

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. EAD-7/BD /NR/2019-20/6653-6660

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

In respect of:

1. DPK Stock and Securities (PAN: AACHB9339M) 802, International Trade Towers Nehru Place New Delhi – 110019.	2. Shivam Investments (PAN: ABMPK8540Q) 801, International Trade Towers Nehru Place New Delhi – 110019.
3. Caps Finstock Services Pvt., Ltd., (PAN: AAACC4192J) 801, International Trade Towers Nehru Place New Delhi – 110019.	4. Peeyush Agarwal (PAN: AACPA7470C) B-313, Saraswati Vihar New Delhi – 110034.
5. AJC Securities & Finance Pvt., Ltd., (PAN: AABCA1253B) 801, International Trade Towers Nehru Place New Delhi – 110019.	6. Supreme Lease Finvest Pvt., Ltd., (PAN: AABCS8098J) 801, International Trade Towers Nehru Place New Delhi – 110019
7. Shailja Investments Ltd., (PAN: AAACS3302E) 127-128, Tribuvan Complex 1st Floor, Ishwar Nagar Mathura Road New Delhi – 110065.	8. Kanhai Commodity Intermediaries Pvt., Ltd., (Now OMKAM COMMODITIES PVT., LTD.), (PAN: AACCK3363K) Arunachal Building No. 19, Barakhamba Road Connaught Place New Delhi - 110001.

(The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as “the Noticees”)

In the matter of Polar Pharma India Ltd.,

BACKGROUND

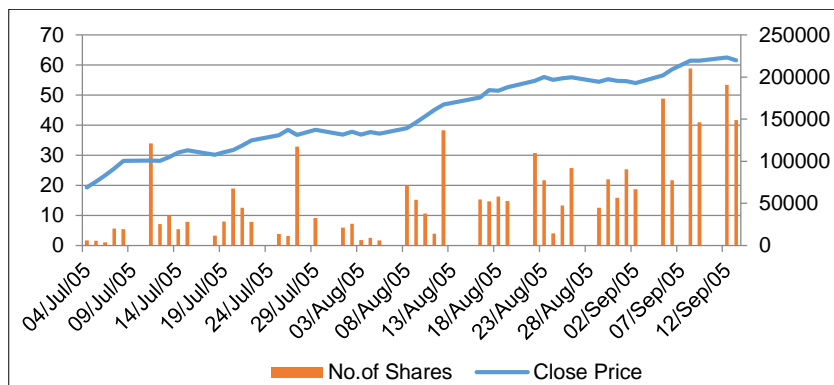
1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in the scrip of Polar Pharma India Ltd., (hereinafter referred to as "**PPIL**" / "**Company**") to ascertain any possible violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP**" Regulations) by certain connected entities during the period July 4, 2005 to September 13, 2005 (hereinafter referred to as "**Investigation Period**").
2. The investigation revealed that DPK Stock and Securities ("**DPK**" / "**Noticee 1**"), Shivam Investments ("**Shivam**" / "**Noticee 2**"), Caps Finstock Services Pvt., Ltd., ("**Caps**" / "**Noticee 3**"), Peeyush Agarwal ("**Peeyush**" / "**Noticee 4**"), AJC Securities & Finance Pvt., Ltd., ("**AJC**" / "**Noticee 5**"), Supreme Lease Finvest Pvt., Ltd., ("**Supreme**" / "**Noticee 6**"), Shailja Investments Ltd., ("**Shailja**" / "**Noticee 7**") and Knahai Commodity Intermediaries Pvt., Ltd., (now known as Omkam Commodities Pvt., Ltd.) ("**Omkam**" / "**Noticee 8**") who were connected to each other had indulged in price manipulation in the scrip of PPIL by contributing significant positive Last Traded Price (LTP) variation by trading among themselves. The investigation also found that the Noticees 1 to 6 indulged in creation of artificial volume in the scrip of PPIL through significant quantity of synchronized trades.

FACTS OF THE CASE

3. During the investigation period, the shares of PPIL were traded only on The Bombay Stock Exchange (BSE). The price volume data of the scrip before, during and after investigation period is summarized below: -

Period	Date	Price/ Volume	Opening Price (Volume) on first day of the period (₹)	Closing price (volume) on last day of the period(₹)	Low price (volume) during the period (₹)	High Price (volume) during the period (₹)	Avg. no. shares trading daily during the period
Before investigation period	April 01, 2005 to July 01, 2005	Price	19.50	17.55	16.65	29.90	7247
		Volume	2425	895	575	74703	
investigation period	July 04, 2005 to September 13, 2005	Price	17.50	61.55	17.50	65.55	58517
		Volume	6213	148991	3704	210249	
After investigation period	September 14, 2005 to March 31, 2006	Price	64.10	21.60	20.20	66	36849
		Volume	154561	12399	900	502470	

4. PPIL was last traded on BSE on September 17, 2013 at a price of ₹ 0.82 and was suspended from trading from September 18, 2013. The price and volume chart of PPIL during the investigation period is as under.



5. It was noted that there was a group of connected entities were found to be actively trading in the scrip of PPIL by indulging in creation of artificial volume and price manipulation. The details of connection among the connected is given hereunder.

Sl. No.	Name of Entity	Basis of connection
1.	DPK Stocks and Securities	This is proprietorship firm of Mr. DK Kapur (HUF).
2.	Caps Finstock Services P. Ltd.	The directors during investigation period were Mr.DK Kapur and his wife Mrs.Sushma Kapur
3.	AJC Securities & Fin. P. Ltd.	The directors during investigation period were Mr.DK Kapur and his wife Mrs.Sushma Kapur

Sl. No.	Name of Entity	Basis of connection
4.	Shivam Investment	This is proprietorship firm of Mrs. Sushma Kapur wife of Mr. DK Kapur.
5.	Supreme Lease Finvest P. Ltd	The directors during investigation period were Mr.DK Kapur and his wife Mrs.Sushma Kapur.
6.	Peeyush Agarwal	Mr. Peeyush Agarwal is former director of PPIL who resigned on October 28, 2004. Mr. Peeyush Agarwal had financial dealings with a company of Mr. DK Kapur namely APM Financial Consultants P. Ltd. in 2005. Further there was off-market transfer of PPIL shares by Mr. Peeyush Agarwal and/or its group companies to promoters of PPIL during 2005.
7.	Kanhai Commodity Intermediaries Pvt. Ltd.	
8.	Shailja Investments Ltd.	This is a entity of Mr. Ramesh Kumar Jain, who was director in group companies of PPIL during 1990-2002. There was financial dealings between promoters of PPIL and Shailja Investments Ltd. & its group entities during July 2005.

6. The details of top 10 buy clients and sell clients during the investigation period are furnished hereunder.

Top 10 client by gross buy qty.			Top 10 clients by gross sell qty.		
Buy client Name	Total Buy Volume	% of traded volume	Sell client Name	Total Sell Volume	% of traded Volume
DPK Stock (prop. DK Kapur)	238849	8.33%	Peeyush Agarwal	395000	13.77%
Caps Finstock Services	228243	7.96%	Krupa Agencies P. Ltd	180000	6.27%
AJC Securities & Fin.	192729	6.72%	DPK Stock (prop. DK Kapur)	175425	6.12%
Shailja Investments Ltd.	142361	4.96%	Caps Finstock Services	168323	5.87%
Shivam Investments (through different brokers)	127730	4.45%	AJC Securities & Fin.	122839	4.28%
	105600	3.68%	Flicker Trading Ltd.	76946	2.68%
Supreme Lease Finvest P. Ltd (through different brokers)	90508	3.16%	Shivam Investments	75220	2.62%
	87365	3.05%	LN Shroff & Co.	70949	2.47%
Rakesh Jain HUF	64908	2.26%	Supreme Lease Finvest P. Ltd.	66348	2.31%
Caps Finstock Services P. Ltd.	58735	2.05%	Kanhai Commodity Intermediaries Pvt. Ltd.	64100	2.23%
Total buying of top 10 clients	1337028	46.63%	Total of top 10 clients	1395150	48.62%
Total buying of Rest of clients	1530316	53.37%	Total selling of rest of clients	1472194	51.38%
Total traded volume(single side)	2867344	100%	Total traded volume(single side)	2867344	100%

It is observed from the above table that DPK Stock (Proprietor: DK Kapur) was the highest buyer with 2,38,849 shares (8.33% of total market volume), while the highest seller was Peeyush Agarwal with 3,95,000 shares (13.77% of total market volume) during the investigation period. All the entities in the top buying clients (except for Rakesh Jain, HUF) were part of connected entities, while 7 entities at gross sell side (given in bold) are part of connected group entities.

7. The summary of trading done by the connected entities in the scrip of PPIL during the investigation is tabulated hereunder.

Name of entity	Gross Buy quantity	Gross buy quantity as % of market volume	Gross Sell quantity	Gross sell quantity as % of market volume	Net buy (sell) quantity
I. As client of Vasanti Share Brokers Ltd.					
AJC Securities & Fin. P. Ltd. (A057)	192,729	6.72	122,839	4.28	69,890
Caps Finstock Services P. Ltd.(C007)	228,243	7.96	177,323	6.18	50,920
Shivam Investments (S004)	105,600	3.68	29,075	1.01	76,525
Supreme Lease Finvest P. Ltd. (S077)	90,508	3.16	66,348	2.31	24,160
II.As client of Religare Securities Ltd.					
DPK Stock and Securities (DS27)	238,849	8.33	175,425	6.12	63,424
Shivam Investment (S106)	127,730	4.45	75,220	2.62	52,510
III. As a client of Kotak Securities Ltd.					
Supreme Lease Finvest P. Ltd. (Q9P32)	87,365	3.05	25,500	0.89	61,865
Caps Finstock Services P. Ltd. (CGF33)	58,735	2.05	27,124	0.95	31,611
IV As a clients of Vrinda Portfolio P. Ltd.					
Peeyush Agarwal (PEE)	0	0	395,000	13.78	-395,000
Kanhai Commodity Intermediaries Pvt. Ltd. (KC)	0	0	64,100	2.24	-64,100
V As a clients of Integrated master Securities Ltd.					
Shailja Investments Ltd (S057)	142,361	4.96	11,000	0.38	131,361
Total (I to V)	1,272,120	44.37	1,168,954	40.77	103,166
Total trading volume on BSE	2,867,344	100%	2,867,344	100%	

It is noted that out of the total buying of 12,72,120 shares by connected entities, 8,45,844 shares were between the connected entities (i.e., 66.49%). Similarly, selling by connected entities was 11,68,954 shares and out of which 8,45,844 shares were between the connected entities i.e. 72.35%. The total trading by the connected entities among themselves was 29.49% of the market volume during the investigation period.

