

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. EAD-7/BJD/NJMR/2018-19/1979-2006

UNDER SECTION 23I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECTION 15I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995.

In respect of:

1. Exelon Infrastructure Ltd., (PAN: AAACM2862M) # 101, "A" Wing, Bhoomi Utsav Beside Kala Hanuman Temple M G Road, Kandivali (W) Mumbai – 400067.	2. Srinivasa Rao Marupudi (PAN: ACQPM0876L and BCDPM3124P) Flat No. 101, Jyothi Homes Plot No. 60, Sri Satya Sai Nigamagamam, Sri Nagar Colony Hyderabad – 500073.
3. Rahul Kolugiri (PAN: ARKPK1610P) 4-46/1, Mamidipally Karimnagar – 505301.	4. Gandodi Shaikh Jilan (PAN: AJZPG4155G) Flat No. 41052, Block 4, B Wing Jana Priya Utopia Apartments Hyderguda, Near Pillar No. 143 Attapur, Rajendra Nagar Hyderabad – 500048.
5. Miyati Gousal Adam (PAN: AMRPM1639G) No. 24, 2 nd Floor, 3 rd Street Parthasarathy Nagar Near Bus Stop, Thoraipakkam Chennai – 600096.	6. Nagendra Komera (PAN: AOAPK4529E) 8-3-169/129, Habeb Fatheema Nagar, Borabanda Hyderabad – 500018.
7. Shaik Ameer Basha (PAN: AEZPB3408A) H. No. 1-4-748, Flat No. 503 Royal Arcade Apartment Bholakpur, Musheerabad Hyderabad – 500020.	8. Ravindra Deshpande (PAN: AGOPD8942N) H. No. 3-6-154, Flat No. 501 Victory Vision, Near KFC Hlmayathnagar Hyderabad – 500029.
9. Gadde B Tirupati Rao (PAN: AHUPG9920A) Flat No. 101, Sharma Residency D.No. 54-20/3-23, Besides Gurudwara, Guru Nanak Nagar Vijayawada – 520008.	10. Ravi Chakravarti (PAN: AJXPR4789F) Plot No. 912, Vivekananda Nagar Colony, Kukatpally Hyderabad – 500072.

11. M Vishnuvardhan Rao (PAN: ABYPM0993M) 54-16-8/17, Loyola Gardens PO: Polytechnic Vijayawada – 520010.	12. PRK Venkatamurthi (PAN: AFQPP6066G) H.No. 40-9-34, Akhila Apartments Opp: Nalanda Vidya Niketan Near Benz Circle Acharya Ranga Nagar Vijayawada – 520010.
13. Srinivasa Yadav Sher (PAN: AUAPS8547G) Flat No. 304, Siri Enclave Srinagar Colony Hyderabad – 500073.	14. Cementex (India) Pvt., Ltd., (PAN: AAACC9265A) Flat No. 304, Siri Enclave Srinagar Colony Hyderabad – 500073.
15. Ram Krishna Makkena (PAN: BCKPK1101P) B-104, Usha Enclave Navodaya Colony, Srinagar Colony, Near Satyasai Nigamam Hyderabad – 5000073.	16. Anitha Yarlagaadda (PAN: ACAPY5774B) 102, Coral Block Phase 2, Sri Sai Ram Manor Sri Nagar Colony, Yousufguda Hyderabad – 500045.
17. Salma Sharafat Khan (PAN: BVSPK9348F) Himalayan Heights Building No. 11A, 1002 Bhakti Park, Near Imax Wadala East, Mumbai – 400037.	18. Seema Gandhi (PAN: AAEPG0960B) B-35, Shri Mahavir Apartments 3 rd Floor, Ratan Nagar, DND Marg Dahisar East, Mumbai – 400068.
19. Ronak Ashwin Choksi (PAN: ADDPC2938D) 501/5, RBI Ameya Co-operative Housing Society, N M Mankikar Marg, Opp: CII, Sion Mumbai – 400022.	20. Veerabhadra Rao Dandamudi (PAN: ABVPD6656R) 103, Coral Block, Sri Ram Manor Phase 2, Srinagar Colony Yusuf Guda, Hydereabad-500045
21. Divyesh Harish Surana (PAN: DALPS0578H) Room No. 4, 2 nd Floor Somji Building, Dr. M G Mahimtura Marg, Kumbharwada Mumbai – 400004.	22. Jayesh Himatlal Mehta (PAN: AIFPM2216D) 3 rd Floor, 258, Dr. Annie Besant Road, 12 Manjrekar Sadan Worli, Mumbai – 400025.
23. Shivcharan S Kashya (PAN: ATOPK6636K) Kanchwala Compound Shiv Vallabh Road Near Jeevdani Building, Hanuman Tekdi, Kajupada Borivali East, Mumbai – 400066.	24. Swarna Kumari Kolli (PAN: ADAPK6468K) 102, Coral Block Phase 2, Sri Sai Ram Manor Sri Nagar Colony, Yousufguda Hyderabad – 500045.
25. Shailshil T Jhaveri (PAN: AGQPJ8664F) A/11, Lavanya Society Opp: Krupa Flats, Vejalpur Police Station, Vasna Ahmedabad – 380007.	26. Sharadhbhai R Jhaveri (PAN: AMIPJ5748G) 309, Dhiraj Avenue Opp: Chadawad Policy Chowki Ambawadi, Ahmedabad-380006.

27. Manish Ratilal Shah (PAN: AZMPS2291J) 2, Mahavir Flats Shahpur Chakla, Shahpur Ahmedabad – 380001.	28. Ajitbhai P Vasa (PAN: ABTPV8259J) B/9, Harimahadev Flats Near Karamjyot Society Mirambica Road, Naranpura Ahmedabad – 380013.
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(The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as “the Noticees”)

In the matter of Exelon Infrastructure Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) conducted investigation in the scrip of Exelon Infrastructure Ltd., (**“Exelon”** / **“Company”**) for any possible violation of the provisions of SEBI Act, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **“PFUTP”** Regulations), SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as **“PIT”** Regulations) and other disclosure requirements, by certain connected entities and the promoters of the Company during the period December 9, 2010 and January 20, 2012 (hereinafter referred to as **“Investigation Period”**). The shares of Exelon were listed on the Bombay Stock Exchange (**“BSE”**).
2. The investigation in the matter was triggered by abnormal price movement in the scrip, created by positive corporate announcements by the company not supported by the fundamentals of the company.
3. The investigation revealed that Exelon, its Promoters and Directors and connected persons / group have violated the provisions of Listing agreement, Securities Contracts (Regulation) Act, 1956 (SCRA), SEBI (PIT) Regulations, 1992 & 2015 and SEBI (Substantial Acquisition of Shares & Takeovers), 1997 & 2011 (*hereinafter referred to* **“SAST Regulations”**), and SEBI (PFUTP) Regulations, 2003 {*as applicable*}. The summary of findings in brief observed during the course of investigation in respect of the Noticees

1 to 28 and the corresponding violations of respective Regulations, which are alleged to have been committed by the Noticees, are furnished hereunder.

Sl. No.	Name of the Noticee	Summary of findings	Violations observed
1	Exelon Infrastructure Ltd.,	<p>Failed to frame code of conduct for prevention of insider trading.</p> <p>Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors.</p> <p>Non-compliance of listing agreement.</p>	<p>Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.</p> <p>Regulation 3 (b) (c) (d), 4 (2) (k) and (r) of PFUTP Regulations.</p> <p>Clause 31 (a), 35, and 41 of Listing Agreement read with Section 21 of SCRA.</p> <p>Clause 54 of Listing Agreement read with Section 21 of SCRA.</p>
2	Srinivasa Rao Marupudi	<p>Failed to frame code of conduct for prevention of insider trading.</p> <p>Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors</p> <p>Failed to make disclosures under SEBI (SAST) and (PIT) Regulations.</p> <p>Executed self-trades, thereby creating artificial volume.</p>	<p>Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.</p> <p>Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a), 4 (2) (g), 4 (2) (k) and 4 (2) (r) of PFUTP Regulations.</p> <p>Regulation 13 (1), 13 (3), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.</p> <p>Regulation 7 (1), 7 (1A) read with Regulation 7 (2) of SAST Regulations, 1997.</p>
3	Rahul Kolugiri	Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
4	Gandodi Shaikh Jilan		
5	Miyati Gousal Adam		
6	Nagendra Komera		
7	Shaikh Ameer Basha	Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of

		Failed to make disclosures under SEBI (SAST) and (PIT) Regulations.	Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 13 (2), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 7 (1A) read with Regulation 7 (2) of SAST Regulations, 1997.
8	Ravindra Deshpande	Failed to frame code of conduct for prevention of insider trading. Failed to make disclosures under SEBI (SAST) and (PIT) Regulations.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 13 (1), 13 (2), 13, 13 (3), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 7 (1), 7 (1A) read with Regulation 7 (2) of SAST Regulations, 1997.
9	Gadde B Tirupathi Rao	Failed to frame code of conduct for prevention of insider trading. Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations.
10	Ravi Chakravarthi		
11	M Vishnuvardhan Rao		
12	P R K Venkatamurthi		
13	Srinivas Yadav Sher	Failed to frame code of conduct for prevention of insider trading. Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors Failed to make disclosures under SEBI (SAST) and (PIT) Regulations.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations. Regulation 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation

			12 of PIT Regulations, 2015. Regulation 7 (1A) read with Regulation 7 (2) of SAST Regulations, 1997.
14	Cementex (India) Pvt., Ltd.,	Failed to make disclosures under SEBI (SAST) and (PIT) Regulations.	Regulation 13 (3), 13 (4A) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 8 (2), 7 (1A) read with Regulation 7 (2) of SAST Regulations, 1997. Regulation 29 (2) read with Regulation 29 (3) of SAST Regulations, 2011.
15	Ram Krishna Makkena	Failed to make disclosures under SEBI (PIT) Regulations.	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
16	Anitha Yarlagaadda	Failed to make disclosures under SEBI (SAST) and (PIT) Regulations. Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.
17	Salma Sharafat Khan	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.
18	Seema Gandhi		
19	Ronak Ashwin Choksi	Execution of synchronized & self-trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.
20	Veerabhadra Rao Dandamudi	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	
21	Divyesh Harish Surana	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip. Indulging in increasing the price of the scrip and establishing the base price for further trades, contributing to NHP through first trades.	
22	Jayeshs Himatlal Mehta	Execution of synchronized & self - trades thereby creating artificial	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of PFUTP Regulations.
23	Shivcharan S Kashyap		

		volume, thus leading to false & misleading appearance of trading in the scrip. Indulging in increasing the price of the scrip and establishing the base price for further trades, contributing to NHP through first trades.	
24	Swarna Kumari Kolli	Failed to make disclosures in terms of SEBI (PIT) Regulations.	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.
25	Shailshil T Jhaveri	Execution of synchronized trades, reversal trades & self-trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.
26	Sharadbhai R Jhaveri	Execution of synchronized trades & reversal trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	
27	Manish Ratilal Shah		
28	Ajitbhai P Vasa		

APPOINTMENT OF ADJUDICATING OFFICER

4. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticees and appointed the undersigned as Adjudicating Officer vide Order dated May 18, 2017 (*communicated on June 8, 2017*), under Sub-section (1) of Section 23-I of SCRA and Rule 3 of Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (*hereinafter referred to as “SCR Adjudication Rules”*) and under Section 19 read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (*hereinafter referred to as “Adjudication Rules”*) to inquire into and adjudge the alleged violations committed by the Noticees as mentioned in para 2 above, under Section 23 A (a) read with Section 23E of SCRA, Section 15HA, 15HB and 15 A(b) of SEBI Act {as applicable}.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice (*hereinafter referred to as “SCN”*) bearing ref. no. EAD/BJD/NJMR/27215/2017 dated October 31, 2017 was issued to the

Noticees under Rule 4 of SCR Adjudication Rules and SEBI Adjudication Rules to show cause as to why an inquiry be not held against them in terms of Rule 4 of the SCR Adjudication Rules & SEBI Adjudication Rules and penalty be not imposed under the relevant Sections of SCRA & SEBI Act for the violations alleged to have been committed by them.

6. The SCN was received by the Noticees 4, 7, 8, 10, 11, 16, 18, 20, 21, 22, 23 and 28. The SCN sent to the Noticees 1, 2, 3, 5, 6, 12, 13, 14, 15, 17, 19, 24, 25 and 26 returned undelivered with the remarks “left” / “addressee not known”. Therefore, in terms of Rule 7 (c) of SCR Rules and Adjudicating Rules (*as applicable*), attempts were made to serve the SCNs by way of affixation, but the same could not be carried out due to the objections raised by the present occupants who were not the Noticees.
7. In the interest of natural justice and in terms of Rule 4 (3) of SCR Rules and SEBI Adjudication Rules, an opportunity of personal hearing was accorded to all the Noticees on May 15, 2018, which was communicated; vide Notice dated April 27, 2018. In accordance with Rule 7 (b) of SCR Rules and Adjudicating Rules, the Notice of hearing was also sent through electronic mail digitally signed to all the Noticees on June 28, 2018. I note that the email sent to the Noticees did not bounce. The Notice of hearing was received by the Noticees 4, 7, 8, 10, 11, 16, 18, 20, 21, 22, 23 and 28. The Notice of hearing sent to the Noticees 1, 2, 3, 5, 6, 12, 13, 14, 15, 17, 19, 24, 25 and 26 returned undelivered with the remarks “left” / “addressee not known”.
8. I note that the Noticees 4, 9, 18, 21, 22 and 23 submitted their replies, which are summarized hereunder:

Noticee 4: Gandodi Shaikh Jilan

Joined Exelon as a Marketing Manager for upcoming power projects. The Management Team of Exelon requested me to work as an Additional Director for some time. For the sake of job I accepted their offer and Exelon appointed me as an Additional Director on February 9, 2012. After six months I resigned my job in Exelon for other good opportunity. I am not involved in trading activity of shares, which can be seen from my trading and demat accounts.

Noticee 9: Gadde B Tirupati Rao

I am unaware of matters happened in Exelon since last nine years and I have no contact with the Company. I had sent my resignation letter as Director of Exelon on July 10, 2008, which was given by hand to the Company, but I don't know whether Form 32 was filed or not. I had sent copies of my resignation letters to RoC, Mumbai and BSE also, copies of which are attached, besides acknowledgment received from RoC, Mumbai. I joined Exelon in year 2005 and an amount of ₹ 3,000 per month was paid to me to be a Director on the Board. In 2008, I did not get that amount for 7 months and hence I left the Company. When I was working there, I was forced to do whatever Mr. Marupudi Srinivasa Rao instructed me to do so. After giving my resignation, I didn't sign any paper belongs to Exelon. If any statement or paper found by you with my signature after July 10, 2008, please let me know so that I can file criminal complaint against them. I didn't participate in any share trading and I don't have demat account also. From my bank accounts, you may observe that there were no unusual or abnormal transactions. I am also attaching the copy of corporate announcement / outcome of AGM sent by Exelon to BSE in the month of October 2008 stating that my reappointment as Director was not approved by the members. It can be observed that I have no connection with Exelon from July 10, 2008.

Noticee 18: Seema Gandhi

Please look into the Order passed by the Hon'ble WTM on April 28, 2017 in the same matter, for consideration.

Noticee 21: Jayesh Himatlal Mehta

A detailed reply was submitted on 10/04/2017 to the SCN received from EFD, SEBI, consequent upon which an Order passed by the Hon'ble WTM of SEBI dated August 24, 2017 was served upon me, in the same matter. I request you to please go through the Order mentioned above before you proceed for further investigation.

Noticee 22: Divesh H Surana

Please look into the Order passed by the Hon'ble WTM on April 24, 2017 in the same matter, for consideration, which was also submitted to Hon'ble Securities Appellate Tribunal (SAT).

Noticee 23: Shivcharan S Kashyap

In terms of Hon'ble WTM Order dated April 24, 2017, I am already barred from trading for 3 years. A copy of the Order is attached, which was also submitted to Hon'ble SAT in the same matter. I hereby request you to look into the matter as early as possible.

9. I note that on the scheduled date of hearing i.e., May 15, 2018 Noticee 18 appearing for personal hearing through her Authorized Representative and reiterated the submissions made by her vide letters dated November 16, 2017 and May 7, 2018.
10. In respect of the Noticees 1, 2, 3, 6, 12, 13, 14, 15, 17, 19, 24, 25 & 26 to whom SCN and Notice of hearing sent were returned undelivered, soft copies of the same were uploaded on SEBI website www.sebi.gov.in for the information of the Noticees. Since the SCNs and Notices of hearing could not be served upon the Noticees 1, 2, 3, 6, 12, 13, 14, 15, 17, 19, 24, 25 & 26 by email / speed post / affixture, in terms of Rule 7 (d) of SCR Adjudication Rules and SEBI Adjudication Rules, a Notice was published in two newspapers one in a daily newspaper having nationwide circulation and another in a newspaper having wide circulation published in the language of the region where that Noticee was last known to have resided or carried on business. Vide the aforesaid Noticees, the Noticees were given a timeframe of 14 days from the date of publication in newspapers to submit their reply, if any, to the charges alleged in the SCN besides being provided with an opportunity of personal hearing. The details of publication of Notices in the newspapers and the corresponding date of personal hearings in respect of the Noticees 1, 2, 3, 6, 12, 13, 14, 15, 17, 19, 24, 25 & 26 are furnished hereunder.

Name of the Noticee	Name of the News Paper having nationwide circulation	Date of publication	Name of the regional news paper	Date of publication	Date of hearing
Exelon Infrastructure Ltd.,	The Times of India, Mumbai and Hyderabad Editions	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
Srinivasa Rao Marupudi	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
Nagendra Komera	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Karimnagar Edition	30/06/2018	July 18, 2018
PRK Venkatamurthi	Deccan Chronicle, Vijayawada Edition	19/07/2018	Sakshi, Vijayawada Edition	30/06/2018	July 27, 2018 and

					July 18, 2018
Srinivasa Yadav Sher	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
M Vishnuvardhan Rao	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Vijayawada Edition	30/06/2018	July 18, 2018
Cementex (India) Pvt., Ltd.,	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
Ram Krishna Makkena	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
Salma Sharafat Khan	The Times of India, Mumbai	02/07/2018	Lokmat, Mumbai Edition	30/06/2018	July 18, 2018
Ronak Ashwin Choksi	The Times of India, Mumbai	02/07/2018	Lokmat, Mumbai Edition	30/06/2018	July 18, 2018
Swarna Kumari Kolli	The Times of India, Hyderabad Edition	02/07/2018	Sakshi, Hyderabad Edition	30/06/2018	July 18, 2018
Shaishil T Jhaveri	The Times of India, Ahmedabad Edition	02/07/2018	Divya Bhaskar, Ahmedabad Edition	19/07/2018	July 27, 2018 and July 18, 2018
Sharadhbhai R Jhaveri	The Times of India, Ahmedabad Edition	02/07/2018	Divya Bhaskar, Ahmedabad Edition	19/07/2018	July 27, 2018 and July 18, 2018

I note that the aforementioned Noticees neither filed their reply to the charges alleged in the SCN nor appeared for personal hearing.

11. Further, in respect of Noticee 5 i.e., Miyati Gousal Adam, in terms of Rule 7 (b) of SEBI Adjudication Rules, the SCN was sent by through digitally signed email on December 31, 2018. Vide the aforesaid email, the Noticee was given time till January 14, 2019 to furnish his reply to the charges alleged in the SCN, besides being provided with an opportunity of personal hearing on January 16, 2019. I note that the email did not bounce. I also note that the Noticee neither furnished his reply to the SCN nor attended the personal hearing.

12. I note that despite the SCN and hearing notices having been duly served upon the Noticees 1, 2, 3, 5, 6, 12, 13, 14, 15, 17, 19, 24, 25 & 26 (*through newspapers & email*), the Noticees failed to submit their reply to the SCN and have not refuted the charges. In respect of the Noticees 8, 10, 11, 16, 20, 21 & 28, who had received the SCN & Notice of hearing, neither submitted their reply nor availed the opportunity of personal hearing. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) wherein it, inter alia, observed that - "*..... the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them*".
13. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others v SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), inter alia, observed that – "*.....As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices.....*".
14. In view of the above, I am of the opinion that the SCN and Notices of hearing have been duly served upon the Noticees 1, 2, 3, 5, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 24, 25, 26 & 28, but the Noticees failed to reply and also failed to avail the opportunity of personal hearing. The principle of natural justice has been followed in the matter, as enough opportunities were provided to the Noticees to reply to the SCN and appear for hearing. Therefore, I am inclined to decide the matter ex-parte taking into account the evidence / material available on record.

CONSIDERATION OF ISSUES

15. After perusal of the material available on record, I have the following issues for consideration, viz.,

(i) *Whether the Noticees have violated the provisions of the following::*

(a) *SEBI (PFUTP) Regulations, 2003*

(b) *Listing Agreement read with Section 21 of SCRA;*

(c) *SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011;*

(d) *SEBI (PIT) Regulations, 1992 read with SEBI (PIT) Regulations, 2015;*

(ii) *Does the violation, if any, attract monetary penalty under Section 23 A(a), 23E of SCRA, Section 15 A (b), 15HA and 15HB of SEBI Act.?*

(iii) *If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?*

16. I have taken into consideration the facts and material available on record in respect of the Noticees and the same are dealt hereunder as per the nature of violations.

ALLEGED VIOLATION: *It was alleged that the Company and its Directors devised a manipulative scheme to increase the price of the scrip for offloading the shares held by the Promoters / Directors and other connected entities, by submitting misleading corporate announcement to the Stock Exchange and thereby violated the provisions of Regulation 3 (b), (c), (d), 4 (2), (k) and (r) of SEBI (PFUTP) Regulations, 2003.*

17. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI (PFUTP) Regulations alleged to have been violated by the Noticees, which reads as under:

Regulation 3: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.*

Regulation 4: - Prohibition of manipulative, fraudulent and unfair trade practices

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:

- (k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;*
- (r) planting false or misleading news which may induce sale or purchase of securities;*

18. The Directors of the Company during the investigation period is tabulated hereunder:

Source - BSE Website

Sl. No.	Name of the Director	Designation	Date of Appointment	Date of Cessation
1	Srinivasa Rao Marupudi	Director, CEO & Compliance Officer	03/09/2007	-
2	Gadde Butchi Tirupati Rao	Director	25/10/2006	27/10/2011
3	Ravi Chakravarti	Director	03/09/2007	27/10/2011
4	M. Vishnuvardhana Rao	Director	03/09/2007	27/10/2011
5	P.R.K.Venkatamurthi	Director	03/09/2007	27/10/2011
6	Srinivas Yadav Sher	Director	01/09/2010	-
7	Ravindra Deshpande	Additional Director	20/07/2011	07/02/2012
8	Shaik Ameer Basha	Managing Director	21/10/2011	17/09/2014
9	Miyati Gousal Adam	Director	21/10/2011	21/04/2014
10	Rahul Koluguri	Director	24/11/2011	09/08/2014
11	Nagendra Komera	Director	24/11/2011	20/08/2014
12	Gandodi Shaikh Jilan	Additional Director	10/01/2012	30/12/2012

19. **Shareholding pattern:** The paid-up share capital of the Company during the quarter ended December 2010 was 66,68,800 shares. During the quarter ended March 2011, the no., of shares of the company increased from 66,68,800 shares to 1,33,37,600 shares on account of subdivision of equity share from face value of ₹ 10/- per share to ₹ 5/- per share on March 23, 2011. Quarterly shareholding pattern of the company during the period of investigation is furnished hereunder.

