



SEBI drops insider trading charges against Vakrangee Softwares

Last Updated: Wednesday, October 10, 2012, 20:08

Mumbai: Market regulator SEBI Wednesday dropped charges against Vakrangee Softwares and its eight executives, related to violations of insider trading norms.

In two separate orders, SEBI (Securities and Exchange Board of India), exonerated Vakrangee Softwares (VSL) along with its eight executives from the charges, saying "there is no history of any irregularity/indulgence of any violation" by the these entities.

The regulator has dropped charges against company's compliance officer, Pratik Bhanushali, its Finance Head Prem Meiwai and six directors- Dinesh Nandwana, N K Hayatnagar, Ramesh M Joshi, Anil Patodia, Sunil Agarwal, BL Meena and BK Gupta.

SEBI in its probe had found that Meiwai had sold significant quantities of VSL's shares prior to the announcement of results for the quarter ended March 2009.

During the quarter ended March 31, 2009 VSL incurred a loss of Rs 29.72 crore compared to a profit of Rs 4.03 crore made by the company in the quarter ended December 31, 2008 due to write off of certain IT assets.

However, the investigation could not conclusively establish that Meiwai has traded while in possession of Unpublished Price Sensitive Information (UPSI) related to the company.

SEBI's probe had revealed that Bhanushali failed to implement the code of conduct in order to prevent insider trading and six directors had failed in supervision and ensuring that the required compliance with regard to the code.

Besides, it was also alleged that VSL has wrongly disclosed Prem Meiwai and Nishikant Hayatnagar as promoters of the company during March 2008 to September 2009, for misleading the investors.

"VSL has also failed to frame, adopt and enforce the code of internal procedures and conduct as near thereto the model code of conduct without diluting it in any manner and ensure the compliance of the same," SEBI had found.