8. It is observed that the connected entities have indulged in synchronized trades *(where the buy and sell order quantity and rate were identical and orders for these transactions were placed between within time gap of one minute)*. The summary of such synchronized transactions is as below:-

Market Volume	Gross Buy Quantity of connected entities	Gross Sell Quantity of connected entities	Total traded quantity among the connected entities	Synchronized traded quantity by connected entities	Synchronized Trades as % of total traded quantity among the connected entities	Synchronized Trades as % of Total market volume	Sum of LTP contribution through Synchronized Trades	Sum of NHP cont. at Synchronized trades
2,867,344	1,272,120	1,168,954	845,844	244,450	28.90	8.52	-4.75	-

9. From the above table, it is observed that the connected entities have executed among themselves synchronized trades for 2,44,450 shares (8.52% of the market volume) during the investigation period. Total synchronized trading volume was 3,23,057 out of which the connected entities contributed to 75.66%. Further, synchronized trading volume among the connected entities as % of total traded quantity among the connected entities was 28.90%.
10. LTP analysis was carried out for the entire investigation period. The details of LTP contribution of connected entities (buy side) are tabulated in the table below:

Name	All Trades			Trades above LTP			Trades below LTP			Trades at LTP		% of positive LTP to Total market positive LTP
	Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Shailja Investments Ltd.	28.2	142,361	277	36.65	42,054	93	-8.45	8,934	18	91,373	165	7.71
Caps Finstock Services P. Ltd.	3.95	286,978	368	35.15	64,275	84	-31.2	61,804	121	160,899	163	7.40
Ajc Securities & Fin. P. Ltd	11.7	192,729	232	25.15	64,187	73	-13.45	29,156	66	99,386	94	5.29
Supreme Lease Finvest P. Ltd	10.25	177,873	255	24.2	65,715	70	13.95	11,937	58	100,221	127	5.09
DPK Stocks and Securities	11.15	238,849	122	13.05	55,502	32	1.9	55,200	8	128,147	82	2.75
Shivam Investments	-2.95	233,330	128	7.05	56,041	24	-10	43,556	25	133,733	79	1.48
Total of group	62.3	1,272,120	1,382	141.25	347,774	376	-47.25	210,587	296	713,759	710	29.73
Total Market	44.05	2,867,344	5,156	475.05	691,833	1,301	-431	474,092	1,112	1,701,419	2,743	

11. From the above table, it is observed that the connected entities have contributed ₹ 141.25 to positive LTP (29.73% of total market positive LTP) and their net LTP contribution was ₹ 62.3. It is also observed that the volume of the trades by the connected entities with LTP difference >0 was 3,47,774 shares. On analysing the counterparty concentration for such positive LTP trades, it was observed that 2,31,878 shares were traded with the other members of the connected entities which contributes to 66.67% of trades.
12. Since, the connected entities contributed 29.73% to positive market LTP in 376 trades, these orders were further analysed. The analysis revealed that out of total positive LTP contribution of ₹ 475.05 the connected entities created a positive LTPV of ₹ 12.15 (i.e. 2.55% of market positive LTP) by entering buy order first in 30 trades where counterparties were not connected entities. The LTP of ₹ 100.6 (i.e. 21.17%) was created by connected entities wherein sell orders were placed first in 227 trades by 164 non-connected entities who were scattered. Further, a positive LTP variation of ₹ 28.5 i.e.

5.99% of market positive LTP was created in 118 trades by connected entities when they traded among themselves.

13. As the connected entities contributed the said positive LTP of ₹ 28.5 by trading among themselves, the summary of all trades of connected entities which contributed positive LTP by trading among themselves is given below.

Seller→ Buyer↓	AJC Securities & Fin. P. Ltd	Caps Finstock Services P. Ltd.	DPK Stocks and Securities	Kanhai Commodity Intermediaries Pvt. Ltd.	Peeyush Agarwal	Shailja Investments Ltd.	Shivam Investments	Supreme Lease Finvest P. Ltd	Total LTP as buyer (No. of trades)
AJC Securities & Fin. P. Ltd	0.05 (1)	1.3 (6)	0.35 (2)	0.00 (0)	1.65 (7)	0.00 (0)	0.75 (4)	0.05 (1)	4.15 (21)
Caps Finstock Services P. Ltd.	3.1 (11)	0.05 (1)	1.65 (4)	0.00 (0)	0.65 (2)	0.10 (1)	0.75 (2)	2.8 (23)	9.1 (44)
DPK Stocks and Securities	0 (0)	1.4 (5)	0 (0)	0.00 (0)	1.05 (4)	0.00 (0)	0 (0)	3.45 (8)	5.9 (17)
Shailja Investments Ltd.	0 (0)	0 (0)	0 (0)	0.15 (2)	0 (0)	0.00 (0)	0 (0)	0 (0)	0.15 (2)
Shivam Investments	0.4 (1)	0.25(1)	0 (0)	0.55 (2)	0.3 (2)	0.00 (0)	0 (0)	0.4 (6)	1.9 (12)
Supreme Lease Finvest P. Ltd	0.85 (5)	4.35(10)	0.3 (2)	0.00 (0)	0.1 (2)	0.00 (0)	1.7 (3)	0 (0)	7.3 (22)
Total LTP as seller (No. of trades)	4.40 (18)	7.35 (23)	2.3 (8)	0.70 (4)	3.75 (17)	0.10 (1)	3.2 (9)	6.7(38)	28.5 (118)

14. From the above table, it is observed that these connected entities contributed significant amount of ₹ 28.5 positive LTP (5.99 % of market positive LTP) by trading among themselves and manipulated the price of the scrip.

15. In view of the aforesaid findings of investigation, it was alleged that the Noticees 1 to 6 by indulging in creation of artificial volume through significant quantity of synchronized trades and indulging in price manipulation by

contributing significant positive LTP variation, had violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), (e) and (g) of SEBI (PFUTP) Regulations, 2003. It was also alleged that the Noticees 7 to 8 by indulging in price manipulation by contributing significant positive LTP had violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and (e) of SEBI (PFUTP) Regulations, 2003.

APPOINTMENT OF ADJUDICATION OFFICER

16. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticees and appointed Shri Nagendraa Parakh as Adjudicating Officer vide Order dated February 6, , 2017 under Section 19 of SEBI Act read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) to inquire into and adjudge under Section 15HA of SEBI Act for the alleged violation of the provisions of SEBI (PFUTP) Regulations by all the Noticees. Pursuant to internal restructuring, the undersigned has been appointed as the Adjudicating Officer vide Order dated June 27, 2017.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

17. A common Show Cause Notices (SCN) bearing ref. no., EAD/BJD/NJMR/27572/2017 dated November 8, 2017 was served on all the Noticees under Rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held against them and penalty be not imposed under Section 15HA of SEBI Act for the violations alleged to have been committed by them.

18. The Noticees 1,2,3,5, and 6 vide letter dated November 20, 2017 sought extension of time till December 31, 2017 to furnish their reply to the charges alleged in the SCN, which was duly accorded and informed to them vide letter dated November 24, 2017. The Noticees 4 and 8 vide letters dated NIL and November 25, 2017 respectively, sought extension of 15 days to make detailed submissions, which was deemed to have been granted. The Noticees 1, 2, 3, 5 and 6 vide letter dated December 27, 2017 had once again sought extension of another 30 days to furnish its reply. The Noticees 4 and 8 vide letter dated November 28, 2017 and December 7, 2017 respectively furnished their reply, which are summarized in the subsequent paragraphs. Since, the Noticees 1, 2,3, 5 and 6 were repeatedly seeking extension of time on one pretext or other, vide letter dated January 17, 2018, these Noticees were informed to furnish their reply by January 29, 2018. Vide the aforementioned letter, the Noticees were given an opportunity of personal hearing on January 30, 2018. The Noticee 8 i.e., Shailja Investments Ltd., vide letter dated January 8, 2018 sought additional time of 15 days to furnish its reply, which was acceded to and communicated to the Noticee 8 vide letter dated January 17, 2018 to furnish its reply by January 29, 2018. The Noticee 8 vide letter dated January 25, 2018 submitted its reply, which are summarized in the subsequent paragraphs.
19. The Noticees 1, 2, 3, 5, and 6 vide letter dated January 24, 2018 submitted that an Interim Order dated February 2, 2016 was passed by the Hon'ble Whole Time Member (WTM), SEBI for the allegations similar to the one in the captioned Adjudication Proceedings. The Noticees submitted that they filed a reply vide letter dated February 15, 2016 thereby raising certain preliminary objections and sought an opportunity of inspection of documents. The Noticees further submitted that initiation/continuation of present Adjudication Proceedings on same subject matter when a separate proceedings initiated vide Interim Order dated February 2, 2016 is under

progress amount to “*double jeopardy*” and the same is in violation of fundamental principle enshrined in Constitution of India. Accordingly, the Noticees requested to adjourn the personal hearing scheduled on January 30, 2018 to any date after an opportunity of personal hearing granted by the Hon’ble WTM ad final Order is passed in the matter. I note that the Noticee 8 also took the above mentioned plea to keep the Adjudication proceedings in abeyance in view of parallel proceedings.

20. Vide letter dated February 5, 2018, all the Noticees were informed that the present Adjudication proceedings, which are civil proceedings, are separate and independent proceedings, which do not bar other civil action viz., directions issued under Section 11 and 11B of SEBI. Accordingly, the Noticees were given one more opportunity of personal hearing, which was scheduled on February 15, 2018. The Noticees 1, 2, 3, 5 and 6 vide letter dated February 9, 2018 represented to reschedule the date of personal hearing to any date after second week of March 2018. The Noticees 4 and 7 vide letter dated February 14, 2018 requested to stay the instant Adjudication proceedings in view of the on-going investigation. Vide email dated February 14, 2018, the Noticees 4 and 7 were informed that the current Adjudication proceedings were initiated pursuant to the approval of Hon’ble WTM, SEBI, which are independent and shall be concluded based on the material facts / documents made available. The Noticee 4 vide email dated February 19, 2018 requested for personal hearing any day after March 6, 2018. Vide email dated February 21, 2018, all the Noticees were informed of providing final opportunity to avail personal hearing scheduled on March 9, 2018.
21. The Noticees 4, 7 and 8 through their Authorised Representative viz., Ms. Deepika Vijay Sawhney, Advocate, Corporate Professionals Advisors and Advocates appeared before me on March 8, 2018 appeared before me and reiterated the submissions made by the Noticees vide their letters dated

November 28, 2017, December 7, 2017 and January 25, 2018. As requested by the Noticees, a copy of the original order dated February 6, 2017 with regard to appointment of Adjudicating Officer was provided. Further, the Authorised Representative undertook to make additional submissions by March 19, 2018. The Noticee 4 vide letter dated March 17, 2018 made additional submissions, which are summarized in the subsequent paragraphs.

22. Vide email dated March 8, 2018, the Noticees 1, 2, 3, 5 and 6 stated that they did not receive the email dated February 21, 2018, wherein the Noticees were granted an opportunity of personal hearing on March 9, 2018 and expressed their inability to attend the hearing on the scheduled date. Vide letter dated March 15, 2018, the attention of the Noticees were drawn to various correspondence, wherein they were given extension of time for providing reply and for attending personal hearing and how they were protracting the proceedings. Vide the aforementioned letter, the Noticees were provided with a copy of the delivery status of the email dated February 21, 2018 sent at 1:50 PM which denotes successful delivery of the email to the recipients i.e, the Noticees 1, 2, 3, 5 and 6 on February 21, 2018 at 1:50 PM. The Noticees were once again provided with final opportunity of personal hearing scheduled on March 26, 2018. The Noticees 1, 2, 3, 5 and 6 appeared before me on March 26, 2018 through their Authorised Representative viz., Mr. Robin Shah and reiterated the submissions made by the Noticees vide their letters dated March 24, 2018.
23. Pursuant to hearing held before the Hon'ble WTM in the similar matter, the Noticees were once again provided with an opportunity of being heard on December 17, 2019 which was communicated vide email dated December 3, 2019. Due to administrative exigencies, the hearing scheduled on December 17, 2019 was adjourned to December 18, 2019, which was

communicated vide email dated December 16, 2019. On behalf of the Noticees 4 and 8, Mr. Amit Shah and Ms. Parinati Jain appeared before me and reiterated the submissions made by the vide letters dated November 28, 2017 and December 7, 2017. Further, the Authorised Representatives orally submitted that there was no pre-arrangement & prior meeting of minds and in fact resignation of the Noticees 4 i.e., Piyush Agarwal from the Company due to difference of opinion, itself is an evidence that there was no meeting of minds.