Source - BSE Website

Particulars	Quarter ended Sep 2010			Quarter ended Dec 2010			Quarter ended Mar. 2011		
	No. of shareholders	No. of shares	% share holding	No. of shareholders	No. of shares	% share holding	No. of shareholders	No. of shares	% share holding
Promoter Holding	5	1335900	20.03	5	1193900	17.90	5	1875800	14.06
NonPromoter Holding	1823	5332900	79.97	1786	5474900	82.10	1574	11461800	85.94
Total no. of shares	1828	6668800	100	1792	6668800	100	1580	13337600	100

Particulars	Quarter ended Jun 2011			Quarter ended Sep 2011			Quarter ended Dec 2011			Quarter ended Mar 2012		
	No. of shareholders	No. of shares	% share holding	No. of shareholders	No. of shares	% share holding	No. of shareholders	No. of shares	% share holding	No. of shareholders	No. of shares	% share holding
Promoter Holding	5	1734800	13.01	1	1728048	12.96	1	1651430	12.38	1	1467422	11.01
Non Promoter Holding	1620	11602800	86.99	1981	11609552	87.04	2080	11686170	87.62	2147	11870178	88.99
Total no. of shares	1626	13337600	100	1983	13337600	100	2082	13337600	100	2149	13337600	100

20. From the shareholding pattern of the company, it is observed that the shareholding of promoters has reduced from 20.03% during the quarter ended September 2010 to 11.01% during the quarter ended March 2012. The total no., of promoters of the Company decreased from 5 to 1 from the quarter ended period September 2010 to June 2011
21. Below mentioned is the breakup of promoter shareholding during the investigation period.

Shareholding Pattern of promoters						Source - BSE Website			
Sl. No.	Promoter shareholding	Sep-10	Sep-10	Dec-10	Dec-10	Mar-11	Mar-11	Jun-11	Jun-11
		Quantity	%	Quantity	%	Quantity	%	Quantity	%
1	Shradha Pareshkumar Manik	5000	0.07	5000	0.07	10000	0.07	10000	0.07
2	Jayantilal Dayabhai Manik	500	0.01	500	0.01	1000	0.01	1000	0.01
3	Paresh Kumar D Manik	200	0	200	0	400	0	400	0
4	Siddharth S Manik	200	0	200	0	400	0	400	0
5	Cementex India Pvt Ltd	1330000	19.94	1188000	17.81	1864000	13.98	1723000	12.92
	Total	1335900	20.02	1193900	17.89	1875800	14.06	1734800	13

Sl. No.	Promoter shareholding	Sep-11	Sep-11	Dec-11	Dec-11	Mar-12	Mar-12
		Quantity	%	Quantity	%	Quantity	%
1	Shradha Pareshkumar Manik						
2	Jayantilal Dayabhai Manik						
3	Paresh Kumar D Manik						
4	Siddharth S Manik						
5	Cementex India Pvt Ltd	1728048	12.96	1651430	12.39	1467422	11.01
	Total	1728048	12.96	1651430	12.39	1467422	11.01

22. From the above table, it was observed that Cementex India Pvt., Ltd., was holding the maximum no., of shares of the Company. I note that the as per MCA records, Directors of Cementex India Pvt., Ltd., were Srikrishna Vadlamudi and Srinivas Yadav Sher. Further, Srinivas Yadav Sher was also a director in Exelon Infrastructure Ltd.,
23. **Financial Results:** (Source: www.bseindia.com) The company has reported Profit/Loss during the period under investigation as under:

(` in million)

Description	Quarter Ended							Year Ended		
	Sep.10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12	Mar 10	Mar 11	Mar 12
Total Income	118.95	76.49	143.29	153.01	113.00	118.65	141.04	297.86	382.95	525.70
Total expenditure	-113.55	-72.25	-139.37	-148.42	-107.97	-113.39	-128.60	-286.54	-362.89	-498.38
Net Profit/Loss	4.05	3.23	3.42	4.09	4.53	4.76	10.78	11.18	17.52	24.16

24. During the period under investigation, the total income of the company increased from ₹ 76.49 million (quarter ended December 2010) to ₹ 141.04 million (quarter ended March 2012). Similarly, the net profit increased from ₹ 3.23 million (quarter ended December 2010) to ₹ 10.78 million (quarter ended March 2012).

25. **Major Corporate announcements during the period under investigation:** There were major announcements by the Company during the investigation period pertaining to sub-division of share capital, issuance of equity shares up to ₹10 crore equity shares of ₹ 10/- each to promoters and others by way of follow-on public issue, rights issue, preferential issue, etc., and to issue GDR & /ADR convertible into equity shares, FCCB, warrants, convertible into depository receipts on preferential basis up to ₹ 200 crore, issue of shares on QIP basis, entering into power sector and proposal to setup a coal based thermal power plant. The details of corporate announcement made by the company and the status of implementation of the same during the investigation period are given in the following table:

Sl. No.	Date and time of announcement	Details of announcement at BSE.	Status of Implementation
1	Outcome of board meeting. Feb.10, 2011 (7:14:35 pm)	BOD has duly approved following: 1) To issue up to 10 crore equity shares of ₹10/- each to promoters and other by way of follow on public issue, rights issue, preferential allotment etc. 2) To issue GDR and/or ADR convertible into equity shares, FCCBs, warrants convertible into DRs on preferential basis up to ₹ 100 crores. 3) To issue shares on QIP basis.	No information provided by Company. --do-- --do--
2	Feb.23, 2011 (3:01:17 pm)	Proposal for setting up coal based thermal power plant.	--do--
3	Outcome of EGM Mar 7, 2011 (1:56:02 pm)	EGM accorded following: 1) To sub-divide the equity shares from 1 equity share of ₹10/- each into 2(two) equity shares of ₹ 5/- each.	1) Implemented as per disclosure available on BSE website.

Sl. No.	Date and time of announcement	Details of announcement at BSE.	Status of Implementation
		2) To issue up to 20 crores equity shares for the purpose of preferential allotment, public issue, rights issue, preferential allotment etc. 3) To issue GDR and/or ADR convertible into equity shares, QIBs, FCCBs, Warrants convertible into DRs on preferential basis up to ₹ 200 crores.	2) No information provided by Company. --do--

26. From the share capital of the company, I note that the announcement pertaining to sub-division of share capital was implemented by the company. However with regard to the other announcements, the company has not provided any information relating to their implementation.

27. During the period of the abovementioned Corporate Announcements, the Directors of Exelon were as follows –

SL. NO.	NAME
1.	Srinivasa Rao Marupudi
2.	Gadde Butchi Tirupati Rao
3.	Ravi Chakravarti
4.	M. Vishnuvardhana Rao
5.	P. R. K. Venkatamurthi
6.	Srinivas Yadav Sher

28. The corporate announcements mentioned at Sl. No. 1 & 3 of above table of details of major corporate announcements, are in the nature of issue of fresh securities (except the announcement of stock split). However, from the balance sheet of the company as well as shareholding pattern of the company for the financial years 2010-11 and 2011-12, I note that the total shareholding of the company has not changed during the investigation period, except for the change after the stock split during March 2011.

29. Further, it is observed that Exelon and its Directors did not inform BSE about non-implementation of decisions taken in the aforesaid three meetings (held on February 10, 2011, February 23, 2011 and March 7, 2011). I also note that the Investigation Authority had sought from the Company and the Directors the status of implementation of the corporate announcements made by it during the period February, 2011 and March, 2011. However, the Company failed to furnish the status of implementation of corporate announcements. These facts suggest that Exelon did not implement any of

the Corporate Announcements other than the announcement pertaining to the splitting of shares. Exelon and its 6 Directors therefore, made separate Corporate Announcements of a positive nature to BSE on the aforesaid dates, which led to an increase in the price of the scrip of that company; however, without any intention of implementing them.

30. In my view, the deliberate false/misleading statements, misrepresentations of the material facts and active suppression and concealment of material facts as *prima facie* found in this case amount to '*suppressio veri* and *suggestio falsi*' which is a facet of '*fraud*' as defined in regulation 2(1)(c) of the PFUTP Regulations.
31. On analysing the trade data and the corporate announcements submitted by the Company, I note that the company along with its Directors and other connected entities, by acting together as a group formulated a 2 pronged scheme to make illegal gains and defraud the genuine investors. This 2 pronged scheme is detailed herein below:
32. On one hand, the Company had submitted corporate announcements (without any intention to implement them) to BSE during Feb 10, 2011 to March 07, 2011. It was also evident that these corporate announcements were of positive nature and the price of the scrip increased from ₹ 58.75 on Feb 10, 2011 to ₹ 108.85 on March 18, 2011 (an increase of 85.28% in 26 trading days during the period of announcements).
33. On other hand, the Promoter / Director connected entities have manipulated the price of the scrip by contributing ₹ 71.05 to New High Price (NHP) out of total market NHP of ₹ 93.35 (76.11% of market NHP) during the period December 08, 2010 to March 23, 2011 (the period of price rise before stock split) by trading in 67,454 shares (0.87% of market volume during that period). Further, these entities have manipulated the price after stock split also and contributed ₹ 17.4 to NHP out of total market NHP of ₹ 38.25 (45.49% of market NHP) during the period March 24, 2011 to June 13, 2011

(the period of price rise after stock split) by trading in 918 shares (0.02% of market volume during that period).

34. The Noticee 9 i.e., Gade B Tirupati Rao in his submissions stated that he had sent his resignation as a Director of Exelon on July 10, 2008. The Noticee also submitted a print out of corporate announcement made by Exelon to BSE about the outcome of AGM of the Company held on September 29, 2008. I note from the resolutions passed by the members of Exelon that, the members did not approve the re-appointment of Shri G B T Rao as Director. However, I note from the BSE examination report dated July 19, 2011 that Gade B Tirupati Rao was shown as one of the Directors of Exelon, as per Ministry of Corporate Affairs Website. Further, I note from the Register of Directors of Exelon furnished by Ministry of Corporate Affairs on December 3, 2015, that Gadde B Tirupati Rao was shown as a Director of Exelon with the following details:

Original date of appointment - October 25, 2005

Date of appointment of current designation – September 3, 2007

Date of cessation – October 27, 2011

35. On perusal of the aforesaid data of Ministry of Corporate Affairs, I note that the Noticee 9 was in fact remained as a Director of Exelon during the period of investigation (*up to October 27, 2011*). Even though the members of Exelon did not approve the re-appointment of the Noticee in it the Board meeting held on September 29, 2008, the Noticee still remained as one of the Directors of Exelon till October 27, 2011, which is corroborated from the records of MCA as discussed above. The evidences produced by the Noticee of having submitted his resignation lacks any acknowledgement of receipt either by Exelon or by the Registrar of Companies. Therefore, I am not inclined to give any relief to the Noticee as regards his position as Director in Exelon during the investigation period and hold him liable for the violation committed by Exelon and its Directors.

36. In this connection, the observation of the Hon'ble Supreme Court in the matter of N Narayanan Vs. Adjudicating Officer, SEBI in Civil Appeal Nos., 4112-4113 of 2013 (Order dated April 26, 2013) is worth mentioning, which reads as under.

"SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc., or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of this country and "market security" is our motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a divided lot. SEBI has, therefore, a duty to protect investors individual and collective, against opportunistic behaviour of Directors and Insiders of the listed companies so as to safeguard market's integrity".

37. As far as the role of directors is concerned in the functioning of a listed company, the following observation of Hon'ble Supreme Court in the matter of N. Narayanan Vs. Adjudicating Officer, SEBI, (Judgment of 2013) is relevant:-

"word of caution: SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market."

38. In view of the above, I conclude that the Company (i.e., Noticee 1) along with its 6 Directors viz., Srinivasa Rao Marupudi, Gadde B Tirupati Rao, Ravi Chakravarthy, M Vishnuvardhan Rao, P R K Venkatamurthi & Srinivas Yadav Sher (Noticee 2, 9, 10, 11, 12 and 13), by acting together as a group formulated a manipulative scheme to increase the price of the scrip, for offloading the shares held by the promoters, directors and other connected entities, by submitting misleading corporate announcement to the Stock Exchange and thus violated the provisions of Regulation 3(a), (b), (c), (d), 4 (2), (k) and (r) of SEBI (PFUTP) Regulations 2003.

ALLEGED VIOLATION: It was alleged that the Company, its Compliance Officer and the Directors had failed to frame the Code of Conduct for prevention of insider trading and thus violated the provisions of Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the SEBI (PIT) Regulations, 1992 read with Regulation 12 of SEBI (PIT) Regulations, 2015.

39. The objective of framing a Model Code of Conduct under the SEBI (PIT) Regulations, 1992 is to prevent insider trading and prevent misuse of the price sensitive information which undermines the confidence of the investors. I note that SEBI (PIT) Regulations specifically provide that every listed company should frame its own code of conduct for prevention of Insider Trading and adopt appropriate mechanisms and procedures to enforce the codes. Further, Model Code of Conduct also requires that a listed company should appoint a senior level employee as a Compliance Officer, who shall report to the Managing Director/ Chief Executive Officer, and who shall inter alia be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information and implementation of the code of conduct under the overall supervision of the Board of the listed company. Thus, I find that putting in place a Code of Conduct as near thereto the Model Code of Conduct is vital for preventing insider trading.

40. Regulation 12(1) of SEBI (PIT) Regulations, 1992 (with effect from 20/2/2002) provides for Code of internal procedures and conduct, for listed companies and other entities. Regulation 12(1) inter alia states that

"All listed companies and organizations associated with securities markets, shall frame a code of internal procedures and conduct as near thereto the Model code specified in Schedule I of these Regulations without diluting it in any manner and ensure the compliance of the same".

41. I note that the Investigating Authority sought a confirmation from the company whether it has adopted the Model Code of Conduct prescribed under Schedule I of the SEBI (PIT) Regulations, 1992. In reply, the Company vide letter dated December 31, 2013 submitted that the code of conduct as finalized will be minuted in the ensuing board meeting of the Company scheduled in the month of January / February 2014. On perusal of the reply submitted by the Company, I note that the Company has not framed the Code of Conduct for prevention of insider trading, which is required to be done under Regulation 12 (1) of SEBI (PIT) Regulations, 1992.

42. From the submission of the Noticee 4 i.e., Gandodi Shaikh Jilan, I note that he had lent his name as an Additional Director against some job promise by the Noticee 2. Name lending is a serious offence which enables manipulators to carry out their nefarious activities by masking their identity and the ultimate beneficiary of manipulative scheme of things. Therefore, I am not inclined to view the acts of voluntary name lending by Noticee 4 leniently, as such acts have facilitated market operators to devise and deploy deceptive, fraudulent and manipulative schemes in the scrip of Exelon.

43. In this context, it is worthwhile to note that the Hon'ble Securities Appellate Tribunal in the matter of Shri N. Narayanan, Shri K. Natarajan, Shri K.S. Kashiraman and Shri G. Ramakrishanan vs. SEBI (Appeal No. 29 of 2010 decided on October 05, 2012) has made the following observations:

"With the changing scenario in the corporate world the concept of corporate responsibilities is also rapidly changing day by day. The director of a

company cannot confine himself to lending his name to the company but taking light responsibility for its day to day management. While functions may be delegated to professionals, the duty of care, diligence, verification of critical points by directors cannot be abdicated. The directors are expected to have hands on approach in the running of the company and take up responsibility not only for the achievements of the company but also the failings thereto".

44. It is established beyond doubt that the Company and its Board of Directors & Compliance Officer (Noticee1-Exelon, Noticee2-Srinivasa Rao Marupudi, Noticee3- Rahul Kolugiri, Noticee4-Gandodi Shaikh Jilan, Noticee5- Miyati Gousal Adam, Noticee6-Nagendra Komera, Noticee7-Shaikh Ameer Basha, Noticee8-Ravindra Deshpande, Noticee9-Gadde B Tirupati Rao, Noticee10-Ravi Chakravarti, Noticee11-M Vishnuvardhan Rao, Noticee12-PRK Venkatamurthi and Noticee13-Srinivas Yadav Sher) had failed in their duties to set forth policies, procedures, monitor and implement the prescribed model code of conduct for prevention of code of conduct. Therefore, I hold the Noticees 1, 2, 3, 4 5, 6, 7, 8, 9, 10, 11, 12 and 13 violative of the provisions of Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct prescribed under the SEBI (PIT) Regulations, 1992 read with Regulation 12 of SEBI (PIT) Regulations, 2015.

ALLEGED VIOLATION - Non-compliance of Listing Agreement by Exelon Infrastructure

45. Listing Agreement is the basic document which is executed between companies and the Stock Exchange when companies are listed on the stock exchange. The main purposes of the listing agreement are to ensure that companies are following good corporate governance. The Stock Exchange on behalf of SEBI ensures that companies follow good corporate governance. The erstwhile Listing Agreement comprises of 55 clauses stating corporate governance, which listed companies have to follow, failing which companies have to face disciplinary actions, suspension, and delisting of securities. The companies also have to make certain disclosures and act

by the clauses of the agreement. The investors need adequate disclosure at all times to take well informed investment decisions. Sec 21 of SCRA stipulates that *“where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange”*.

(a) Violation of Clause 54 of Listing Agreement read with Section 21 of SCRA:

46. I note that SEBI vide Circular ref CIR/CFD/DIL/10/2010 dated December 16, 2010 advised the Stock Exchanges to amend the Equity Listing Agreement with the objective of enhancing the quality of disclosures made by the listed entities. In this regard, a new clause viz., Clause 54 was inserted in the equity listing agreement whereby listed companies were mandated to maintain a functional website containing certain basic information about the company, duly updated for all statutory filings, including agreements entered by listed entities with media companies, if any.
47. It was observed from the report submitted by BSE to SEBI on November 5, 2015 that the website of the Company viz., www.exeloninfra.com was not functional. A functional website of a listed company is of utmost importance for the investors for gathering important information regarding the company. I note that a company's website provides additional information to the investors apart from the information disclosed on BSE website. It also enables the investors to directly contact the company in case they require to file a complaint. However, in view of non-functioning of the website, investors were deprived of any such opportunity due to failure on the part of the Noticee-1 to maintain the functional website. Thus, it is clear that the provision of Clause 54 is of utmost importance for dissemination of information, which was ignored by the Noticee-1. Therefore, from the above observations/findings, I conclude that the Noticee-1 has violated the provisions of Clause 54 of the Equity Listing Agreement read with Section 21 of the SCRA.

(b) Violation of Clause 41 of Listing Agreement:

48. I note that Clause 41 of Equity Listing Agreement provides the framework for preparation, authentication and submission of Financial Results by Listed Companies. All listed companies are required to furnish the details of profit earned / loss incurred on quarterly, half-yearly, yearly audited financial results in the prescribed format to the Stock Exchange.
49. I note from the report submitted by BSE to SEBI on November 5, 2015 that the Noticee-1 had failed to submitted quarterly financial results for the quarter ended March 2015 and June 2015 to the Stock Exchange. I am of the view that the purpose of Clause 41 is to ensure transparency by bringing the adequate information on corporate financial performance in public domain and to provide a platform to the investors in taking an informed decision. The Noticee-1 by not submitting the financial results as discussed above had deprived the investors in taking an informed decision. Therefore, I conclude that the Noticee by not submitting the financial results for the quarter ended March 2015 and June 2015 to BSE had violated the provisions of Clause 41 of Listing Agreement read with Section 21 of SCRA.

(c) Violation of Clause 35 of Listing Agreement:

50. Clause 35 of Listing Agreement mandates the Listed Companies to file inter-alia its shareholding pattern with the Stock Exchanges where its securities are listed on a quarterly basis, within 21 days from the end of each quarter in the prescribed format. I note from the reported submitted by BSE to SEBI that the Noticee-1 had not submitted shareholding pattern from the quarter ended period December 2014 to September 2015, i.e., for 4 quarters.
51. I note that periodic disclosures under Clause 35 of Listing Agreement serve a very important purpose of informing the market and the investors about the shareholding of the Company i.e., names and holdings of the promoters and significant shareholders. The shareholding pattern of a company that is

disclosed through the stock exchange website acts as a window of the company to the outside world, i.e. to the investors, based on which the investors take an informed decision with regard to their investment in the securities of that company. The disclosure so made gives the information regarding the ownership and management control of/over the company. If such information is not made available by the listed company, it would hamper the interest of investors in taking an informed decision. Therefore, I find that the Noticee-1 by not submitting the shareholding pattern from the quarter ended period December 2014 to September 2015 had violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA.

(d) Violation of Clause 31 (a) of Listing Agreement:

52. Clause 31 (a) of Listing Agreement mandates the Listed Companies to forward to the Stock Exchange copies of Annual Reports along with Form A & B. I note from the reported submitted by BSE to SEBI that the Noticee-1 had not submitted its Annual Report for the year 2014-15 along with Form A & B to BSE.
53. An annual report is a document that listed companies issue to provide shareholders with important corporate information. The main aim of the annual report is to provide a summary of how well (or badly) a company has performed over the past 12 months. It provides a barometer for investors to taken an informed decision of their investments in the Company. In the instant case, it is established that the Noticee-1 had failed to submit the Annual Report for the year 2014-15 along with Form A & B to BSE and thus violated the provisions of Clause 31 (a) of Listing Agreement read with Section 21 of SCRA.

ALLEGED VIOLATION: *Execution of Synchronized Trades, Reversal Trades, & Self-trades in creation of artificial volume and Indulging in increasing the price of the scrip by trading above LTP and establishing*

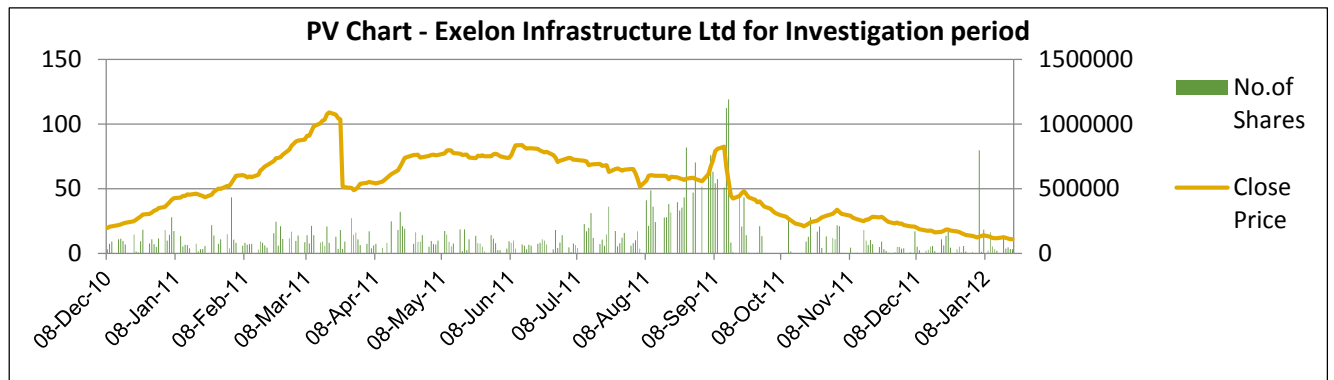
the base price for further trades, contributing to NHP through FIRST TRADES.

