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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ CRL.M.C. 1919/2015 & Crl.M.A. 6866/2015, 11261/2015

WEBSITY INFOSYS LTD & ANR ..... Petitioners

Through: Mr. Ch. Ranjit Singh, Adv.

versus

SECUIRITIES & EXCHANGA BOARD OF INDIA ..... Respondent

Through: Mr. Ashish Aggarwal, Adv.

CORAM:
HON'BLE MR. JUSTICE R.K.GAUBA

O R D E R

% 11.07.2018

The petitioners are facing prosecution in criminal complaint case (CC No. 59/2005 and 23/2005) on the complaint of the respondent Securities and Exchange Board of India (SEBI) wherein allegations have been made of offences punishable under Sections 24 read with Section 27 of Securities and Exchange Board of India Act, 1992 and Section 420 IPC read with Section 120B IPC. The present petition challenges the summoning order passed on 02.01.2009 by the Metropolitan Magistrate. It has been pending since 2015.

When the matter was called out Chaudhary Ranjit Singh appearing for the petitioner sought adjournment on the ground that he has been engaged only today. The request was opposed. The record, upon perusal, showed that the submission made by the counsel present for the petitioner was not truthful. The previous proceedings would show that he has been appearing for the petitioner in the past though on some of the dates different counsel would also appear, his first appearance having been recorded on 31.08.2016.

In this view, it is really regrettable that the counsel, an officer of the court, should choose to make wrong submissions.

Having heard the submissions and having perused the record, this Court finds no merit in the petition. There is evidence relied upon which would, *prima facie,* show commission of the afore-mentioned offences leading to there being grounds to proceed against the petitioners.

The second petitioner was the chairman of the first petitioner company during the relevant period, the other persons impleaded as accused in the complaint being the directors. The inquiry by SEBI leading to the criminal complaint being lodged has brought out material showing that the second petitioner indulged in various acts of commission and omission which constitute breach of the regulations issued by SEBI prohibiting fraudulent and unfair trade practices relating to securities markets. To illustrate, the material shows, *prima facie,* that even after entering into agreement with National Securities Depository Ltd. (NSDL) in March, 2000, the shares were not dematerialised for a period of two months; the request for transfer of shares were delayed intentionally to the extent possible; out of turn dematerialisation was allowed in favour of nominee M.M. Miglani (fourth accused in the case) by manipulation of share price; the deliberate actions resulting in artificial shortage of shares in the market, which, in turn, resulted in increase in the share price of which advantage was taken by the second petitioner for himself and for the first petitioner to off-load their shares in the market to earn high profits - the various acts of commission and omission resulting in investors at large in the stock market being cheated on account of manipulation of the script of the first petitioner.

The counsel for the respondent SEBI also pointed out that the petitioners have not been appearing before the trial judge over quite some time and this has led to duress processes being issued against the second petitioner who has been evading the process. This is an additional ground why the petition ought not be entertained.

The petition and the pending applications are dismissed.

R.K.GAUBA, J

JULY 11, 2018
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