24. The Noticees 1, 2, 3, 5 and 6 vide email dated December 16, 2019 submitted that they did not receive the email dated December 3, 2019 and they came to know of the hearing on December 17, 2019 through an email dated December 16, 2019, wherein the hearing was adjourned to December 18, 2019. Vide the aforementioned email, the Noticees sought adjournment of hearing and requested to hold the personal hearing in New Delhi, due to ill health of its representative, besides financial constraints in engaging an Authorised Representative in Mumbai. The request made by the Noticees were considered favourably and vide email dated January 1, 2020, the Noticees were informed of scheduling personal hearing in SEBI, Northern Regional Office, New Delhi on January 10, 2020. On behalf of the Noticees 1, 2, 3, 5 and 6, Mr. Devendraa P Kapur appeared before me on the schedule date of hearing at New Delhi and reiterated the submissions made by the Noticees vide letters dated March 24, 2018 and January 10, 2020. Pursuant to hearing, the Noticees made additional submissions vide letter dated January 10, 2020.

25. The replies furnished by all the Noticees are summarized hereunder:

Replies of the Noticees 1, 2, 3, 5 and 6 submitted vide letter dated March 24, 2018: The replies furnished by the Noticees are identical and hence all are summarized together hereunder:

- (a) Dealt in PPIL shares in normal course and the same was within our financial and risk bearing capacity.*
- (b) While dealing in the shares of PPIL, we had followed and complied with all the procedure and requirements as statutorily required.*
- (c) No connection or relationship with PPIL, its promoters, directors and any of the alleged connected entities.*
- (d) Initiation / continuation of captioned proceedings, when proceedings before the Hon'ble WTM is pending, for the same subject matter, is unjustified, unfair and unwarranted.*
- (e) The present SCN is issued after almost 13 years post the alleged transactions were executed on the floor of stock exchange. To expect an entity to give clarification on impugned transactions after a long inordinate delay of around 13 years is unfair and arbitrary. The SCN dated November 8, 2017 suffers from laches and on this ground alone the captioned SCN qua us be withdrawn in limeline.*
- (f) That during the year 2005 - 2006 Supreme had traded in only 1scrip; Shivam had traded in around 195 scrips; Caps had traded in around 7 scrips; AJC had traded in around 6 scrips; DPK had traded in around 90 scrips.*
- (g) Unlike informed institutional investors; retail investors like them have limited skill/ experience of fundamental & technical research before making an investment / trading decision. Thus, the trading decisions are mostly made on the basis of news and rumours in print media, electronic media, grapevines, investment decision of other investors, intuition and psychology of other investors. During the relevant time they believed that Pharma sector was witnessing a boom and thus they were thinking of investing in a pharma company within a reasonable price range and growth potential.*
- (h) At the relevant time i.e. August 2005, from the public domain they understood that the Board of Directors of PPIL had decided to issue*

3,00,000 equity shares on preferential and private placement basis to 'Stressed Assets Stabilization Fund', connection with negotiated settlement approved by SASF vide letter dated 28.07.2005 in respect of debt obligation of Company. The said news appraised to issue 30,00,000 Zero Coupon Convertible Warrant on preferential and private placement basis to strategic investors. A copy of PPIL announcement dated 04.08.2005 made on BSE is enclosed.

- (i) On 06.09.2005 PPIL company made announcement on BSE that in its Annual General Meeting the Board of Directors were authorized to issue and allot 30,00,000 Zero Coupon Convertible Warrants to strategic investors at price of ₹ 35.05 each which was fixed in accordance with SEBI Guidelines. A copy of PPIL's announcement dated 06.09.2005 made on BSE is enclosed.
- (j) In respect of alleged Synchronized Trades, it is submitted that, there is a difference in order placed and trade executed on relevant day and thus no adverse inference of synchronization be drawn qua us in this regard.
- (k) Supreme had sold shares of PPIL on 4 days out of which alleged impugned trades is on 1 day; Shivam had bought shares of PPIL on 15 days out of which alleged impugned trades is on 5 days; Caps had bought shares of PPIL on 13 days out of which alleged impugned trades is on 8 days and had sold shares of PPIL on 12 days out of which alleged impugned trades is on 4 days; AJC had bought shares of PPIL on 13 days out of which alleged impugned trades is on 3 days and had sold shares of PPIL on 9 days out of which alleged impugned trades is on 1 days; DPK had bought shares of PPIL on 13 days out of which alleged impugned trades is on 6 days and had sold shares of PPIL on 12 days out of which alleged impugned trades is on 5 days. Thus no adverse inference be drawn qua them in this regard.
- (l) We submit that all the transactions in the scrip of PPIL were executed through the normal screen based trading system of stock exchange.
- (m) It is further submitted that inadvertent / accidental synchronized trade not ipso facto illegal and in this regard, the Noticees place reliance on the Orders of Hon'ble SAT in the matter of HB Stockholdings Limited vs. SEBI (Appeal 114 of 2012) decided on 27.08.2013 and Kapil Bhuptani vs SEBI (Appeal 95 of 2013).

- (n) *With respect to the allegation of LTP trades, it is submitted that during the relevant time, Supreme total buy trade in 127 counts (constituting 49.80% of its buy during relevant period); Shivam total buy trade in 79 counts (constituting 61.72% of its buy during relevant period); Caps total buy trade in 163 counts (constituting 44.29% of its buy during relevant period); AJC total buy trade in 94 counts (constituting 40.34% of its buy during relevant period); DPK total buy trade in 82 counts (constituting 66.21% of its buy during relevant period) had no impact on LTP. This proves beyond reasonable doubt that they had no intent to manipulate price of PPIL scrip (either upward or downward).*
- (o) *Even in the past in case of miniscule/meagre quantity of inadvertent LTP trades; SEBI has taken a lenient stand and exonerated the entities. They have placed reliance on case of SEBI in respect of (1) Shyam Vyas, Bharat Bagri and Sumitra Devi Agrawal in matter of First Financial Services Ltd, (2) JMS Financial Services Ltd and Sanjay Shah in the matter of Pine Animantion Limited (3) Taran Rungta, Prem Lata Nahar, etc in the matter of Radford Global, (4) Bharat Bagri HUF and anr in the matter of Kailash Auto Finacne Limited (5) Shyam Vyas in the matter of Mishka Finance and Trading Limited.*
- (p) *That the alleged profit that is calculated in para 14 of SCN is erroneous and inaccurate. In fact, while dealing in shares of PPIL we had incurred as over loss at the relevant point in time.*
- (q) *That the basis of connection that is sought to be established in Interim Order is that one Mr. Peeyush Agarwal had financial dealing with APM Financial Consultants Pvt., Ltd., in 2005. However, in this regard it is submitted that the said financial transaction had nothing to do with their dealing in shares of PPIL. Further, APM Financial Consultants Pvt., Ltd., is not party to present proceedings and thus no adverse inference be drawn qua them in this regard.*
- (r) *That if they were aware of or if they were a party to any "scheme" of manipulation as alleged in SCN; they would have sold all their shares in the scrip in PPIL in the market and exited from the scrip. In fact, as on 31.03.2006, Supreme held 13,200 shares of PPIL; Shivam held 5,456 shares of PPIL; Caps held 702 shares of PPIL; AJC held 12,092 shares of PPIL; DPK held 11,000 shares of PPIL. This clearly shows that they had no malafied intentions or knowledge of any alleged price manipulation in the shares of PPIL. A copy of their demat statement as on 31.03.2006 is enclosed.*

- (s) *There is no relationship with PPIL, its promoters, directors or any of its allegedly connected entities.*
- (t) *That they have dealt in scrip of PPIL in absolutely fair and transparent manner. They believe that there has been no grievance by any investor or broker in respect of their dealings in shares of PPIL. Therefore, allegation of SEBI that their transactions in the shares of PPIL created artificial volume in the market and also manipulated the price and volume is unfair and unwarranted.*
- (u) *We deny that we have violated the provisions of SEBI (PFUTP) Regulations, 2003.*
- (v) *Strict Proof required for a serious charge of 'Fraud'. They placed reliance on the cases laws of Hon'ble SAT [1] R. K. Global v/s SEBI (Appeal no.158/2008 decided on 16.09.2010) [2] Narendra Ganatra v/s SEBI (Appeal No 47 of 2011 decided on 29.07.2011).*
- (w) *Compelling evidence required to charge someone of "fraud". In this regard, the Noticees place reliance on the case of Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh ((1984) 4 SCC 649 (AIR 1985 SC 24)).*
- (x) *It is further submitted that the alleged transactions in the scrip of PPIL pertains to the period 2005 i.e., way back before 13 years. It is respectfully submitted that inordinate delay in conducting the present proceedings renders the proceedings as nugatory and meaningless. In fact, no justification or reasons for issuance of SCN after such a long gap from the date of transactions has been mentioned in the SCN. In our humble submissions, issuance of SCN after such a long delay is bad in law and illegal and deserves to be withdrawn at the threshold itself. In this regard, the Noticees place reliance on the case laws of [1] H B Stockholdings vs. SEBI (Appeal No. 114 of 2012) {SAT} [2] Union of India & Anr vs. Hari Singh [W.P.(C)No.4245/2013 & CM No.9885/2013] {Hon'ble High Court of Delhi} [3] M. D. Parmar vs Y B Zala & Anr [(1979) GLR 497] {Hon'ble Gujarat High Court}.*

26. During the course of personal hearing on January 10, 2020, the Noticees 1, 2, 3, 5 and 6 while reiterating the earlier submissions made by them vide

letter dated March 24, 2018, which are summarized as above, had made the additional submissions which are summarized hereunder. Since, the replies filed by the Noticees are identical, the same are summarized together.