54. **Price Volume Analysis:** The Open, High, Low, Close price of the scrip before, during and after the period of investigation is as under:

Period	No. of Trading days	Price & Vol	Opening price (volume) on first day of the period (₹)	Closing price (volume) on last day of the period (₹)	Lowest price (volume) during the period (₹)	Highest price (volume) during the period (₹)	Total Volume (Avg. no. of shares traded daily during the period)
Pre Investigation (01.10.10 to 07.12.10)	47	Price	31.7 (01.10.10)	20.5 (07.12.10)	19.05 (07.12.10)	32 (15.09.10)	2622498 (55798)
		Volume	19868 (01.10.10)	45124 (07.12.10)	2830 (29.11.10)	170037 (22.10.10)	
Investigation (08.12.10 to 20.01.12)	280	Price	19.50 (08.12.10)	11.01 (20.01.12)	10.50 (20.01.12)	112.85 (18.03.11)	37844655 (135156)
		Volume	32694 (08.12.10)	30909 (20.01.12)	117 (04.10.10)	1189306 (14.09.11)	
Post Investigation (23.01.12 to 30.03.12)	54	Price	10.80 (23.01.12)	8.74 (30.03.12)	7.67 (07.03.12)	12.49 (03.02.12)	2524578 (52595)
		Volume	20486 (23.01.12)	26783 (30.03.12)	4852 (15.03.12)	182255 (28.03.12)	

During the period of investigation, the scrip opened at ₹19.50 on December 8, 2010, touched a high of ₹ 112.85 on March 18, 2011, low of ₹ 10.50 and closed at ₹ 11.01 (both on December 20, 2012).

The Price Volume Chart during the period under investigation is as under:



55. **Identification of connected entities:** It was observed that there were 59 connected entities (which promoters / directors of the Company) who have traded in the scrip of Exelon during the period of investigation. The details of their connection is given hereunder:

Sr. No.	Name & PANs of the connected clients	Connection with other entities of Group
1	Cementex (India) P.Ltd. AAACC9265A	Cementex is promoter entity of Exelon. As per MCA website the company Exelon and Cementex has common directors - Gaddhe Butchi Tirupati Rao and Ravi Chakravarthy. Cementex and Dhana Energy P.Ltd. (Sr.no.6) has common director- Srikrishna Vadlamudi (Sr.no.5). Has offmarket connections with Srinivas Yadav Sher (Sr.no.3) (director of Cementex and Exelon Infrastructure Ltd) and Salma Sharafat Khan(Sr.no.33). Director of Cementex, Hiten Pravinchandra Shah (Sr.no.34) (appointment 18.7.2012) is introducer for KYC at TM Network Stock Broking Ltd. to Salma Sharafat Khan (Sr.no.33), Ronak Choksi (Sr.no.32), Jayesh Mehta (Sr.no.30), Srinivas Yadav Sher (Sr.no.3) and Srinivas Rao Marupudi (Sr.no.2).
2	Srinvasa Rao Marupudi PAN 1 - ACQPM0876L PAN 2 - BCDPM3124P	1) He is Director & CEO of the Company - Exelon (www.capitaline.com). 2) Was observed operating using 2 PANs. 3) Has Offmarket connections with Ronak Choksi (Sr.no.32), Anitha Yarlagadda Sr.no.11), Sree Lakshmi Marupudi (Sr.no.7), Swarna Kumari Koli (Sr.no.10) and I.K.Projects (Sr.no.8). 4) Off market connections with Shivcharan Shreedhar Kashyap (Sr.no.25) and Shivcharan has off market connection with Shailshil Jhaveri (Sr.no.26). 5) Address & Mobile no. of Srinivas Rao Marupudi is same M. Shree Lakshmi (Sr.no.7). 6) Address, Mobile no. and Bank a/co no. of Srinivas Rao Marupudi is same as Srikrishna Vadlamudi (Sr.no.5) (who is director of Dhana Energy P.Ltd. (Sr.no.6) and Cementex (I) P.Ltd.- (Sr.no.1)promoter of Exelon.
3	Srinivas Yadav Sher AUAPS8547G	He is director at Exelon Infrastructure Ltd., I.K.Projects P.Ltd. (Sr.No.8), Cementex (I) P.Ltd. (Sr.no.1) (appointment 3.9.2012) He has off market connections with Ronak Choksi (Sr.no.32) and Salma Sharafat Khan (Sr.no.33), Cementex P.Ltd. (Sr.no.1) and Mahendra Bhkaji Chile (Sr.No.14), Gangadhar Rao Ilaparti (Sr.No.15), I.K.Projects (Sr.No.8), Kalivara Pinnamsethi (Sr.No.54). As per KYC submitted by TM-Network Stock Broking Limited, Ronak Choksi (Sr.no.32) is mentioned as reference.
4	Ravindra Rangnath Deshpande AGOPD8942N	On 11.10.2011 he transferred 5 lacs shares to Manish Ratilal Shah(Sr.no.27) in off market. Further has off -market transactions with Anitha Yarlagaddha (Sr.no.11), Swarna Kumari Koli (Sr.no.10), Ramakrishna Makkena (Sr.no.9), I.K.Projects (Sr.no.8).
5	Srikrishna Vadlamudi ADNPV5504C	As per MCA website, he is director of Dhana Energy(Sr.no.6) & director of Cementex Sr.no.1 (promoter entity of Exelon). Has off market transactions with S.S.Jonnavithula (Sr.no.12) and Kalivara Pinnamsetti (Sr.no.54). Shares same email ID vsrik2000@yahoo.com with Anitha Yarlagadda (Sr.no.11), Cementex (Sr.No.1), Veerabhadra Rao Dandamudi (Sr.No. 17).
6	Dhana Energy P.Ltd. AACCV7693M	As per MCA website Sree Lakshmi Marupudi (Sr.no.7) and Srikrishna Vadlamudi (Sr.no.5) are directors of Dhana Energy(Sr.no.6).
7	Marupudi Sree Lakshmi ALYPM2964Q	Shares same address & mobile no. with Srinivas Rao Marupudi (Sr.no.2) Off market - Srinivas Rao Marupudi (Sr.no.2) - 50000 shares on 23.2.2011 & 50000 shares on 3.11.2010, Veerabhadra Rao Dandamudi (Sr.no.17). As per MCA website she and Srikrishna Vadlamudi (Sr.no.5) are directors of Dhana Energy P.Ltd. (Sr.no.5) She is director of I.K.Projects (Sr.No.8).

Sr. No.	Name & PANs of the connected clients	Connection with other entities of Group
8	I K Projects Pvt. Ltd. AABCI4150R	Directors are Sree Lakshmi Marupudi (Sr.No. 7), Rama Krishna Makkena (Sr.No. 9), Srinivas Yadav Sher (Sr.No. 3). Had off market connections with Dimple Pankaj Desai (Sr.No.20), Kanta Anantrai Desai (Sr.No.21), Sneha Pankaj Desai (Sr.No.22, Gudimetha H.Sunder (Sr.No.24), Srinivas Yadav Sher (Sr.No.3), Shivcharan Kashyap (Sr.No.25), Srinivas Rao Marupudi (Sr.No.2), Ravindra Deshpande (Sr.No.4).
9	Rama Krishna Makkena BCKPK1101P	1. As per MCA website Sree Lakshmi Marupudi (Sr.no.7), Rama Krishna Makkena (Sr.No.9) and Srinivas Yadav Sher (Sr.no.3) are directors of I.K.Projects (Sr.No.8). 2. Has off market connections with Shailshil Jhaveri (Sr.no.26), Hiten Pravinchandra Shah(Sr.no.34), Manish Ratilal Shah(Sr.no.27), Ravindra Deshpande (Sr.no.4) and Shivcharan Shreedhar Kashyap (Sr.no.25)
10	Swarna Kumari Kolli ADAPK6468K	Off market transactions with Ravinder Rangnath Deshpande (Sr.No.4), exchanged 150000 shares on 15.9.2011 and Srinivas Rao Marupudi (Sr.No.2).
11	Anitha Yarlagadda ACAPY5774B	Has offmarket connections with Srinivasa Rao Marupudi (Sr.No.2), exchanged 5 lac shares on 19.9.2011, off market transaction with Ravindra Deshpande (Sr.No.4), 150000 shares on 15.9.2011 and 94522 shares on 3.11.2011. Shares same email ID vsrik2000@yahoo.com with Srikrishna Vadlamudi (Sr.No.5), Cementex (Sr.No.1), Veerabhadra Rao Dandamudi (Sr.No. 17)
12	Satya Suryanarayana Jonnnavithula ACRPJ9665R	Has off market connection with Srikrishna Vadlamudi (Sr.No.5), exchanged 5000 shares on 12.11.2010 (prior to I.P.)
13	Swapna Sri Tummala ALDPT7720Q	Off market connections with Dhana Energy (Sr.No.6), exchanged 50000 shares on 20.10.2010.
14	Mahendra Bhikaji Chile AHNPC8127G	Off market transactions with Srinivas Yadav Sher (Sr.No.3), exchanged 25000 shares on 24.5.2011.
15	Gangadhara Rao Ilaparti AANPI9650F	Off mkt. PVS Gangadhara Rao (Sr.No.16)-2500 shares on 3.2.11. Off mkt.-Yentrapati Rao (Sr.No.19)- 5020 shares on 8.1.2011. Off mkt. Srinivas Rao Sher (Sr.No.3) on 12.1.2011-10000 shares and 13.1.2011 - 10000 shares and Elubandi Satyanarayana (Sr.No.18).
16	PVS Gangadhara Rao AKYPP5600M	Has off market connections with Veerabadra Rao Dandamudi (Sr.no.17), exchanged 2500 shares on 3.2.11 and Venkata Subbarao Yarra (Sr.No.51).
17	Veerabhadra Rao Dandamudi ABVPD6656R	Has off market connections with, PVS Gangadhara Rao (Sr.No.16) exchanged 2500 shares on 3.2.11 and Sree Lakshmi Marupudi (Sr.No.7). Shares same email ID vsrik2000@yahoo.com and has banking transactions with Srikrishna Vadlamudi (Sr.No.5).
18	Elubandi Satyanarayana DGCP7022F	Has off market connections with Gangadhara Rao Ilaparti (Sr.No.15).
19	Yentrapati Ravi ABWPY6767F	Off mkt.- Gangadhara Rao Ilaparti (Sr.No.15)- 5020 shares on 8.1.2011.
20	Dimple Pankaj Desai AUQPD3909F	off market - I.K.Projects (Sr.No.8)- 20000 shares on 11.3.2011. Has off market connection with Srinivas Yadav Sher (Sr.No.3) prior to I.P.
21	Kanta Anantrai Desai AAEPD6006F	off market - I.K.Projects(Sr.No.8) - 20500 shares on 11.3.2011. Has off market connection with Srinivas Yadav Sher (Sr.No.3) prior to I.P.
22	Sneha Pankaj Desai AIBPD1454A	Has off market connections with Anjali Tukaram Sogam (Sr.No.23). Exchanged 45000 shares on 3.1.2011. Off market - I.K.Projects (Sr.No.8)- 65000 shares on 7.1.2011
23	Anjali Tukaram Sogam CGNPS1443N	off market - Sneha Pankaj Desai (Sr.No.22)- 45000 shares on 3.1.2011
24	Gudimetla H Sunder BMLPS9664N	Has offmarket connections with I.K.Projects P.Ltd. (Sr.No.8), 9711 shares on 6.4.2011.

Sr. No.	Name & PANs of the connected clients	Connection with other entities of Group
25	Shivcharan Shreedhar Kashyap ATOPK6636K	Off market connections with Makkena Rama Krishna (Sr.No.9), Shaishil Jhaveri (Sr.No.26), Hiten Pravinchandra Shah (Sr.No.34) and Dhana Engery P.Ltd (Sr.No.6) In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
26	Shailshil Tusharbhai Jhaveri AGQPJ8664F	Shaishil shares same mobile no. 9924124952 with Sharadbhai Ramanbhai Jhaveri (Sr.no.29). Common introducer in KYC. Shailshil Jhaveri.
27	Manish Ratilal Shah AZMPS2291J	Manish R.Shah has offmarket connections with Sharadbhai Jhaveri (Sr.No.29), Ramakrishna Makkena (Sr.no.9), Ravindra Deshpande (Sr.no.4), Ronak Choksi (Sr.no.32), Jayesh Himatbhai Mehta (Sr.no.30), Daminiben Jesingh Shah (Sr.No.53) and Jayshree Rajendra shah (Sr.No.52). Shaishil has offmarket connections with Jayesh H.Mehta (Sr.no.30), Ronak Choksi (Sr.no.32), Ramakrishna Makeena (Sr.no.9), Shivcharan Kashyap (Sr.no.25). Manish R. Shah shares mobile no. 9924124952 with Shailshil Tusharbhai Jhaveri. Shailshil Jhaveri shares phone no. 9825005929 with Ajitbhai Padmakumar Vasa (Sr.no.28).
28	Ajitbhai Padmakumar Vasa ABTPV8259J	Shares same phone no. 9825005929 with Shailshil Jhaveri (Sr.no.26).
29	Sharadbhai Ramanbhai Jhaveri AMIPJ5748G	He has offmarket connections with Shaishil Jhaveri (Sr.no.26) and Manish Ratilal Shah(Sr.no.27). He also shares same mobile no. 9924124952 with Shaishil Jhaveri.
30	Jayesh Himmatlal Mehta AIFPM2216D	Has off market connections with Shailshil T.Jhaveri (Sr.no.26), Manish Ratilal Shah (Sr.no.27). Shares address with Nrupini Jayesh Mehta (Sr.no.31). Ronak Choksi (Sr.no.32) is reference for KYC with TM Network Stock Broking Ltd..
31	Nrupini Jayesh Mehta BDTPM2261E	As per KYC, Ronak Choksi (Sr.no.32) is reference. She is wife of Jayesh Himmatlal Mehta (Sr.no.30) and share common address.
32	Ronak Ashwin Choksi ADDPC2938D	1) Has off market connections with Hiten Pravinchandra Shah(Sr.no.34), Srinivas Yadav Sher(Sr.no.3), Srinivasa Rao Marupudi (Sr.no.2). Salma Sharafat Khan (Sr.no.33), Manish Ratilal Shah (Sr.no.27) 3) He has been reference to client Srinivasa Rao Marupudi (Sr.No.2) while opening account for KYC (TM-Network Stock Broking)
33	Salma Sharafat Khan BVSPK9348F	Has off market connections with Cementex P.Ltd. (Sr.no.1) (promoter of the company) and Ronak Choksi (Sr.no.32). Ronak Ashwin Choksi is reference while a/c opening in TM-Network Stock Broking P.Ltd.
34	Hiten Pravinchandra Shah AHAPS0889A	He is Director of Cementex (I)P.Ltd. (Sr.no.1) (appointment 18.7.2012) Has off market connections with Shivcharan Kashyap (Sr.no.25), Ramakrishna Makeena (Sr.no.9), Ronak Choksi (Sr.no.32). He has appeared as witness to Salma Sharafat Khan (Sr.no.33), Ronak Choksi (Sr.no.32), Jayesh Mehta (Sr.no.30), Srinivas Yadav Sher (Sr.no.3) and Srinivas Rao Marupudi (Sr.no.2) in KYC submitted by TM-Network Stock Broking Limited.
35	Sunil Kumar Hariprasad Pal BKSP6938B	As per KYC, Ronak Ashwin Choksi (Sr.no.32) is reference while a/c opening with TM-Network Stock Broking P.Ltd.
36	Hiten Vallabhji Haria AAAPH6890H	As per KYC submitted by TM Network Broking Ltd., Hiten Shah (Sr.No.34) is reference who also appeared as reference to Salma Sharafat Khan (Sr.No. 33), Ronak Choksi (Sr.No. 32), Jayesh Mehta (Sr.No. 30), Srinivas Yadav Sher (Sr.No. 3) and Srinivas Rao Marupudi (Sr.No. 2).

Sr. No.	Name & PANs of the connected clients	Connection with other entities of Group
37	A.K. Investments (Kamlesh Maisheri) AANFA6009Q	As per KYC submitted by TM Sanghavi Brothers Brokerage Ltd., entities at Sr.No.37 to 40 have common address B-35, Mahavir Apt. Ratan Nagar, Borivali (E), Mumbai.
38	Amrit L.Gandhi(HUF) AAJHA4701R	Amrit L.Gandhi (HUF) (Sr.no.38) is introduced by Kamlesh Maisheri (director of A.K.Investments). (Sr.No.37).
39	Amrit L.Gandhi AACPG5265H	
40	Seema Gandhi AAEPG0960B	
		Sr.No.39, Amrit Gandhi is Director of A.K.Investments.
		Sr. no. 40 is spouse of Sr. No. 39 as per Ration card copy and share same common mobile no.
		Seema Gandhi has off market connection with Divyesh Surana Sr.No.45 and Shivcharan Kashyap (Sr.no.25).
41	Narendra Omprakash Dogra AJMPD8729N	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
42	Jitendra Laxmichandji Gandhi AACPG6473H	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
43	Kantilal Lakshmichand ADSPK7577K	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
44	Shivangi Jagmohan Singh AOSPS5911E	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37). Common phone no. 9892526271 as of Seema Gandhi (Sr.No. 40), Amrit L.Gandhi (Sr.no.39) and Bhavnaben (Sr.No.49)
45	Divyesh Harish Surana DALPS0578H	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37). Has off market connections with Seema Gandhi (Sr.No.40)
46	Hussain Mohammed Shaikh BSSPS2832P	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
47	Parul Anupam Khanna BCUPK8420R	In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
48	Jigna Manish Shah ANQPS6789P	Shares address with Bhavnaben Mewada (Sr.no.49). In KYC documents submitted at TM Sanghavi, introducer is Kamlesh Maisheri (director of A.K.Investments) (Sr.No.37).
49	Bhavnaben Nimeshbhai Mistry Mewada ALIPM5347B	As per UCC details uploaded at BSE by TM Sanghavi, Bhavnaben has common cell no. as of Amrit Gandhi (Sr.no.39), Seema Gandhi (Sr.no.40) and Shivangi Jagmohan (Sr.No.44) viz.,9892526271.
50	Nishita Danish Merchant AMHPM8133B	As per UCC details uploaded at BSE by TM Sanghavi, Nishita has common cell no. as of Amrit Gandhi (Sr.no.39) and Kantilal (Sr.no. 43) viz.,9619191999.
51	Venkata Subbarao Yarra AAPPY4270P	Has off market connection with PVS Gangadhara Rao (Sr.No. 16).
52	Rajendra Shah Jayshree BKRPS3574F	In off market, exchanged 5000 shares on 21.10.2011 with Manish Ratilal Shah (Sr.no.27). Has off market connections with Shaishil Jhaveri (Sr.no.26) in other scrip -Emporis.
53	Daminiben Jeshingbhai Shah BMGPS4197D	In off market, exchanged 5000 shares on 22.10.2011 with Manish Ratilal Shah (Sr.no.27).

Sr. No.	Name & PANs of the connected clients	Connection with other entities of Group
		Has off market connections with Shaishil Jhaveri (Sr.no.26) in other scrip- Emporis.
54	Kalivara Prasad Pinnamsetty AHAPP8835B	Has off market connection with Vadlamudi Srikrishna (Sr.No.5), Exchanged 20000 shares on 20.12.2010, S.Madhusudan Rao (Sr.No.55) exchanged 1000 shares on 31.1.2011.
55	Shaik Ameer Basha AEZPB3408A	He is director in Exelon Infrastructure Ltd. Appointed on 21/10/2011.
56	Dixesh Kanubhai Shah BETPS8976M	Has off market connections with Shaishil Jhaveri (Sr.no.26) in other scrip Emporis.
57	Parvathaneni Mounisha BAOPP1399G	Has off market transactions with G.H.Sunder (Sr.No.24) exchanged 5589 shares. Trading amongst group members is only sell of 23 shares.
58	Piyush Naresh Kothari AEOPK1882L	Has off market connections with Srinivas Yadav Sher (Sr.no.3).
59	Shaik Shehnaz Begum AILPB5401H	Shares same address with Shaik Ammer Basha (Sr. No. 55) i.e. "House no. 1-4-748, Flat No 503, Royal Arcade Apartment, Bholakpur, Musheerabad, Hyderabad - 500020"

56. On perusal of the above connection among the entities, I have no hesitation in holding that the aforesaid entities are either directly or indirectly connected to each by way of off market transactions or by way of references in their KYC. However, in respect of the Noticee 14 i.e., Seema Gandhi, I note that the connection revealed by investigation is not robust enough to allege charges of PFUTP, without any specific instance of manipulation. Therefore, I conclude that the Noticee 14 is not connected to the group of entities.

57. **Analysis of Trading Volume concentration** - Details of Top 10 buy broker and sell broker concentration on BSE during investigation period is tabulated as below:

Top buy brokers	Total	% of Trd Vol	Top sell brokers	Total	% of Trd Vol
Sanghavi Brothers Brokge. Ltd.	3058208	8.08%	Sanghavi Brothers Brokage Ltd.	2999406	7.93%
SSJ Finance & Securities P.Ltd.	3026873	8.00%	Gigantic Securities Ltd.	2906586	7.68%
Gigantic Securities Ltd.	2347525	6.20%	SSJ Finance & Securities P.Ltd.	2673166	7.06%
Networth Stock Broking Ltd.	2000702	5.29%	Networth Stock Broking Ltd.	2368735	6.26%
Anush Shares & Securities P.Ltd.	1891800	5.00%	Anush Shares & Securities P.Ltd.	1991550	5.26%
Arcadia Share & Stk Brk P.Ltd.	1265002	3.34%	Religare Securities Ltd.	1478637	3.91%
Ambit Securities Broking P.Ltd.	1129902	2.99%	R.L.P Securities P.Ltd.	1245715	3.29%
Prabhudas Lilladher P.Ltd.	1073030	2.84%	Prabhudas Lilladher P.Ltd.	1068924	2.82%
SPFL Securities Ltd.	1024242	2.71%	Ambit Securities Broking P.Ltd.	1038082	2.74%
Mangal Keshav Securities Ltd.	924714	2.44%	SPFL Securities Ltd.	1023842	2.71%
Top 10 buy brokers	17741998	46.88%	Top 10 sell brokers	18794643	49.66%
remaining brokers	20102657	53.12%	remaining brokers	19050012	50.34%
Total Buy brokers	37844655	100.00%	Total sell brokers	37844655	100.00%

The top 10 trading members contributed 46.88% and 49.66% of the gross purchase and gross sales respectively. The broker Sanghavi Brothers Brokerage Ltd. was the highest contributor to gross buy and gross sales with 8.08% and 7.93% of total market Qty.

