adjudicating officer to begin penalty proceedings against Mr. Molly under Section 23I of the Securities Contracts (Regulation) Act,

1956(“SCRA”) and Rule 5 of Securities Contracts (Regulations) Adjudication Rules, 1956 for violation of Section 23A, Section 23E and Section 24 of the SCRA read with Clause 36 of the Equity Listing Agreement;

- Disgorge the wrongful gain of Rs. 1,000 crores made by Mr. Molly by dealing in the shares of TCL while being in possession of unpublished price sensitive information. The aforesaid amount was to be paid, along with simple interest at the rate of 12% per annum from November 28, 2010 till the date of payment, within 45 (forty five) days from the date of this order by way of demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai;
 - Disgorge the wrongful gain of Rs. 3,000 crores made by Mr. Molly by dealing in the shares of BPL while being in possession of unpublished price sensitive information. The aforesaid amount was to be paid, along with simple interest at the rate of 12% per annum from September 23, 2010 till the date of payment, within 45 (forty five) days from the date of this order by way of demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai;
 - Disgorge the wrongful gain of Rs. 2,400 crores made by Mr. Molly by dealing in the shares of VSL while being in possession of unpublished price sensitive information. The aforesaid amount was to be paid, along with simple interest at the rate of 12% per annum from August 13, 2011 till the date of payment, within 45 (forty five) days from the date of this order by way of demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai;
25. The Whole Time Member directed Mr. Molly to treat the ex-parte ad-interim order passed by him as a show cause notice and directed him to file a reply within 21 days from the date of the order and granted him a personal hearing should he so wish to appear. Against this order by the Whole Time Member of SEBI, Mr. Molly has preferred an appeal before the Securities Appellate Tribunal, Mumbai (“SAT”).
26. The SAT has agreed to hear Mr. Molly’s appeal.

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