- (a) That M/s APM Financial Consultants (P) Ltd. (in which Mr. D. K. Kapur was a Director) received a sum of ₹ 5 Lakhs from M/s Kanhai Commodity Intermediaries (P) on 1st December, 2005. This amount was initially for rendering professional services (for Project Report, feasibility Report) but since M/s APM Financial Consultants (P) Ltd. was not able to render such services up to the expectation, therefore the said amount remained with M/s APM Consultants (P) Ltd. as loans & advances and was finally repaid on 5th July 2007. That this transaction of ₹ 5 lacs is the sole and only one transaction between Kanhai Commodity and APM Financial Construction Pvt., Ltd.,*
- (b) It is a matter of record that we started trading in the shares of PPIL as early as in the month of August, 2005, whereas the said financial transaction held in December, 2005.*
- (c) It is on record as well as finding of SEBI investigation report that during the year 2005, Mr. Peeyush Agarwal was not a Director of PPIL. It is on records that he had resigned from the Office of Director of PPIL on October 28, 2004.*
- (d) Thus, while we were trading into the shares of PPIL, as well on the date of this transaction and in the investigation period, Mr. Peeyush Agarwal was not associated / director of PPIL.*
- (e) It is hereby pointed that M/s APM Financial Consultants (P) Ltd., also carried out trading of shares of PPIL and the same was duly investigated by SEBI. It is worth nothing that while finalizing the IR, SEBI has not considered M/s APM Financial Consultants (P) Ltd., as one of the suspected entities.*
- (f) Further, in the SCN, there is no basis of any connection has been pointed out of any of our entity / its Directors with M/s Shailja Investments Ltd.,*
- (g) That their case is similar to the case of 'Aditi Dalal', wherein the Hon'ble SAT has already decided the issue of delay in initiation of proceedings.*

27. Pursuant to personal hearing, the Noticees 1, 2, 3, 5 and 6 made additional submissions vide letter dated January 10, 2020, which are identical and summarized hereunder:

- (a) The basis of trading the Noticees as a connected entity is based on wrong facts and bad in law.*
- (b) We draw your kind attention to the fact that there is no definition of “connected entity” in SEBI (PFUTP) Regulations, 2003. However, the same is laid down in SEBI (PIT) Regulations, 1992 and from the perusal of the same, it is clear that Mr. Peeyush Agarwal was not connected to us.*
- (c) Calculation of alleged profit on the basis of weighted average buy price and weighted average sale price is factually wrong and unjustified.*

28. The reply of the Noticee 7 (Shailja Investments Ltd.,) is summarized hereunder:

- (a) It is worth to be noted that for a matter which is now more than 12 years old, an interim order is already pending against us and now without conclusion of the investigation and the disposal of the said pending interim order, an Adjudication SCN has been issued against us.*
- (b) Directions issued pursuant to interim proceedings are already penal in nature and hence the Adjudication proceedings inflict double jeopardy.*
- (c) Initiation of Adjudication proceedings without completion of investigation/inquiry is against the statutory provisions of SEBI Law and also against the well laid principals of natural justice.*
- (d) The matter pertains to the year 2005 and inquiry proceedings started w.r.t the said matter i.e., almost after 11 years and despite of regulation co-operation with your Hon’ble Office, the matter is pending for 23 months now and issuance of SCN for separate proceedings is further deterrent to the principles of natural justice and infringing our Constitutional right of Article 21 wherein “no person shall be deprived of his life”. Thus, there is inordinate delay in initiating the proceedings.*
- (e) In this connection, the Noticee would like to place reliance on the Orders of Hon’ble SAT in the matter of Subhkam Securities Pvt., Ltd., Vs SEBI*

decided on July 15, 2012 (Appeal No. 73 of 2012), Aditi Dalal Vs SEBI decided on November 28, 2011 (Appeal No. 143 of 2011), wherein the Hon'ble SAT observed that proceedings under the SEBI Act require finalization within a reasonable period of time. Delay defeats justice and the very purpose for which the proceedings are initiated.

- (f) Initiation of Adjudication proceedings against us were against the principles of natural justice and are affecting our rights under Constitution of India. The SEBI Act does suffer from such procedural lacunae and your good self being the one exercising such powers should have been careful and taken into consideration the facts and circumstances of the matter and should have acted with a pragmatic approach.*
- (g) We want to place reliance on the following Orders passed by Hon'ble WTM, SEBI in the matter of SSKI Corporate Finance Pvt., Ltd., Emami Financial Consultants Pvt., Ltd., SEBI Capital Markets Ltd, & J M Morgan Stanley Pvt., Ltd., in the scrip of Syndicate Bank.*
- (h) It is pertinent to reiterate that Shailja was a regular dealer in the scrip of PPIL and had traded in the scrip of PPIL not only during the investigation period, but up to the year 2009. The trades carried out by Shailja were a part of ordinary course of business, out of which few trades happened to fall during the investigation period and these have been taken as a basis for to make us a party to the order.*
- (i) It is at the outset submitted that Shailja is wrongly stated to be entity of Mr. Ramesh Kumar Jain. It is herein submitted that Mr. Ramesh Kumar Jain was neither the Director nor shareholder in Shailja.*
- (j) Wrongful connection is drawn on the basis of dealings between the promoters of PPIL and Shailja. In this regard, it is further submitted that the SCN does not impute or make the same allegations against PPIL for the same offences. When PPIL has not been alleged for any offence then there is no basis to impute us for the same, taking into consideration the fact that allegations have been made against us by virtue of an alleged connection between Shailja and PPIL, which has not even been substantiated in the SCN.*
- (k) It is pertinent to note that Shailja is an investment company and it is its business activity to involve in financial dealings. Trades done by Shailja were a part of ordinary course of business and a prudent commercial business decision.*

(l) Thus, the financial dealings of Shailja in the scrip of PPIL have no relevant in the present matter and that Shailja cannot be grouped as a connected entity for the following reasons:

- i. No allegations against PPIL or its Promoters;*
- ii. No connection with the connected entities;*
- iii. It is not clear through the SCN, how exactly how other named entities are connected with PPIL;*
- iv. No allegations of synchronized trades against Shailja.*

(m) We herein reiterate that in regular course we bought 249910 shares through the year 2005, of which merely 169531 shares fell into the so called investigation period. Further, it may also be noted that we sold only a miniscule quantity of 10900 shares during the investigation period. That it is also to be considered that why Shailja which held large quantities of PPIL shares and dealt in the scrip of PPIL through the years 2005 to 2009, will manipulate the scrip for such miniscule quantities of 3-4% and pollute its reputation and risk itself to the bigger legal hazard.

(n) The SCN itself upholds the fact that Shailja executed total 277 trades out of which 165 trades had no impact upon the LTP that is to say that almost 60% of Shailja's trades had no LTP impact. Therefore, the assertion that merely 93 trades of Shailja resulted into price rise is erroneous and unjustified. It is submitted that the trading done by us for sale of 1,42,361 shares was done as per legitimate market transaction and the intent of a seller in normal course is always that securities should be sold at higher price.

(o) Shailja have an unblemished track record of 23 years in securities trading. It was a regular trader in the scrip of PPIL and all trades were up to the mark on accepted market parameters and the gains were purely legitimate.

(p) With regard to the observations of illegitimate gains, we submit that the table of para 14 of SCN which provides for unlawful gains is overtly wrong and biased. Without prejudice to the contention that Shailja was nowhere involved in any manipulative trading, we firstly put forth that the Table has taken sell quantity (D) as 11175 which is erroneous. It is clarified at the onset that only 10900 shares were the quantity sold by Shailja during the investigation period.

(q) We negate the allegations made upon us as we have not traded in the shares of PPIL in fraudulent manner and in fact was carried out using online market mechanism of stock exchange and selling those shares

was our own decision done purely in the nature of a commercial / business transaction.

- (r) *We sold only a miniscule quantity of 10900 shares during the investigation period, which represents merely 5.91% of the market volume. Therefore, had it been its intention to manipulate the scrip of PPIL, it could have done it for large quantities and not for the miniscule quantities as has been alleged by your good self.*
- (s) *With regard to nature of evidence required to sustain the allegations levelled against us, we invite your attention to the Order of the Hon'ble Supreme Court in Bank of India Vs Degala Surya Narayan (AIR 1999 SC 2407),*
29. The replies furnished by the Noticees 4 i.e., Peeyush Agarwal, are summarized hereunder:

- (a) *It is noteworthy that for a matter which is now more than 12 years old, an interim order is already pending against us, without conclusion of the investigation and now without disposal of the said pending Interim Order, an Adjudication SCN is issued against us, is against the principles of natural justice are causing undue prejudice, hardship and agony to us.*
- (b) *That except Kanhai Commodities Pvt Limited (now Omkam Commodities Pvt Limited) in which he is a director and shareholder, Peeyush do not share connection with any of the alleged entities. That Peeyush is a strategic investor and ordinarily make investments in promising ventures (both listed and unlisted) similarly he invested through direct allotment of 4,00,000 shares of PPIL on 24.10.2001. The investment was planned as a long term strategic investment and against such investment he was offered with a non-executive position (Investor Director) on the board of PPIL. As an Investor Director (Non-executive) he served on board of PPIL from 27.09.2001 to 28.10.2004.*
- (c) *That relation between Peeyush and PPIL were not very comfortable and he decided to resign from its Board and resigned as on 28.10.2004. The Investigation Period starts almost 10 months after he resigned from the company. That there has been no off-market transfers by Peeyush to the promoters of PPIL but few shares of PPIL were sold by his group entities through off market transaction to the promoter of PPIL much before investigation period. The said transactions were duly disclosed to the stock exchange.*

- (d) *That Peeyush being director in PPIL as well as off-market sales by to promoter of PPIL by group entities are matters of facts and well disclosed. Further, these facts or past relation with PPIL has no bearing upon present matter at all. Hence, becomes infructuous for the purpose of present case. There is nothing in the entire SCN to show that due to the said relation/association of PPIL, his role in the alleged price manipulation of the scrip of PPIL can be inferred or established.*
- (e) *The connections of Peeyush with other parties, who have been alleged of manipulation in the scrip of PPIL, are drawn on vague presumptions which are impermissible in law. He is a strategic investor/businessman, based in Delhi, and being an active participant into diversified businesses he knows many people in business fraternity, but that doesn't means that he is connected to all of them.*
- (f) *That a very bleak correlation of his has been tried to be drawn with Mr. D.K. Kapur on basis of one of transaction of ₹5,00,000 with one company APM Financial. In this regard it is submitted that the said transaction is not carried by him but by Omkam Commodities as loan. Omkam Commodities is a company in financial sector and is involved in dealing with several clients on regular basis. Establishing a relation to the extent of conniving and carrying out concerted act with other entity, merely because of one off transaction of a very meager amount of ₹ 5,00,000 /- is not only too illusory but also against the well laid principal of legal jurisprudence which mandates the presentation of cogent proofs and evidences.*
- (g) *That Peeyush never had any personal dealing with APM Financial Consultants Pvt Limited in 2005. That on 01.12.2005 Kanhai Commodities Pvt Limited (now Omkam Commodities Pvt Limited) gave loan of ₹ 5,00,000/- to APM Financial Consultants Pvt Limited and such transaction does not pertains to the investigation period. Such an isolate transaction which does not have any relation to the Investigation is an extraneous consideration and could not be used for purpose of deriving connection.*
- (h) *That investment in PPIL was his own decision and he have not acted in association with any of the alleged parties. Peeyush sold the shares invested by him after holding them for 4 years and the decision was taken as per my business prudence. Following are the points which distinguish his case and conduct from others:*