58. Details of Top 10 buy clients and sell clients concentration on BSE during the investigation is tabulated as below:

Client Name	Buy Qty	% of Trd Vol	Client Name	Sell Qty	% of Trd Vol
Shaishil T.Jhaveri	3112152	8.22%	Shaishil T.Jhaveri	3455063	9.13%
Sharadbhai Jhaveri	1985135	5.25%	Sharadbhai Jhaveri	2085135	5.51%
Shivcharan S. Kashyap	985527	2.60%	Manish Ratilal Shah	1060293	2.80%
Milkway Mercantiles P.Ltd	855736	2.26%	Shivcharan S. Kashyap	1010448	2.67%
Ronak Ashwin Choksi	854386	2.26%	Ronak Ashwin Choksi	937943	2.48%
Srinivasa Rao Marupudi	786984	2.08%	Milkway mercantiles p. Ltd	855736	2.26%
Manish Ratilal Shah	686924	1.82%	Srinivasa Rao Marupudi-	760255	2.01%
Jayesh Himatlal Mehta	651857	1.72%	Salma Sharafat Khan	704002	1.86%
Seema Gandhi	649008	1.71%	Jayesh Himatlal Mehta	644443	1.70%
Salma Sharafat Khan	629496	1.66%	Makkena Rama Krishna	571956	1.51%
Top 10 buy clients	11197205	29.59%	Top 10 sell clients	12085274	31.93%
Remaining clients	26647450	70.41%	Remaining clients	25759381	68.07%
Total Buy clients	37844655	100.00%	Total sell clients	37844655	100.00%

From the above, it is observed that top 10 clients contributed 29.59% and 31.93% of the gross buy and gross sell respectively. It is observed that 9 entities at gross buy and 9 entities at gross sell (**given in bold**) are part of connected entities.

59. **Trading details of connected entities:** The analysis of trade log and order log for the entire period of investigation reveals that, on a daily basis, the connected entities had traded on 264 days out of 280 trading days during the investigation period. The entities were also trading amongst themselves and contributing to the total traded volume in the scrip as given below:

Sl. No.	Name	PAN	Gross Buy	% to total vol.	Gross Sell	% to total vol.	Net Buy
1	Rama Krishna Makkena	BCKPK1101P	75000	0.20%	571956	1.51%	-496956
2	Cementex (India) P.Ltd.	AAACC9265A	83900	0.22%	484100	1.28%	-400200
3	Manish Ratilal Shah	AZMPS2291J	686924	1.82%	1060293	2.80%	-373369
4	Shaishil Tusharbhai Jhaveri	AGQPJ8664F	3112152	8.22%	3455063	9.13%	-342911
5	Anitha Yarlagadda	ACAPY5774B	69051	0.18%	251698	0.67%	-182647
6	Veerabhadra Rao Dandamudi	ABVPD6656R	114421	0.30%	294560	0.78%	-180139
7	Srinivas Yadav Sher	AUAPS8547G	162102	0.43%	301956	0.80%	-139854
8	Sharadbhai Ramanbhai Jhaveri	AMIPJ5748G	1985135	5.25%	2085135	5.51%	-100000

Sl. No.	Name	PAN	Gross Buy	% to total vol.	Gross Sell	% to total vol.	Net Buy
9	Shaik Shehnaz Begum	AILPB5401H	79650	0.21%	177092	0.47%	-97442
10	Shaik Ameer Basha	AEZPB3408A	80000	0.21%	167813	0.44%	-87813
11	Ronak Ashwin Choksi	ADDPC2938D	854386	2.26%	937943	2.48%	-83557
12	Salma Sharafat Khan	BVSPK9348F	629496	1.66%	704002	1.86%	-74506
13	Dhana Energy P.Ltd.	AACCV7693M	0	0.00%	66200	0.17%	-66200
14	Gudimetla H Sunder	BMLPS9664N	122918	0.32%	175675	0.46%	-52757
15	Srikrishna Vadlamudi	ADNPV5504C	0	0.00%	51200	0.14%	-51200
16	Ravindra Rangnath Deshpande	AGOPD8942N	1500	0.00%	51974	0.14%	-50474
17	Anjali Tukaram Sogam	CGNPS1443N	12971	0.03%	57971	0.15%	-45000
18	Sneha Pankaj Desai	AIBPD1454A	11000	0.03%	56000	0.15%	-45000
19	Swapna Sri Tummala	ALDPT7720Q	0	0.00%	40244	0.11%	-40244
20	Marupudi Sree Lakshmi	ALYPM2964Q	900	0.00%	32120	0.08%	-31220
21	Kanta Anantrai Desai	AAEPD6006F	6819	0.02%	32568	0.09%	-25749
22	Mahendra Bhikaji Chile	AHNPC8127G	2492	0.01%	27492	0.07%	-25000
23	Shivcharan Shreedhar Kashyap	ATOPK6636K	985527	2.60%	1010448	2.67%	-24921
24	Hiten Pravinchandra Shah	AHAPS0889A	276731	0.73%	299881	0.79%	-23150
25	Divyesh Harish Surana	DALPS0578H	387758	1.02%	409642	1.08%	-21884
26	Swarna Kumari Kolli	ADAPK6468K	0	0.00%	21738	0.06%	-21738
27	Jigna Manish Shah	ANQPS6789P	38441	0.10%	48441	0.13%	-10000
28	Sunil Kumar Hariprasad Pal	BKSPP6938B	144504	0.38%	152281	0.40%	-7777
29	PVS Gangadhara Rao	AKYPP5600M	9400	0.02%	15303	0.04%	-5903
30	Yentrapati Ravi	ABWPY6767F	4944	0.01%	10004	0.03%	-5060
31	Venkata Subbarao Yarra	AAPPY4270P	2400	0.01%	7435	0.02%	-5035
32	Rajendra Shah Jayshree	BKRPS3574F	0	0.00%	5000	0.01%	-5000
33	Daminiben Jeshingbhai Shah	BMGPS4197D	0	0.00%	5000	0.01%	-5000
34	Elubandi Satyanarayana	DGCPS7022F	63698	0.17%	68198	0.18%	-4500
35	Gangadhara Rao Ilaparti	AANPI9650F	193358	0.51%	197292	0.52%	-3934
36	Piyush Naresh Kothari	AEOPK1882L	0	0.00%	2039	0.01%	-2039
37	Dimple Pankaj Desai	AUQPD3909F	5000	0.01%	6683	0.02%	-1683
38	Parvathaneni Mounisha	BAOPP1399G	725	0.00%	1725	0.00%	-1000
39	I K Projects Pvt. Ltd.	AABCI4150R	0	0.00%	850	0.00%	-850
40	Kalivara Prasad Pinnamsetty	AHAPP8835B	0	0.00%	166	0.00%	-166
41	Ajitbhai Padmakumar Vasa	ABTPV8259J	296083	0.78%	296083	0.78%	0
42	Nishita Danish Merchant	AMHPM8133B	57473	0.15%	57473	0.15%	0
43	Amrit L.Gandhi	AACPG5265H	40696	0.11%	40696	0.11%	0
44	Shivangi Jagmohan Singh	AOSPS5911E	34394	0.09%	34394	0.09%	0
45	Parul Anupam Khanna	BCUPK8420R	20000	0.05%	20000	0.05%	0
46	Dixesh Kanubhai Shah	BETPS8976M	18700	0.05%	18700	0.05%	0
47	Satya Suryanarayana Jonnavithula	ACRPJ9665R	10143	0.03%	10143	0.03%	0
48	A.K. Investments (Kamlesh Maisheri)	AANFA6009Q	363356	0.96%	363216	0.96%	140
49	Bhavnaben Nimeshbhai Mistry Mewada	ALIPM5347B	23301	0.06%	21601	0.06%	1700
50	Hussain Mohammed Shaikh	BSSPS2832P	56970	0.15%	50070	0.13%	6900
51	Jayesh Himmatlal Mehta	AIFPM2216D	651857	1.72%	644443	1.70%	7414
52	Kantilal Lakshmichand	ADSPK7577K	65447	0.17%	54647	0.14%	10800
53	Narendra Omprakash Dogra	AJMPD8729N	164514	0.43%	153383	0.41%	11131
54	Nrupini Jayesh Mehta	BDTPM2261E	164353	0.43%	145532	0.38%	18821
55	Srinvasa Rao Marupudi	ACQPM0876L & BCDPM3124P	786984	2.08%	760255	2.01%	26729
56	Jitendra Laxmichandji Gandhi	AACPG6473H	284372	0.75%	194382	0.51%	89990
57	Amrit L.Gandhi(HUF)	AAJHA4701R	393434	1.04%	278885	0.74%	114549
58	Seema Gandhi	AAEPG0960B	649008	1.71%	450352	1.19%	198656
59	Hiten Vallabhji Haria	AAAPH6890H	471000	1.24%	244938	0.65%	226062
Total volume of connected entities			14755388	38.99%	17184374	45.41%	-2428986

Sl. No.	Name	PAN	Gross Buy	% to total vol.	Gross Sell	% to total vol.	Net Buy
	Total Market Volume		37844655	100%	37844655	100%	

Market Volume	Total no. of shares bought by the group	Total no. of shares sold by the group	Total traded qty among the group entities	Traded among the group as a % of mkt. vol.	Traded qty among the group as a % of total no. of shares bought	Traded qty. among the group as a % of total no. of shares sold
A	B	C	D	E	F	G
37844655	14755388	17184374	6954465	18.38%	47.13%	40.47%

From the above table it is observed that the connected entities had altogether entered into trades among themselves for 69,54,465 shares constituting 18.38% of the market wide volume. Further these shares constituted 47.13% of buy volume and 40.47% of the sell volume of the connected group.

60. I note from the trade & order log that the connected entities have indulged in execution of reversal trades, self-trades, synchronized trades, indulged in increasing the price of the scrip and establishing the base price for further trades in the scrip at a higher price and also contributing to NHP through first trades of day, the details of which are furnished hereunder. Accordingly, it was alleged that the Noticees had violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), (e) and (g) of SEBI (PFUTP) Regulations, which are reproduced hereunder:

Regulation 3: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed

on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

Regulation 4: - Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

(e) any act or omission amounting to manipulation of the price of a security;

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;

61. Analysis of trades of the connected entities has been conducted for the following three patches:

Patch	Period	Details
1	08/12/2010 to 23/03/2011	Price rise before stock split
2	24/03/2011 to 13/06/2011	Price rise after stock split
3	14/06/2011 to 20/01/2012	Price fall

Findings w.r.t Reversal Trades

62. Reversal trades are the trades where the buyer and seller reverse their position with each other on same day or on different dates. Reversal trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange) in repetitive manner among themselves during the investigation period
63. It was observed that several entities of the connected group were engaged in doing reversal trades by reversing their buy or sell positions with subsequent sell or buy trades on the same day with same counter party. It was observed that during the period June 14, 2011 and January 20, 20102

(patch 3), there were 45,244 trades for a traded quantity of 2,44,24,094 shares at BSE. Out of these, 186 trades for 98,8447 shares (4.05% of the traded quantity) were reversal trades between the connected entities.

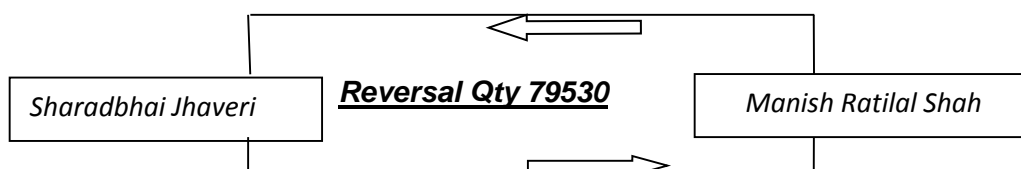
64. For the sake of clarity, a reversal trade between 2 group entities (Sharadbhai Jhaveri and Manish Ratilal Shah) is explained as under:

Date 24-Aug-2011: Total trading volume during 24-Aug-2011 was 354437 shares.

Sharadbhai Jhaveri sold 24400 shares to Manish Ratilal Shah at 11:04:20 in one trade

Sharadbhai Jhaveri sold 29150 shares to Manish Ratilal Shah at 11:06:11 in one trade.

Sharadbhai Jhaveri sold 28000 shares to Manish Ratilal Shah at 11:08:20 in one trade



Manish Ratilal Shah sold 24400 shares to Sharadbhai Jhaveri at 11:05:20 in one trade

Manish Ratilal Shah sold 29130 shares to Sharadbhai Jhaveri at 11:07:23 in one trade

Manish Ratilal Shah sold 26000 shares to Sharadbhai Jhaveri at 11:08:44 in one trade

65. The details of reversal trades done by group entities during the period June 14, 2011 and January 20, 20102 are as under:

Date	Client Name (B)	Client Name (C)	No. of shares bought by client B from client C	No. of shares bought by client C from client B	Reversal Qty.	No. of reversal trades	% of reversal Qty to day mkt vol.
09.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	24623	24000	24000	45	11.28
10.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	21346	50335	21346	10	4.39
10.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	JIGNA MANISH SHAH	500	1376	500	2	0.10
11.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	17276	19936	17276	2	4.80
12.08.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	49800	47848	47848	12	19.80
17.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	7201	50000	7201	12	2.58
18.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	49961	65071	49961	6	13.10
19.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	65000	48894	48894	4	15.41
22.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	49500	50000	49500	10	12.52
23.08.2011	SHARADBHAIRAMANBHAI JHAVERI	MANISH RATILAL SHAH	49980	49912	49912	2	15.08

Date	Client Name (B)	Client Name (C)	No. of shares bought by client B from client C	No. of shares bought by client C from client B	Reversal Qty.	No. of reversal trades	% of reversal Qty to day mkt vol.
24.08.2011	SHARADBHAIRAMANBHAI JHAVERI	MANISH RATILAL SHAH	79530	81550	79530	6	22.44
25.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	56166	53971	53971	4	12.45
26.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	78986	76580	76580	6	9.35
29.08.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	105750	101075	101075	9	21.47
30.08.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	49989	49705	49705	5	7.08
02.09.2011	SEEMA A GANDHI	SHAISHIL TUSHARKUMAR JHAVERI	5000	601	601	4	0.12
02.09.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	45000	43000	43000	4	8.32
05.09.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	49006	48357	48357	4	7.72
06.09.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	50000	48761	48761	2	6.41
06.09.2011	SHAISHIL TUSHARKUMAR JHAVERI	MANISH RATILAL SHAH	19000	16500	16500	3	2.17
07.09.2011	AJITBHAI PADMAKUMAR VASA	SHARADBHAIRAMANBHAI JHAVERI	45278	47301	45278	10	7.17
09.09.2011	SHAISHIL TUSHARKUMAR JHAVERI	SHARADBHAIRAMANBHAI JHAVERI	15306	25000	15306	5	2.67
09.09.2011	SHARADBHAIRAMANBHAI JHAVERI	MANISH RATILAL SHAH	60000	60000	60000	2	10.45
12.09.2011	RONAK ASHWIN CHOKSI	SHAISHIL TUSHARKUMAR JHAVERI	500	71	71	2	0.01
12.09.2011	SHARADBHAIRAMANBHAI JHAVERI	DIXESH KANUBHAI SHAH	18699	18700	18699	3	3.68
01.11.2011	VEERABHADRA RAO DANDAMUDI	SRINIVASA RAO MARUPUDI	1849	1150	1150	2	1.06
14.12.2011	JAYESH HIMATLAL MEHTA	NARENDRA OMPRAKASH DOGRA	5000	4605	4605	2	8.91
23.12.2011	JAYESH HIMATLAL MEHTA	NRUPINI JAYESH MEHTA	4500	4400	4400	4	9.87
26.12.2011	JAYESH HIMATLAL MEHTA	NRUPINI JAYESH MEHTA	4500	4420	4420	4	14.13
TOTAL			1029246	1093119	988447	186	

66. From the above table, I note that the 4 connected entities viz., Sharadbhai R.Jhaveri, Manish Ratilal Shah, Shaishil T. Jhaveri and Ajitbhai P. Vasa executed reversal trades for 2 or more days and the reversal quantity was more than 10,000 shares.

67. I also note that majority of the reversal trades were concentrated during the months of August 2011 and September 2011. The total market-wide volume during month of August and September 2011 was 1,50,53,625 shares and the above mentioned 4 Noticees of the connected group of entities had executed reversal trades for 9,54,001 shares (highlighted in bold in above

table) i.e. 6.34% of the total market volume during the months of August 2011 and September 2011.

68. I note that reversal of trade per is considered to be deliberate as it has two legs, one, of trade and other of reversal and both matching with same person / counterparty cannot be a matter of chance especially when such trades happen repeatedly. The fact of reversal of trades among the Noticees also confirms that they are connected and acted with a common objective. I note that persistent trading in the aforesaid manner clearly indicates an intention to create artificial volume in the scrip of Exelon. Such trades clearly indicate that the same were not genuine trades as there was no change in beneficial ownership. Therefore, the above mentioned 4 Noticees of the connected group viz., Sharadbhai R.Jhaveri (Noticee 26), Manish Ratilal Shah (Noticee 27), Shaishil T. Jhaveri (Noticee 25) and Ajitbhai P. Vasa (Noticee 28), appeared in reversal trades for 2 or more days and the reversal quantity was more than 10,000 shares and thus were involved in creation of artificial volume. Pattern of **A->B->A** was followed for increasing the market volume in such trades. Therefore, I conclude that the Noticee 25, 26, 27 & 28 have indulged in reversing their trades among themselves for the purpose of creation of artificial volume and to create false and misleading appearance of trading in the scrip of Exelon without the intention of change of actual beneficial ownership. Accordingly, the Noticees 25, 26, 27 & 28 have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003

Findings w.r.t Synchronized Trades

69. I note that synchronized trades are the trades where the buy and sell order quantity and rate are identical and orders for these transactions are placed in a time gap of within one minute. Synchronized trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange.

70. During the investigation period, there were 68,139 trades for a traded quantity of 3,78,44,655 shares at BSE. Out of these, 2,278 trades for 79,54,147 shares (21.02% of the total traded quantity) were synchronized i.e. the difference between buy order time and sell order time was less than or equal to 60 seconds. Further, there was no difference between buy order rate and sell order rate as well as there was no difference between buy order quantity and sell order quantity. The overview of such trades for connected entities is as under:

Gross Buy Qty of connected entities	Gross Sell Qty of connected entities	Gross Total	Total traded qty among connected entities	Synchroniz ed traded qty by connected entities	Sync Trades as % of total traded qty among the connected entities	Sync Trades as % of Total market volume	Sum of LTP at Sync Trades
14755388	17184374	31939762	6954465	2982924	42.89%	7.88%	4.3

71. It is observed from the above table that 7.88% of the market volume in the scrip during the period of investigation is executed through synchronized trades by the connected group and the LTP contribution for these trades was ₹ 4.3/-.

72. The differences in time of placing buy order & relevant sell order is as below:

Difference in seconds	Total traded Qty at Sync trades by connected entities	Total No. of Syn. Trades by connected entities	%age of total synch Trades by connected entities
0 second	1,9,7016	12	6.60%
1 second	3,91,302	36	13.12%
2 seconds	7,67,515	53	25.73%
3 seconds	4,47,667	24	15.01%
4 seconds	1,92,722	19	6.46%
5 seconds	2,20,285	10	7.38%
	22,16,507	154	74.31%
6 to 10 seconds	3,98,743	51	13.37%
11 to 15 seconds	1,13,599	20	3.81%
16 to 20 seconds	60,903	15	2.04%
21 to 30 seconds	1,36,449	16	4.57%
31 to 45 seconds	18,461	7	0.62%

Difference in seconds	Total traded Qty at Sync trades by connected entities	Total No. of Syn. Trades by connected entities	%age of total synch Trades by connected entities
46 to 59 seconds	38,262	9	1.28%
Grand Total	29,82,924	272	100.00%

73. It is further observed that out of 59 entities of connected group, 36 entities indulged in synchronized trades amongst themselves resulting in creation of artificial volume. It is also observed from above table that 74.31% of trades by connected group entities happened within 5 seconds. If such synchronized trades happen regularly on more than 1 day and with large volume of more than 10,000 shares, then these trades cannot be merely termed as coincidental. In order to ascertain the concentration during the investigation period when maximum synchronized trades were done, a patch-wise analysis of synchronized trades was conducted.

Synchronized trades during patch-1 - (8.12.2010 to 23.3.2011)

74. During Patch 1 of investigation period, it was observed that 20 entities of the group were engaged in executing synchronised trades for 4,83,546 shares contributing 6.28% to the market volume during Patch-1. LTP contributed by these trades ₹ 3.35/-. Further, the Noticees 17 & 19 viz., Ronak Ashwin Choksi and Salma Sharafat Khan, have indulged in synchronized trades in 2 or more trades on more than one day and generated volume of more than 10,000 shares and contributed 1.3% to total market volume during Patch 1. These entities have also entered into synchronized trades in other patches during the period of investigation.

Synchronized trades during patch-2- (24.3.2011 to 13.6.2011)

75. During Patch 2 of Investigation period, it was observed that 14 entities of the group were engaged in executing synchronised trades for 2,96,627 shares contributing 5.19% to the market volume during Patch-2. LTP contributed by these trades is ₹ 1.2/-. Further, the Noticees 17 & 19 viz., Ronak Ashwin Choksi and Salma Sharafat Khan, have indulged in synchronized trades in 2 or more trades on more than one day and generated volume of more than 10,000 shares and contributed 2.95% to market volume during Patch 1.

These entities have also entered into synchronized trades in other patches during the period of investigation.

Synchronized trades during patch-3- (14.6.2011 to 20.1.2012)

76. During Patch 3 of Investigation period, it was observed that 27 entities of the group were engaged in executing synchronised trades for 22,02,751 shares contributing 9.02% to the market volume during Patch-3. It was observed that out of 27 entities of connected group who indulged in synchronized trades during Patch 3, 9 entities (given in the table below) were observed to be indulging in synchronized trades in 2 or more occasions on more than one day and generated volume of more than 10,000 shares during Patch-3 of the investigation period and contributing 7.13% to market volume. Details of these trades is given in table below:

Details of synchronized trades done by group entities during Patch 3

Sl. No.	Buy Client Name	Sell Client Name	No. of days	Sum of LTP diff. (INR)	No. of Trades	Synchr onized Qty.	% of Client Synchronized Vol. to Mkt. Vol.
1	Sharadbhai Ramanbhai Jhaveri	Shailshil Tusharbhai Jhaveri	8	0.9	14	3,45,374	1.41%
2	Shailshil Tusharbhai Jhaveri	Sharadbhai Ramanbhai Jhaveri	6	0.05	10	3,40,845	1.40%
3	Sharadbhai Ramanbhai Jhaveri	Ajitbhai Padmakumar Vasa	5	-0.2	10	2,35,267	0.96%
4	Ajitbhai Padmakumar Vasa	Sharadbhai Ramanbhai Jhaveri	5	-0.85	9	2,12,800	0.87%
5	Manish Ratilal Shah	Sharadbhai Ramanbhai Jhaveri	3	0	5	1,91,462	0.78%
6	Sharadbhai Ramanbhai Jhaveri	Manish Ratilal Shah	3	0.35	5	1,89,510	0.78%
7	Manish Ratilal Shah	Shailshil Tusharbhai Jhaveri	3	0	6	75,246	0.31%
8	Seema Gandhi	Divyesh Harish Surana	2	-0.6	23	68,293	0.28%
9	Ronak Ashwin Choksi	Shailshil Tusharbhai Jhaveri	1	0	1	49,921	0.20%
10	Ronak Ashwin Choksi	Shivcharan S. Kashyap	3	0.5	3	36,996	0.15%
11	Anitha Yarlagadda	Veerabhadra Rao Dandamudi	2	0.4	2	25,000	0.10%
12	Shailshil Tusharbhai Jhaveri	Ronak Ashwin Choksi	3	-0.05	5	14,820	0.06%
TOTAL			44	0.05	93	17,85,534	7.13%

77. From the analysis of Synchronised trades of group entities during the Investigation period, it is observed that Ronak Choksi is appearing in all three patches and Salma Sharafat Khan is appearing in Patch-1 & Patch-2.