- i. Invested in PPIL shares as strategic investor; made investment during year 2001;
 - ii. Did not buy any single shares of PPIL during Investigation Period; Only sold 3,95,000 shares after holding them for more than 4 year at prevailing market prices;
 - iii. No personal dealings with any alleged party/ies;
 - iv. No observation against for contributing towards positive LTP.
 - v. No structured trades undertaken by him; all his trades are result of market forces;
 - vi. Did not hinder the ordinary and orderly operations of market; all his dealings confirm to the standard acceptable parameters which are well established and recognized in the securities market.
- (i) *It is submitted that except Omkam, I am not related to any of the entities alleged in the SCN. Also, there is nothing on record which depicts any relation between me and the alleged parties.*
- (j) *Bought 4,00,000 shares of PPIL on 24.10.2001 as a strategic investor. That in 2005 the investment into the PPIL scrip was already 4 years old and I was looking for better avenues to invest into. Therefore, I sold my entire holding of 4,00,000 shares between 09.08.2005 and 27.09.2005 (the investigation period starts from 04.07.2005). Out of the said sale transactions, sale of 3,95,000 shares fell under the so called investigation period. The trades took place as per market procedure; I did not create any hindrance into the market procedure neither any such allegation has been observed against me.*
- (k) *My sale is as meagre as 6.8% of the total shares available for trade at BSE and the figure of 13.77% as alleged in the SCN only depicts the half side and deceptive, this is without prejudice to the contention that mere high volume is not sufficient to allege charge of fraud and manipulation and it is pertinent to establish the element of fraud and manipulation in the alleged transactions. All trades were done in open market and the Noticee does not share any connection with any of the alleged parties, except Omkam.*
- (l) *The observation of synchronized trade is erroneous. I place on record that I sold 3,95,000 shares in legitimate market transactions, nonetheless against a large market volume of 28,67,344 shares. It may be noted that I did not have any connection with any of the alleged parties. However, I have been alleged for synchronized trades with a high sighted view. I place on record that during the concerned period total 4311 trades were done in the market representing a volume of 2610636 (as per trade logs),*

that I have only executed 121 trades only, out of which only 33 trades were alleged to be synchronized. I place on record that when I did not share any connection with the alleged entities, how my trades can be said to be synchronized as for any synchronization connection or relation directly attributing to the synchronization should be present.

- (m) With regard to the contents of Para 13 of SCN, I herein humbly submit that the trading done by me for sale of 3,95,000 shares was done as per legitimate market transactions and intent of a seller in normal course is always that securities should be sold at higher price. That it can be observed from my trading pattern that I have placed the price higher from the LTP from my previous order just because I wanted to get as much sale value I could get from sale of such securities. Hence, there is no abnormal behaviour in selling such securities such minute contribution to the LTP due to genuine trades is normal as market will fluctuate as per demand and supply in the market and shall not be considered as manipulative. Alleging a seller of selling the shares at a higher price is against the established principals and very basics of capital market and hence the entire allegation in this respect is erroneous, based upon wrong presumptions and unfounded for.*
- (n) Even assuming but without accepting that there was manipulation in the scrip, I submit that the methodology used in the para 14 of SCN for calculating so called unlawful gains suffers from patent infirmities.*
- (o) With regard to the contents of Para 15 and 16, in light of the submissions made above, I out rightly deny the allegations made in the said paras, that the trades carried out by me was with my own conscience and was a business prudent decision.*
- (p) It is pertinent to note that the intent to carry out such trades was bona-fide as there was change of beneficial ownership when I sold the shares of PPIL and I was not indulged in any sort of fraudulent or manipulative activity to deceive the public*
- (q) Initiation of Adjudication proceedings against me were against the principles of natural justice and are affecting our rights under Constitution of India. The SEBI Act does suffer from such procedural lacunae and your good self being the one exercising such powers should have been careful and taken into consideration the facts and circumstances of the matter and should have acted with a pragmatic approach.*

- (r) *I want to place reliance on the following Orders passed by Hon'ble WTM, SEBI in the matter of SSKI Corporate Finance Pvt., Ltd., Emami Financial Consultants Pvt., Ltd., SEBI Capital Markets Ltd, & J M Morgan Stanley Pvt., Ltd., in the scrip of Syndicate Bank.*
- (s) *With regard to nature of evidence required to sustain the allegations levelled against us, we invite your attention to the Order of the Hon'ble Supreme Court in Bank of India Vs Degala Surya Narayan (AIR 1999 SC 2407),*
30. The reply furnished by the Noticees 8 i.e., Omkam Commodities Pvt., Ltd., is summarized hereunder:
- (a) *It is noteworthy that for a matter which is now more than 12 years old, an interim order is already pending against us, without conclusion of the investigation and now without disposal of the said pending Interim Order, an Adjudication SCN is issued against us, is against the principles of natural justice are causing undue prejudice, hardship and agony to us.*
- (b) *That except Mr. Peeyush Agarwal, who is a Director and Shareholder of our Company, we do not share connection with any of the alleged entities. We are a trading member of commodities derivatives market and ordinarily make investments in promising ventures (both listed and unlisted) similarly he invested through direct allotment of 3,30,000 shares of PPIL on 15.07.2003. Out of which, sale of merely 64,100 shares happened to fall under the investigation period due to which our name has been ascribed to the matter and connection has been drawn on the basis of impermissible analogies which are not even relevant in the matter. It is further important to submit that there has been no off-market transfers by us to the promoters of PPIL, but as also disclosed earlier to your good office, certain shares of PPIL were sold by us and other group entities viz., Omkam Securities P Ltd., Omkam Capital Markets P Ltd., Omkam Global Capital P Ltd., through off-market transactions to the promoter of PPIL much before the investigation period.*
- (c) *The connections of Omkam with other parties, who have been alleged of manipulation in the scrip of PPIL, are drawn on vague presumptions which are impermissible in law. That being a trading member of commodities market and having good clientele, we interact with many people in business fraternity, but that doesn't mean that the Noticee is connected to all of them.*

- (d) *That a very bleak correlation of his has been tried to be drawn with Mr. D.K. Kapur on basis of one of transaction of ₹5,00,000 with one company APM Financial. In this regard it is submitted that the said transaction is carried out by Omkam Commodities as loan on 01.12.2005 and the said amount was given through cheque and the amount was repaid to us on 05.07.2007 through a demand draft.*
- (e) *It is important to note that Omkam Commodities is a company in financial sector and carries out varied transactions. Establishing a relation to the extent of conniving and carrying out concerted act with other entity, merely because of one off transaction out of 100s and 1000s of transactions is not only too illusory but also against the well laid principal of legal jurisprudence which mandates the presentation of cogent proofs and evidences.*
- (f) *Further, it is also significant to note that the above transaction does not falls under the investigation period i.e. 04/07/2005 to 13/09/2005. Such an isolate transaction which does not have any relation to the Investigation and even fall beyond Investigation Period is an extraneous consideration and could not be used for purpose of deriving connection.*
- (g) *That Investment in PPIL was a strategic decision and Omkam have not acted in association with any of the alleged parties. Omkam had sold only few i.e.64,100 shares of PPIL after holding them for almost 2 years, this sale happen to fall under the so called Investigation Period. The decision to sell shares of PPIL was a commercial decision taken on the basis of our business prudence. following are the points which distinguishes its case and conduct from others:*
- i. Invested in PPIL shares as part of strategic investment; invested through direct allotment of 3,30,000 shares of ` 10 each on 15.07.2013;*
 - ii. Sold only 64,100 shares after holding them for more than 2 years, at prevailing market prices;*
 - iii. No personal dealings with any alleged party/ies;*
 - iv. No observation against for contributing towards positive LTP.*
 - v. No structured trades undertaken by him; all his trades are result of market forces;*
 - vi. Did not hinder the ordinary and orderly operations of market; all his dealings confirm to the standard acceptable parameters which are well established and recognized in the securities market.*

- (h) *It is submitted that except Peeyush Agarwal, we are not related to any of the entities alleged in the SCN. Also, there is nothing on record which depicts any relation between me and the alleged parties.*
- (i) *During the Investigation period the total volume traded in the scrip of PPIL was 57,34,688 and total trades done during said period were 10,312. However, Omkam only sold miniscule fraction of its 2 years old shares i.e. total 64,100 shares between 15.07.2005 to 12.09.2005, this sale happened to fall under the Investigation Period. That its sale is as meagre as 1.11% of the total market volume at BSE during such period.*
- (j) *That there is no observation of synchronized trades; all the trades were done as per the market procedure.*
- (k) *The allegation of creating artificial volume although made very firmly in the order is vague on facts as nothing material has placed in the order suggesting how Omkam created artificial volume. That considering the implicit difficulty created by this order and in absence of factual information (as the matter is more than 10 years old), it is submitted that Omkam sold only 64,100 shares i.e. merely 1.1% of the total market volume and Omkam did not share any connection with any of the alleged parties. Therefore, how miniscule % of its trades of the total market volume can create artificial market volume or even have an impact upon the market volume.*
- (l) *With regard to the contents of Para 13 of SCN, I herein humbly submit that the trading done by me for sale of 64,100 shares was done as per legitimate market transactions and intent of a seller in normal course is always that securities should be sold at higher price. That there were only four trades which contributed only ` 0.70 and such minute contribution to the LTP due to genuine trades is normal as market will fluctuate as per demand and supply in the market and shall not be considered as manipulative. Allying a seller of selling the shares at a higher price is against the established principals and very basics of capital market and hence the entire allegation in this respect is erroneous, based upon wrong presumptions and unfounded for.*
- (m) *Even assuming but without accepting that there was manipulation in the scrip, I submit that the methodology used in the para 14 of SCN for calculating so called unlawful gains suffers from patent infirmities.*
- (n) *With regard to the contents of Para 15 and 16, in light of the submissions made above, we out rightly deny the allegations made in the said paras, that the trades done by us was for the purpose of investment only through legitimate market channel.*

- (o) *It is pertinent to note that the intent to carry out such trades was bona-fide as there was change of beneficial ownership when I sold the shares of PPIL and we were not indulged in any sort of fraudulent or manipulative activity to deceive the public*
- (p) *Initiation of Adjudication proceedings against me were against the principles of natural justice and are affecting our rights under Constitution of India. The SEBI Act does suffer from such procedural lacunae and your good self being the one exercising such powers should have been careful and taken into consideration the facts and circumstances of the matter and should have acted with a pragmatic approach.*
- (q) *I want to place reliance on the following Orders passed by Hon'ble WTM, SEBI in the matter of SSKI Corporate Finance Pvt., Ltd., Emami Financial Consultants Pvt., Ltd., SEBI Capital Markets Ltd, & J M Morgan Stanley Pvt., Ltd., in the scrip of Syndicate Bank.*
- (r) *With regard to nature of evidence required to sustain the allegations levelled against us, we invite your attention to the Order of the Hon'ble Supreme Court in Bank of India Vs Degala Surya Narayan (AIR 1999 SC 2407),*

CONSIDERATION OF ISSUES AND FINDINGS

31. 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 Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003?***
- II. Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?***
- III. If so, what quantum of monetary penalty should be imposed on the Noticees?***

FINDINGS

32. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder.

ISSUE I: Whether the Noticees have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003?

33. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI (PFUTP Regulations), 2003 which reads as under:

Regulation 3 of SEBI (PFUTP) Regulations: - 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 of SEBI (PFUTP) Regulations: - 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;

34. Before I go into the merits of the case, I would like to first deal with the contentions raised by the Noticees regarding the delay in initiation of the instant Adjudication proceedings and the multiple enforcement actions resulting in double jeopardy, for the same cause of violations.

35. The Noticees in their submissions stated that there is a great delay in issuance of SCN for the alleged violations which is not explained and has caused great prejudice to them. I note that as all the documents and records relied upon have been provided to Noticees and also sufficient opportunities to defend their charges were also provided in accordance with provisions of law and therefore I am of the view the no prejudice has been caused to them. In this connection, I deem it appropriate to refer to the observations made by Hon'ble SAT in the matter of Vaman Madhav Apte & Ors. Vs. SEBI vide Order dated March 04, 2016, which reads as follows

“Argument of the appellants that the proceedings initiated against the appellants suffer from gross delay and laches and, therefore, the impugned order is liable to be quashed and set aside is without any merit, because firstly, neither the SEBI Act nor the regulations framed thereunder prescribe any time limit for initiating proceedings against the persons who have violated

the securities laws. Secondly, neither the SEBI Act nor the regulations framed thereunder provide that if there is delay in initiating proceedings, no action can be taken against the person who has committed violations of the securities laws.”

36. It is no doubt true that no period of limitation is prescribed in the Act or the Regulations for issuance of a show cause notice or for completion of the Adjudication Proceedings. The Hon'ble Supreme Court in *Government of India vs, Citedal Fine Pharmaceuticals, Madras and Others*, [AIR (1989) SC 1771] held that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period. What would be the reasonable period would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case. This proposition of law has been consistently reiterated by the Hon'ble Supreme Court in *Bhavnagar University v.Palitana Sugar Mill* (2004) Vol.12 SCC 670, *State of Punjab vs. Bhatinda District Coop. Milk P. Union Ltd* (2007) Vol.11 SCC 363 and *Joint Collector Ranga Reddy Dist. & Anr. vs. D. Narsing Rao & Ors.* (2015) Vol. 3 SCC 695. The Hon'ble Supreme Court recently in the case of *Adjudicating Officer, SEBI vs. Bhavesh Pabari* (2019) SCC Online SC 294 held:

“There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc.”

37. In *Ravi Mohan & Ors. v. SEBI* and other connected appeals (decided on August 27, 2013), the Hon'ble SAT while referring to its own decision in *HB Stockholdings Ltd. v. SEBI* (supra) and decision of Hon'ble Supreme Court

in Collector of Central Excise, New Delhi v. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C.), held as under:

“.... Based on decision of this Tribunal in case of HB Stockholdings Ltd. vs. SEBI (Appeal no. 114 of 2012 decided on 27.08.2013) it is contended on behalf of the appellants that in view of the delay of more than 8 years in issuing the show cause notice, the impugned order is liable to be quashed and set aside. There is no merit in this contention, because, this Tribunal while setting aside the decision of SEBI on merits has clearly held in para 20 of the order, that delay itself may not be fatal in each and every case. Moreover, the Apex Court in case of Collector of Central Excise, New Delhi vs. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C) has held that if there no statutory bar for adjudicating the matter beyond a particular date, the Tribunal cannot set aside the adjudication order merely on the ground that the adjudication order is passed after a lapse of several years from the date of issuing notice....”

38. The ratio laid down by Hon'ble SAT in the aforesaid case, was upheld and reiterated by it, in its order in the matter of Kunal Pradip Savla & Ors v. SEBI (Appeal no. 231 of 2017) decided on April 13, 2018. The aforesaid legal position apart, I find that there is no delay in this case.
39. In the light of the facts of cases, aforesaid observations of the Hon'ble Supreme Court and Hon'ble SAT, I conclude that delay in issuance of SCN to the Noticees was not unreasonable and did not cause any prejudice to them when sufficient time and opportunities were given to them to file replies to SCN and hearing notices in terms of defending the alleged charges.
40. The Noticees in their submissions stated that they are subjected to multiple enforcement actions under Section 11 (1), 11 (4) & 11 B of SEBI Act besides

the instant Adjudication proceedings for the same cause of alleged violations. Therefore, the Noticee contended that the instant proceedings be quashed, as it would amount to double jeopardy.

41. In this connection, I draw reference to the Order of the Hon'ble Supreme Court in *Shriram Mutual Fund & Anr. {Appeal (civil) 9523-9524 of 2003}*, which held that Adjudication proceedings under SEBI Act are civil proceedings. I also deem it appropriate 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.

42. Therefore, in light of the above, the principle of double jeopardy does not apply to the present proceedings, as the proceedings under Chapter VIA of SEBI Act and Chapter IV of SEBI Act are independent and accordingly I find no merit in the argument put forth by the Noticees

43. Considering that directions issued under Section 11B of SEBI Act and Adjudication proceedings are independent and separate as mentioned in above paras, I see no reason to keep the instant proceedings in abeyance. Accordingly, I am proceeding to dispose of the matter on merits.
44. Now, I would like to deal with the allegation levelled against the Noticees that they were connected to each other. In this connection, I note that the connection among the entities is established based on various factors viz., KYC documents, banking transactions, off-market transfer of shares, common mobile number, common email ID etc.,
45. With regard to the connection between DPK, Caps, AJC, Shivam and Supreme among themselves, it is noted from their submission that they have not disputed their aforesaid connection with Mr. D.K. Kapur. Further, during the course of hearing, Mr. D.K. Kapur had appeared on behalf of DPK, Caps, AJC, Shivam and Supreme and stated that DPK, Caps, AJC, Shivam and Supreme are his entities. Further, DPK, Caps, AJC, Shivam and Supreme had not denied rather accepted that Mr. D.K. Kapur was director of APM Financial Consultants P. Ltd (hereinafter referred to as "APM"). Thus, I am of the view that DPK, Caps, AJC, Shivam and Supreme are connected with each other and they are also connected to APM.
46. With regard to the connection of Peeyush Agarwal and Omkam, it is noted that Peeyush Agarwal is the director of Omkam and the same was accepted by it. Further, Peeyush had accepted that he was non-executive director in PPIL from September 27, 2001 to October 28, 2004. Thus, I am of the view that Peeyush and Omkam are connected with each other and Peeyush, Omkam and PPIL are connected with each other.
47. From the document available on records, I find that the allegation of connection between Peeyush and Mr. D.K. Kapur was on the basis of fund

transaction between Omkam and APM which had taken place on December 01, 2005.

48. It is noted that DPK, Caps, AJC, Shivam, Supreme, Peeyush and Omkam had accepted that on December 01, 2005, Omkam gave loan of ₹ 5,00,000/- to APM and same was repaid by APM to Omkam on July 05, 2007. It is also noted that the investigation period was from July 04, 2005 to September 13, 2005. Thus, I find that the said fund transaction between Omkam and APM has indeed taken place post investigation period.
49. Further, I find that there are no documents / evidence available on record which suggest that DPK, Caps, AJC, Shivam, Supreme, Peeyush and Omkam are connected with each other during the investigation period i.e. during July 04, 2005 to September 13, 2005.
50. Thus, from the above, I am of the view that there is no doubt that DPK, Caps, AJC, Shivam, Supreme, Peeyush and Omkam are connected with each other post investigation period i.e. from December 01, 2005. However, in the absence of any documentary evidence, I am of the view that DPK, Caps, AJC, Shivam, Supreme, Peeyush and Omkam are not connected with each other during the investigation period (i.e. during July 04, 2005 to September 13, 2005) when the alleged manipulation of price and volume in the scrip of PPIL had happened.
51. With respect to the connection of Shailja, the SCN alleged that Shailja is an entity of Mr. Ramesh Kumar Jain and had financial dealings with Promoters of PPIL in July 2005. Mr. Ramesh Kumar Jain was a director of PPIL during 1990 to 2002. Hence, Shailja is connected with PPIL. Further, as Peeyush and PPIL are connected with each other, thereby Shailja is connected with Peeyush.

52. In this regard, Shailja submitted that, it is neither an entity of Mr. Ramesh Kumar nor he was / is the director or promoter or shareholder of Shailja. Shailja further submitted that it had no association with promoters of PPIL or with PPIL. Shailja also submitted that the SCN neither alleged PPIL nor promoters of PPIL for any manipulation of price and volume.
53. From the documents available on record, I find that SEBI's allegation of connection between Shailja and PPIL was on the basis of letter dated March 22, 2011 submitted by Mr. Anil Agarwal, director of PPIL, which state that M/s A.V. Enterprises, a partnership firm of Polar group has fund transaction of ₹ 5,00,000/- with Shailja, a Mr. R.K. Jain entity. However, I note that no third party verifiable document such as bank statement of either M/s A.V. Enterprises or Shailja is available on record to justify the said financial dealings between Shailja and promoters of PPIL. Hence, in the absence of bank statement or any other document which justify fund transaction between Shailja and promoters of PPIL and Shailja's submission that it is not an entity of Mr. Ramesh Kumar Jain, I am of the view that Shailja and PPIL are not connected with each other, thereby Shailja is not connected with Peeyush and other Noticees.
54. Thus, from the above findings, I conclude that the Noticees 1, 2, 3, 5 and 6 are connected to each other. The Noticees 4 & 8 are connected to each other. However, Noticees 4 & 8 are not connected with Noticees 1, 2, 3, 5, 6 and 8. The Noticee 8 is not connected to any other Noticees. Now, it is established that the during the investigation period all 8 Noticees are no connected to each other.
55. I note that during the investigation period, the Noticees have traded in the scrip of PPIL. At BSE, during the investigation total traded volume in the scrip

of PPIL was 28,67,344 shares. The details of trades carried out by the Noticees during the investigation period are as under:

Name of Entity	Gross Buy Qty.	Gross buy qty. as % of mkt.	Gross Sell Qty.	Gross sell qty. as % of mkt.	Net buy (sell) qty.
AJC	1,92,729	6.72	1,22,839	4.28	69,890
Caps	2,86,978	10.01	2,04,447	7.13	82,531
Shivam	2,33,330	8.13	1,04,295	3.63	1,29,035
Supreme	1,77,873	6.21	91,848	3.2	86,025
DPK	2,38,849	8.33	1,75,425	6.12	63,424
Peeyush	0	0	3,95,000	13.78	-3,95,000
Omkam	0	0	64,100	2.24	-64,100
Shailja	1,42,361	4.96	11,000	0.38	1,31,361
Total	1,272,120	44.37	1,168,954	40.77	103,166

56. I note that out of the total buying of 12,72,120 shares by connected entities, 8,45,844 shares were between the connected entities (i.e., 66.49%). Similarly, selling by connected entities was 11,68,954 shares and out of which 8,45,844 shares were between the connected entities i.e. 72.35%. The total trading by the connected entities among themselves was 29.49% of the market volume during the investigation period.

57. Now, I would like to deal with the allegations of artificial volume and price manipulation levelled against the Noticees and record my findings hereunder.

Findings on creation of artificial volume through synchronized trades

58. I note that the charge of creation of artificial volume through synchronized trades was levelled against the Noticees 1 to 6 in the SCN. In this context, I would like to examine the trades of the Noticees 1 to 6 to ascertain whether such trades had created artificial volume through synchronized trades.

59. 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 close proximity of time. Synchronized trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange.

60. As per the SCN, the summary of synchronized transaction carried out by the Noticees 1 to 6 are reproduced hereunder:

Market Volume	Gross Buy Quantity of connected entities	Gross Sell Quantity of connected entities	Total traded quantity among the connected entities	Synchronized traded quantity by connected entities	Synchronized Trades as % of total traded quantity among the connected entities	Synchronized Trades as % of Total market volume	Sum of LTP contribution through Synchronized Trades	Sum of NHP cont. at Synchronized trades
2,867,344	1,272,120	1,168,954	845,844	244,450	28.90	8.52	-4.75	-

61. From the above table, I note that the Noticees 1 to 6 have executed among themselves synchronized trades for 2,44,450 shares (8.52% of the market volume) during the investigation period. Total synchronized trading volume was 3,23,057 out of which the connected entities contributed to 75.66%. Further, synchronized trading volume among the connected entities as % of total traded quantity among the connected entities was 28.90%.