78. For the purpose of illustration, some of the instances of the alleged synchronized trades executed by the Noticees are furnished hereunder.

Trade Date	Client Name	Counterparty (CP) Client Name	Order Time	CP Order Time	Traded Time	Traded rate in ₹	Order rate in ₹	Counter- party Order rate in ₹	Traded qty.,	Order qty.,	Counter- party order qty.,
January 27, 2011	RONAK ASHWIN CHOKSI	SALMA SHARAFAT KHAN	09:24:17	09:24:17	09:24:17	49.7	49.7	49.7	32000	32000	32000
July 29, 2011	RONAK ASHWIN CHOKSI	SHIVCHARAN SHREEDHAR KASHYAP	09:52:39	09:52:32	09:52:40	64.5	64.5	64.5	25000	25000	25000
August 12, 2011	SHARADBHAI RAMANBHAI JHAVERI	AJITBHAI PADMAKUMAR VASA	14:30:05	14:30:06	14:30:06	59.9	59.9	59.9	10000	10000	10000
August 22, 2011	MANISH RATILAL SHAH	SHAISHIL TUSHARKUMAR JHAVERI	14:54:17	14:54:18	14:54:18	58.95	58.95	58.95	14011	15000	15000
September 5, 2011	RONAK ASHWIN CHOKSI	SHIVCHARAN SHREEDHAR KASHYAP	15:18:00	15:17:58	15:18:00	61.25	61.25	61.25	2000	2000	2000
October 19, 2011	ANITHA YARLAGADDA	VEERABHADRA RAO DANDAMUDI	09:30:37	09:30:35	09:30:37	21.5	21.5	21.5	15000	15000	15000

79. From the above table, I note that the buy and sell orders for the aforesaid trades were structured in terms of quantity, price and time, as there is no difference in the buy quantity, sell quantity, buy rate and sell rate and the time difference between order time and counter party order time are almost same. I note that there is startling proximity in the time of entering of orders at the identical price and quantity which resulted into the matching of the trades. From the trade log I further note that, such matching of trades has occurred in 2,278 trades for 79,54,147 shares, which is 21.02% of the total traded quantity. I also note from the order log that around 74.31% of synchronized trades were executed within 5 seconds of placing order vis-à-vis counterparty order. The consistent pattern of placement of Orders clearly indicates meeting of minds. The fact of synchronization of trades among the

Noticees 16, 17, 19, 20, 21, 23, 25, 26, 27 and 28 also confirms that they are connected and acted with a common objective. I am of view that such synchronisation of orders, price and quantity on a regular basis cannot be considered as a mere coincidence especially when such trades were executed between entities which are already connected to each other. The fact that several orders placed by the same entities on various days were also matched clearly indicates the meeting of minds and there cannot be coincidence.

80. I also note that the Noticees had indulged in the trades as noted above which resulted in creation of artificial volumes in the scrip. Such transactions are clearly not genuine and have been entered by the Noticees for creating misleading appearance of trading in the scrip. Therefore, I conclude that the trades executed by the Noticees 16, 17, 19, 20, 21, 23, 25, 26, 27 and 28 which were synchronized in terms of time, quantity and price, were with manipulative intent to artificially create volume in the scrip of Exelon.

81. I am of the opinion that “intention” is inherent in all cases of synchronized trading involving large scale price manipulation and the same was also brought out in the case of Nirmal Bang Securities (P) Ltd. vs SEBI by the Hon’ble SAT (Judgment dated October 31, 2003) whereby it was observed that *“Intention is reflected from the action of the Appellant. Choosing selective time slots does not appear to be an involuntary action.”*

82. Further I also note that the Hon’ble SAT in Sparkline Mercantile Co. Pvt. Ltd. Vs SEBI dated 16.01.2012 held as follows:

“..It is an admitted position that it is difficult to get direct evidence with regard to synchronization of trades for the purpose of upsetting the market equilibrium or to manipulate the market. It is only on the basis of circumstantial evidence that such a connection can be proved...”

..A large number of trades were executed among the group entities within a minute of placing the order. This cannot happen without prior meeting of minds among the connected entities. From the details of the trades executed and having regard to the trading system, we do not think that such large number of trades could match between the same parties unless the trading system was being abused.”

83. In view of the foregoing, I conclude that the Noticees 16, 17, 19, 20, 21, 23, 25, 26, 27, 28 viz., Anitha Yarlagadda, Salma Sharafat Khan, Ronak A Choksi, Veerabhadra Rao Dandamudi, Divyesh Surana, Shivcharan S Kashyap, Shailshil T Jhaveri, Sharadbhai R Jhaveri, Manish Ratilal Shah and Ajitbhai P Vasa, have indulged in synchronized trades with a manipulative intention of matching their trades with group entities for creating a false appearance of trading in the scrip of Exelon and hence have violated the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), 4 (2) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003
84. Further, with respect to the synchronised and reversal of trades carried out by the Noticees as discussed above, I deem it appropriate to draw reference to the observations made by the Hon'ble Supreme Court in the matter of SEBI vs. Rakhi Trading Private Ltd., in Civil appeals no., 1969 of 2011 with Civil Appeal Nos., 3174-3177 of 2011 and Civil Appeal No., 3180 of 2011 decided on February 8, 2018, which reads as under:

“the price discovery system itself was affected by synchronization and rapid reverse trade, which also had the impact of excluding other investors from participating in the market. The Supreme Court, therefore found that the traders having engaged in a fraudulent and unfair trade practice while dealing in securities, are hence liable to be proceeded against for violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations”. The Apex Court also observed that “considering the reversal transactions, quantity, price and time and sale, parties being persistent in the number of such trade transactions with huge price

variations, it will be too naïve to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the board's circular. The impugned transactions are manipulative/deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities.”

85. Keeping in mind the dicta of the Hon’ble SAT and Hon’ble Supreme Court as reproduced above, I see no reason to take a different view in the present case. In view of the foregoing, I hold that the charges levelled against the Noticees with respect to synchronisation of trade and reversal of trade stands established. I find that the manipulative trading practices indulged into by the Noticees cannot be viewed independently and have to be viewed collectively as the overall impact of the synchronized & reversal trading done by the group of entities on the market in the scrip of Exelon on the days when the synchronized & reversal trades were executed was significant.

Findings w.r.t Self-trades

86. I note that self-trades are the trades, wherein the seller and the buyer in a particular trade remains the same person and no actual beneficial ownership of such transactions is changed. Self-trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the stock exchange. Summary of self-trades executed by the Noticees 2, 19, 22, 23 & 24 are furnished hereunder:

Sl. No.	Client Name	Total Self trade vol.	Total Self trade count	% of self-traded quantity to clients buy vol.	% of self-traded quantity to clients sell vol.	No. of days on which self-trades done
1	Ronak Ashwin Choksi	127481	28	14.92%	13.59%	8
2	Shivcharan Shreedhar Kashyap	78001	31	7.91%	7.72%	4
3	Srinvasa Rao Marupudi	59856	2	8.28%	10.25%	2
4	Jayesh Himmatlal Mehta	36241	16	5.56%	5.62%	9
5	Shailshil Tusharbhaji Jhaveri	23717	57	0.76%	0.69%	16

I note from the above table that the Noticees entered into self-trade for more than 10,000 shares and for 2 or more days

87. In this connection, I would like to refer to the judgements of Hon'ble SAT pertaining to self-trades.

- (i) *Hon'ble Securities Appellate Tribunal (SAT) in the matter of Balwinder Singh v. SEBI (2013), observed that that self-trades (or wash-trades) are per se not allowed under SEBI Act and regulations made thereunder.*
- (ii) *In Chirag Tanna v. The Adjudicating Officer (2013), Hon'ble SAT held that self - trades are, admittedly, fictitious and create artificial volumes in the traded scrip.*
- (iii) *In Triumph International Finance Ltd v. SEBI (2007), Hon'ble SAT observed that self-trades were fictitious because the buyer and the seller were the same.*
- (iv) *Further, in Systematix Shares & Stocks India Limited v. SEBI (2012), Hon'ble SAT observed that trades, "where beneficial ownership is not transferred, are admittedly manipulative in nature."*
- (v) *In HJ Securities Pvt Ltd v. SEBI (2012), Hon'ble SAT even made the observation that simply because the number of such self-trades is not large by itself cannot justify execution of self-trades*

88. I note that self-trades executed by Noticees per se did not result in change in beneficial ownership. Although self- trades by the face of it implies no transfer of beneficial ownership, it is necessary to look into the attending circumstances of the case. I note that, The Hon'be SAT in case of Ketan Parekh v. SEBI (Appeal No. 2 of 2004) decided on July 14, 2006, had categorically held that in order to find out whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism, will depend upon the intention of the parties which could be inferred from the attending circumstances of the cases, because direct evidence in such cases may not be available. Therefore, I would like to dwell upon the attending circumstances resulting into execution of self-trades by the Noticees

89. Further, I also consider it necessary to examine self-trades in the context of reversal and synchronised trades so as to ascertain whether the intention factored in such self-trades. In this regard, I note from my observations made in the preceding paragraphs that intention of the Noticees have been clearly established with respect to such reversal and synchronised trades. Further, on the same lines, I now proceed to analyse the volume of self-trades.

90. The day-wise break up of self-trades executed by the Noticees along with the corresponding total market volume is furnished as under:

TRADE DATE	CLIENTNAME	CP_CLIENTNAME	TRADED QTY OF SELF-TRADES	MARKET VOLUME	%AGE TO THE MARKET VOLUME
30/12/2010	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	5	49917	0.01
30/12/2010	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	10	49917	0.02
01/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	9999	39336	25.42
02/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	100	431913	0.02
02/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	100	431913	0.02
02/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	500	431913	0.12
02/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	450	431913	0.10
02/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	9000	431913	2.08
18/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	7985	42971	18.58
23/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	6501	59120	11.00
04/05/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	44	70836	0.06
05/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	4000	69002	5.80
05/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	1750	69002	2.54
06/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	4000	98554	4.06

06/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	3000	98554	3.04
09/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	10000	171974	5.81
09/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	69322	171974	40.31
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	375	145510	0.26
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	100	145510	0.07
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	400	145510	0.27
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	1000	145510	0.69
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	145510	0.34
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	3500	145510	2.41
10/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	1500	145510	1.03
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	515	89017	0.58
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	744	89017	0.84
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	756	89017	0.85
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	500	89017	0.56
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	1623	89017	1.82
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	377	89017	0.42
11/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	200	89017	0.22
16/05/2011	SRINIVASA RAO MARUPUDI	SRINIVASA RAO MARUPUDI	40000	185910	21.52

18/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	919	184778	0.50
18/05/2011	SRINIVASA RAO MARUPUDI	SRINIVASA RAO MARUPUDI	19856	184778	10.75
31/05/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	50	113470	0.04
11/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	4000	228026	1.75
11/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	3000	228026	1.32
11/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	3000	228026	1.32
11/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	350	228026	0.15
11/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	315	228026	0.14
12/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	19638	169391	11.59
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	5000	118783	4.21
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	5000	118783	4.21
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1999	118783	1.68
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	118783	0.42
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	4500	118783	3.79
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	5000	118783	4.21
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	2490	118783	2.10
15/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	2500	118783	2.10
19/07/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	1000	105869	0.94
19/07/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	295	105869	0.28
19/07/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	200	105869	0.19
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	5000	146461	3.41
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	229	146461	0.16
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68

21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	5000	146461	3.41
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	480	146461	0.33
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	500	146461	0.34
21/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	1000	146461	0.68
08/08/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	9900	409327	2.42
08/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	202	409327	0.05
08/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	409327	0.00
09/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	212817	0.02
10/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	10	486657	0.00
10/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5	486657	0.00
10/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	2500	486657	0.51
11/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	10	359968	0.00
11/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	359968	0.00

19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	18	317202	0.01
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	12	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	9	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	70	317202	0.02
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	15	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	11	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	11	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	25	317202	0.01
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	12	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	2	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	15	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	17	317202	0.01
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	10	317202	0.00
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	20	317202	0.01
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	317202	0.02
19/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	25	317202	0.01
23/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	330889	0.03
23/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5	330889	0.00
23/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5	330889	0.00
23/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	330889	0.00
23/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	330889	0.02

25/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	433641	0.01
26/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	25	818655	0.00
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5	470701	0.00
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	470701	0.02
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	470701	0.02
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	99	470701	0.02
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	470701	0.02
29/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	11	470701	0.00
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	2450	702280	0.35
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	702280	0.01
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	702280	0.01
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	702280	0.01
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	702280	0.01
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	702280	0.01
30/08/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	50	702280	0.01
02/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	517036	0.02
02/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	10	517036	0.00
02/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1000	517036	0.19
02/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	45	517036	0.01
02/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	100	517036	0.02
05/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	626282	0.00
07/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	631670	0.00
13/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5000	1122510	0.45

13/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5000	1122510	0.45
14/09/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	5851	1189306	0.49
01/12/2011	SHAISHIL TUSHARKUMAR JHAVERI	SHAISHIL TUSHARKUMAR JHAVERI	1	36101	0.00
08/12/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	10000	52594	19.01
20/01/2012	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	2	30909	0.01
TOTAL			325296	38630436	0.84

91. From the above table, it is observed that the Noticees had executed 3,25,296 shares by way of self-trades and thereby contributed 0.84% of the volume to the total traded volume on the dates when the self-trades were executed. Further, it is observed that volume of self-trades of the Noticees as compared to the market volume on certain dates was substantial, the details of which are furnished hereunder.

TRADE DATE	CLIENTNAME	CP_CLIENTNAME	TRADED QTY OF SELF-TRADES	MARKET VOLUME	%AGE TO THE MARKET VOLUME
01/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	9999	39336	25.42
18/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	7985	42971	18.58
23/02/2011	JAYESH HIMATLAL MEHTA	JAYESH HIMATLAL MEHTA	6501	59120	11.00
09/05/2011	RONAK ASHWIN CHOKSI	RONAK ASHWIN CHOKSI	69322	171974	40.31
16/05/2011	SRINIVASA RAO MARUPUDI	SRINIVASA RAO MARUPUDI	40000	185910	21.52
18/05/2011	SRINIVASA RAO MARUPUDI	SRINIVASA RAO MARUPUDI	19856	184778	10.75
12/07/2011	SHIVCHARAN SHREEDHAR KASHYAP	SHIVCHARAN SHREEDHAR KASHYAP	19638	169391	11.59

92. Summary of self-trades executed by individual Noticees along with the corresponding market volume on the dates when self-trades were executed are furnished hereunder.

Self-trades analysis of Ronak Ashiwn Choksi

TRADE DATE	TRADED QTY	MARKET VOLUME	%AGE TO THE MARKET VOLUME
05/05/2011	5750	69002	8.33

06/05/2011	7000	98554	7.10
09/05/2011	79322	171974	46.12
10/05/2011	9875	145510	6.79
11/05/2011	4715	89017	5.30
18/05/2011	919	184778	0.50
08/08/2011	9900	40927	24.19
08/12/2011	10000	52594	19.01
Total	127481	852356	14.96%

I note from the above table that Ronak Ashwin Choksi had contributed 14.96% to the market volume by way of self-trades on the days when self-trades were executed by him.

Self-trades analysis of Shivcharan Shreedhar Kashyap

TRADE DATE	TRADED QTY	MARKET VOLUME	%AGE TO THE MARKET VOLUME
11/07/2011	10665	228026	4.68
12/07/2011	19638	169391	11.59
15/07/2011	26989	118783	22.72
21/07/2011	20709	146461	14.14
Total	78001	662661	11.77

I note from the above table that Shivcharan Shreedhar Kashyap had contributed 11.77% to the market volume by way of self-trades on the days when self-trades were executed by him.

Self-trades analysis of Srinivasa Rao Marupudi

TRADE DATE	TRADED QTY	MARKET VOLUME	%AGE TO THE MARKET VOLUME
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16/05/2011	40000	185910	21.52
18/05/2011	19856	184778	10.75
Total	59856	370668	16.14

I note from the above table that Srinivasa Rao Marupudi had contributed 16.14% to the market volume by way of self-trades on the days when self-trades were executed by him.

Self-trades analysis of Jayesh Himmatlal Mehta

TRADE DATE	TRADED QTY	MARKET VOLUME	%AGE TO THE MARKET VOLUME
30/12/2010	15	49917	0.03
01/02/2011	9999	39336	25.42
02/02/2011	10150	431913	2.35
18/02/2011	7985	42971	18.58
23/02/2011	6501	59120	11.00
04/05/2011	44	70836	0.06
31/05/2011	50	113470	0.04
19/07/2011	1495	105869	1.41
20/01/2012	2	30909	0.01
Total	36241	944341	3.84

I note from the above table that Jayesh Himmatlal Mehta had contributed 3.84% to the market volume by way of self-trades on the days when self-trades were executed by him

Self-trades analysis of Shailshil Tusharbhai Jhaveri

TRADE DATE	TRADED QTY	MARKET VOLUME	%AGE TO THE MARKET VOLUME
08/08/2011	203	409327	0.05
09/08/2011	50	212817	0.02
10/08/2011	2515	486657	0.52
11/08/2011	11	359968	0.00
19/08/2011	328	317202	0.10
23/08/2011	161	330889	0.05
25/08/2011	50	433641	0.01
26/08/2011	25	818655	0.00
29/08/2011	415	470701	0.09
30/08/2011	2850	702280	0.41
02/09/2011	1255	517036	0.24
05/09/2011	1	626282	0.00
07/09/2011	1	631670	0.00
13/09/2011	10000	1122510	0.89
14/09/2011	5851	1189306	0.49
01/12/2011	1	36101	0.00
Total	23717	8665042	0.27

I note from the above table that the contribution of Shailshil Tusharbhai Jhaveri by way of self-trades was 0.27% of the to the market volume by way of self-trades on the days when self-trades were executed by him, which was negligible.

93. It is noted from the above analysis that the Noticees 2, 19, 22 and 23, had contributed substantially by way of self-trades to the market volume on the

days of execution of self-trades by the respective Noticees. Since, self-trades contribution of the Noticee 25 i.e., Shailshil T Jhaveri to the market volume is negligible, I am inclined to take a lenient view. Pursuant to detailed analysis as brought out above, it is established that self-trades executed by the Noticees 2, 19, 22 and 23 are not normal transactions and it clearly demonstrates beyond reasonable doubt the Noticee knowingly engaged in execution of self-trades. In view of the above, I am inclined to hold that there was a manipulative intent of self-trades to create artificial volume in the scrip of Exelon by Noticees 2, 19, 22 and 23. Therefore, I conclude that the Noticees had violated the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003.

Findings w.r.t LTP analysis

94. The Investigation period, December 8, 2010 to January 20, 2012, has been split into 3 patches which includes 2 patches of price rise and 1 patch of price fall. Price movement of the scrip during the 3 patches of price rise & price fall are given as under :

Period	No. of Trading days	Price & Volume	Opening price (volume) on first day of the period (₹)	Closing price (volume) on last day of the period (₹)	Lowest price (volume) during the period (₹)	Highest price (volume) during the period (₹)	Total Volume (Avg. no. of shares traded daily during the period)
Patch 1- Pre split price rise patch (08.12.10 to 23.03.11)	73	Price	19.50 (08.12.10)	103.60 (23.03.11)	18.75 (09.12.10)	112.85 (18.03.11)	77,01,534 (1,05,501)
		Volume	32,694 (08.12.10)	1,80,401 (23.03.11)	7,923 (22.12.10)	4,31,913 (02.02.11)	
Patch 2 - Post split price rise patch (24.03.11 to 13.06.11)	55	Price	49.25 (24.03.11)	83.80 (13.06.11)	46.40 (30.03.11)	87.50 (13.06.11)	57,09,027 (1,03,982)
		Volume	33,944 (24.03.11)	67,669 (13.06.11)	15,360 (27.05.11)	3,21,290 (19.04.11)	
Patch 3 - Post split price fall patch (14.06.11 to 20.01.12)	152	Price	85.80 (14.06.11)	11.01 (20.01.12)	10.50 (20.01.12)	86.25 (14.06.11)	2,44,24,094 (1,60,685)
		Volume	57,862 (14.06.11)	30,909 (20.01.12)	117 (04.10.11)	11,89,306 (14.09.11)	

95. During Patch-1 of price rise, I note that connected entities had traded on all 73 days out of 73 trade days. During Patch-2 of price rise, connected entities had traded on all 55 days out of 55 trade days and during Patch-3 of price fall, connected entities had traded on 136 days out of 152 trade days.

96. It was observed that during the period December 8, 2010 and March 23, 2011, the price of the scrip “Exelon” had moved from ₹ 19.5/- to a period high of ₹ 112.85/- on March 18, 2011 and closed at ₹103.6/- on March 23, 2011. During the period of investigation, there were 68,139 trades carried out for a traded quantity of 3,78,44,655 shares at BSE. The contribution of top 10 connected entities contributing to positive LTP is tabulated in the table below:

Name of Buy clients	All trades			Above LTP			Below LTP			LTP Diff=0		% of +ve LTP to Mkt. +ve LTP
	Sum of LTP diff	Sum of Quantity	No. of Trades	LTP Impact	Sum of Quantity	No. of Trades	LTP Impact	Sum of Quantity	No. of Trades	Sum of Quantity	No. of Trades	
Shivcharan S.Kashyap	17.9	172417	579	75.15	65931	126	-57.25	10862	232	95624	221	6.40%
Jayesh Himmatlal Mehta	0.05	229151	608	72.1	52426	124	-72.05	76789	323	99936	161	6.14%
Divyesh Harish Surana	13.65	243660	742	58.6	42633	149	-44.95	76138	340	124889	253	4.99%
A.K. Investments	8.75	353356	555	32.55	77265	140	-23.8	70416	124	205675	291	2.77%
Gangadhara Rao Ilaparti	16.1	147820	243	24.85	54981	92	-8.75	57513	43	35326	108	2.12%
Kantilal Lakshmichand	10.35	38295	84	17.9	11266	23	-7.55	6240	26	20789	35	1.53%
Amrit L.Gandhi(HUF)	11.65	168294	188	15.35	50282	76	-3.7	30027	23	87985	89	1.31%
Srinvasa Rao Marupudi	13.6	191051	82	14.75	89942	39	-1.15	2502	4	98607	39	1.26%
Nishita Danish Merchant	2.55	57473	155	11.85	7240	38	-9.3	15192	44	35041	73	1.01%
Salma Sharafat Khan	5.65	367428	84	11.4	102571	26	-5.75	100378	14	164479	44	0.97%
Top 10 group entities based on positive LTP	100.25	1968945	3320	334.5	554537	833	-234.25	446057	1173	968351	1314	28.50%
Total LTP contribution of connected group	144.2	3305290	4170	417.45	1081524	1115	-273.25	702434	1338	1521332	1717	35.56%
Total LTP market wide contribution.	84.1	7701534	13400	1173.6	2189767	3507	-1089.5	1589635	3492	3922132	6401	100.00%

97. From the above table, I note that the group entities executed 4,170 trades during Patch 1. Out of the 4,170 trades, 1,717 trades were executed at LTP and 1,338 trades were executed below LTP. Since, this is a price rise patch, only trades that were contributing to positive LTP were analysed & it was observed that a total of 37 entities from the connected group had contributed to the positive LTP contribution of ₹ 417.45 (35.57% of total market positive LTP) through 1,115 trades. Out of the 1115 trades, in respect of 208 trades the counterparty were also connected entities of the group which contributed

to positive LTP of ₹ 67.80 (5.78% of total market positive LTP). Out of these 25 group entities, 3 entities of the connected group viz., Noticee 23 (Shivcharan S. Kashyap), Noticee 22 (Jayesh H Mehta) and Noticee 21 (Divyesh H Surana) contributed ₹ 32.75 to positive LTP (2.79% of total market positive LTP) and the counterparties were connected entities.

98. For the purpose of illustration, few instances of trades executed by the Noticees among themselves above LTP are given herein below.

Date	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Price	LTP difference	LTP %age	Time difference
16/02/2011	SHIVCHARAN SHREEDHAR KASHYAP	JAYESH HIMATLAL MEHTA	09:15:00.854296	09:15:00.305595	66	2.2	3.45	00:00:01
18/02/2011	SHIVCHARAN SHREEDHAR KASHYAP	JAYESH HIMATLAL MEHTA	09:15:01.804605	09:15:00.830995	69.75	2.75	4.1	00:00:01
21/02/2011	SHIVCHARAN SHREEDHAR KASHYAP	JAYESH HIMATLAL MEHTA	09:15:02.475569	09:15:01.082121	70.75	2.7	3.97	00:00:01
25/02/2011	SHIVCHARAN SHREEDHAR KASHYAP	JAYESH HIMATLAL MEHTA	09:15:00.122755	09:15:00.333053	77.9	2.2	2.91	00:00:00
28/02/2011	DIVYESH HARISH SURANA	JAYESH HIMATLAL MEHTA	09:15:00.136529	09:15:00.975672	80.15	3.8	4.98	00:00:00

99. I note from the above table that the trades were executed between the Noticees beyond the LTP at same price/quantity/ within a gap of zero or few seconds only, which cannot be the ordinary practice or genuine trading. Such continuous pattern amongst themselves clearly suggests that they in collusion had placed order buy/sell beyond LTP to raise the price of the scrip.

100. In this connection, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"... but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP*

resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his trades, the Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafide intention of the appellant.”

101. Therefore, taking into account the trading pattern of the Noticees i.e., by trading above LTP among the connected entities, I conclude that the Noticees 21, 22 & 23 indulged in creation of artificial price rise in the scrip of Exelon and thereby violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2), 4 (2) (a) and (e) of SEBI (PFUTP) Regulations. It was also observed that these 3 entities have also contributed to NHP and First trades positively, which are subsequently brought out in the subsequent paragraphs.

Findings w.r.t New High Price (NHP)

102. Further, it is observed that artificial price rise was also contributed by the Noticees through another mechanism / modus operandi (i.e. placing orders at the NHP at many occasions). New high price is the price which is higher than the price already established in the scrip during the investigation period. In view of 2 patches of price rise, as brought out in Para 93 above, NHP analysis is done hereunder:

NHP Analysis of Period-1 (Pre-split price rise patch): (8.12.2010 to 23.3.2011)

103. During this period, the price of the scrip “Exelon” opened at ₹ 19.5 on 08.12.2010 and reached to a high of ₹ 112.85 on 18.3.2011 and closed at ₹ 103.6/- on 23.3.2011 - i.e. there was an increase of ₹ 93.35. It was observed that on 55 trading days and 208 occasions a new high price was discovered. Out of 208 trades establishing new high price, 13 entities of the group was found to have been responsible for establishing new high prices in as many

as 107 instances. The contribution of the connected group in establishing new high prices was ₹ 71.05 (76.11%) out of the total price of ₹ 93.35.

104. The analysis of order book of top clients contributing to new high price more than 5% of total market wide NHP contribution is as follows:

Name of clients	No. of instances Estb.NHP	% to total NHP	Total Contri. of client to NHP (₹)	% to total Contri.	Traded vol.by client	% to total vol.
Shivcharan S.Kashyap	36	17.31%	33.05	35.40%	7054	6.12%
Kantilal	4	1.92%	7	7.50%	2503	2.17%
Jayesh Himatlal Mehta	11	5.29%	6.8	7.28%	67	0.06%
Divyesh Harish Surana	15	7.21%	6.25	6.70%	3819	3.31%
A.K.Investments	13	6.25%	4.75	5.09%	29551	25.64%
Top 5 contributors to NHP	79	37.98	57.85	61.97%	42994	37.3%
Total of connected group as Buyers	107	51.44%	71.05	76.11%	67454	58.53%
Total market	208	100.00%	93.35	100.00%	115240	100.00%

105. I note from the above table that Shivcharan S. Kashyap was the top NHP contributor, who contributed to ₹ 33.05 (35.40% of total market NHP) in 36 trades. Out of which, in respect of 6 trades the counterparty was Jayesh H.Mehta which resulted in contribution to new high price of ₹ 6.05 (6.48% to total market NHP) and the traded quantity was for a single share. Order log analysis was carried out for trades of Shivcharan with Jayesh Mehta where Shivcharan is bidder (purchaser) and Jayesh Mehta is seller. Details of such trades are given below:

Date	Order No.	Add	Buy Order Time	Sell order time	Trade Time	Buy Order Qty	Sell Order QTY	Trade Qty	Buy Order Price	Sell Order Price	LTP at order entry	LTP contribution	NHP Contri	Top Ask Price	Top Ask Vol.	Trade Price	High /Low for the day
		Upd												(Range)	Ask Vol.		
		Del												(Total)	(Total)		
16/02/11	15000064000170	add	09:15:00.8	09:15:00.3	09:15:01.3	1	25	1	66.95	66	63.8	2.2	2.2	NA	NA	66	64-66
18/02/11	18000067004028	add	09:15:01.8	09:15:00.8	09:15:03.0	1	450	1	70	69.75	67	2.75	1.5	NA	NA	69.75	64.1-69.75
25/02/11	18000077000099	add	09:15:00.1	09:15:00.3	09:15:00.6	1	450	1	77.9	77	75.7	2.2	1.15	NA	NA	77.9	72.75-77.9
21/02/11	23000088002554	Add	09:15:02.4	09:15:01.0	09:15:10.9	1	450	1	70	70.75	68.05	2.7	1	NA	NA	70.75	72.75-77.9
21/02/11	23000088002974	Add	09:16:05.4	09:16:43.2	09:16:43.2	1	450	1	71.45	71.45	71.35	0.1	0.1	NA	NA	71.45	72.75-77.9
17/03/11	19000083063080	Add	14:58:32.2	09:15:02.3	14:58:32.3	17565	200	200	108	107	106.9	0.1	0.1	102.95-108.3	30 to 5000	107	62.4-68.25

106. From the above table, I note that Jayesh Mehta was putting sell order at a price higher than LTP and Shivcharan was matching the sell orders with his buy orders to establish NHP with single share. The repeated trades for just

one share with the same entity cannot be just a mere coincidence. Therefore, it is established that these two connected entities viz., Shivcharan S Kashyap (Noticee 23) and Jayesh Mehta (Noticee 22) were indulging in increasing the price of the scrip by establishing the base price for further trades in the scrip at a higher price.

107. Further Divyesh H.Surana was a contributor to new high price for total of ₹ 6.25 in 15 trades. Out of these 15 trades, in respect of 4 trades, the counterparty was Jayesh H. Mehta and the contribution to new high price was ₹ 2.50 (2.68% to total market NHP) through these 3 trades. Therefore, it is established that these two connected entities viz., Divyesh H.Surana (Noticee 21) and Jayesh H Mehta (Noticee 22) were indulging in increasing the price of the scrip by establishing the base price for further trades in the scrip at a higher price.

108. From the trades of Jayesh H. Mehta, it is observed that the client has contributed ₹ 6.8 to new high price in 11 trades out of which, counterparty to 1 trade was Jayesh H Mehta himself contributing ₹. 1.45 (1.55% to total market NHP). However, Jayesh H. Mehta, though his self-trade, indulged in increasing the price of the scrip by establishing the base price for further trades in the scrip at a higher price.

109. From the above analysis, it is established that the 3 connected entities viz Jayesh H Mehta (Noticee 22), Shivcharan S. Kashyap (Noticee 23) and Divyesh H Surana (Noticee 21) among themselves had executed trades at NHP and by doing so have together contributed ₹ 10 to market NHP (10.71% of market NHP) through 10 trades.

NHP Analysis of Patch-2 (Post split price rise patch): (24.03.2011 to 13.6.2011).

110. During this period, the price opened at ₹ 49.25 and reached to a high of ₹ 87.50 on 13.6.2011 and closed at ₹83.8 on 13.6.2011 - i.e. there was an

increase of ₹ 38.25. It was observed that on 15 trading days and 56 occasions a new high price was discovered. Out of the 56 trades establishing new high price, I note that 4 group entities were found to have been responsible for establishing new high prices in 13 instances. The contribution of group entities in establishing new high prices was ₹17.4 (45.49%) out of the total price of ₹ 38.25. Details of the same are given below:

Name of clients	No. of instances establishing NHP	% to total NHP	Total contribution of client to NHP (₹)	% to total Contribution	Traded volume by client	% to total vol.
Shivcharan Shreedhar Kashyap	8	14.29%	13.5	35.29%	9	0.06%
Seema Gandhi	1	1.79%	2.7	7.06%	44	0.27%
Jitendra Laxmichandji Gandhi	2	3.57%	1	2.61%	700	4.31%
Kantilal Lakshmichand	2	3.57%	0.2	0.52%	165	1.02%
Total of connected group as Buyers	13	23.21%	17.4	45.49%	918	5.65%
Total market	56	100.00%	38.25	100.00%	16246	100.00%

111. The analysis of order book of above mentioned entities contributing to NHP is as follows:

- (i) Shivcharan Kashyap has contributed ₹ 3.5 (35.29% to market NHP) in 8 trades for a quantity of 9 shares. Out of the 8 trades, in respect of 5 trades in which the buy orders were put first above at new high price contributed ₹ 11.55 to market NHP (30.20% of market NHP). It was further observed that all these trades were first trades of the day and quantity traded in all trades was 1 share except in one trade in which 2 shares were traded. The repeated trades for just 1 quantity at NHP cannot be just a mere coincidence. Thus, it is established that Shivcharan Shreedhar Kashyap indulged in increasing the price of the scrip by establishing the base price for further trades in the scrip at a higher price.

112. In view of the foregoing analysis, I conclude that the Noticees 21, 22 and 23 by executed trades among themselves NHP with a manipulative intent have considerably contributed to artificial price rise in the scrip of Exelon. Therefore, I hold that the Noticees 21, 22 and 23 had violated the provisions

of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2), 4 (2) (a) and (e) of SEBI (PFUTP) Regulations. I also note that the role of these Noticees in contributing to positive LTP was established in the preceding paragraphs.

Findings w.r.t First Trades (FT)

113. First trades analysis was carried out to identify whether the first trade of the day was used to increase the price by the connected group during the investigation period.

(a) First Trade Analysis of Patch-1 (Pre-split price rise patch): (8.12.2010 to 23.3.2011) - The details of the first trades during the Patch 1 are as follows:

No of First trades in Market	Market Volume of FT	No of FT buy Trades by Group	Group Purchase volume by FT	Group FT % to Market FT (vol.)	No. of FT Sell trades by Group	Group Sell volume by FT	Group FT % to Market FT (vol)	No. of First Trade within Group	Volume	% vol.to Market vol.FT
73	10099	50	5841	57.84%	15	1225	12.13%	11	73	0.72%

114. From the above table I note that out of the total 73 trade days, entities belonging to the connected group executed first trades at 68.49% and 20.55% buy and sell side respectively, of the total trading days. Through first trades, the group purchased 5,841 shares and sold 1,225 shares. Following are the LTP and NHP contribution details for all the first trades:

Sum of market LTP (buyer) of FT in ₹	Sum of market NHP (buyer) of FT in ₹	LTP of FT trades of Group (buyer) in ₹	NHP Contribution of the Group (buyer) of FT trades in ₹
83.45	68.9	87.8	59.95

115. I note from the above that there was a positive impact on the price through first trades carried out by the entities of connected group and had a total NHP contribution of ₹ 59.95 through first trades which is 87.01% of the market's NHP through first trade. The details of the first trades carried out by entities of connected group who had contributed to the positive LTP variation is as follows:

Name of client	No. of First trades	First trade volume	% of FT to market FT(Vol.)	First trade positive LTP Sum (in ₹)	NHP of FT
Shivcharan Shreedhar Kashyap	17	66	0.85%	42.25	29.25
Jayesh Himmatlal Mehta	8	37	0.48%	9.8	4.55
Divyesh Harish Surana	7	56	0.72%	13.15	4.65
A.K. Investments	4	5551	71.79%	4.35	3.85
Kantilal Lakshmichand	3	3	0.04%	8.7	6.95
Jitendra Laxmichandji Gandhi	2	11	0.14%	5.25	3.45
Jigna Manish Shah	2	2	0.03%	3.5	3.5
Narendra Omprakash Dogra	1	1	0.01%	4	2.85
Bhavnaben Nimeshbhai Mistry	1	1	0.01%	2	0.9
Connected group buyer total	45	5728	74.08%	93	59.95
Total market wide	56	7732	100.00%	106.4	68.9

116. Out of the 45 trades executed by connected group, in respect of 6 trades, 2 group entities viz. Shivcharan S. Kashyap and Divyesh H. Surana have placed 4 buy orders for 1 share each and the NHP contribution was ₹ 8.05 (11.68% to market NHP through first trades). I note that the two Noticees were putting the buy orders only with the intention of establishing a new base price of the scrip during the first trade of the day and hence manipulating the price of the scrip.

117. Further, I note that counterparty to 8 first trades were group entities contributing ₹ 9.55 to NHP (13.86% to market NHP through first trades) and contributing ₹ 15.1 to positive LTP (14.19% to market positive LTP through first trades). The details of these 8 trades is given in table below:

Name of Buy client	Name of Sell Client	No. of First trades	First trade volume	First trade positive LTP Sum (in ₹)	NHP of FT
Shivcharan Shreedhar Kashyap	Jayesh Himmatlal Mehta	4	4	9.85	5.85
Divyesh Harish Surana	Jayesh Himmatlal Mehta	1	1	3.8	2.25
Jayesh Himmatlal Mehta	Jayesh Himmatlal Mehta	1	10	1.45	1.45
Jayesh Himmatlal Mehta	Divyesh Harish Surana	1	5	1.5	0
A K Investments	Jayesh Himmatlal Mehta	1	50	0.25	0
Total of above 5 entities		8	70	16.85	9.55
Connected group buyer total		45	5728	93	59.95
Total market wide		56	7732	106.4	68.9

118. From the above analysis, it is established that 3 entities viz Jayesh H Mehta, Shivcharan S. Kashyap and Divyesh H Surana have together contributed ₹ 9.55 to market NHP (13.86% of market NHP through first trades) through 7

first trades by indulging in increasing the price of the scrip and establishing the base price for further trades in the scrip at a higher price through first trades of the day.

119. I also note that these 3 Noticees were also found to be contributing to positive LTP and NHP as discussed in pre-paragraphs with regard to findings of LTP and NHP.

(b) First Trade Analysis of Patch-2 (Post split price rise patch): (24.03.2011 to 13.06.2011) - The details of the first trades during the Patch 2 are as follows:

No of First trades in Market	Market Volume of FT	No of FT buy Trades by Group	Group Purchase volume by FT	Group FT % to Market FT (vol.)	No. of FT Sell trades by Group	Group Sell volume by FT	Group FT % to Market FT (vol)	No. of First Trade within Group	Volume	% vol.to Market vol.FT
55	10725	20	3564	33.23%	3	611	5.70%	1	1	0.72%

120. From the above table it is observed that out of a total 55 trade days, entities belonging to the connected group executed first trades at 36.36% and 5.45% (buy-sell side) of the total trading days. Through first trades, the group purchased 3564 shares and sold 611 shares respectively. Following are the LTP and NHP contribution details for all the first trades:

Sum of market LTP (buyer) of FT in ₹	Sum of market NHP (buyer) of FT in ₹	LTP of FT trades of Group (buyer) in ₹	NHP Contribution of the Group (buyer) of FT trades in ₹
27.8	28.85	30.25	16

121. Thus, there was a positive impact on the price through first trades carried out by the entities of connected group and had a total NHP contribution of ₹ 16/- through first trades which is 52.89% of the market's NHP through first trade. The details of the first trades carried out by entities of connected group who had contributed to the positive LTP variation is as follows:

Name of client	No. of First trades	First trade volume	% of FT to market FT (Voume.)	First trade positive LTP Sum (in ₹)	NHP of FT
Shivcharan Shreedhar Kashyap	13	2017	32.58%	25.45	13.3
Seema Gandhi	1	44	0.71%	2.7	2.7
Divyesh Harish Surana	1	1	0.02%	3	0
Narendra Omprakash Dogra	1	500	8.08%	1.1	0
Elubandi Satyanarayana	1	1	0.02%	0.7	0
Connected group buyer total	17	2563	41.40%	32.95	16
Total market wide	32	6191	100.00%	62.65	28.85

122. From the above table, I note that Shivcharan Kashyap was the only entity who was contributing to NHP through first trades repeatedly. He had contributed to positive LTP of ₹ 25.45 and NHP of ₹ 13.3 in 13 trades. Out of the 13 trades, in respect of 7 first trades in which the buy orders were put first contributed ₹ 15.65 to LTP (24.98% of market positive LTP through first trades) and ₹ 11.55 to NHP (40.03% of market NHP through first trades).

123. In this connection, it is pertinent to refer to the judgment of Hon'ble SAT in the case of Systematix Shares & Stocks (India) Limited vs. SEBI (Appeal No. 21 of 2012 decided on April 23, 2012) wherein Hon'ble SAT observed that *“setting up of NHP beyond LTP was not found to be normal and lawful market practice”*. From the aforesaid trading pattern adopted by the Noticees (viz. placing orders among themselves beyond LTP, placing orders at NHP and first trade of day beyond LTP without any difference in price/ quantity of shares, it is evident that the Noticees had indulged into such trading with manipulative intent of raising the price of the scrip artificially.

124. From the above trading pattern of the Noticees, which was manipulative, I conclude that the Noticees 21, 22, and 23 viz., Divyesh H Surana, Jayesh H Mehta and Shivchanran S Kashyap indulged in increasing the price of the scrip and establishing the base price for further trades in the scrip at a higher price through first trades of the day and thereby violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2), 4 (2) (a) and (e) of SEBI (PFUTP) Regulations.

125. In view of the foregoing, it is evident that during the period when the Company and its directors had made misleading advertisements of positive

nature, the group/ connected entities had traded in the scrip of the Company. The group entities connected to the promoters / directors of the Company had manipulated the price of the scrip by contributing ₹71.05 to NHP out of total market NHP of ₹93.35 (i.e. 76.11% of market NHP) during the period of December 08, 2010 to March 23, 2011 (i.e. the period of price rise before stock split) by trading in 67,454 shares (i.e. 0.87% of market volume during that period). Further, these entities had manipulated the price of the scrip even after the stock split and contributed ₹17.40 to NHP out of the total market NHP of ₹38.25 (i.e. 45.49% of market NHP), during the period of March 24, 2011 to June 13, 2011 (the period of price rise after stock split) by trading in 918 shares (0.02% of market volume during that period). Further, it is established that the group of connected entities indulged in execution of reversal trades, synchronized trades, self-trades and thus created artificial volume in the scrip of Exelon. The trading pattern in the scrip by the connected group of entities establishes that the announcements made by the Company were dissemination to the public with an intention to distort the market equilibrium and the same was a scheme to make illegal gains and defraud the genuine investors.

126. The Noticees 21, 22 and 23 in their submissions referred to the Order dated April 24, 2017 passed by the Hon'ble WTM for the same cause of action of the same alleged breach of transactions. I have perused the Order of the Hon'ble WTM, wherein I find that the Noticees 21, 22 and 23 were debarred from accessing securities market in any manner for 3 years. It appears from the submissions of the Noticee that since they have been barred from accessing the securities market, the instant Adjudication proceedings ought not to have been initiated against them.

127. In this regard, I note that the principle of double jeopardy flows from the fundamental right enshrined in Article 20(2) of the Constitution of India. I note that it is judicially settled position that in order to claim the protection of Article 20(2) it is necessary to show that - (a) there was a previous prosecution, (b) as a result of which the accused was punished, and (c) the punishment was

for the same offence. Unless all the three conditions are fulfilled, Article 20 (2) of the Constitution of India is not attracted.

128. The words 'offence', 'prosecution' and 'punishment' in the context of Article 20(2) of the Constitution of India contemplate proceedings of criminal nature before a court of law. The Hon'ble High Court of Bombay in the matter of SEBI Vs. Cabot International Capital Corporation (2004) 10 Comp L J held that *"the adjudication for imposition of penalty by Adjudication Officer, after due inquiry, is neither a criminal nor a quasi-criminal proceeding. The penalty leviable under this Chapter or under these sections is penalty in cases of default or failure of statutory obligation or in other words, breach of civil obligation. The provisions and scheme of penalty under SEBI Act and the regulations, there is not element of criminal offence or punishment as contemplated under criminal proceedings."*

129. The Hon'ble Supreme Court in Shriram Mutual Fund & Anr. {Appeal (civil) 9523-9524 of 2003}, has also held that adjudication proceedings under SEBI Act are civil proceedings.

130. It is pertinent to mention the Hon'ble SAT's observations in the matter of Sunita Gupta Vs. SEBI in the Appeal No. 193 of 2016 decided on April 21, 2017, which reads as under::

"Where a person violates the provisions contained in the SEBI Act and the regulations made thereunder, then, SEBI is empowered to initiate penalty proceedings against that person under Chapter VIA of SEBI Act and also issue directions in the interests of investors or securities market as it deems fit under Chapter IV of SEBI Act. Thus, the powers conferred on the Board under Chapter IV are independent from the powers to impose penalty under Chapter VIA of SEBI Act. Accordingly, in the present case, since the appellant had indulged in synchronized/ circular trades in gross violation of SEBI Act/ PFUTP Regulations and the same was detrimental to the interests of the investors and securities market, the Board deemed it fit to issue direction under Chapter IV in addition to the penalty imposed under Chapter

VIA of SEBI Act. Therefore, in the facts of present case, initiation of proceedings under Chapter IV even after initiating proceedings under Chapter VIA cannot be faulted.

131. Therefore, in my view, the principle of double jeopardy do not apply to the present proceedings, as the directions issued by Hon'ble WTM of SEBI under Section 11 and 11B of the SEBI Act are also civil proceedings and not criminal proceedings. In view of the above, I find no merit in the argument put forth by the Noticees 21, 22 and 23.

Unlawful gains made by the Noticees

132. I am of the opinion that in the context of charges of PFUTP against the Noticees, the act of manipulation in the scrip is of prime importance and the issue of deriving profit is consequential. The unlawful gains made by the Noticees in the scrip has been calculated and given hereunder:

133. Since the shares of the company got split in ratio of 1:2 w.e.f March 24, 2011, the profit / loss calculation is done in 2 patches i.e. Patch 1 - December 08, 2010 to March 23, 2011 and Patch 2 - March 24, 2011 to June 13, 2011. For calculation of ill-gotten gains, the Noticees who had traded during the aforesaid patches are taking into consideration.