62. The details of synchronized trades executed between the Notices 1 to 6 are tabulated below:

Seller→ Buyer↓	AJC Securities & Fin. P. Ltd	Caps Finstock Services P. Ltd.	DPK Stocks and Securities	Peeyush Agarwal	Supreme Lease Finvest P. Ltd	Total as buyer
(No. of trades) (No of days), (Sync Qty.), (% of Sync. Vol. to Mkt. Vol.)						
AJC Securities & Fin. P. Ltd	(0), (0), 0, (0)	(0), (0), 0, (0)	(2), (1) 10000 (0.35%)	(1), (1), 5000 (0.17%)	(1), (1), 400 (0.01%)	(4), (3) 15400 (0.54%)
Caps Finstock Services P. Ltd.	(1), (1), 350, (0.01%)	(1), (1) 890, (0.03%)	(6), (4) 20500, (0.71%),	(8), (3), 40000 (1.40%) ,	(0), (0), 0, (0),	(16), (8) 61740 (2.15%)

Seller→ Buyer↓	AJC Securities & Fin. P. Ltd	Caps Finstock Services P. Ltd.	DPK Stocks and Securities	Peeyush Agarwal	Supreme Lease Finvest P. Ltd	Total as buyer
DPK Stocks and Securities	(0), (0), 0, (0)	(4), (1, 17500, 0.61%)	(0), (0), 0, (0)	(16), (5) 94900, (3.31%)	(0), (0), 0, (0)	(20), (6), 112400 (3.92%)
Shivam Investments	(0), (0), 0, (0)	(6), (2) 15000, (0.52%)	(0), (0), 0, (0)	(8), (3) 40000 (1.40%)	(0), (0), 0, (0)	(19), (5) 55000 (2.12%)
Total as Seller	(1), (1), 350, (0.01%)	(11), (4), 33390, (1.16%)	(8), (5), 30500, (1.06%)	(33), (8) 179900, (6.27%)	(1), (1) 400, (0.01%)	(59), (24), 244540, (8.52%)

63. I note from the above table that the Noticees 1 to 6 as a group had traded in synchronized manner among themselves for 24 days and such synchronized trading was observed in 59 trades for 2,44,540 shares, which is 8.52% of the total market volume.

64. For the purpose of understanding, five synchronized trades executed between the Noticees 1 and 4 viz., DPK Stocks and Securities and Peeyush Agarwal on August 12, 2005, are given below:

Buyer Name	Seller Name	Trade ID	Trade Time	Buy Order Time	Sell Order Time	Trade Price	Buy Order Price	Sell Order Price	Trade Qty	Sell Order Qty	Buy Order Qty	Time Diff.	Price Diff	Qty Diff
DPK Stocks and Securities	Peeyush Agarwal	135	11:45:36	11:45:36 AM	11:45:29 AM	47	47	47	5000	5000	5000	0:00:07	0	0
		136	11:45:47	11:45:46 AM	11:45:45 AM	47	47	47	5000	5000	5000	0:00:01	0	0
		137	11:46:04	11:45:58 AM	11:46:03 AM	47	47	47	5000	5000	5000	0:00:05	0	0
		138	11:46:27	11:46:20 AM	11:46:27 AM	47.05	47.05	47.05	5000	5000	5000	0:00:07	0	0
		173	13:15:33	1:15:31 PM	1:15:33 PM	47.05	47.05	47.05	5000	5000	5000	0:00:02	0	0

12. I note from the above table that the buy order price and quantity are same as sell order price and quantity and the difference between time of placing the buy order and sell order were within 60 seconds. 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. The consistent pattern of placement of Orders clearly indicates meeting of minds. The fact of synchronization of trades among the Noticees 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 and clearly indicates the meeting of minds. I also note that no unknown person can trade continuously with same set of persons by putting orders in such pattern contributing significantly to total volume in the market.

65. 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.”*

66. 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.”

67. I note that in the screen based trading, the manipulative or fraudulent intent can be inferred from various factors such as conduct of the party, pattern of

transactions, etc., In this context, I deem it appropriate to refer to the Hon'ble SAT Order dated July 14, 2006, in the case of Ketan Parekh vs. SEBI (Appeal no. 2/2004), wherein, Hon'ble SAT has observed that:

"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."

68. Further, I would like to rely on the judgement of 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, wherein the Apex Court upheld that *"the entities were engaged in a fraudulent and unfair trade practice while dealing in Options and hence were liable for violation of SEBI (PFUTP) Regulations"*. The Hon'ble Apex Court has also observed that in the absence of direct proof of meeting of minds, the test should be one of preponderance of probability and also stated that the conclusion has to be gathered various circumstances like volume of trade, period of persistence of trading, particulars of buy and sell orders, proximity of time between the two and such other relevant factors.

69. In this regard, I would like to rely on the judgement of 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, where Apex Court stated at Para 35 and Para 41 of that said Order that *"The platform of the stock exchange has been used for a non-genuine trade. Trading is always with the aim to make profits. But if one party consistently makes loss and that too in*

pre-planned and rapid reverse trades, it is not genuine; it is an unfair trade practice". "The stock market is not a platform for any fraudulent or unfair trade practice. The field is open to all the investors. By synchronization and rapid reverse trade, as has been carried out by the traders in the instant case, the price discovery system itself is affected. Except the parties who have pre-fixed the price nobody is in the position to participate in the trade. It also has an adverse impact on the fairness, integrity and transparency of the stock market."

70. In line with the aforesaid judgements of Hon'ble SAT and Hon'ble Supreme Court, I note from the foregoing findings that the trading pattern of the Noticee 4 in terms of volume of synchronized trades which are matched in terms of quantity, time and price, evidences the indulgence of the Noticee beyond a reasonable doubt of the manipulative intent in creation of artificial volume along with other Noticees viz., 1, 2, 3, 5 and 6.
71. With regard to synchronized trading by other Noticees viz, 1, 2, 3, 5 and 6, the Noticees contended that there is difference in quantity of order placed and trade executed on the relevant day i.e. the quantity of order placed was much higher than the traded quantity, hence no adverse inference of synchronization be drawn. However, I do not find merit in their contention in view of the following few observations of synchronized trades executed among themselves, which are illustrated hereunder:
- *Supreme on 12.09.2005, on sell side had placed an order quantity of 22,500 shares, traded quantity was 20,500 shares and synchronized trade was for 400 shares.*
 - *AJC on 23.08.2005, on buy side had placed an order quantity of 16,000 shares, traded quantity was 13,000 shares and synchronized trade was for 5000 shares. AJC on 09.09.2005, on sell side had placed an order quantity of 62,172 shares, traded quantity was 19,315 shares and synchronized trade was for 350 shares.*

- Caps on 29.08.2005, on buy side had placed an order quantity of 16,000 shares, traded quantity was 16,000 shares and synchronized trade was for 15,000 shares. Caps on 26.08.2005, on sell side had placed an order quantity of 19,000 shares, traded quantity was 15,000 shares and synchronized trade was for 10,000 shares.
- Shivam on 26.08.2005, on buy side had placed an order quantity of 15,000 shares, traded quantity was 14,730 shares and synchronized trade was for 10,000 shares.
- DPK on 12.09.2005, on buy side had placed an order quantity of 47,100 shares, traded quantity was 45,000 shares and synchronized trade was for 17,500 shares. DPK on 26.08.2005, on sell side had placed an order quantity of 15,000 shares, traded quantity was 15,000 shares and synchronized trade was for 10,000 shares.
- On 12.09.2005, Supreme sold 400 shares of PPIL @ Rs. 62.45 to AJC at 14:52:13. The buy order was placed by AJC at 14:52:13 @ ₹ 62.45 for 500 shares and the sell order was placed by Supreme at 14:51:37 @ ₹ 62.45 for 500 shares. The order time difference was 36 seconds.
- On 09.09.2005, AJC sold 350 shares of PPIL @ ₹ 62.25 to Caps at 10:33:06. The buy order was placed by Caps at 10:32:45 @ ₹ 62.45 for 500 shares and the sell order was placed by AJC at 10:33:06 @ ₹ 62.25 for 500 shares. The order time difference was 21 seconds.
- On 29.08.2005, Caps bought 5,000 shares of PPIL @ ₹ 54.75 from DPK at 11:01:36. The buy order was placed by Caps at 11:01:30 @ ₹ 54.75 for 5,000 shares and the sell order was placed by DPK at 11:01:36 @ ₹ 54.75 for 5,000 shares. The order time difference was 6 seconds.
- On 26.08.2005, Shivam bought 3,133 shares of PPIL @ ₹ 55.45 from Caps at 11:54:45. The buy order was placed by Shivam at 11:54:44 @ ₹ 55.45 for 5,000 shares and the sell order was placed by Caps at 11:54:45 @ ₹ 55.45 for 5,000 shares. The order time difference was 1 second.
- On 26.08.2005, DPK sold 5,000 shares of PPIL @ ₹ 56.00 to AJC at 11:17:41. The buy order was placed by AJC at 11:17:41 @ ₹ 56.00 for 5,000 shares and the sell order was placed by DPK at 11:17:06 @ ₹ 56.00 for 5,000 shares. The order time difference was 35 seconds.

72. From the above illustration, it is clearly evident that the Noticees 1, 2,3, 5 and 6 indulged in synchronized trades with a manipulative intention of matching his trades among themselves (*including Noticees 4, as illustrated in para 64 above*) for creating a false appearance of trading in the scrip of PPIL.
73. In view of the foregoing I conclude that the Noticees 1 to 6 by indulging in synchronized trades with a manipulative intent to create artificial volume had violated the provisions of Regulation Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), and (g) of SEBI (PFUTP) Regulations, 2003.