(a) Profit / Loss Calculation for Patch 1 - December 8, 2010 to March 23, 2011

During this patch, the price of the scrip opened at ₹19.5 and closed at ₹ 103.6. Further, 45 entities of the connected group traded into the scrip and 41 entities have made profit including the promoter Cementex (India) Pvt., Ltd., Details of these trades are mentioned below:

Profit / Loss made by the Noticees entities during the period - December 08, 2010 to March 23, 2011

Sl. No.	Name	Sell Quantity	Sell Value (in ₹)	Buy Quantity	Buy Value (in ₹)	Net sold quantity	Opening Price (₹)	Closing Price (₹)	Profit (₹)
1	Cementex (India) P.Ltd.	363000	14464335	40000	1388000	323000	19.5	103.6	6777835
2	Ronak Ashwin Choksi	32800	2435565	174008	11270032	-141208	19.5	103.6	5794682
3	Divyesh Harish Surana	178932	11423155	243660	13872464	-64728	19.5	103.6	4256512
4	Salma Sharafat Khan	302427	19453905	367428	22283901	-65001	19.5	103.6	3904108
5	Jayesh Himmatlal Mehta	145162	8668800	229151	14890412	-83989	19.5	103.6	2479648
6	Anitha Yarlagadda	72935	2690527	20000	495925	52935	19.5	103.6	1162369
7	Veerabhadra Dandamudi	107086	3034762			107086	19.5	103.6	946585
8	Shivcharan S. Kashyap	92833	6882162	172417	14293367	-79584	19.5	103.6	833697
	Grand Total	1295175	69053211	1246664	78494101	48511			26155436

Note - Method adopted to calculate unlawful gains / profit under various scenarios is as detailed below:

- When sell quantity = Buy quantity during the period, Profits made = Sell Value - Buy value
- When sell quantity > Buy quantity during the period, Profits made = Sell Value - Buy value - ((Sell quantity - Buy quantity) * Opening Price)
- When sell quantity < Buy quantity during the period, Profits made = Sell Value - Buy value + ((Buy quantity - Sell quantity) * Closing Price)

From the above table, it is observed that by manipulating the price of the scrip by establishing new high price through first trades along with the corporate announcements of positive nature that company had never implemented, the promoter / director connected entities have made a profit of ₹ 2.61 crores.

(b) Profit / Loss Calculation for Patch 2 - March 24, 2011 to June 13, 2011

During this patch, the price of the scrip opened at ₹ 49.25 and closed at ₹ 83.8. Further, 34 entities of the connected group traded into the scrip and 31 entities have made profit including the promoter Cementex (India) Pvt., Ltd., Details of these trades are mentioned below:

Profit / Loss made by the Noticees during the period - March 24, 2010 to June 13, 2011

Sl. No.	Name	Sell Quantity	Sell Value (in ₹)	Buy Quantity	Buy Value (in ₹)	Net sold quantity	Opening Price (₹)	Closing Price (₹)	Profit (₹)
1	Ronak Ashwin Choksi	411308	29740198	382701	24938997	28607	49.25	83.8	3392306
2	Divyesh Harish Surana	132466	9240479	53992	3951026	78474	49.25	83.8	1424609
3	Shivcharan S. Kashyap	195693	12860191	303057	20762242	-107364	49.25	83.8	1095052

Sl. No.	Name	Sell Quantity	Sell Value (in ₹)	Buy Quantity	Buy Value (in ₹)	Net sold quantity	Opening Price (₹)	Closing Price (₹)	Profit (₹)
4	Cementex (India) P.Ltd.	41000	3034000			41000	49.25	83.8	1014750
5	Srinivas Yadav Sher	40299	3005110	25000	1673800	15299	49.25	83.8	577834
6	Rama K. Makkena	20000	1522272			20000	49.25	83.8	537272
7	Srinvasa Rao Marupudi	85000	6495500	67000	5145483	18000	49.25	83.8	463517
8	Jayesh H. Mehta	197306	13697039	190130	12967843	7176	49.25	83.8	375778
9	Anitha Yarlagaadda	3200	253920	5000	245000	-1800	49.25	83.8	159760
10	Veerabhadra R. Dandamudi	5526	426190	7500	439872	-1974	49.25	83.8	151740
	Grand Total	1131798	80274899	1034380	70124263	97418			9192618

Note - Method adopted to calculate unlawful gains under various scenarios is as detailed below:

- When sell quantity = Buy quantity during the period, Profits made = Sell Value - Buy value
- When sell quantity > Buy quantity during the period, Profits made = Sell Value - Buy value - ((Sell quantity - Buy quantity) * Opening Price)
- When sell quantity < Buy quantity during the period, Profits made = Sell Value - Buy value + ((Buy quantity - Sell quantity) * Closing Price)

134. From the above table, it is observed that by manipulating the price of the scrip by establishing new high price through first trades along with the corporate announcements of positive nature that company had never implemented, the promoter / director connected entities have made a profit of ₹ 92 lakhs.

135. In view of the foregoing, it is established that the Noticees made unlawful gain of ₹ 3.53 crores by indulging in manipulative trade practices in the scrip of Exelon during the period December 8, 2010 to June 13, 2011.

ALLEGED VIOLATION: Non-disclosures by promoters /Directors and other shareholders under SEBI (PIT) and (SAST) Regulations

136. Changes in shareholding of promoters/directors and other shareholders were seen during the period of investigation, which triggered disclosure requirements under SEBI (PIT) and (SAST) Regulations. The alleged violation of the provisions of SEBI (PIT) and (SAST) Regulations by the Noticees are reproduced hereunder:

Regulation 13 (1) of SEBI (PIT) Regulations, 1992

Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of :—

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

Regulation 13 (2) of SEBI (PIT) Regulations, 1992

Any person who is a director or officer of a listed company shall disclose to the company in Form B the number of shares or voting rights held and positions taken in derivatives by such person and his dependents (as defined by the company), within two working days of becoming a director or officer of the company.

Regulation 13 (3) of SEBI (PIT) Regulations, 1992

Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

Regulation 13 (4) of SEBI (PIT) Regulations

Any person who is a Director or Officer of a Listed company, shall disclose to the Company and the Stock Exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this sub-regulation, and the change exceeds ₹ 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

Regulation 13 (4A) of SEBI (PIT) Regulations, 1992

Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing

Agreement or under sub-regulation (2A) or under this sub-regulation, and the change exceeds ` 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

Regulation 13 (5) of SEBI (PIT) Regulations, 1992

The disclosure mentioned in sub-regulations (3) and (4) shall be made within two working days of :

- (a) the receipts of intimation of allotment of shares, or*
- (b) the acquisition or sale of shares or voting rights, as the case may be.*

Regulation 7 (1) of SEBI (SAST) Regulations, 1997

Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent] shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to the stock exchanges where shares of the target company are listed.

Regulation 7 (1A) of SEBI (SAST) Regulations, 1997

Any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, or under second proviso to sub-regulation (2) of regulation 11] shall disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Regulation 8 (2) of SEBI (SAST) Regulations, 1997

A promoter or every person having control over a company shall, within 21 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, disclose the number and percentage of shares or voting rights held by him and by persons acting in concert with him, in that company to the company

Regulation 29 (2) of SEBI (SAST) Regulations, 2011

Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation

(1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.

Regulation 29 (3) of SEBI (SAST) Regulations, 2011

The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,—

- (a) every stock exchange where the shares of the target company are listed; and
- (b) the target company at its registered office.

137. Shareholding of Promoter entities: Quarter-wise shareholding pattern of promoter's holding is furnished hereunder:

Name of Promoter	Quarter ended Sep 10		Quarter ended Dec 10		Quarter ended March 11		Quarter ended Jun 11	
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding
Shradha P Manik	5000	0.07	5000	0.07	10000	0.07	10000	0.07
Jayantilal Dayabhai Manik	500	0.01	500	0.01	1000	0.01	1000	0.01
Parekh Kr Dayabhai Manik	200	0.00	200	0.00	400	0.00	400	0.00
Siddarth S.Manik	200	0.00	200	0.00	400	0.00	400	0.00
Cementex India P.Ltd	1330000	19.94	1188000	17.81	1864000	13.98	1723000	12.92
Total promoter holding	1335900	20.03	1193900	17.90	1875800	14.06	1734800	13.01
Total share capital	6668800	100	6668800	100	13337600	100	13337600	100

Name of Promoter	Quarter ended Sep 2011		Quarter ended Dec 2011		Quarter ended Mar 2012	
	No. of shares	% share holding	No. of shares	% share holding	No. of shares	% share holding
Cementex India P.Ltd	1728048	12.96	1651430	12.39	1467422	11.01
Total promoter holding	10133552	75.98	11686170	87.61	11870178	88.99
Total share capital	13337600	100	13337600	100	13337600	100

138. As can be seen for the quarter ended Sep 2010 to quarter ended June 2011, I note that there were 5 promoter shareholders. It may be observed that out of the 5 promoters, 4 exited during quarter ended September 2011.

Changes in Shareholding of Promoter, which triggered disclosure requirements

139. Further, it is observed that the shareholding of promoter Cementex India Pvt., Ltd., (Noticee 14) has reduced during quarter ended December 2010, March 2011, June 2011, December 2011 and March 2012, which triggered disclosure requirements by the Noticee under Regulation 13(3), 13(4A) read with Regulation 13(5) of SEBI (PIT) Regulations, 1992. Further, the change in shareholding of the aforesaid promoter also required disclosures under SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011. The details of date-wise changes in shareholding of Cementex India Pvt., Ltd., indicating breach of disclosure limits as per SEBI (PIT) and SEBI (SAST) regulations are furnished hereunder:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired	No. of shares disposed off	No of shares Acquired/ (disposed off) as a % of paid up capital	Value of transaction (in ₹)*	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT & SAST
04/01/11	1188000	17.81%		21000	0.31%	784264	1167000	17.50%	Inter Depository transfer	13(3) r/w 13(5) of PIT, 1992 and 7(1A) r/w 7(2) of SAST, 1997
15/02/11	1039000	15.58%		40000	0.60%	2515209	999000	14.98%	Off Market	13(3) r/w 13(5) of PIT, 1992 and 7(1A) r/w 7(2) of SAST, 1997
28/04/11	1864000	13.98%		100000	0.75%	7548606	1764000	13.23%	Off Market	8(2) of SAST, 1997
19/05/11	1764000	13.23%		41000	0.31%	3129396	1723000	12.92%	On Market	13(3) r/w 13(5) of PIT, 1992
14/09/11	1723649	12.92%		11500	0.09%	820337	1712149	12.84%	On Market	13 (4A) r/w 13(5) of PIT, 1992
17/09/11	1708449	12.81%	18351		0.14%	779000	1726800	12.95%	Off Market	13 (4A) r/w 13(5) of PIT, 1992
28/11/11	1728048	12.96%		28484	0.21%	660828	1699564	12.74%	Off Market	13 (4A) r/w 13(5) of PIT, 1992 and 29(2) r/w 29(3) of SAST, 2011
22/12/11	1678330	12.58%		30000	0.22%	542783	1648330	12.36%	On Market	13 (4A) r/w 13(5) of PIT, 1992
23/12/11	1648330	12.36%		34900	0.26%	624475	1613430	12.10%	On Market	13 (4A) r/w 13(5) of PIT, 1992
24/12/11	1613430	12.10%	38000		0.28%	679944	1651430	12.38%	Off Market	13 (4A) r/w 13(5) of PIT, 1992

07/01/12	1651430	12.38%	34615		0.26%	481256	1686045	12.64%	Off Market	13 (4A) r/w 13(5) of PIT, 1992
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* Value of shares is calculated by multiplying no. of shares transacted with weighted average price of that day.

140. I note from the BSE's email dated November 27, 2015 that the Noticee 14 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) and SEBI (SAST) Regulations. I note that the Noticee vide its letter dated December 24, 2013 admittedly stated that disclosures required to be made under SEBI (PIT) & (SAST) Regulations, were not made upon crossing the threshold limit. In this connection, I draw reference to the judgement of Hon'ble SAT in the matter of Vitro Commodities Pvt., Ltd., Vs. SEBI, wherein inter-alia Hon'ble SAT observed that Regulation 7 (1) of SAST Regulations and Regulation 13 (1) of PIT Regulations are not substantially difference, since violation of first automatically triggers violation and hence there no justification for imposition of penalty for second violation when penalty for first violation has been imposed. Therefore, I am not holding the Noticee for violation of Regulation 7 (1) and 7 (1A) of SEBI (SAST) Regulations, 1997 and Regulation 29 (2) read with Regulation 29 (3) of SEBI (SAST) Regulations, 2011 (*which was similar to Regulation 7 (1) and 7 (1A) of SEBI (SAST) Regulations, 1997*) that was observed in three instances.

141. Therefore, I conclude that the Noticee 14 by not making the requisite disclosures on 14 occasions as required under SEBI (PIT) & SEBI (SAST) Regulations had violated the provisions of Regulation 13 (3), 13 (4), 13 (4A) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992 and Regulation 8 (2) of SEBI (SAST) Regulations, 1997

Changes in Shareholding of Directors, which triggered disclosure requirements

142. From the analysis of quarterly shareholding pattern it is observed that the shareholding of directors has changed during the period of investigation, the details of which are furnished director-wise and quarter-wise.

(i) Srinivasa Rao Marupudi, Director

143. The quarter wise shareholding of Srinivasa Rao Marupudi (Noticee 2) is given in table below:

Quarter ended	No. of shares held	% to total shareholding
Sep-10	475345	7.13
Dec-10	307343	4.61
Mar-11	751428	5.63
Jun-11	591428	4.43
Sep-11	1451814	10.88
Dec-11	1190000	8.92
Mar-12	1190000	8.92

144. From the above, table it is observed that the shareholding of Srinivasa Rao Marupudi has changed during the Investigation period which triggered disclosure requirements under SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997. The details of date-wise changes in shareholding of Srinavasa Rao Marupudi indicating breach of disclosure limits as per these regulations are furnished hereunder:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired	No. of shares disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	Value of transaction (in ₹)	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT & SAST
10-Dec-10	4,61,872	6.93%		50,000	0.75%	1064123	411872	6.18%	On market	13(4) r/w 13(5) of PIT, 1992
20-Dec-10	4,00,921	6.01%		23,000	0.34%	556006	377921	5.67%	On market	13(4) r/w 13(5) of PIT, 1992
13-Jan-11	2,71,396	4.07%	50,000		0.75%	2254819	321396	4.82%	Off market	13(4) r/w 13(5) of PIT, 1992
25-Jan-11	3,22,626	4.84%		1,00,000	1.50%	4756971	222626	3.34%	Inter Depository	13(3), 13(4) r/w 13(5) of PIT, 1992
23-Feb-11	2,84,922	4.27%	41,413		0.62%	3034009	326335	4.89%	Off market	13(4) r/w 13(5) of PIT, 1992
28-Feb-11	3,26,772	4.90%	50,000		0.75%	3957474	376772	5.65%	Inter Depository	13(1), 13(4) r/w 13(5) of PIT, 1992 and 7(1) r/w 7(2) of SAST, 1997

01-Mar-11	3,76,772	5.65%		9,000	0.13%	751314	367772	5.51%	On market	13(4) r/w 13(5) of PIT, 1992
03-Mar-11	3,67,772	5.51%		19,936	0.30%	1706392	347836	5.22%	On market	13(4) r/w 13(5) of PIT, 1992
05-Mar-11	3,47,836	5.22%	12,395		0.19%	1082344	360231	5.40%	Off market	13(4) r/w 13(5) of PIT, 1992
23-Mar-11	3,60,231	5.40%	32,000		0.48%	3339871	392231	5.88%	Inter Depository	13(4) r/w 13(5) of PIT, 1992
27-Apr-11	7,54,462	5.66%		25,000	0.19%	1881412	729462	5.47%	On market	13(4) r/w 13(5) of PIT, 1992
16-May-11	6,39,462	4.79%	50,000		0.37%	3839052	689462	5.17%	Off market	13(4) r/w 13(5) of PIT, 1992
18-May-11	6,44,462	4.83%	25,000		0.19%	1869513	669462	5.02%	Off market	13(4) r/w 13(5) of PIT, 1992
18-Jul-11	6,69,462	5.02%	1,00,000		0.75%	6873721	769462	5.77%	Off market	13(4) r/w 13(5) of PIT, 1992
12-Aug-11	7,58,102	5.68%		10,000	0.07%	599150	748102	5.61%	Inter Depository	13(4) r/w 13(5) of PIT, 1992
16-Aug-11	7,48,102	5.61%		33,310	0.25%	2017762	714792	5.36%	Inter Depository	13(4) r/w 13(5) of PIT, 1992
18-Aug-11	6,78,941	5.09%		57,000	0.43%	3365138	621941	4.66%	Inter Depository	13(4) r/w 13(5) of PIT, 1992
19-Aug-11	6,21,941	4.66%		15,001	0.11%	876749	606940	4.55%	On market	13(4) r/w 13(5) of PIT, 1992
27-Aug-11	6,26,110	4.69%	6,009		0.05%	334058	632119	4.74%	Off market	13(4) r/w 13(5) of PIT, 1992
05-Sep-11	6,32,490	4.74%		34,000	0.25%	2016030	598490	4.49%	On market	13(4) r/w 13(5) of PIT, 1992
10-Sep-11	5,98,490	4.49%	13,118		0.10%	1056370	611608	4.59%	Off market	13(4) r/w 13(5) of PIT, 1992
19-Sep-11	11,11,608	8.33%	5,00,000		3.75%	20942364	1611608	12.08%	Off market	13(1), 13(3), 13(4) r/w 13(5) of PIT, 1992 and 7(1) r/w 7(2) of SAST, 1997
21-Sep-11	16,03,607	12.02%		17,000	0.13%	816096	1586607	11.90%	On market	13(4) r/w 13(5) of PIT, 1992

20-Oct-11	15,75,507	11.81%		20,000	0.15%	457105	1555507	11.66%	On market	13(4) r/w 13(5) of PIT, 1992
14-Nov-11	15,52,573	11.64%		2,00,000	1.50%	4979999	1352573	10.14%	Off market	13(4) r/w 13(5) of PIT, 1992

145. I note from the BSE's email dated November 27, 2015 that the Noticee 2 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) and SEBI (SAST) Regulations. For the changes in shareholding, Srinivasa Rao Marupudi, being a Director of Exelon was required to file necessary disclosures with the company and the stock exchange under SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997 however; he has not made the requisite disclosures under these regulations. However, as regards the violation of non-disclosure under SEBI (SAST) Regulations, 1997, in view of the ratio laid down in Para 140 above, I am not holding the Noticee for violation of Regulation 7 (1) and 7 (1A) of SEBI (SAST) Regulations, 1997.

146. Therefore, I conclude that the Noticee 2 by not making the requisite disclosures on 25 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (4) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

(ii) **Ravindra Deshpande, Director:**

147. I note that Ravindra Deshpande (Noticee 8) joined as Director of the Company on July 20, 2011. Further, the details of trades of Ravindra Deshpande during the Investigation period for which disclosures under SEBI (SAST) / PIT Regulations were required to be made, are given below:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired	No. of shares disposed off	No of shares Acquired/ (disposed off) as a % of paid up capital	Value of transaction (in ₹)*	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT & SAST
22/07/11	0	0%	0	0	0%	0	0	0%	Initial disclosure on	13(2) of SEBI (PIT), 1992

									becoming director	
23/09/11	500,000	3.75%	200000		1.50%	8700000	700000	5.25%	Off Market	13(1), 13(4) r/w 13(5) of SEBI (PIT), 1992 and 7(1) r/w 7(2) of SEBI (SAST), 1997
28/09/11	700,000	5.25%		18275	0.14%	720936	681725	5.11%	On market	13(4) r/w 13(5) of SEBI (PIT), 1992
07/10/11	680,725	5.11%	500000		3.75%	14824938	1180625	8.85%	Off Market	13(3), 13(4) r/w 13(5) of SEBI (PIT), 1992
10/10/11	1,180,625	8.85%		680000	5.10%	19175972	500625	3.75%	Off Market	13(3), 13(4) r/w 13(5) of SEBI (PIT), 1992
11/10/11	500,625	3.75%		500000	3.75%	13407635	625	0.00%	Inter depository transfer	13(4) r/w 13(5) of SEBI (PIT), 1992
03/11/11	26	0.00%	94522		0.71%	3238892	94548	0.71%	Off Market	13(4) r/w 13(5) of SEBI (PIT), 1992
17/11/11	87,548	0.66%	200000	25000	1.31%	4748439	262,548	1.97%	Sold in on market and bought ion off market	13(4) r/w 13(5) of SEBI (PIT), 1992
28/11/11	262,548	1.97%	99000	199000	0.75%	2319996	162548	1.22%	Off Market	13(4) r/w 13(5) of SEBI (PIT), 1992

* Value of shares is calculated by multiplying no. of shares transacted with weighted average price of that day.

148. I note from the BSE's email dated November 27, 2015 that the Noticee 8 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) and SEBI (SAST) Regulations. For the changes in shareholding, the Noticee 8 being a Director of Exelon was required to file necessary disclosures with the company and the stock exchange under SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997 however; he has not made the requisite disclosures under these regulations. However, as regards the violation of non-disclosure under SEBI (SAST) Regulations, 1997, in view of the ratio laid down in Para 140 above, I am not holding the Noticee for violation of Regulation 7 (1) and 7 (1A) of SEBI (SAST) Regulations, 1997.

149. Therefore, I conclude that the Noticee 2 by not making the requisite disclosures on 9 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (4) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

(iii) **Srinivas Yadav Sher, Director:**

150. I note that Srinivas Yadav Sher (Noticee 13) has executed multiple trades of more than 25,000 shares in the scrip of Exelon Infrastructure Ltd during the investigation period requiring him to make disclosures as per Regulations

13(4) r/w 13(5) of SEBI (PIT) Regulations, 1992. Further, the details of trades of Srinivas Yadav Sher during the Investigation period for which disclosures under SEBI (SAST) / PIT Regulations were required to be made, are given below:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired	No. of shares disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	Value of transaction (in ₹)*	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT & SAST
11/01/11	10,943	0.16%	6742		0.10%	297033	17685	0.27%	Off market	13(4) r/w 13(5) of PIT, 1992
13/01/11	27,685	0.42%	20000		0.30%	901928	47685	0.72%	Off market	13(4) r/w 13(5) of PIT, 1992
25/01/11	47,685	0.72%	100000	34000	0.99%	3139601	113685	1.70%	Off Market	13(4) r/w 13(5) of PIT, 1992
31/01/11	113,685	1.70%		100000	1.50%	4861410	13685	0.21%	Inter depository	13(4) r/w 13(5) of PIT, 1992
15/02/11	13,685	0.21%	53685	13685	0.60%	2515209	53685	0.81%	Off Market	13(4) r/w 13(5) of PIT, 1992
18/02/11	53,685	0.81%	10001		0.15%	667248	63686	0.95%	Inter depository	13(4) r/w 13(5) of PIT, 1992
23/02/11	63,686	0.95%	85000		1.27%	6227289	148686	2.23%	Off Market	13(4) r/w 13(5) of PIT, 1992
28/02/11	148,686	2.23%	49500		0.74%	3917899	198186	2.97%	On market	13(4) r/w 13(5) of PIT, 1992
23/03/11	198,686	2.98%	21000		0.31%	2191790	219686	3.29%	Inter depository	13(4) r/w 13(5) of PIT, 1992
21/04/11	439,372	3.29%	25000		0.19%	1788817	464372	3.48%	Inter depository	13(4) r/w 13(5) of PIT, 1992
18/05/11	464,372	3.48%		39357	0.30%	2943136	425015	3.19%	Inter depository	13(4) r/w 13(5) of PIT, 1992
24/05/11	425,015	3.19%		25000	0.19%	1867587	400015	3.00%	Off Market	13(4) r/w 13(5) of PIT, 1992
13/07/11	395,073	2.96%		33249	0.25%	2279566	361824	2.71%	Inter depository	13(4) r/w 13(5) of PIT, 1992
15/07/11	361,824	2.71%		50000	0.37%	3475198	311824	2.34%	Inter depository	13(4) r/w 13(5) of PIT, 1992
25/07/11	311,794	2.34%		215316	1.61%	14029562	96478	0.72%	Off Market	13(4) r/w 13(5) of PIT, 1992
26/07/11	96,478	0.72%		33058	0.25%	2179863	63420	0.48%	Inter depository	13(4) r/w 13(5) of PIT, 1992
05/08/11	58,305	0.44%		7528	0.06%	387384	50777	0.38%	Inter depository	13(4) r/w 13(5) of PIT, 1992
30/09/11	44,817	0.34%		44817	0.34%	1626857	0	0.00%	transferred in off market	13(4) r/w 13(5) of PIT, 1992

* Value of shares is calculated by multiplying no. of shares transacted with weighted average price of that day.

151. I note from the BSE's email dated November 27, 2015 that the Noticee 13 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) and SEBI (SAST) Regulations. For the changes in shareholding, the Noticee 8 being a Director of Exelon was required to file necessary disclosures with the company and the stock exchange under SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997 however; he has not made the requisite disclosures under these regulations. However, as regards the violation of non-disclosure under SEBI (SAST) Regulations,

1997, in view of the ratio laid down in Para 140 above, I am not holding the Noticee for violation of Regulation 7 (1) and 7 (1A) of SEBI (SAST) Regulations, 1997.

152. Therefore, I conclude that the Noticee 13 by not making the requisite disclosures on 18 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (4) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

(iv) **Shaik Ameer Basha, Director:**

153. I note that Shaik Ameer Basha (Noticee 7) became the Director of the company on October 21, 2011 and has done multiple trades of more than 25,000 shares in the scrip of Exelon during the investigation period requiring him to make disclosures as per Regulations 13(4) r/w 13(5) of SEBI (PIT) Regulations, 1992. Further, the details of trades of Shaikh Ameer Basha, during the Investigation period for which disclosures under SEBI (SAST) / PIT Regulations were required to be made, are given below:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired	No. of shares disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	Value of transaction (in ₹)*	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT & SAST
25/10/11	500,000	3.75%	-	-	-	-	500,000	3.75%	Initial disclosure on becoming director	13(2) of PIT, 1992
03/11/11	500,000	3.75%	94521		0.71%	3238857	594521	4.46%	Off market	13(4) r/w 13(5) of PIT, 1992
11/11/11	594,521	4.46%		500000	3.75%	13100000	94521	0.71%	Inter depository transfer	13(4) r/w 13(5) of PIT, 1992
14/11/11	94,521	0.71%	200000		1.50%	4979999	294521	2.21%	Off market	13(4) r/w 13(5) of PIT, 1992
28/11/11	297,688	2.23%	100000	6649	0.70%	2165739	391039	2.93%	Off market	13(4) r/w 13(5) of PIT, 1992
10/12/11	380,423	2.85%		15000	0.11%	282552	365423	2.74%	On Market	13(4) r/w 13(5) of PIT, 1992
06/01/12	350,103	2.62%		150000	1.12%	2011162	200103	1.50%	On Market	13(4) r/w 13(5) of PIT, 1992
07/01/12	200,103	1.50%	106605		0.80%	1482142	306708	2.30%	Off market	13(4) r/w 13(5) of PIT, 1992

* Value of shares is calculated by multiplying no. of shares transacted with weighted average price of that day.

154. For the changes in shareholding, the Noticee 7 being a Director of Exelon was required to file necessary disclosures with the company and the stock

exchange under SEBI (PIT) Regulations, 1992. I note from the BSE's email dated November 27, 2015 that the Noticee 7 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) Regulations. Therefore, I conclude that the Noticee 7 by not making the requisite disclosures on 8 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (4) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

Change in shareholding of other shareholders, which triggered disclosure requirements

155. From the analysis of quarterly shareholding pattern, I note that the shareholding of other entities have changed during the period of investigation. Details of such changes are discussed below:

Anitha Yarlagadda:

156. I note from the trades and demat statements of Anitha Yarlagadda (Noticee 16) that disclosures under SEBI PIT Regulations which were required to be made are given below:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired / disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT
19/09/11	1,414,344	10.60%	500000	3.75%	914344	6.86%	Off market	13(3) r/w 13(5) of SEBI (PIT), 1992
07/10/11	910,326	6.83%	500000	3.75%	410326	3.08%	Off market	13(3) r/w 13(5) of SEBI (PIT), 1992

157. In terms of Regulation 13 (3) an obligation is cast upon the shareholders already holding share aggregating more than 5% of the shares of the company, to make disclosures upon changes in their shareholding aggregating to 2% or more. I note from the BSE's email dated November 27, 2015 that the Noticee 16 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) Regulations.

158. Therefore, I conclude that the Noticee 16 by not making the requisite disclosures on 2 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (3) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

Rama Krishna Makkena:

159. I note from the trades and demat statements of Rama Krishna Makkena (Noticee 15) that disclosures under SEBI PIT Regulations which were required to be made are given below:

Date	No of shares held - pre Acquisition/ disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired / disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT
08/08/11	1,277,956	9.58%	100000	0.75%	1177956	8.83%	Off market	13(3) r/w 13(5) of SEBI (PIT), 1992
06/09/11	933,492	7.00%	50000	0.37%	883492	6.62%	Off market	13(3) r/w 13(5) of SEBI (PIT), 1992
13/09/11	883,492	6.62%	373869	2.80%	509623	3.82%	On market	13(3) r/w 13(5) of SEBI (PIT), 1992

160. In terms of Regulation 13 (3) an obligation is cast upon the shareholders already holding share aggregating more than 5% of the shares of the company, to make disclosures upon changes in their shareholding aggregating to 2% or more. I note from the BSE's email dated November 27, 2015 that the Noticee 15 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) Regulations.

161. Therefore, I conclude that the Noticee 15 by not making the requisite disclosures on 3 occasions as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (3) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

Swarna Kumari Kolli:

162. I note from the trades and demat statements of Swarna Kumar Kolli (Noticee 24) that disclosures under SEBI PIT Regulations which were required to be made are given below:

Date	No of shares held - pre Acquisition / disposal	% of shareholding held - pre Acquisition/ disposal	No. of shares acquired / disposed off	No of shares Acquired/ (disposed of) as a % of paid up capital	No of shares held - post Acquisition/ disposal	% of shareholding held - post Acquisition/ disposal	Mode	Violation of Regulation(s) under PIT
19/09/11	971,738	7.29%	500000	3.75%	471,738	3.54%	Off market	13(3) r/w 13(5) of SEBI (PIT), 1992

163. In terms of Regulation 13 (3) an obligation is cast upon the shareholders already holding share aggregating more than 5% of the shares of the company, to make disclosures upon changes in their shareholding aggregating to 2% or more. I note from the BSE's email dated November 27, 2015 that the Noticee 24 had not made the requisite disclosures upon crossing threshold limit as prescribed under SEBI (PIT) Regulations.

164. Therefore, I conclude that the Noticee 24 by not making the requisite disclosures as required under SEBI (PIT) Regulations had violated the provisions of Regulation 13 (3) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992.

165. Hon'ble SAT in the case of Coimbatore Flavors & Fragrances Ltd. V. SEBI (Appeal No. 209 of 2014) observed that *"Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."* (Emphasis supplied).

166. The information regarding sale / acquisition of shares by promoter / director / major shareholder is price sensitive in nature and therefore material and

relevant for investors to assess the company and its state of affairs. SEBI (PIT) & (SAST) Regulations specifically provides for the manner and timing of disclosure to be made by promoters, substantial shareholders and person who have control over the company. Such specific disclosures are timely disseminated by stock exchanges for public information.

167. The object of requiring such disclosure to be made with the requisite number of days is with a view to ensure that there is no abuse on account of investors being not aware of such in shareholding of a Promoter / Director / major shareholder. If the necessary disclosures are not made within the requisite number of days as per the respective Regulations, which are event based, the investors are deprived of taking an informed decision in investing in the scrip of the said Company.

168. In view of the above, I find no reason to take a different view and hold that the Noticees 2, 7, 8, 13, 14, 15, 16 & 24 by not making the requisite disclosures under SEBI (PIT) and (SAST) Regulations (*as applicable*) have violated the provisions of Regulation 13 (1), 13 (2), 13 (3), 13 (4), 13 (4A) read with Regulation 13 (5) of SEBI (PIT) Regulations, 1992 and Regulation 8 (2) of SEBI (SAST) Regulations, 1997.

ISSUE 2: Does the violation, if any, attract monetary penalty under Section 23 A(a), 23E of SCRA, Section 15 A (b), 15HA and 15HB of SEBI Act?

169. Upon detailed analysis and findings, it is established that the Noticees (*except Noticee 18*) were found to be violating the provisions of SEBI (PFUTP) Regulations, Listing Agreement read with Section 21 of SCRA, SEBI (PIT) Regulations and SEBI (SAST) Regulations (*as applicable*).

170. It is established that the Company and its Directors devised a manipulative scheme to increase the price of the scrip for offloading the shares held by the Promoters / Directors and other connected entities, by submitting misleading corporate announcement to the Stock Exchange

171. I am of the view that the facts of the present case clearly bring out the ominous role played by the Company and its Directors in indulging in an element of fraud, unfair trade practices and manipulation which enabled all the other entities to connive with one another and actively participate in the heinous game plan of manipulation of price & volume, of Exelon scrip.
172. As regards the violation of Regulation 12 (1) of SEBI (PIT) Regulations by the Company and its Directors, it is clear that these provisions are intended to prevent the possible abuse of unfair insider practices by the Company's management.
173. It is important to point out that securities market operates on a disclosure based regime and hence true and timely disclosure of information, as prescribed under the statute, is an important regulatory tool intended not only to enable regulator to effectively monitor transactions in the market but also helps investors to take well-informed decision. The Noticees, by their failure to make requisite disclosure under SEBI (PIT) and SEBI (SAST) Regulations have prevented dissemination of valuable information to investors at the relevant point of time.
174. Given the vital functions of protecting investors and safeguarding the integrity of the securities market vested in SEBI and the commensurate powers given to it under the securities laws, it is necessary that SEBI exercise these powers firmly and effectively to insulate the market and its investors from the fraudulent actions of the participants in the securities market, thereby fulfilling its legal mandate. A basic premise that underlies the integrity of securities market is that participants conform to standards of transparency, good governance and ethical behaviour prescribed in securities laws and do not resort to fraudulent activities.
175. Accordingly, I hold that since the violations committed by the Noticees have been established, the Noticees are liable for monetary penalty under Section

23 A(a), 23E of SCRA, Section 15 A (b), 15HA and 15HB of SEBI Act (as applicable), the provisions of which are reproduced hereunder:

Section 15 HA of SEBI Act - Penalty for fraudulent and unfair trade practices

“If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher”.

Section 23A(a) of SCRA - Penalty for failure to furnish information, return, etc.

Any person, who is required under this Act or any rules made there under-

(a) to furnish any information, document, books, returns or report to a recognised stock exchange, fails to furnish the same within the time specified therefore in the listing agreement or conditions or bye -laws of the recognised stock exchange, shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less for each such failure

Section 23E of SCRA - Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.

“If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees”.

Section 15 HB of SEBI Act - Penalty for contravention where no separate penalty has been provided

“Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees”.

Section 15 A (b) of SEBI Act - Penalty for failure to furnish information, return, etc.,

If any person, who is required under this Act or any rules or regulations made thereunder:-,

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees

ISSUE 3: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?

176. While determining the quantum of monetary penalty under the provisions of SCRA and of SEBI Act, I have considered the factors stipulated in Section 23J of SCRA and Section 15J of SEBI Act respectively, which reads as under:

Factors to be take into account by the Adjudicating Officer

While adjudging quantum of penalty under Section 23I of SCRA and Section 15I of SEBI Act, the Adjudicating Officer shall have due regard to the following factors, namely:

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.*

177. I note from the para 135 of this Order, wherein the unlawful gains of ₹ 3.53 crores with regard to their act of manipulation in the scrip made by the Noticees were calculated, which are reproduced hereunder Noticee-wise.

Name of the Noticee	Unlawful gain in ₹
Anitha Yarlagadda	1322129
Cementex (India) P.Ltd.	7792585
Divyesh Harish Surana	5681121
Jayesh Himmatlal Mehta	2855426

Ramakrishna Makkenna	537272
Ronak Ashwin Choksi	9186988
Salma Sharafat Khan	3904108
Shivcharan S. Kashyap	1928749
Srinivas Yadav Sher	577834
Srinvasa Rao Marupudi	463517
Veerabhadra Rao Dandamudi	1098325

178. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticee's default, with regard to the violations pertaining to Listing Agreement, SCRA, SEBI (PIT), SEBI (PFUTP) and SEBI (SAST) Regulations. Further, there is no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of non-disclosure of change in their holdings.

179. During the period when the Company and its directors had made misleading advertisements of positive nature, the group/ connected entities traded in the scrip of Exelon and manipulated the price of the scrip and created artificial volume in the scrip. General Public could have been carried away by the unusual rise in the volumes and prices in the scrip of Exelon and induced into investing in the said scrip. Therefore, I am convinced that this is a fit case where a stern message needs to be sent to deter companies and their promoters/ directors from indulging in such acts of unethical, unfair and fraudulent behaviour as observed in this case. This kind of activity seriously affects the normal price discovery mechanism in the securities market. People who indulge in manipulative, fraudulent and deceptive transaction, or abet the carrying out of such transaction which are fraudulent and deceptive should be suitably penalized for such acts of omissions and commissions.

180. The failure of the Company and its Directors in framing code of conduct for prevention of insider trading speaks volume of the company's and its Directors' reluctant approach towards compliance of SEBI (PIT) Regulations.

Hence, I am of the view that any lenient view taken in the given case would send a wrong signal to those companies who have ensured stringent compliance, and it would also not be in interest of the investors. The failure of the Company and its Directors in framing Code of Conduct for prevention of insider trading is, thus, viewed seriously.

181. There is no dispute that the Noticees failed to make the requisite disclosures to the BSE and the Company in terms of SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997, which would have deprived investors in taking informed decision. Any lapse in such matters would be detrimental to the interest of investors.

182. I note that the Noticee 2 i.e., Srinivasa Rao Marupudi, Director was CEO & Compliance Officer of the Company during the period of investigation. The Noticee 2, being in-charge of the affairs of the company was under obligation to act in the interest of the stakeholders and investors and maintain their trust and confidence at all times. However, as brought out in the above paragraphs, I note that the said Noticee was instrumental in the manipulative scheme and thereby acted in contrary to the interest of the investors leading to the erosion of trust and confidence of such investors. Further, I also note that the Noticee 2 failed to ensure compliance of Statutory requirements, which has hampered the regulatory objectives of investor protection and which is detrimental to the interest of securities market in general. Accordingly, I deem it appropriate to impose suitable penalty on the Noticee 2, which would act as a deterrent for the Noticee in future.

ORDER

183. I note from the entire sequence of events such as, devising a manipulative scheme to increase the price of the scrip for offloading the shares held by the Promoters / Directors and other connected entities by submitting misleading corporate announcement to the Stock Exchange, not making requisite disclosures under the SEBI (PIT) and (SAST) Regulations for information to general public, failed to frame code of conduct for prevention

of insider trading and non-compliance of listing agreement as observed, shows an orchestrated device, plan / artifice on the part of the Company, its Promoter & Directors and the connected entities, to mislead and defraud the investors.

184. Having considered all the facts and circumstances of the case, I, in exercise of the powers conferred upon me under 23I of SCRA and Section 15I of the SEBI Act read with Rule 5 of the SCR Adjudication Rules and SEBI Adjudication Rules, hereby impose a penalty on the Noticees as under:

Noticee Sl. No.,	Name of the Entity	Summary of findings	Violations observed	Penalty imposed under the provisions of	Penalty amount in ₹
1	Exelon Infrastructure Ltd.,	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors.	Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations.	Section 15HA of SEBI Act	1,00,00,000/- (Rupees One crore only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Non-compliance of listing agreement.	Clause 54 of Listing Agreement read with Section 21 of SCRA.	Section 23E of SCRA	3,00,000/- (Rupees Three lakhs only)
			Clause 31 (a), 35, and 41 of Listing Agreement read with Section 21 of SCRA	Section 23 A (a) read with Section 23E of SCRA	6,00,000/- (Rupees Six lakhs only)
2	Srinivasa Rao Marupudi	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations.	Section 15HA of SEBI Act	25,00,000/- (Rupees Twenty five lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct	Section 15HB of SEBI Act	5,00,000/- (Rupees Five lakhs only)

			under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.		
		Executed self-trades, thereby created artificial volume.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.	Section 15HA of SEBI Act	2,00,000/- (Rupees Two lakhs only)
		Failed to make disclosures under SEBI (PIT) Regulations on 25 occasions.	Regulation 13 (1), 13 (3), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	12,00,000/- (Rupees Twelve lakhs only)
3	Rahul Kolugiri	Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 HB of SEBI Act.	2,00,000/- (Rupees Two lakhs only)
4	Gandodi Shaikh Jilan				2,00,000/- (Rupees Two lakhs only)
5	Miyati Gousal Adam				2,00,000/- (Rupees Two lakhs only)
6	Nagendra Komera				2,00,000/- (Rupees Two lakhs only)
7	Shaikh Ameer Basha	Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 HB of SEBI Act.	2,00,000/- (Rupees Two lakhs only)
		Failed to make disclosures under SEBI (PIT) Regulations on 8 occasions.	Regulation 13 (2), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	4,00,000/- (Rupees Four lakhs only)
8	Ravindra Deshpande	Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 HB of SEBI Act.	2,00,000/- (Rupees Two lakhs only)

		Failed to make disclosures under SEBI (PIT) Regulations on 9 occasions.	Regulation 13 (2), 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	4,00,000/- (Rupees Four lakhs only)
9	Gadde B Tirupathi Rao	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and (r) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	2,00,000/- (Rupees Two lakhs only)
10	Ravi Chakravarthi	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and (r) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	2,00,000/- (Rupees Two lakhs only)
11	M Vishnuvardhan Rao	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and (r) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	2,00,000/- (Rupees Two lakhs only)

12	P R K Venkatamurthi	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	2,00,000/- (Rupees Two lakhs only)
13	Srinivas Yadav Sher	Formulated a manipulative scheme to make illegal gains and defrauded the genuine investors	Regulation 3 (b) (c) (d), 4 (2) (k) and(r) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
		Failed to frame code of conduct for prevention of insider trading.	Regulation 12 (1) read with Clause 1.2 of Schedule I of Part A of Model Code of Conduct under the PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15HB of SEBI Act	2,00,000/- (Rupees Two lakhs only)
		Failed to make disclosures under SEBI (PIT) Regulations on 18 occasions.	Regulation 13 (4) read with 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	5,00,000/- (Rupees Five lakhs only)
14	Cementex (India) Pvt., Ltd.,	Failed to make disclosures under SEBI (PIT) and (SAST) Regulations on 14 occasions.	Regulation 13 (3), 13 (4A) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	5,00,000/- (Rupees Five lakhs only)
			Regulation 8 (2) of SAST Regulations, 1997		1,00,000/- (Rupees One lakh only)
15	Ram Krishna Makkena	Failed to make disclosures under SEBI (PIT)	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with	Section 15 A (b) of SEBI Act	1,00,000/- (Rupees One lakh only)

		Regulations on 3 occasions.	Regulation 12 of PIT Regulations, 2015.		
16	Anitha Yarlagadda	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.	Section 15HA of SEBI Act	5,00,000/- (Rupees Five lakhs only)
		Failed to make disclosures under SEBI (PIT) Regulations on 2 occasions.	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act	1,00,000/- (Rupees One lakh only)
17	Salma Sharafat Khan	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.	Section 15HA of SEBI Act	5,00,000/- (Rupees Five lakhs only)
18	Seema Gandhi				No Penalty
19	Ronak Ashwin Choksi	Execution of synchronized & self-trades trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.	Section 15HA of SEBI Act	10,00,000/- (Rupees Ten lakhs only)
20	Veerabhadra Rao Dandamudi	Execution of synchronized trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.			10,00,000/- (Rupees Ten lakhs only)
21	Divyesh Harish Surana	Execution of synchronized trades thereby creating artificial	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of PFUTP	Section 15HA of SEBI Act	15,00,000/- (Rupees Fifteen lakhs only)

		volume, thus leading to false & misleading appearance of trading in the scrip. Indulging in increasing the price of the scrip and establishing the base price for further trades, contributing to NHP through first trades.	Regulations.		
22	Jayeshs Himatlal Mehta	Execution of synchronized & self -trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip. Indulging in increasing the price of the scrip and establishing the base price for further trades, contributing to NHP through first trades.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of PFUTP Regulations.	Section 15HA of SEBI Act	15,00,000/- (Rupees Fifteen lakhs only)
23	Shivcharan S Kashyap				15,00,000/- (Rupees Fifteen lakhs only)
24	Swarna Kumari Kolli	Failed to make disclosures in terms of SEBI (PIT) Regulations on one occasion.	Regulation 13 (3) read with Regulation 13 (5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015.	Section 15 A (b) of SEBI Act.	1,00,000/- (Rupees One lakh only)
25	Shailshil T Jhaveri	Execution of synchronized trades & reversal trades thereby creating artificial volume, thus leading to false & misleading appearance of trading in the scrip.	Regulation 3 (a) (b) (c) (d), 4 (1), 4 (2) (a) and 4 (2) (g) of PFUTP Regulations.	Section 15 HA of SEBI Act.	5,00,000/- (Rupees Five lakhs only)
26	Sharadbhai R Jhaveri	Execution of synchronized trades thereby			5,00,000/- (Rupees Five lakhs only)

27	Manish Ratilal Shah	creating artificial volume, thus leading to false & misleading appearance of trading in the scrip			5,00,000/- (Rupees Five lakhs only)
28	Ajitbhai P Vasa				5,00,000/- (Rupees Five lakhs only)

185. The said penalty imposed on the Noticees, as mentioned above, shall commensurate with the violation committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors.

186. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through e-payment facility into Bank Account the details of which are given below:

Account No. for remittance of penalties levied by Adjudication Officer

Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No	31465271959

187. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the General Manager, Enforcement Department-1, DRA-1, SEBI, in the format as given in table below

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

188. In terms of Rule 6 of the SCR Adjudication Rules and SEBI Adjudication Rules, copies of this order are sent to the Noticees and also to SEBI.

Date: 28 January 2019

Place: Mumbai

B J DILIP

Adjudicating Officer