Findings on price manipulation by contributing significant positive LTP

74. It is alleged in the SCN that the all the Noticees indulged in price manipulation by contributing significant positive LTP variation by trading among themselves.
75. I also note that during investigation period price of scrip had increased from ₹ 17.50 on July 04, 2005 to ₹ 65.55 on September 13, 2005, registering thereby an increase of ₹ 48.05/-(i.e. about 274.57%). I note that every trade in the scrip has an impact on the price of the scrip. In the instant case, an increase of around 275% in the price of the scrip itself would cast a shadow of doubt on the genuineness of the increase.
76. In order to analyse whether the Noticees had indulged in price manipulation, LTP analysis were carried out in respect of the trades executed by the Noticees, on the buy side for the entire investigation period, the details of which are tabulated hereunder:

Name	All Trades			Trades above LTP			Trades below LTP			Trades at LTP		% of positive LTP to Total market positive LTP
	Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Shailja Investments Ltd.	28.2	142,361	277	36.65	42,054	93	-8.45	8,934	18	91,373	165	7.71
Caps Finstock Services P. Ltd.	3.95	286,978	368	35.15	64,275	84	-31.2	61,804	121	160,899	163	7.40
Ajc Securities & Fin. P. Ltd	11.7	192,729	232	25.15	64,187	73	-13.45	29,156	66	99,386	94	5.29
Supreme Lease Finvest P. Ltd	10.25	177,873	255	24.2	65,715	70	13.95	11,937	58	100,221	127	5.09
DPK Stocks and Securities	11.15	238,849	122	13.05	55,502	32	1.9	55,200	8	128,147	82	2.75
Shivam Investments	-2.95	233,330	128	7.05	56,041	24	-10	43,556	25	133,733	79	1.48
Total of group	62.3	1,272,120	1,382	141.25	347,774	376	-47.25	210,587	296	713,759	710	29.73
Total Market	44.05	2,867,344	5,156	475.05	691,833	1,301	-431	474,092	1,112	1,701,419	2,743	

77. I note that during the entire investigation period, the Noticees 4 and 8 did not buy any share of PPIL. Therefore, LTP analysis on the buy side in respect of these 2 Noticees does not arise. I note from the above table that the Noticees (except 4 and 8) as a group contributed ₹ 141.25 in positive LTP i.e., 29.73% of total positive LTP in the market. Since, the Noticees contributed 29.73% to positive market LTP in 376 trades, these orders were further analysed. The analysis revealed that the Noticees by trading among themselves contributed to a positive LTP of ₹ 28.5 i.e. 5.99% of market positive LTP. The summary of all trades of the Noticees which contributed positive LTP by trading among themselves is given below:

<div>Seller→</div> <div>Buyer↓</div>	AJC Securities & Fin. P. Ltd	Caps Finstock Services P. Ltd.	DPK Stocks and Securities	Kanhai Commodity Intermediaries Pvt. Ltd.	Peeyush Agarwal	Shailja Investments Ltd.	Shivam Investments	Supreme Lease Finvest P. Ltd	Total LTP as buyer (No. of trades)
AJC Securities & Fin. P. Ltd	0.05 (1)	1.3 (6)	0.35 (2)	0.00 (0)	1.65 (7)	0.00 (0)	0.75 (4)	0.05 (1)	4.15 (21)

Seller→ Buyer↓	AJC Securities & Fin. P. Ltd	Caps Finstock Services P. Ltd.	DPK Stocks and Securities	Kanhai Commodity Intermediaries Pvt. Ltd.	Peeyush Agarwal	Shailja Investments Ltd.	Shivam Investments	Supreme Lease Finvest P. Ltd	Total LTP as buyer (No. of trades)
Caps Finstock Services P. Ltd.	3.1 (11)	0.05 (1)	1.65 (4)	0.00 (0)	0.65 (2)	0.10 (1)	0.75 (2)	2.8 (23)	9.1 (44)
DPK Stocks and Securities	0 (0)	1.4 (5)	0 (0)	0.00 (0)	1.05 (4)	0.00 (0)	0 (0)	3.45 (8)	5.9 (17)
Shailja Investments Ltd.	0 (0)	0 (0)	0 (0)	0.15 (2)	0 (0)	0.00 (0)	0 (0)	0 (0)	0.15 (2)
Shivam Investments	0.4 (1)	0.25(1)	0 (0)	0.55 (2)	0.3 (2)	0.00 (0)	0 (0)	0.4 (6)	1.9 (12)
Supreme Lease Finvest P. Ltd	0.85 (5)	4.35(10)	0.3 (2)	0.00 (0)	0.1 (2)	0.00 (0)	1.7 (3)	0 (0)	7.3 (22)
Total LTP as seller (No. of trades)	4.40 (18)	7.35 (23)	2.3 (8)	0.70 (4)	3.75 (17)	0.10 (1)	3.2 (9)	6.7(38)	28.5 (118)

78. I note from the above table that the Noticees by trading among themselves had contributed to ₹ 28.5 of positive LTP in 118 trades. I note from the above table that the contribution of positive LTP by Noticees 1 to 6 are substantial, whereas it is miniscule in respect of Noticees 7 and 8.

79. I have perused the Orders of Hon'ble SAT referred to and relied upon by the Noticees in their defence and find that the same does not find any merit as the facts & circumstances are different from the facts of the current Adjudication proceedings. Further, I note that in the instant case the Noticees made significant contribution of positive LTP by trading among themselves, which is a gross misuses of trading platform.

80. Further, I note that trades at higher than LTP, undoubtedly have a potential of raising the price of the scrip and the same gives a wrong impression about the price of the scrip in the market based on quantities traded. It must not be

forgotten that every trade establishes the price of the scrip and trades executed at higher than LTP results in the price of the scrip going up which may influence the innocent/gullible investors. In cases of market manipulation / non-genuine trades, admittedly, no direct evidence would be forthcoming / available. Manipulative transactions are to be tested on the conduct of parties and abnormality of practices which defy normal logic and laid down procedures. What is needed, is to prove that in a factual matrix, preponderance of probabilities indicates a fraud. In this regard, the observations of Hon'ble Supreme Court of India in SEBI Vs. Kishore R Ajmera et.al. decided on February 23, 2016 wherein the Hon'ble Court while deciding the matter under SEBI Act and PFUTP Regulations where there was no direct evidence forthcoming, observed as follows:

“.....It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion...”

81. I am of the view that besides connection among the entities, the attendant circumstances such as the trading pattern of trading among themselves needs to be seen in order to establish that the Noticees had indulged in price manipulation by the Noticees. In the instant case, in the pre-paragraph, it has

been brought out the contribution of positive LTP by the Noticees by trading among themselves.

82. As regards the findings of LTP analysis, which are discussed above, it is clear that the Noticees have traded at a price far away from LTP and thereby contributed to price rise. The trading pattern of the Noticees in entering buy / sell Orders at prices much higher than the market price among themselves, indicates their manipulative intent to artificially increase the price of the scrip.
83. 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 malafied intention of the appellant."*
84. In view of the above, I conclude that the Noticees while acting in tandem indulged in manipulative manner to increase the price of the PPIL scrip by contributing significantly to positive LTP. Therefore, I conclude that the trading pattern of the Noticees is in violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a) & (e) SEBI (PFUTP) Regulations.

ISSUE II: Does the violation, if any, attract monetary penalty under Section 15HA of SEBI Act.?

85. Pursuant to detailed analysis as brought out above, it is established that the Noticees 1 to 6 had involved in a misleading appearance of trading in the scrip by executing synchronized trades. It is also established that all the Noticees were indulged in price manipulation by contributing significant positive LTP variation by trading among themselves. The trading pattern of the Noticees are not normal transactions and it clearly demonstrates beyond reasonable doubt the Noticees had intentionally executed these trades and manipulated the price by artificial trading pattern, which had misled the investors in taking an informed decision in dealing in the scrip of PPIL. However, in respect of the Noticees 7 and 8 i.e., Omkam and Shailja, since their contribution to the positive LTP is miniscule i.e., ₹ 0.70 and ₹ 0.10 respectively, I am inclined to take a lenient view given the fact that they were not involved in synchronized trades also. Accordingly, I hereby dispose of the SCN issued to them without any penalty. In respect of the Noticees 1 to 6, the charges alleged in the SCN have since been established and found to be violative of the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003, the Noticees 1 to 6 are liable for monetary penalty under Section 15HA of SEBI Act, the contents of which are reproduced hereunder:

Section 15HA 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”.

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

86. While determining the quantum of monetary penalty under Section 15HA of SEBI Act, I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under section 15 - I, 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.*

87. The SCN alleged that combined unlawful gains made by the Noticees from trading in the scrip of PPIL in a manipulative manner was ₹ 2,22,82,044. In this regard, I note that the alleged violations against Noticees 7 and 8 have been dropped, in view of their miniscule contribution to positive LTP.
88. I am of the view that the gains made by the Noticees 1 to 6 while trading in the scrip of PPIL during the investigation period through their manipulative trades as established above are unlawful gains. The wrongful gains made by the Noticees 1 to 6 are tabulated hereunder:

Name of Entity	Buy quantity	Weighted Average buy price (₹)	Sell quantity	Weighted Average sell price (₹)	Remaining or excess shares	calculations	Gains made in crores
A.	B.	C.	D.	E.	F.	G.	H.
DPK Stocks and Securities	238,849	53.12	175,425	57.19	63,424	$[(D * E) + (F * 61.55)] - B * C$	0.12
Caps Finstock Services P. Ltd.	286,978	57.51	204,447	58.79	82,531	$[(D * E) + (F * 61.55)] - B * C$	0.06
AJC Securities & Fin. P. Ltd.	192,729	57.85	122,839	59.23	69,890	$[(D * E) + (F * 61.55)] - B * C$	0.04
Shivam Investments	233,330	51.54	104,295	55.82	129,035	$[(D * E) + (F * 61.55)] - B * C$	0.17
Supreme Lease Finvest P. Ltd	177,873	59.22	91,848	58.70	86,025	$[(D * E) + (F * 61.55)] - B * C$	0.02
Peeyush Agarwal	0	0.00	395,000	50.90	395,000	$(D * E) - [(B * C) + F * 17.5]$	1.32
Total							1.73

89. From the above table, I note that the Noticees 1 to 6 by (a) indulging in creation of artificial volume through significant quantity of synchronized trade and (b) price manipulation by contributing significant positive LTP variation thereby taking advantage of price movement, have made wrongful gains of ₹ 1.73 crore.

90. In this connection, I take note of the submissions made by the Noticees 1 to 6 that Hon'ble WTM, SEBI vide Interim Order dated February 2, 2016 issued directions for disgorgement of unlawful gains along with interest, which is followed by the Final Order dated January 15, 2020, Hon'ble WTM, SEBI, in respect of Noticees 1, 2, 3, 5 and 6. In view thereof, I consider it appropriate to consider the same as relevant factor while deciding the quantum of penalty in respect of these Noticees. The kind of fraudulent trade practices adopted by the Noticees 1 to 6 seriously affects the normal price discovery mechanism in the securities market and creates misleading appearance of trading in the scrip. 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. Accordingly, I deem it appropriate to impose such penalty against the Noticees 1 to 6 in proportion to the actual unlawful gains made by them as mentioned above, which acts as a deterrent to the Noticees and others indulging in such fraudulent trade practices.

ORDER

91. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, 1995, I hereby impose the following penalties on the Noticees under Section 15HA of the SEBI Act, 1992 for violation of the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4(2) (a), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations.

Noticee No.	Name of the Noticee	Penalty amount in ₹ and words
1	DPK Stock and Securities	₹ 10,00,000/- (Rupees Ten lakhs only)
2	Shivam Investments	₹ 5,00,000/- (Rupees Five lakhs only)
3	Caps Finstock Services Pvt., Ltd.,	₹ 5,00,000/- (Rupees Five lakhs only)
4	Peeyush Agarwal	₹ 20,00,000/- (Rupees Twenty lakhs only)
5	AJC Securities & Finance Pvt., Ltd.,	₹ 5,00,000/- (Rupees Five lakhs only)
6	Supreme Lease Finvest Pvt., Ltd.,	₹ 5,00,000/- (Rupees Five lakhs only)

92. 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.

93. 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 favor of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

94. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-IV, 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

95. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.
96. In terms of Rule 6 of the SEBI Adjudication Rules, copies of this order are sent to the Noticees and also to SEBI.

Date: January 30, 2020

Place: Mumbai

B J DILIP

Adjudicating Officer